

# 2014 Results

**A Very Good Year:  
Over-Delivering on Our  
Business Plan**

**A Strong Bank,  
Delivering Growth**

February 10, 2015

INTESA  SANPAOLO

## FY2014: A Very Good Year, Over-Delivering on Our Business Plan (1/2)

**~€1.7bn Net income<sup>(1)</sup>, up 39%<sup>(2)</sup>**

**€1.2bn cash dividend**

**Common Equity<sup>(3)</sup> ratio at 13.3%**

**Core revenues<sup>(4)</sup> up 7% (Total revenues up 4%)**

**Pre-tax income up 37%**

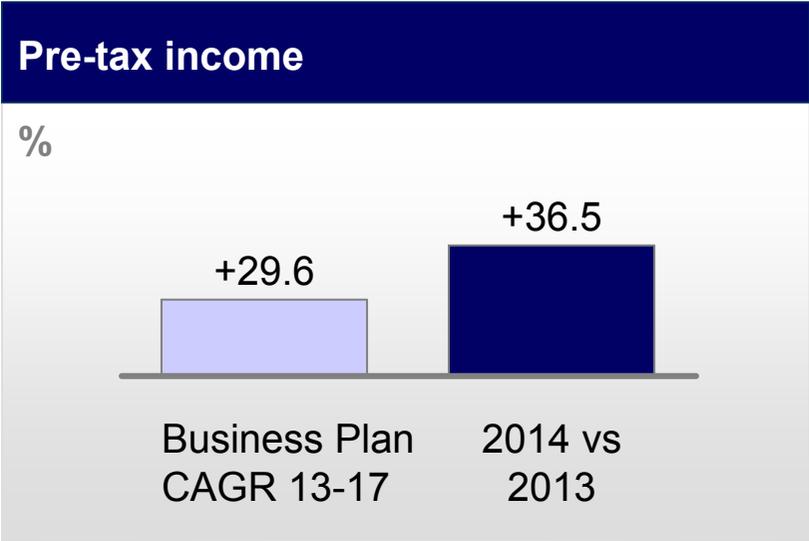
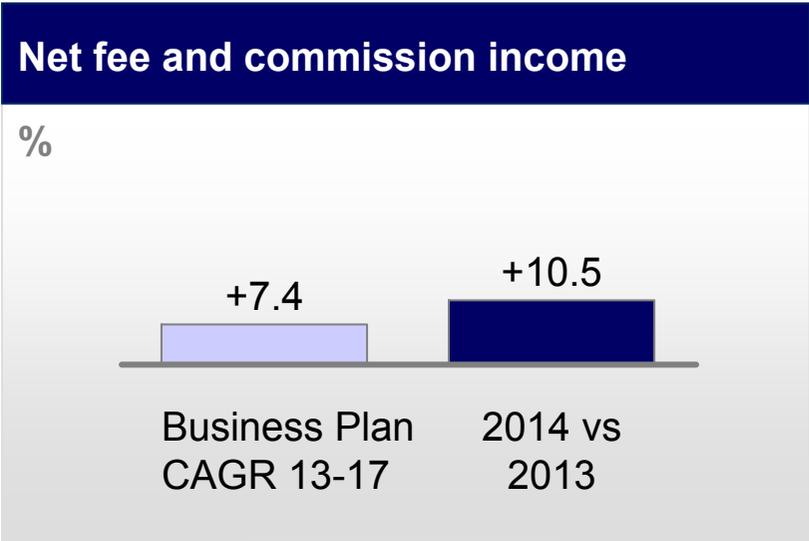
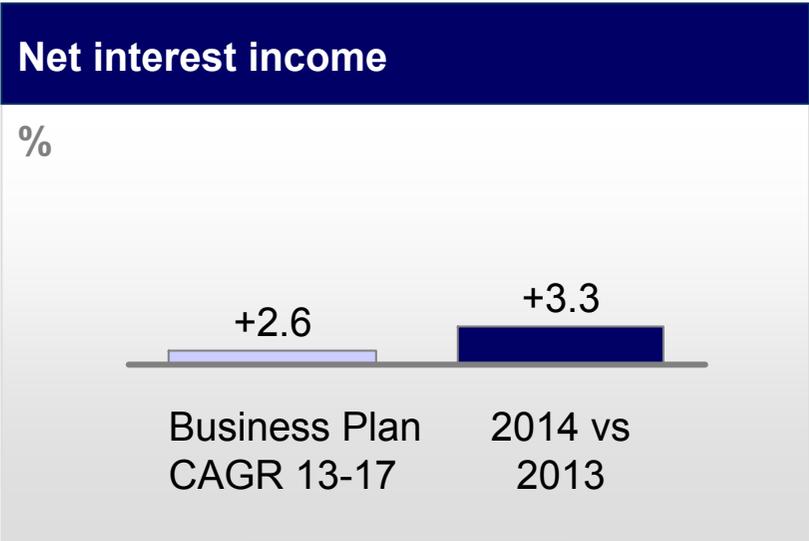
(1) Net income excluding €439m one-off impact of the higher tax rate on the gain from Bank of Italy stake, gain booked in 4Q13

(2) Calculated comparing 2014 Net income excluding one-off tax charge with 2013 Net income pre impairment on goodwill and intangibles

(3) Pro-forma fully loaded Basel 3 (31.12.14 financial statements considering the total absorption of DTA related to goodwill realignment and the expected absorption of DTA on losses carried forward); including estimated benefits from the Danish Compromise (9bps); after dividends

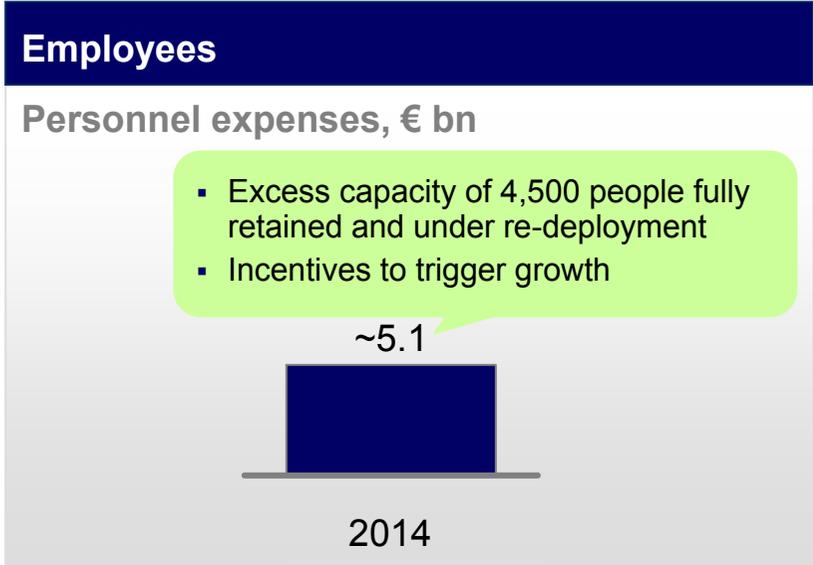
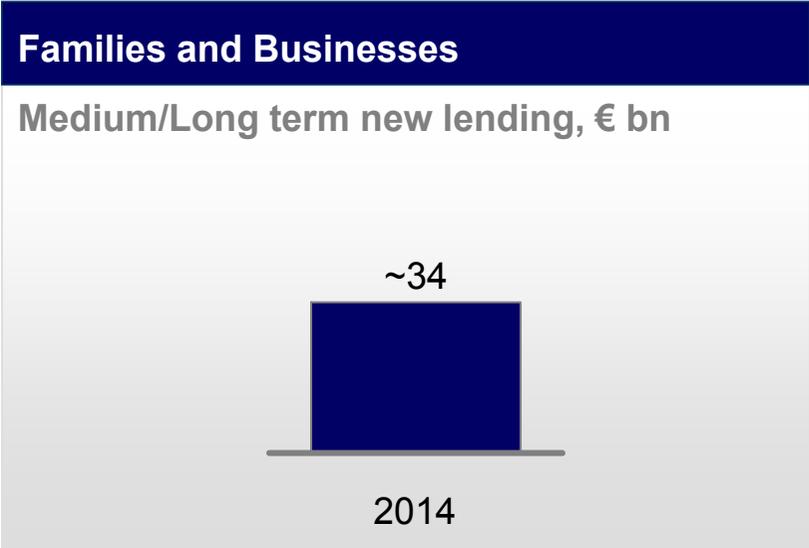
(4) Operating Income excluding Profits on trading

# FY2014: A Very Good Year, Over-Delivering on Our Business Plan (2/2)



(1) Operating Income excluding Profits on trading

# All Stakeholders Benefiting From Over-Delivery on Our Business Plan



(1) Direct and indirect

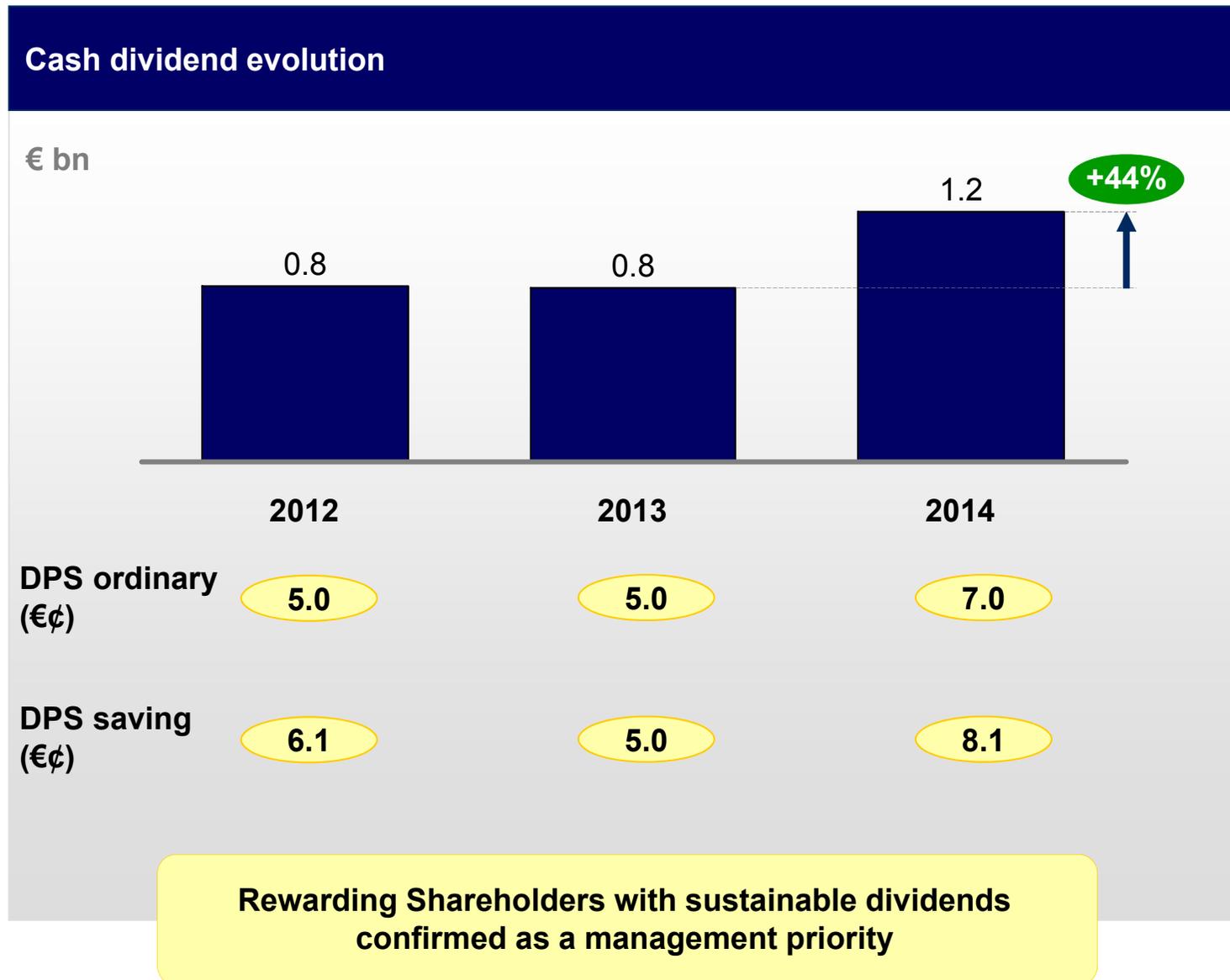
# FY2014: Key Highlights

- **€1.2bn cash dividend (+44% vs 2013)** 
- **Strong economic performance and high quality earnings:**
  - **€1,690m Net income** excluding the one-off impact of the higher tax rate on the gain from Bank of Italy stake<sup>(1)</sup> (+39% vs YE13 Net income pre goodwill/intangibles impairment) 
  - **Stated Net income at €1,251m** 
  - **Pre-tax income at €3,435m (+37% vs YE13)** 
  - **Increase in Operating income (+4% vs YE13)** thanks to **Net interest income growth (+3% vs YE13)** and **double-digit increase in Net fees and commissions (+10% vs YE13)**, driven by all-time high growth in **Assets under Management (+€43bn vs YE13)** 
  - **Increase in Operating margin (+5% vs YE13)** with **C/I down to 50.6% (-0.5pp vs YE13)** 
  - **Downward trend in loan loss provisions (-36% vs YE13)** coupled with improved **NPL inflow and NPL loans coverage** 
- **Best-in-class capital position and leverage** with a solid balance sheet, confirmed by the **Comprehensive Assessment:**
  - **Low leverage ratio (7.1%)** and high capital base (pro-forma fully loaded **Common Equity ratio at 13.3%<sup>(2)</sup>**) 
  - **Strong liquidity position and funding capability** with **LCR and NSFR well above 100%** 

(1) Gain booked in 4Q13

(2) Pro-forma fully loaded Basel 3 (31.12.14 financial statements considering the total absorption of DTA related to goodwill realignment and the expected absorption of DTA on losses carried forward); including estimated benefits from the Danish Compromise (9bps); after dividends

# €1.2bn Cash Dividend



# Contents

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## **FY2014: strong economic performance**

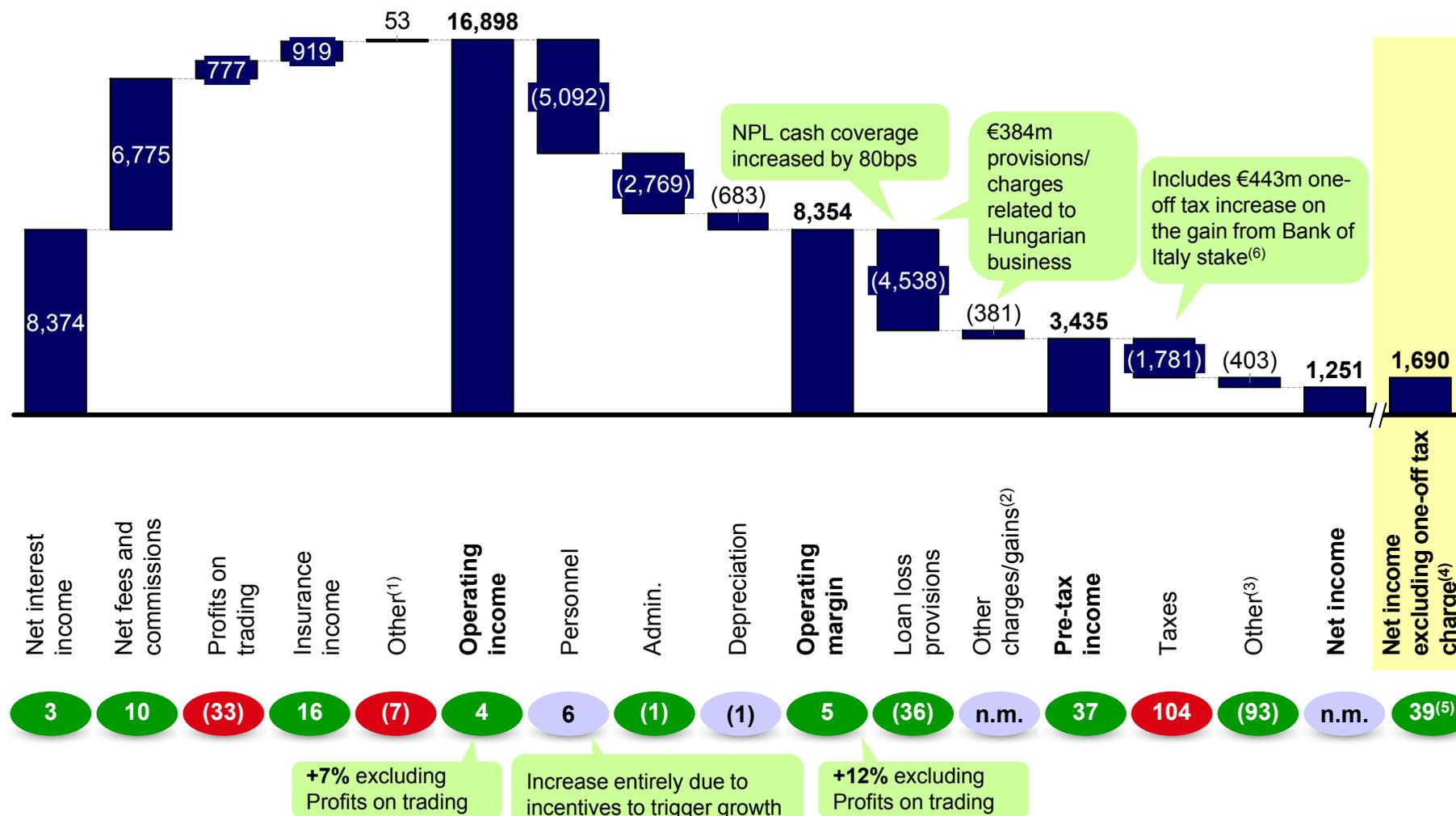
Best-in-class capital position and leverage with a solid balance sheet further strengthened

Over-delivering on our Business Plan

# High Quality Earnings Delivered in 2014...

2014 P&L  
€ m

% Δ vs 2013



(1) Dividends and other operating income (expenses)

(2) Net impairment losses on assets, Profits (Losses) on HTM and on other investments, Provisions for risks and charges

(3) Income (Loss) after tax from discontinued operations, Minority interests, Intangible amortization (after tax), Charges for integration and personnel exit incentives (after tax)

(4) Net income excluding the tax rate increase from 12% to 26% on the gain from Bank of Italy stake booked in 4Q13. Net of minorities

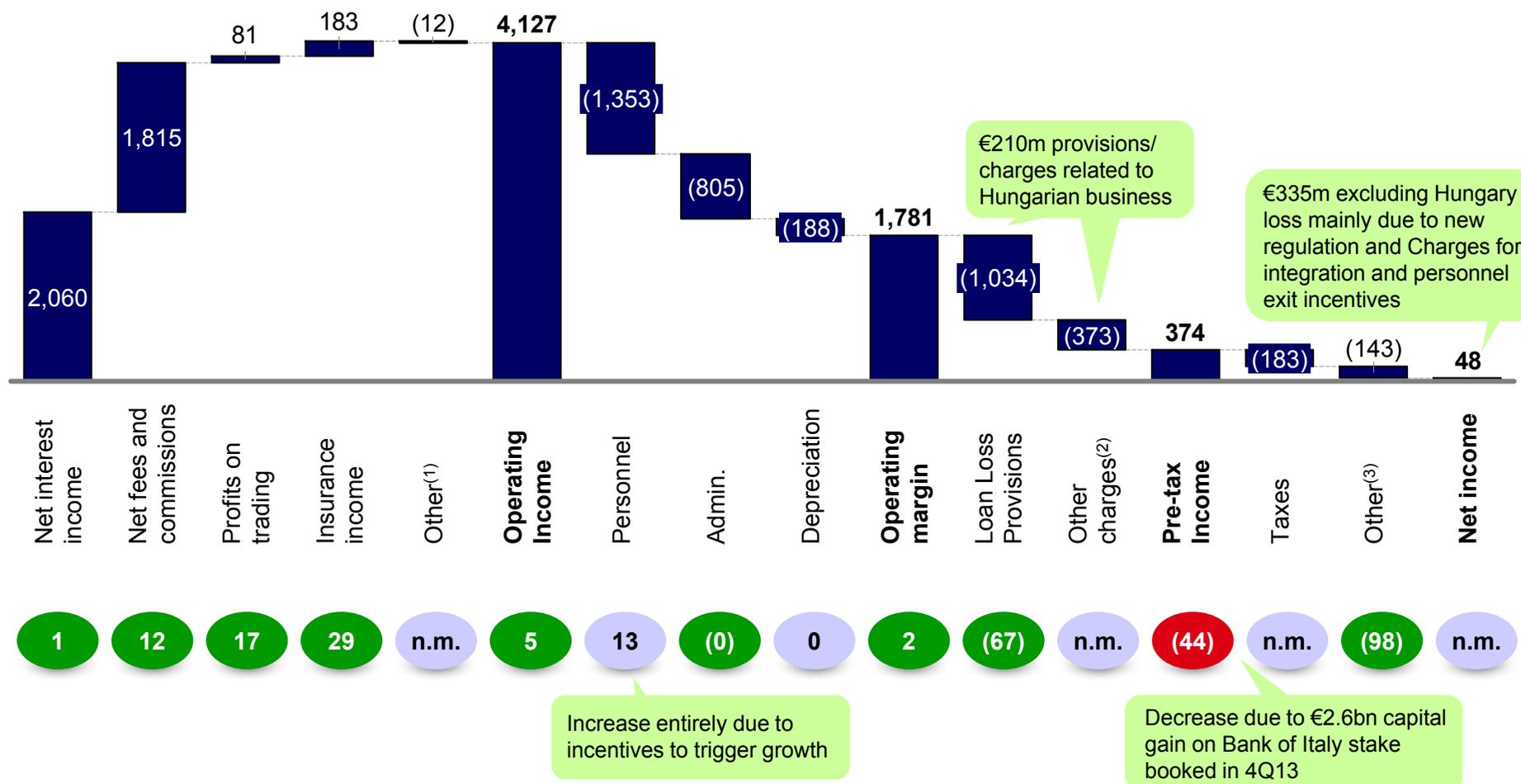
(5) Calculated comparing 2014 Net income excluding one-off tax charge with 2013 Net income pre impairment on goodwill and intangibles

(6) Tax rate increase from 12% to 26% on the gain from Bank of Italy stake booked in 4Q13

# ...and in Q4

4Q14 P&L  
€ m

% Δ vs 4Q13



(1) Dividends and Other operating income (expenses)

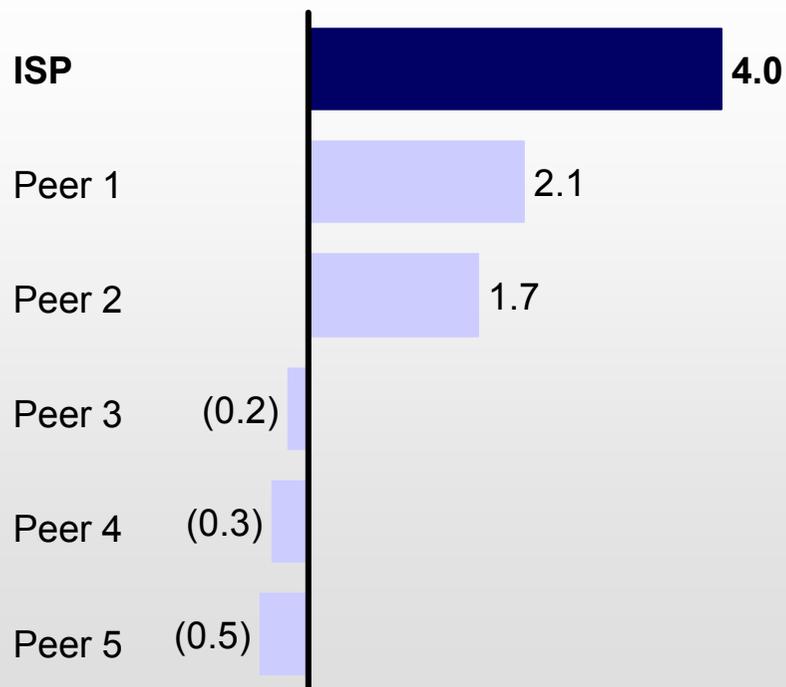
(2) Net impairment losses on assets, Profits (Losses) on HTM and on other investments, Provisions for risks and charges

(3) Income (Loss) after tax from discontinued operations, Minority interests, Intangible amortization (after tax), Charges for integration and personnel exit incentives (after tax)

# ISP Best-in-Class Revenue Growth in Spite of QE-Driven Securities Portfolio Strategy

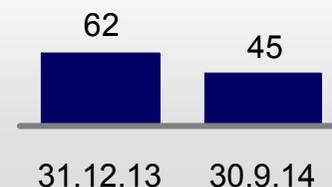
ISP top performer among peers in 2014...

Δ YoY Operating Income<sup>(1)</sup>  
%



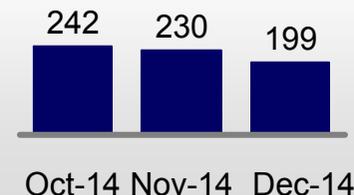
...even with 4Q14 revenues slowed down by a QE-driven specific strategy on securities portfolio

Italian Govies<sup>(2)</sup>  
€ bn



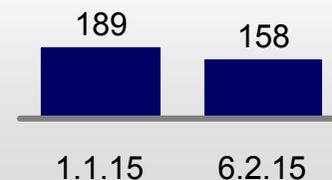
- In 9M14 reduction in concentration risk in the securities portfolio by diversifying Govies in favor of high rated countries

10Y BTP yield<sup>(3)</sup>  
bps



- Rollover of Italian Govies in 4Q14 leading to a natural decline in blended yield

10Y BTP yield  
bps



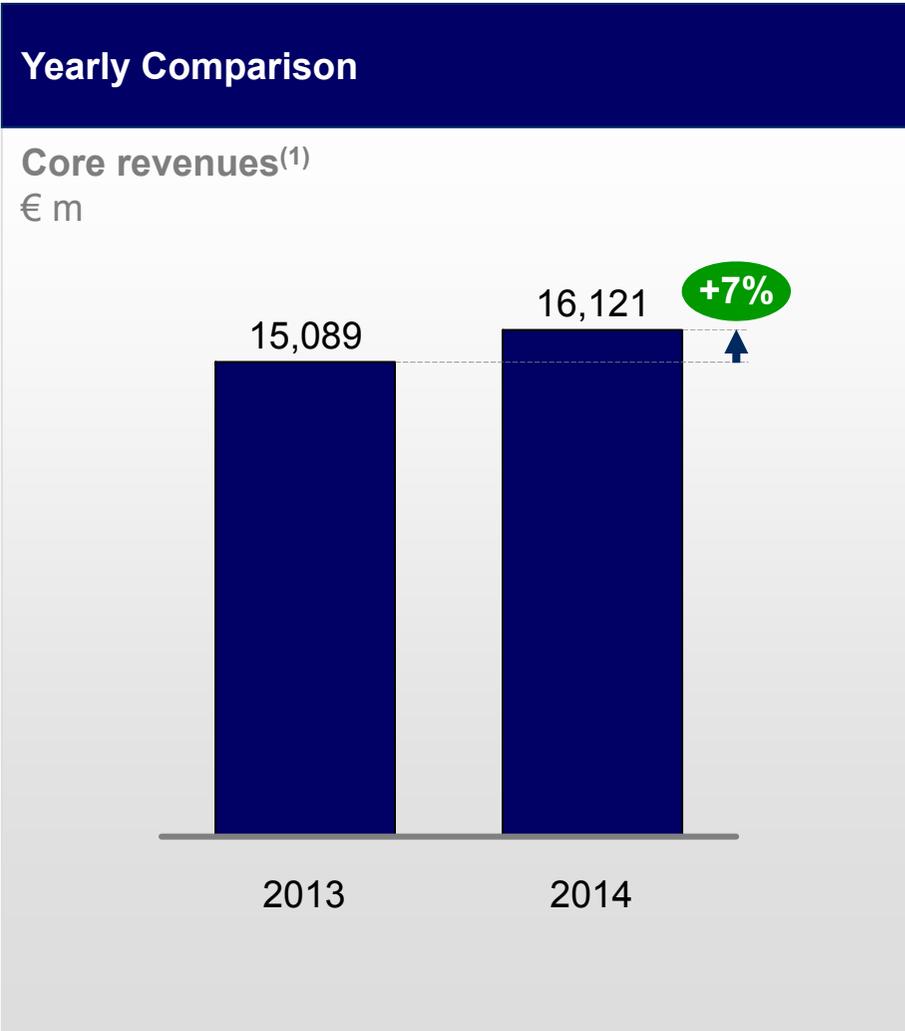
- Securities portfolio strategy postponing realisation of capital gains in 2015

(1) Sample: BBVA, BNP Paribas, Deutsche Bank, Nordea and Santander (data as of 31.12.14); only top European banks that have already communicated FY2014 results

(2) Banking perimeter

(3) Monthly average

# Significant Revenue Growth

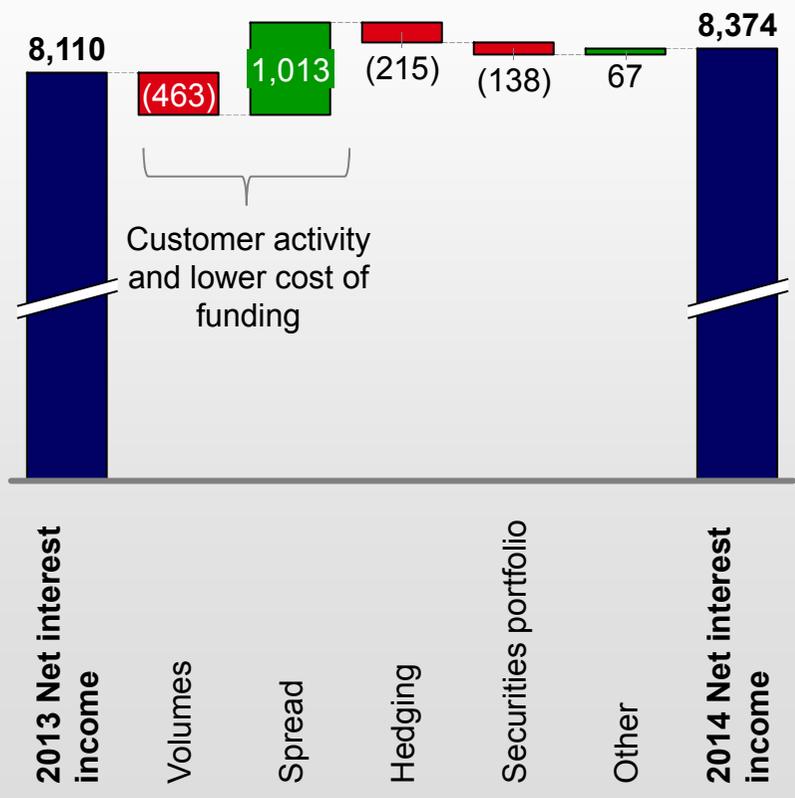


(1) Operating Income excluding Profits on trading

# Annual Increase in Net Interest Income Triggered by Repricing and Lower Cost of Funding

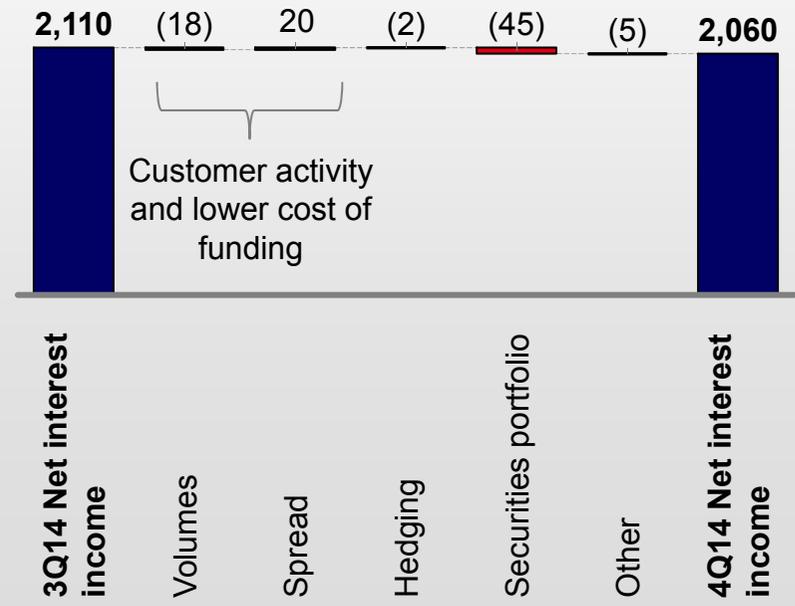
## Yearly comparison

Net Interest Income, Δ 2014 vs 2013  
€ m

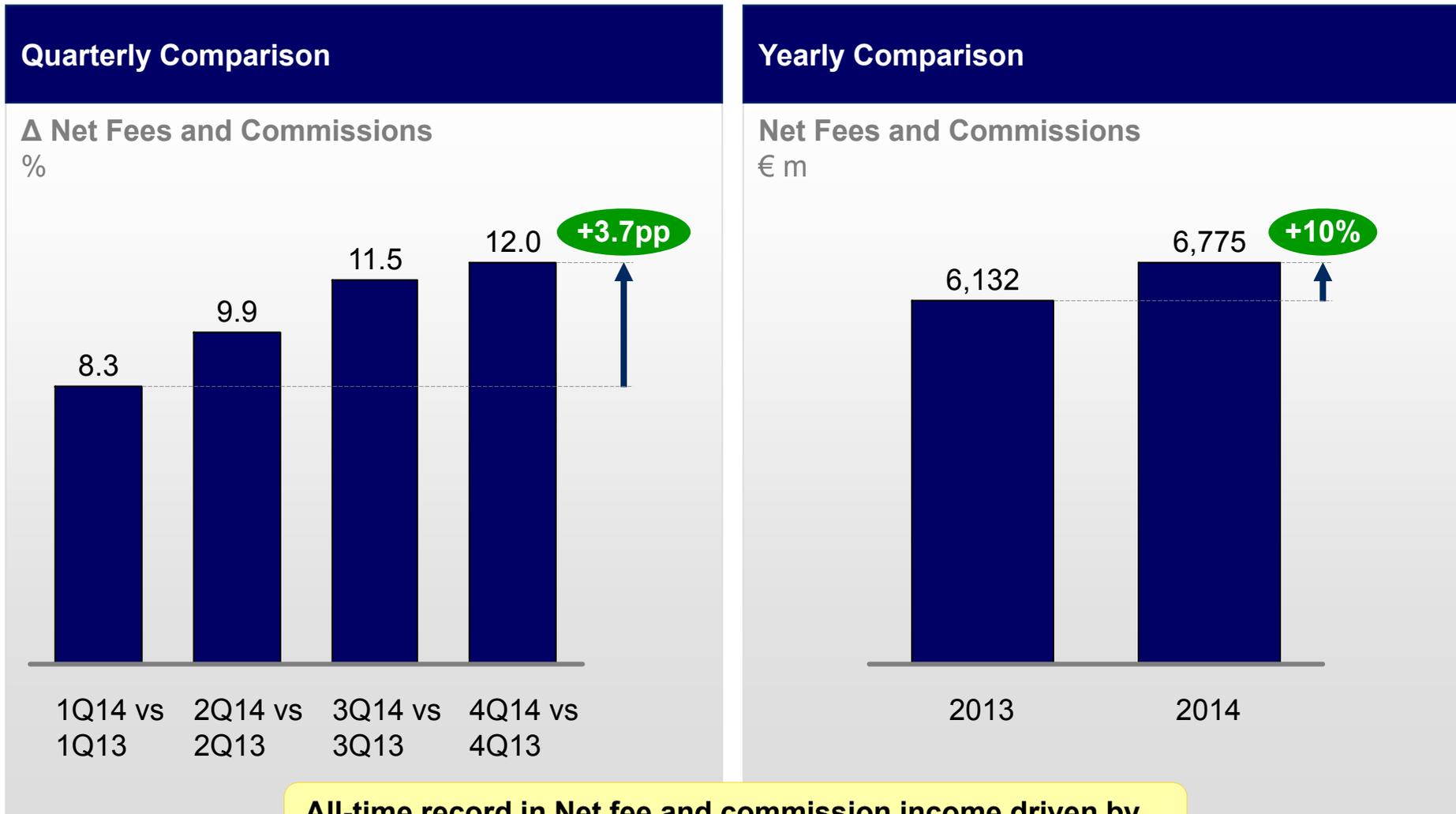


## Quarterly comparison

Net Interest Income, Δ 4Q14 vs 3Q14  
€ m



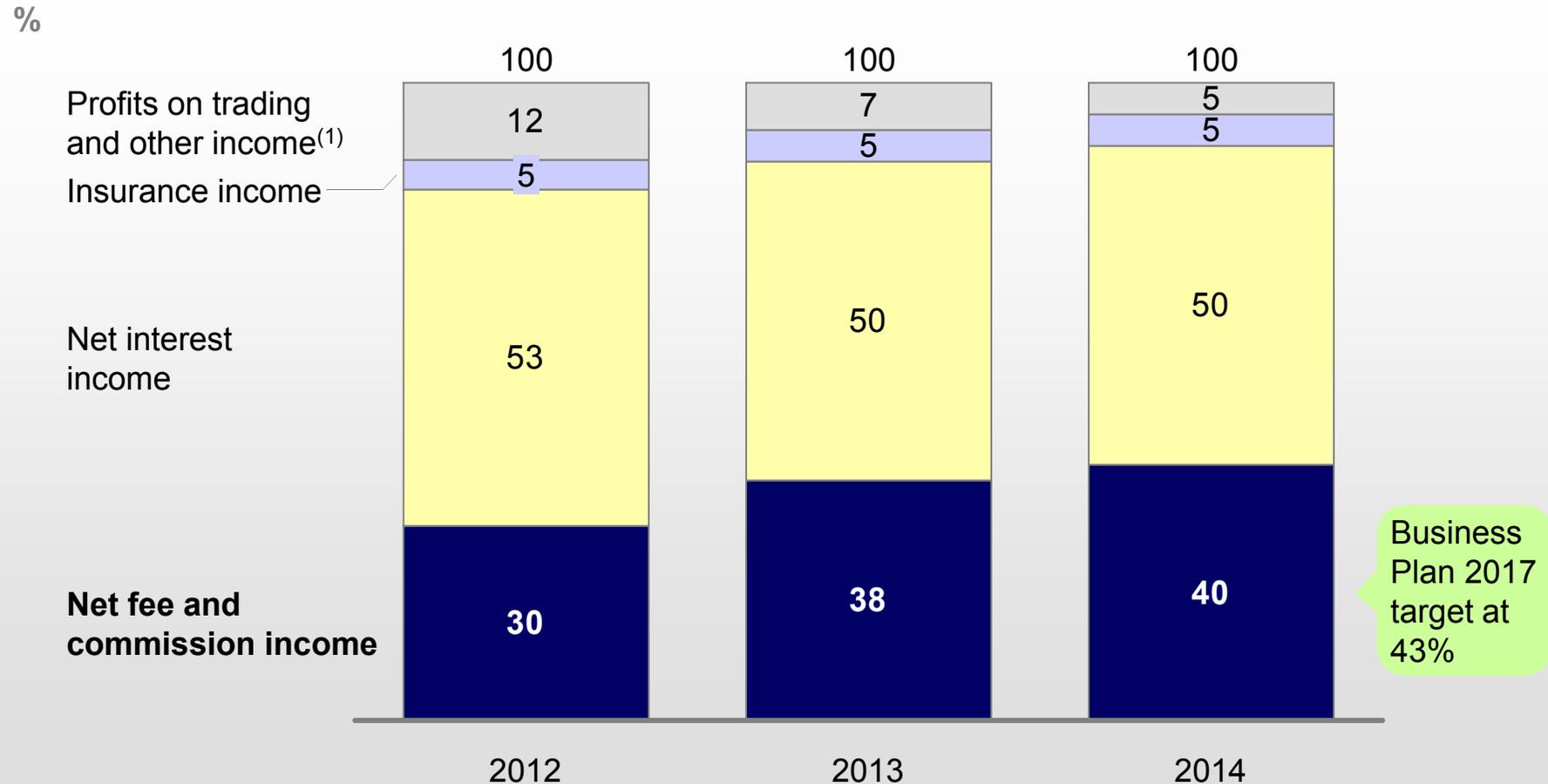
# Double-Digit Growth in Net Fees and Commissions



**All-time record in Net fee and commission income driven by strong and sustainable growth in Assets under Management**

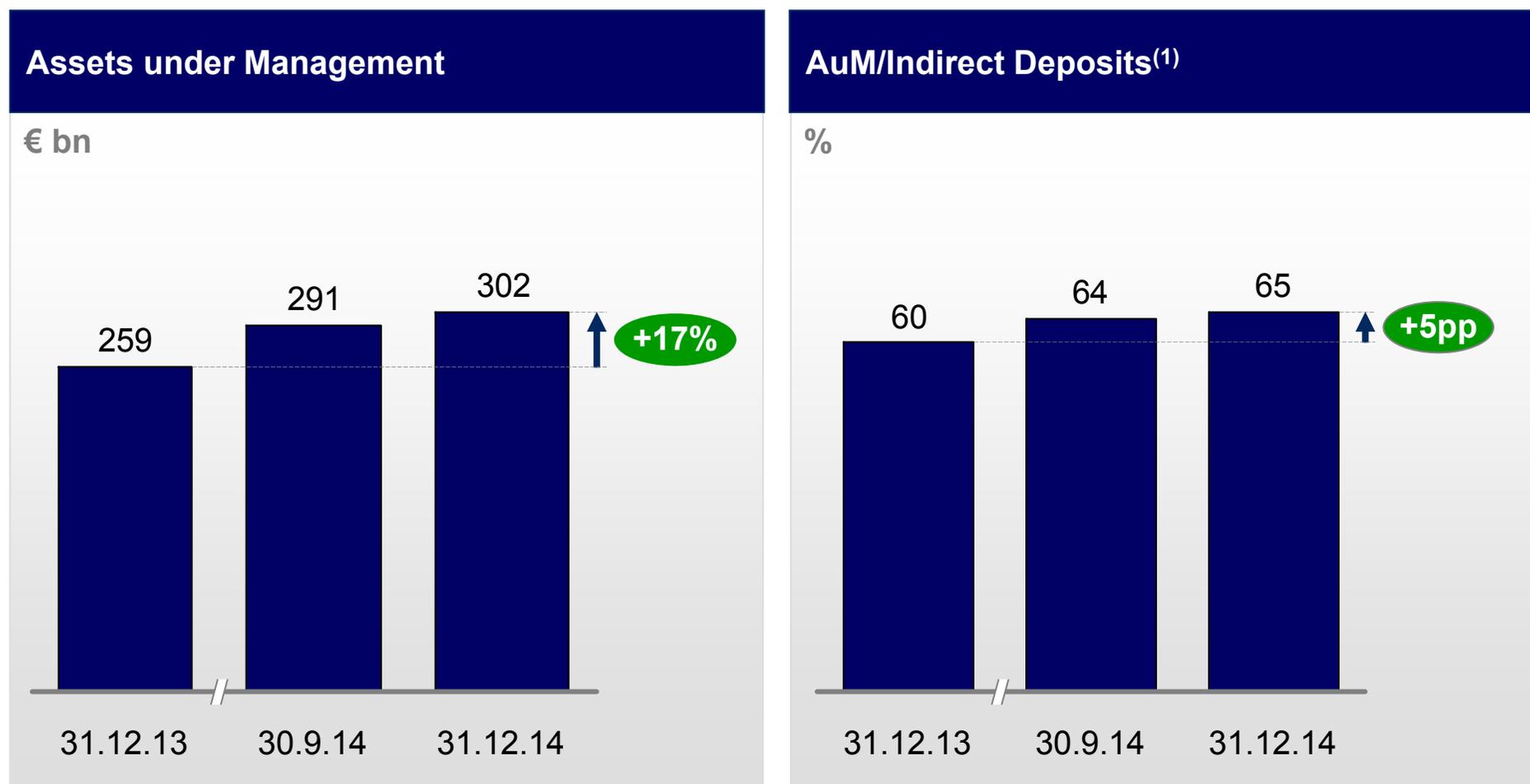
# Sustained Strategic Shift Towards Fee-Based Business, Ahead of Business Plan

## Operating income mix



Note: figures may not add up exactly due to rounding differences  
 (1) Dividends and other operating income (expenses)

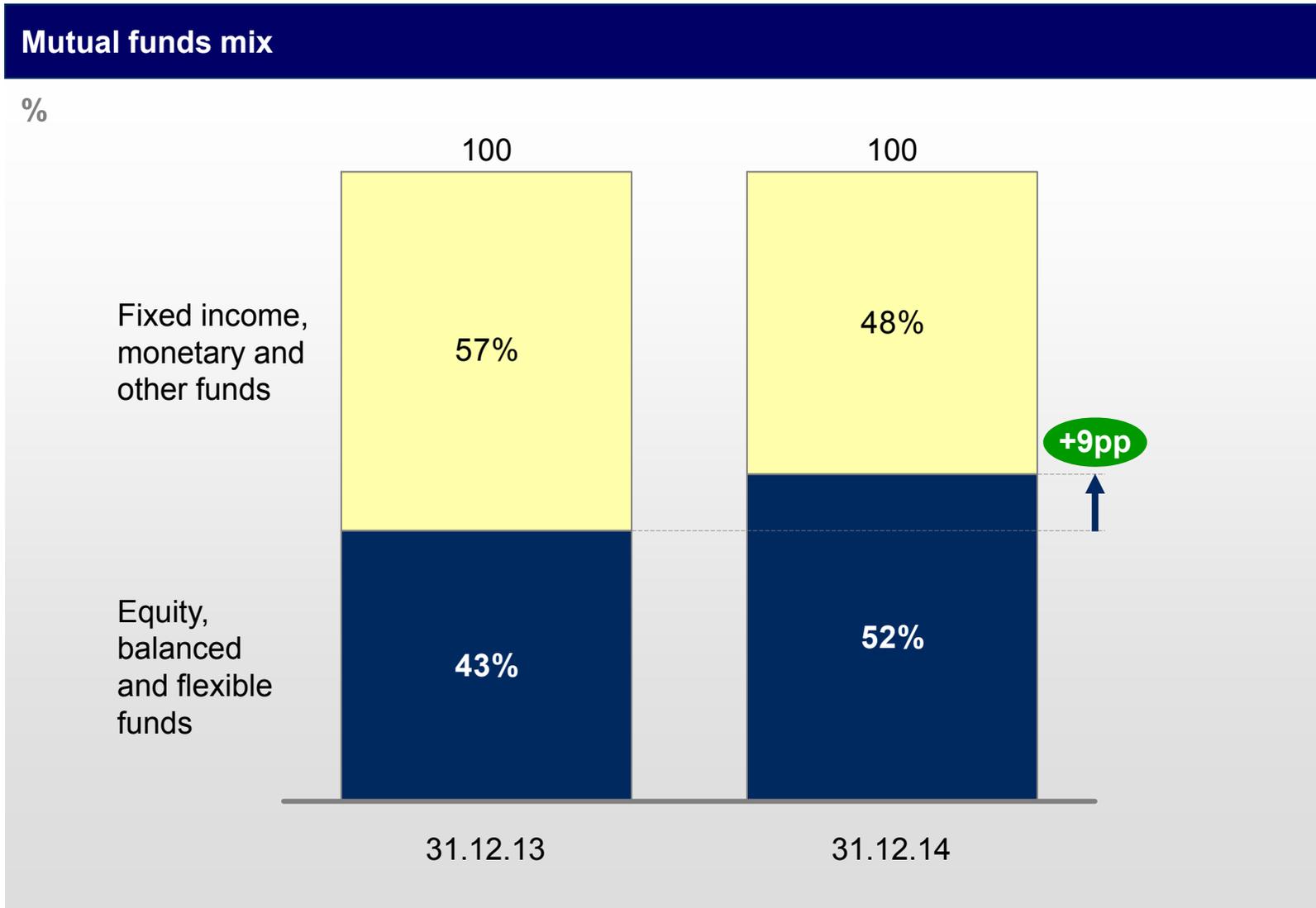
# Assets Under Management Reaching All-Time High



- Continued shift from Assets under Administration to Assets under Management (~€18bn in 2014)
- 54% of 2017 Business Plan target for AuM net inflows already achieved

(1) Sum of Assets under Management and Assets under Administration

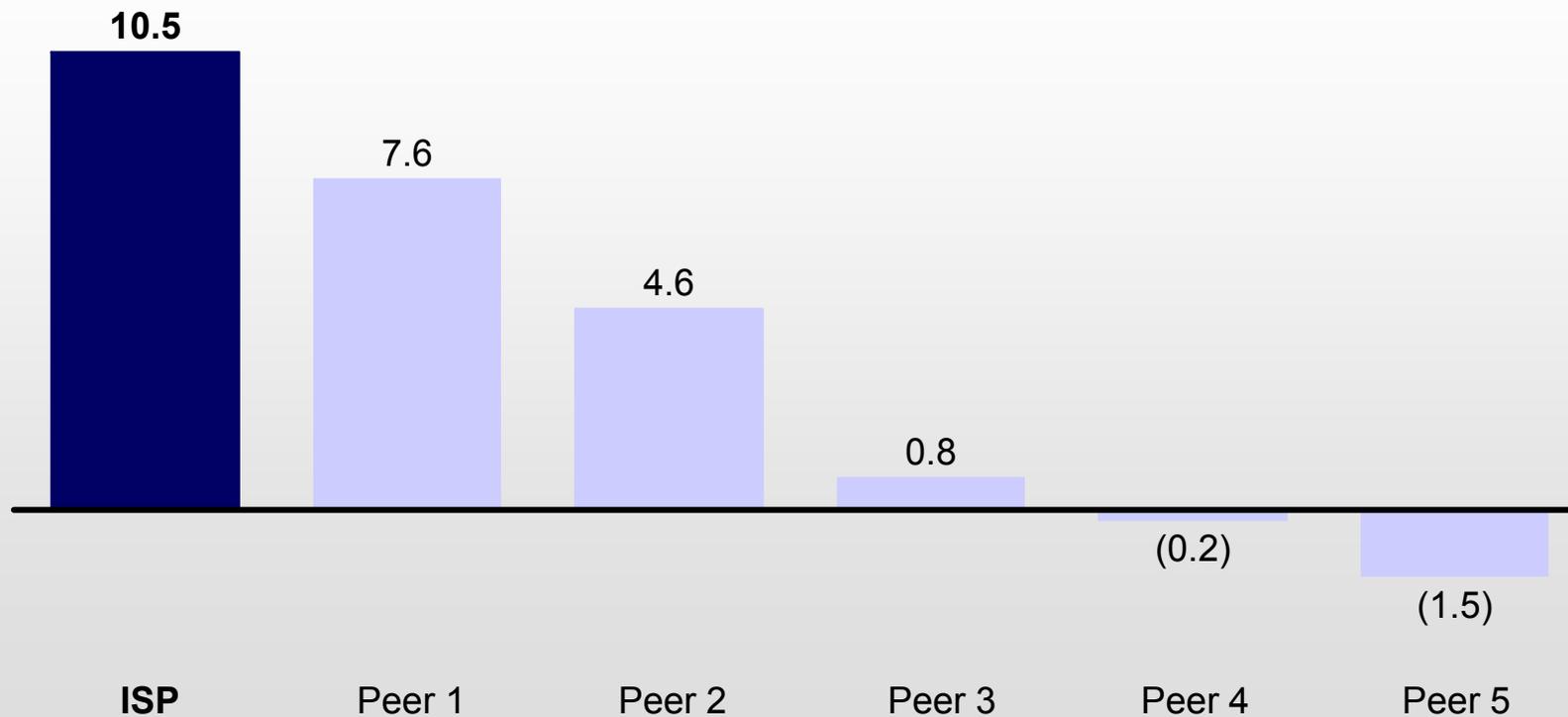
# Favorable Change in Mutual Funds Mix



# ISP: Leader in Net Fee and Commission Income Growth In Europe

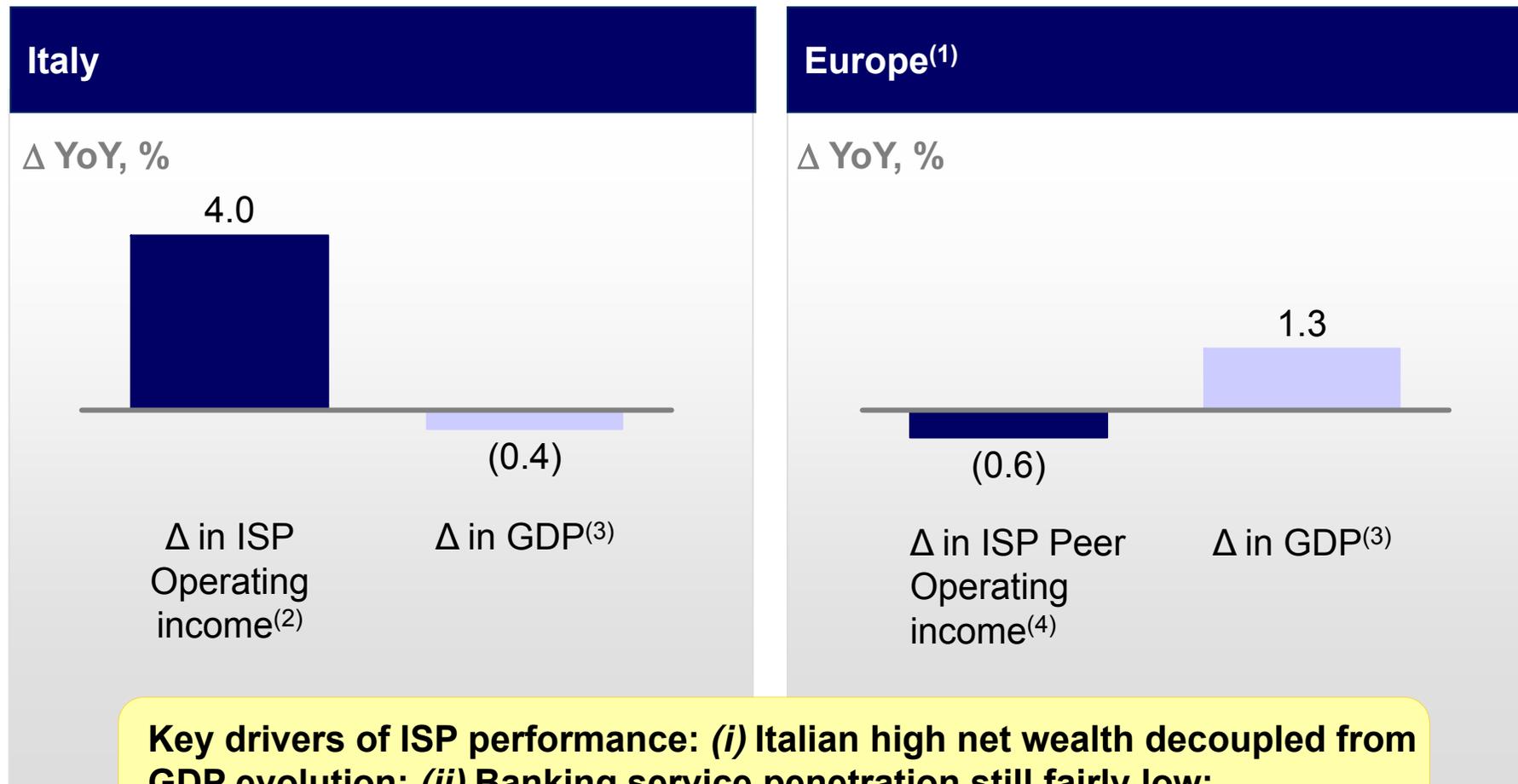
## Net fee and commission income growth

Δ YoY Net fee and commission income<sup>(1)</sup>  
%



(1) Sample: BBVA, BNP Paribas, Deutsche Bank, Nordea and Santander (data as of 31.12.14); only top European banks that have already communicated FY2014 results

# 2014 Strong ISP Results Decoupled from Italian Zero-Growth Economy



**Key drivers of ISP performance: (i) Italian high net wealth decoupled from GDP evolution; (ii) Banking service penetration still fairly low; (iii) Low BTP-Bund spread; (iv) ISP superior execution capability**

(1) Relative to Europe's 28 countries

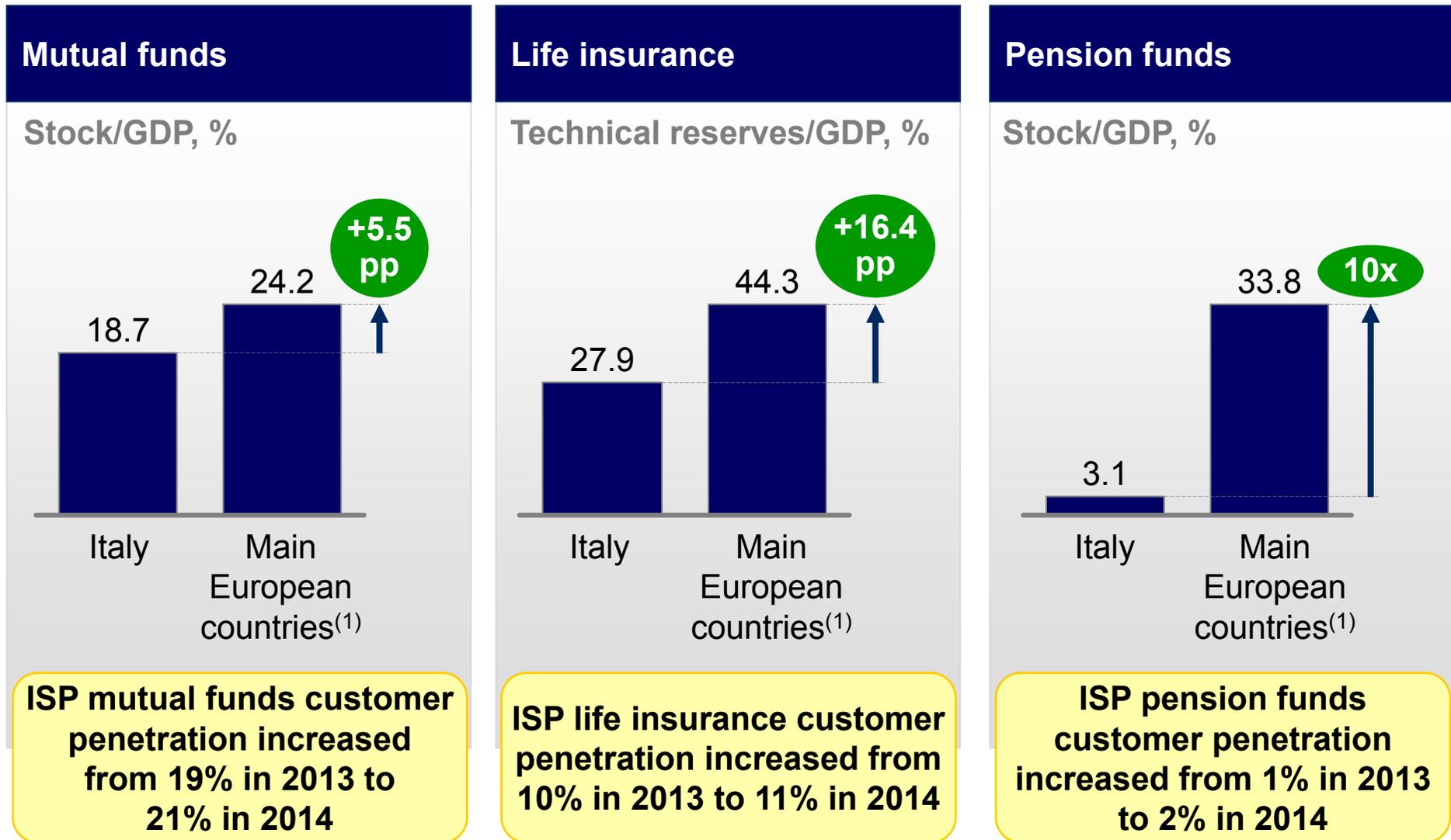
(2) 2014 vs 2013 data

(3) Real GDP growth (calculated at market prices): 2014 vs 2013

(4) Year on year data. Sample: BBVA, BNP Paribas, Deutsche Bank, Santander and Nordea (31.12.14 data vs 31.12.13 data); Barclays, BPCE, Commerzbank, Crédit Agricole SA, Credit Suisse, HSBC, ING, Société Générale, UBS and UniCredit (30.9.14 data vs 30.9.13 data); Standard Chartered (30.6.14 data vs 30.6.13 data)

SOURCE: AMECO (DG Economic and Financial Affairs, European Commission)

# Fairly Low Penetration of Wealth Management Supports Further Sustainable Growth in Profitability



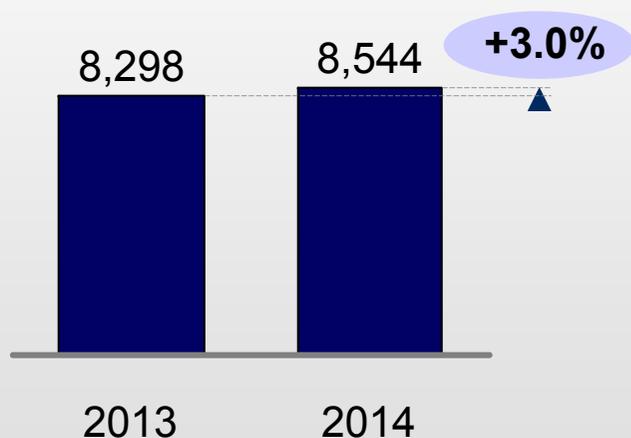
(1) Sample: France, Germany, Great Britain and Spain

# Operating Costs Increase Entirely Due To Incentives to Trigger Growth, Already Factored into the Business Plan

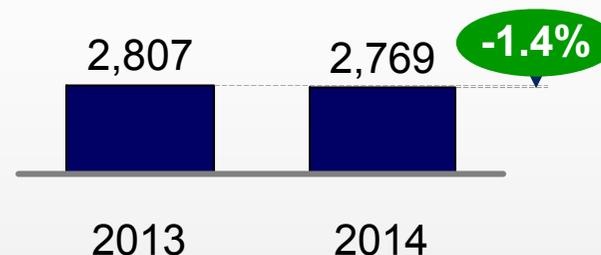
## Operating costs

€ m

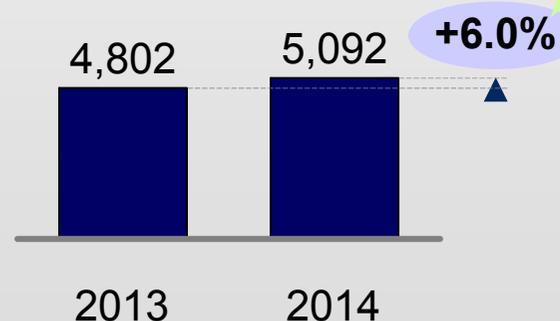
### Total operating costs



### Administrative costs



### Personnel costs



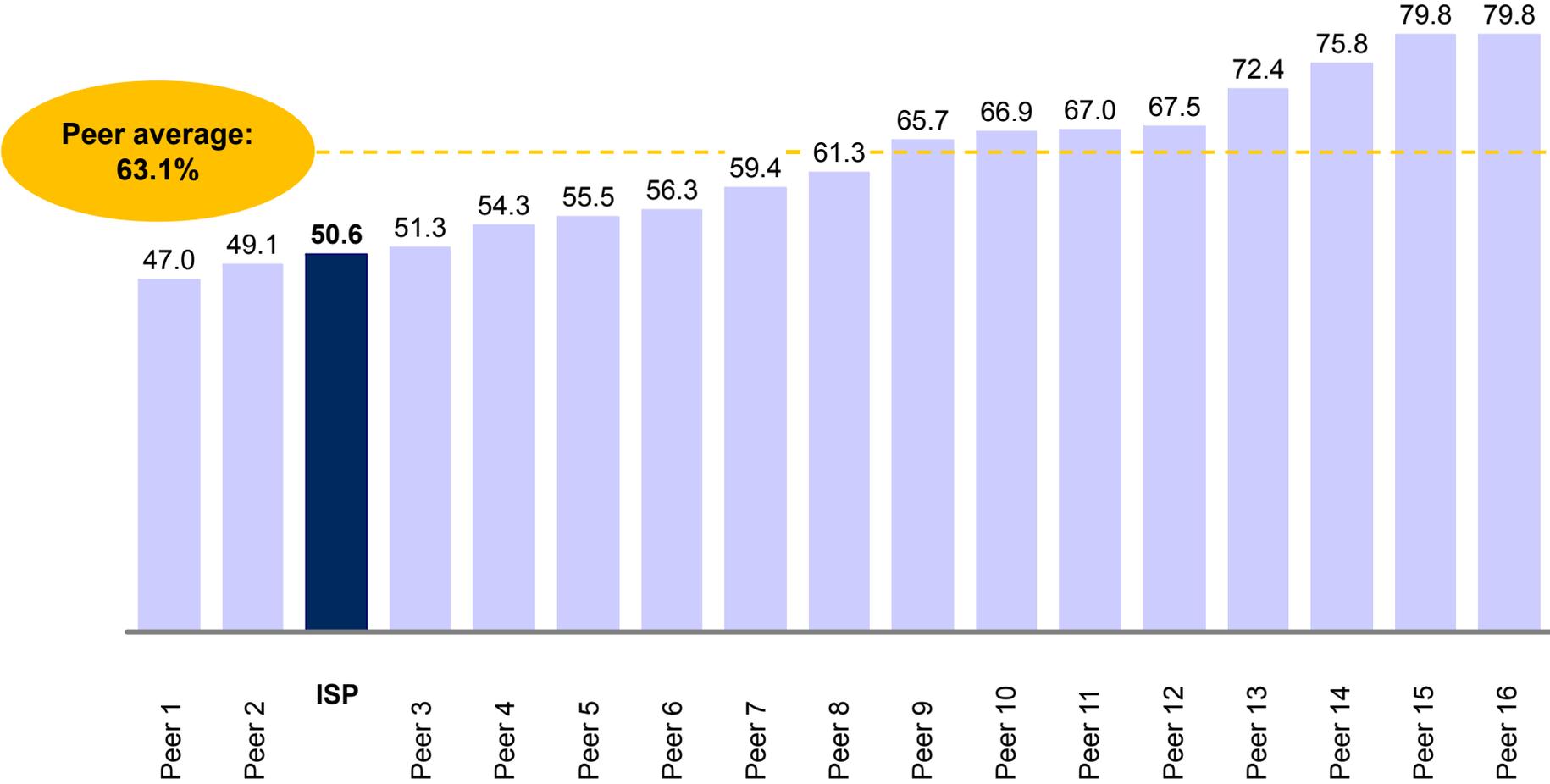
Entirely due to incentives to trigger growth, already factored into the Business Plan

f(x)

Cost/Income down to 50.6% (-0.5pp vs 2013)

# Top Tier Cost/Income Ratio in Europe

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

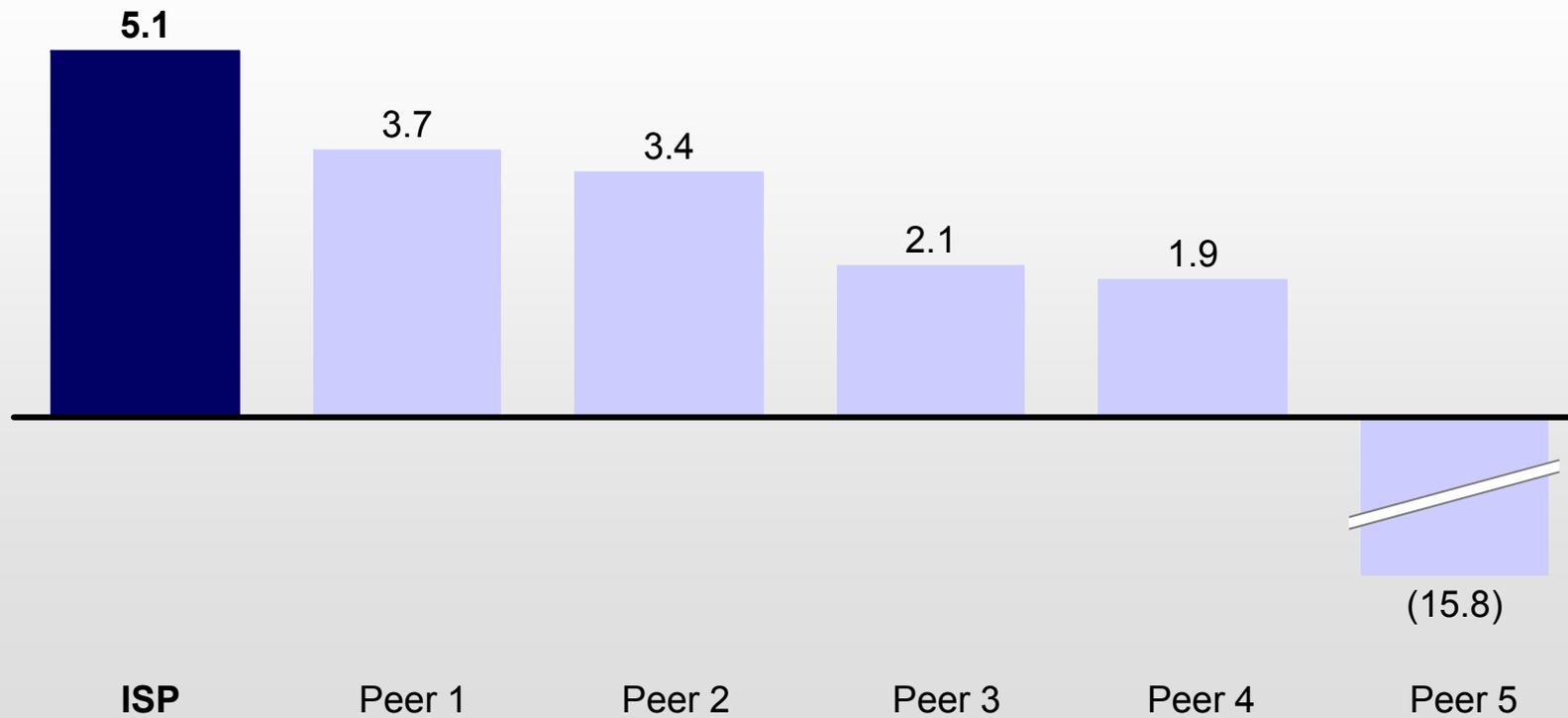


(1) Sample: BBVA, BNP Paribas, Deutsche Bank, Nordea and Santander (data as of 31.12.14); Barclays, BPCE, Commerzbank, Crédit Agricole SA, Credit Suisse, HSBC, ING, Société Générale, UBS and UniCredit (data as of 30.9.14); Standard Chartered (data as of 30.6.14)

# ISP: Leader in Operating Margin Growth In Europe

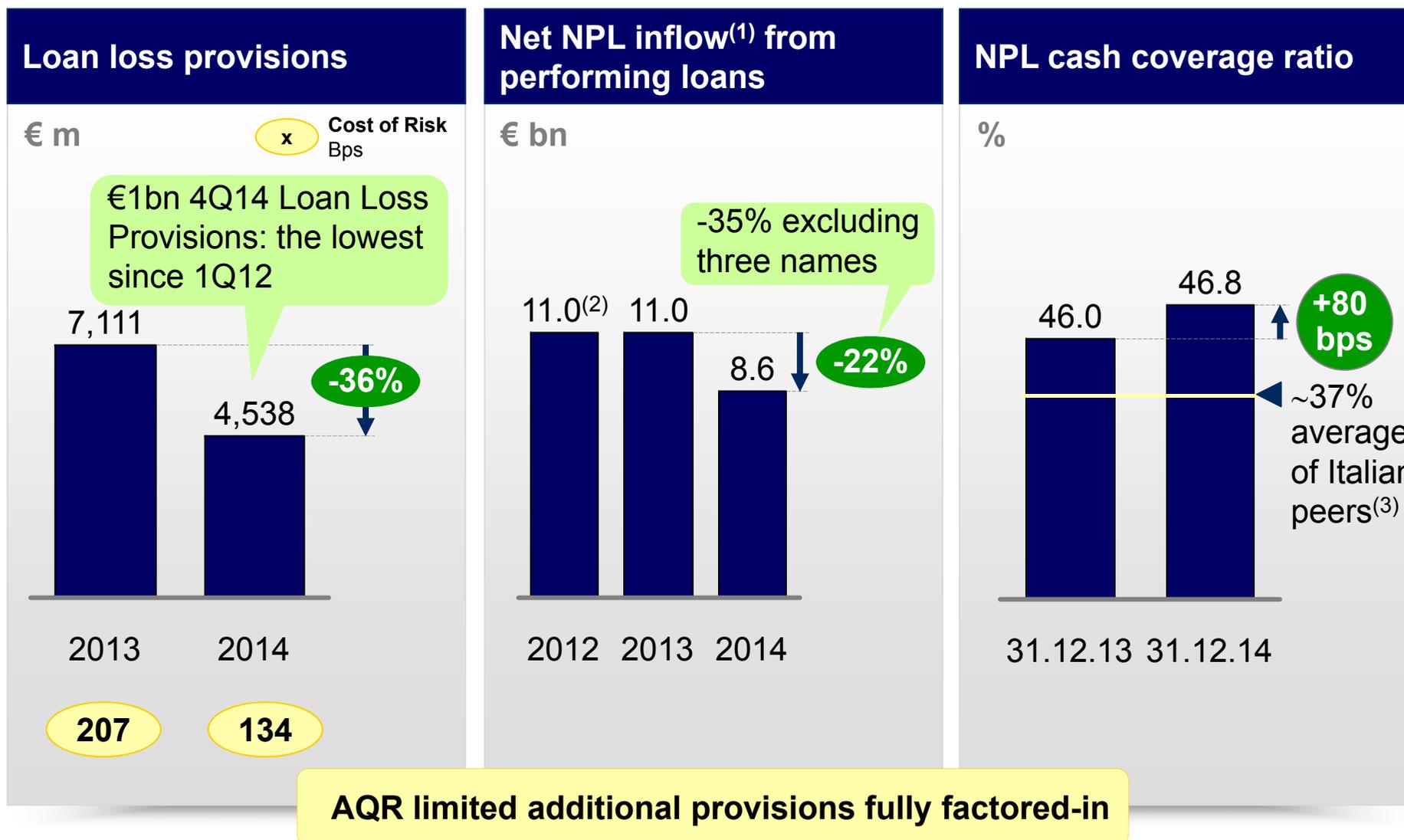
## Operating margin growth

Δ YoY Operating margin<sup>(1)</sup>  
%



(1) Sample: BBVA, BNP Paribas, Deutsche Bank, Nordea and Santander (data as of 31.12.14); only top European banks that have already communicated FY2014 results

# Significant Reduction in Loan Loss Provisions Coupled With Lower NPL Inflow And Increased NPL Coverage



(1) Inflow to NPL (Doubtful Loans, Substandard Loans, Restructured and Past Due) from performing loans minus outflow from NPL to performing loans

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

(3) Sample: BPOP, MPS, UBI and UniCredit (data as of 30.09.14)

# Significant Pre-tax Income Contribution from All Divisions

€ m



(1) Banca dei Territori excluding Intesa Sanpaolo Private Banking, Insurance, Sirefid and Intesa Sanpaolo Private Bank (Suisse); (2) Banca Fideuram, Intesa Sanpaolo Private Banking, Sirefid and Intesa Sanpaolo Private Bank (Suisse); (3) Eurizon Capital; (4) Intesa Sanpaolo Vita and Fideuram Vita  
 Note: Figures may not add up exactly due to rounding differences

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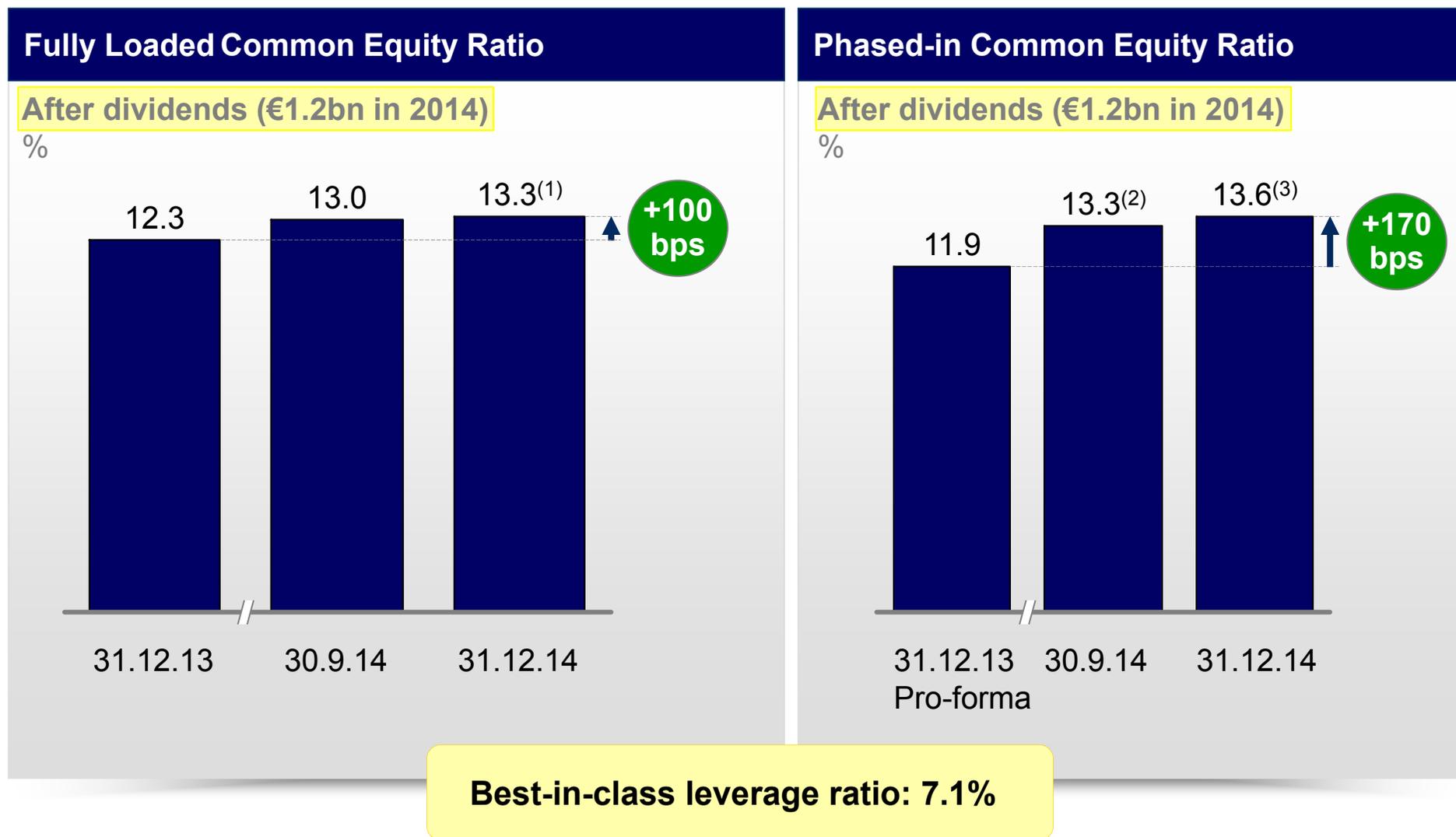
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FY2014: strong economic performance

**Best-in-class capital position and leverage with a solid balance sheet further strengthened**

Over-delivering on our Business Plan

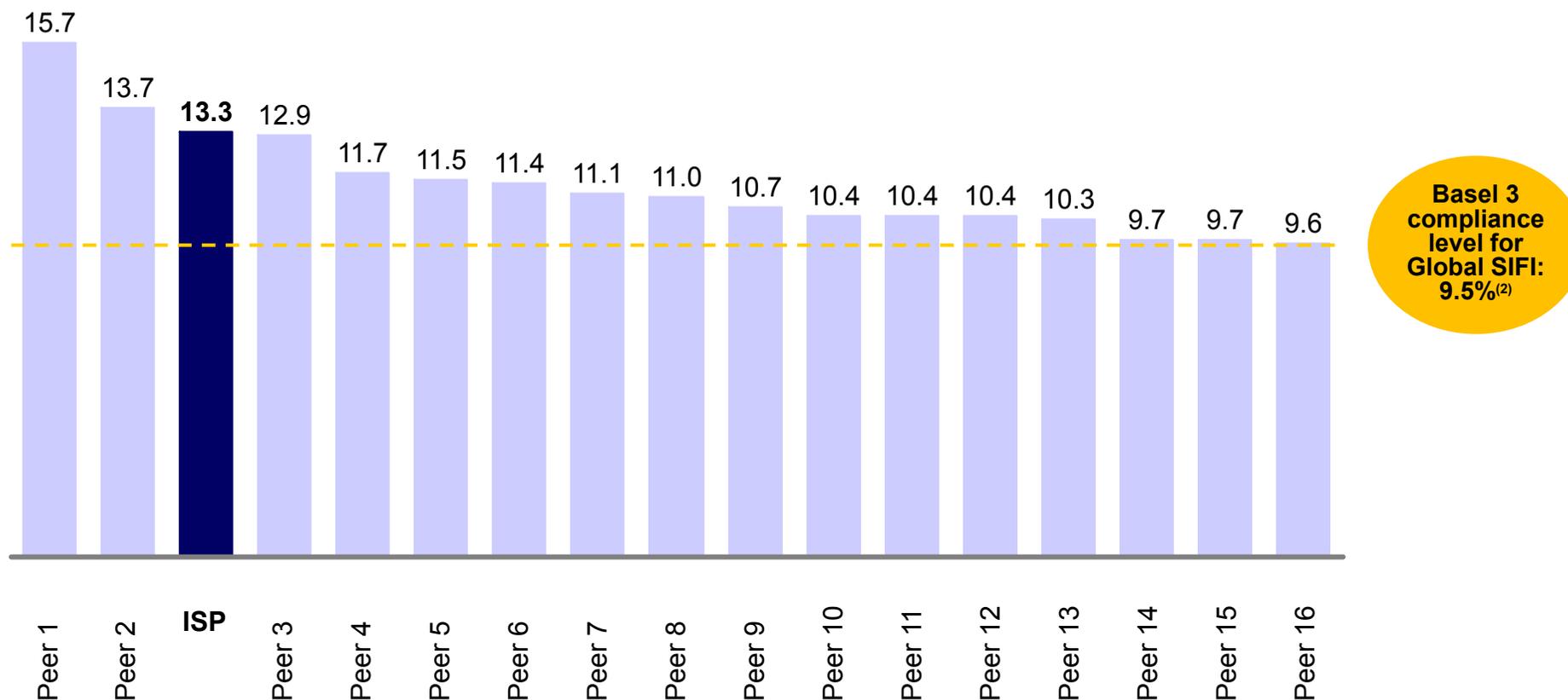
# Already Solid Capital Base Further Strengthened



(1) Pro-forma fully loaded Basel 3 (31.12.14 financial statements considering the total absorption of DTA related to goodwill realignment and the expected absorption of DTA on losses carried forward); including estimated benefits from the Danish Compromise (9bps); after dividends  
 (2) 13.2% not considering 3Q14 Net Income post pro quota dividends  
 (3) 13.5% not considering 2014 Net income post dividends

# Best-in-Class Capital Position in Europe

Estimated pro-forma fully loaded Basel 3 Common Equity ratio<sup>(1)</sup>  
%

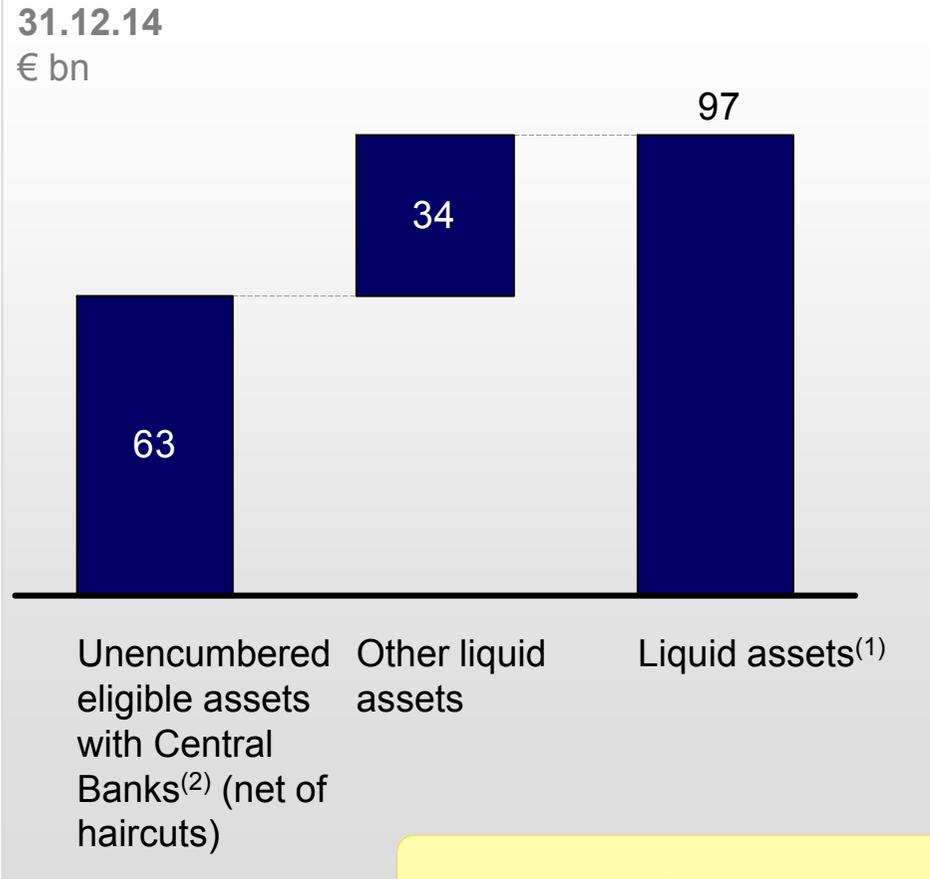


(1) Sample: BBVA, BNP Paribas, Deutsche Bank, Nordea and Santander (31.12.2014 pro-forma data); Barclays, BPCE, Commerzbank, Crédit Agricole Group, Credit Suisse, HSBC, ING, Société Générale, UBS and UniCredit (30.09.2014 pro-forma data); Standard Chartered,(30.06.2014 pro-forma data); Data may not be fully comparable due to different estimates hypothesis. Source: Analysts' Presentations, Press Releases, Conference Calls

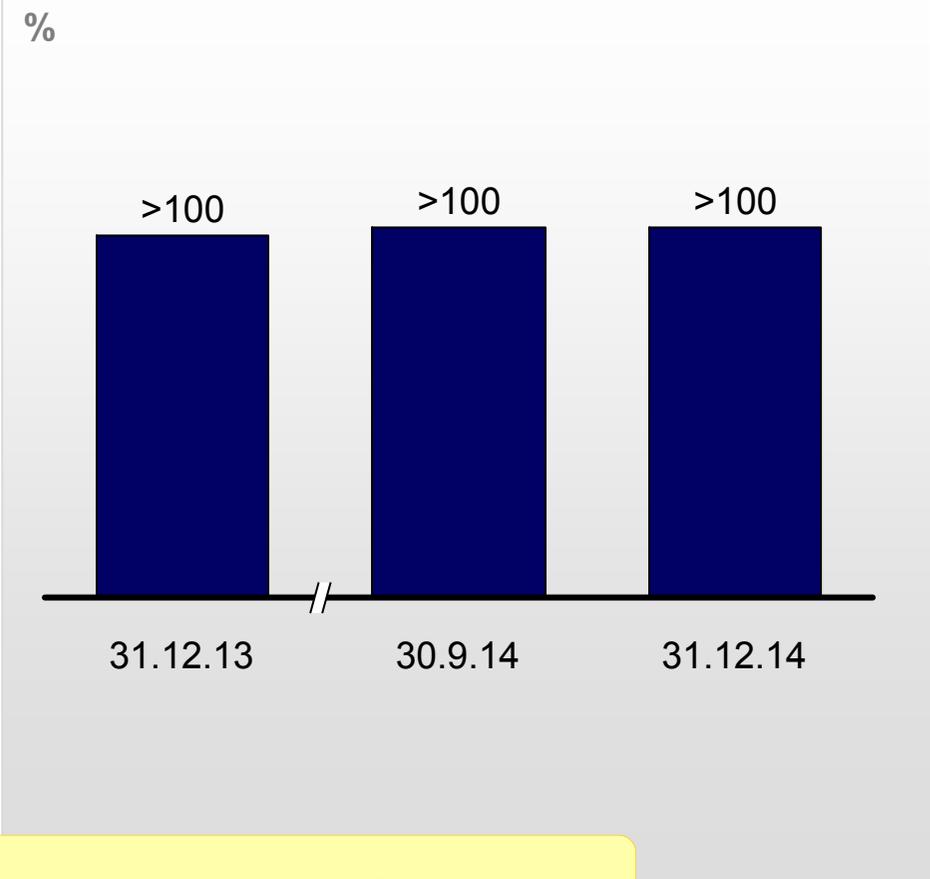
(2) Maximum level assuming a Common Equity ratio of 9.5% (4.5% minimum capital requirement, +2.5% conservation buffer, +2.5% current maximum SIFI buffer)

# Strong Liquidity Position Confirmed

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



## LCR and NSFR



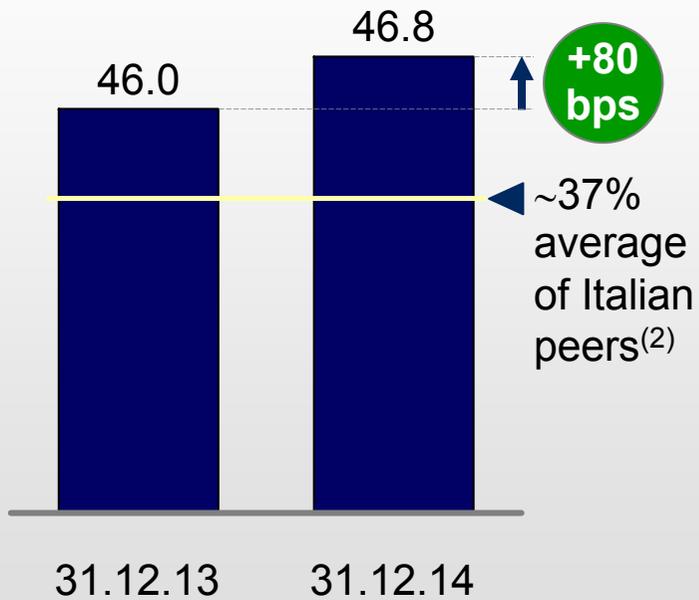
**LCR and NSFR well above Basel 3 requirements for 2018-19**

(1) Stock of own-account eligible assets, including assets used as collateral and excluding eligible assets received as collateral  
 (2) Eligible assets freely available, excluding assets used as collateral and including eligible assets received as collateral

# Improved NPL Cash Coverage Ratio

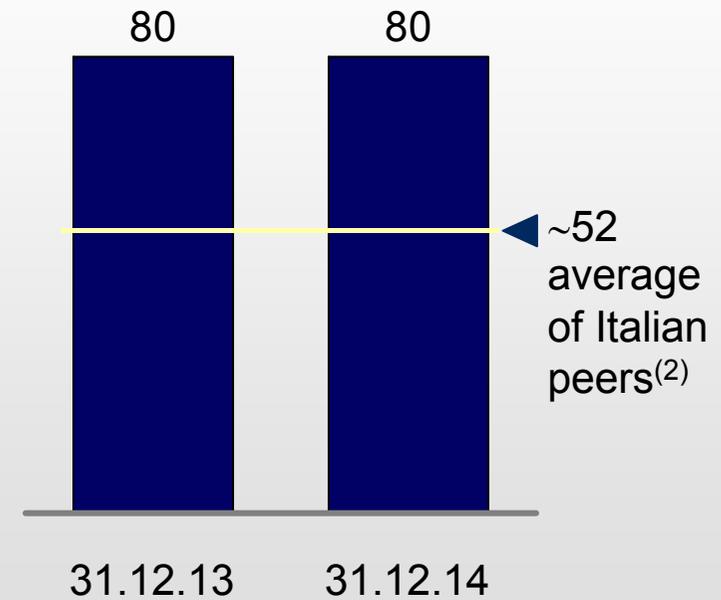
## NPL cash coverage ratio<sup>(1)</sup>

%



## Performing Loans cash coverage ratio

Bps



(1) Excluding collateral

(2) Sample: BPOP, MPS, UBI and UniCredit (data as of 30.9.14)

## 2014 Summary: Significant YoY Improvements in All Key Indicators

	2014	Δ vs 2013	
Cash Dividend (€ bn)	1.2	+44%	
Core revenues <sup>(1)</sup> (€ bn)	16.1	+7%	
Operating margin (€ bn)	8.4	+5%	
Cost/Income (%)	50.6	-0.5pp	
Pre-tax income (€ bn)	3.4	+37%	
Net income <sup>(2)</sup> (€ bn)	1.7	+39% <sup>(3)</sup>	
Common Equity ratio <sup>(4)(5)</sup> (%)	13.3	+100bps	

(1) Operating Income excluding Profits on trading

(2) Net income excluding €439m one-off impact of the higher tax rate on the gain from Bank of Italy stake, gain booked in 4Q13

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(4) After dividends

(5) Pro-forma fully loaded Basel 3 (31.12.14 financial statements considering the total absorption of DTA related to goodwill realignment and the expected absorption of DTA on losses carried forward); including estimated benefits from the Danish Compromise (9bps)

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FY2014: strong economic performance

Best-in-class capital position and leverage with a solid balance sheet further strengthened

**Over-delivering on our Business Plan**

# Our Business Plan initiatives: New Growth Bank

Key 2014 highlights on New Growth Bank initiatives		
Banca 5®	<ul style="list-style-type: none"> <li>▪ Banca 5® “specialised” business model already introduced in more than 2,200 branches, with 2,800 dedicated Relationship Managers: revenues per client have already increased from €70 to €82</li> <li>▪ "Real Estate" project launched with 12 real estate agencies to be opened by June 2015 in most relevant cities</li> </ul>	 
Multi-channel Bank	<ul style="list-style-type: none"> <li>▪ New multichannel processes successfully tested: ~500k additional multichannel clients in 2014 up to 4.9m (the first multichannel bank in Italy)</li> </ul>	
Private Banking Hub	<ul style="list-style-type: none"> <li>▪ HNWI competence center set-up completed</li> <li>▪ Best practices sharing to increase profitability (e.g., upgrade of the customer segmentation, launch of new insurance products dedicated to ISPB clients)</li> </ul>	 
Asset Management Hub	<ul style="list-style-type: none"> <li>▪ New product range (i.e. “Best expertise” product) introduced into Private Banking Division</li> </ul>	
Insurance Hub	<ul style="list-style-type: none"> <li>▪ Intesa Sanpaolo Previdenza integrated into Intesa Sanpaolo Vita</li> <li>▪ New distinctive P&amp;C insurance offer for home and car products launched</li> </ul>	 
Bank 360° for corporate clients	<ul style="list-style-type: none"> <li>▪ New commercial model and product offering for the SME Finance Hub developed (new Mediocredito Italiano)</li> <li>▪ New Transaction Banking Group strategy and commercial initiatives ongoing</li> </ul>	 

# Our Business Plan initiatives: Core Growth Bank

## Key 2014 highlights on Core Growth Bank initiatives

### Capturing Untapped Revenue Potential

- Roll-out of Project "**cash desk service evolution**" in progress: already **~600** branches with **cash desk closing at 1pm** and **~70 branches** fully dedicated to **advisory** 
- New **e-commerce portal** launched ready to fully grab **business potential** from **EXPO 2015** 
- **New Service Model introduced in Banca dei Territori**: creation of 3 specialised commercial value chains, creation of **~1,200** new managerial roles, innovation of the SME Service Model 
- New **retail branch layout** defined 
- **C&IB Asset Light model fully operative**, with benefits in terms of cross selling 
- **Front-line excellence program** launched in C&IB, targeting more than **400 people** 
- Evolution of **C&IB organisation** towards a **sector-oriented** model completed (C&IB evolving from "**financial partner**" to "**industry advisor**") 
- **New Segmentation and Service Model for International Subsidiaries Affluent** clients launched 

### Continuous Cost Management

- **Geographical footprint simplification** ongoing: additional **55 branches closed in 4Q14**, for a total of **~270 in 2014** 
- **Legal entity simplification ongoing: from 7 to 1 product factories** in specialised finance and advisory, leasing and factoring and **3 local banks merged** into ISP (out of 11 planned by 2015) 

### Dynamic Credit and Risk Management

- **Proactive credit management value chain** empowered:
  - **Fully in place** for BdT and C&IB, with **~300 specialists** dedicated 
  - Launched in **pilot countries** for International Subsidiary Banks, with **full roll-out** starting in **2Q15** 
- **Integrated management of substandard loans** launched 

# Our Business Plan initiatives: Capital Light Bank, People and Investments

## Key 2014 highlights on Capital Light Bank and People initiatives and investments

### Capital Light Bank (CLB)

- CLB fully operative with **~€3.9bn of deleveraging** already achieved 
- Model for the **recovery of doubtful loans** re-designed:
  - **3 external specialised agencies** to recover **new flows** of **unsecured small-tickets** 
  - **Italfondario** to focus on the doubtful loans **stock** 
- **Re.O.Co.<sup>(1)</sup> fully up and running** with an estimated positive impact for the Group of **~€12m** in 2014 

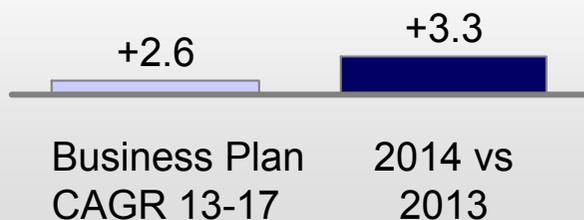
### People and investment as key enablers

- **~2,600 people** already reallocated to high priority initiatives 
- **Investment Plan for Group employees** finalised: plan with the **highest number of participants** in Group's history 
- Increased **people satisfaction** within the Group: **+23pp vs 2013** 
- **“Big Financial Data”** program for an integrated management of customer and financial data under implementation 
- **Chief Innovation Officer** fully operative 
- **“Innovation Centre”** created to train and develop new products, processes and the “ideal branches”, located in the **new ISP Tower** in Turin, fully operative 

# FY2014: A Very Good Year, Over-Delivering on Our Business Plan...

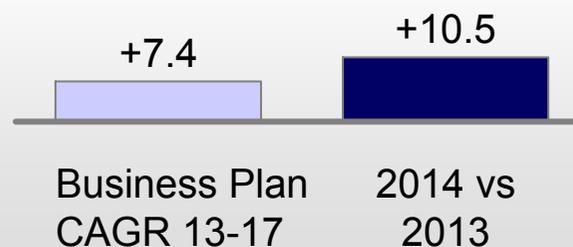
## Net interest income

%



## Net fee and commission income

%



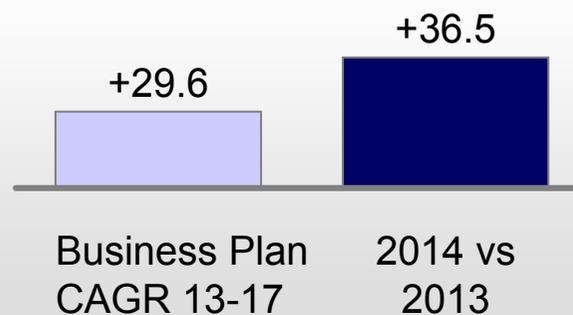
## Core revenues<sup>(1)</sup>

%



## Pre-tax income

%



(1) Operating Income excluding Profits on trading

# ...Thanks To the Contributions of All Our People

...is enabled by the full engagement of all our people...

## Over-delivery on our Business Plan commitments...

### Net interest income

%



### Net fee and commission income

%



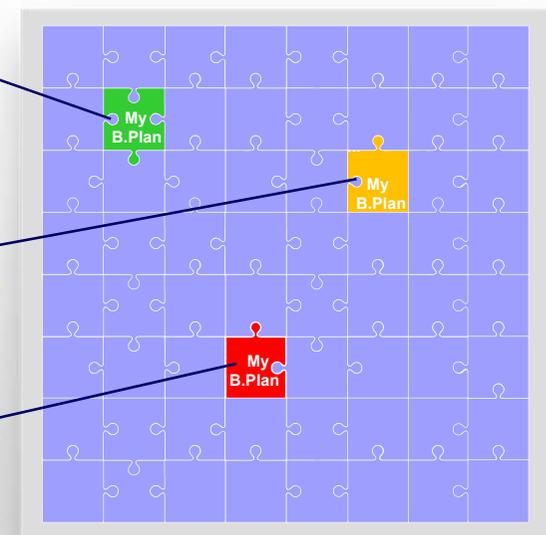
### Core revenues

%



### Pre-tax income

%



...and a Business Plan for each individual to deliver

# ISP: 2014-2017 Business Plan Targets Confirmed with a Positive Outlook for 2015

## ISP outlook for 2015

**Growth in Operating income triggered by Net fees and commissions...**



**... leading to additional growth in Operating margin**

**Significant decline in cost of risk...**



**... driving additional growth in Pre-tax income**

**€2bn cash dividend commitment confirmed**



## 2015 Macroeconomic Outlook Provides for Further Upside

### Eurozone and Italy outlook for 2015

#### Eurozone

- **Quantitative Easing:** €1,140bn, open-ended
- **Depreciation of the euro** to benefit **exports**
- **Oil price down 50%** vs last year

#### Italy

- **Italian political situation improving:** Government striking right balance of **discipline** and **reforms** for **growth**
- **Consumer** and **business sentiment** both on positive trends
- **2015 GDP** growth projections likely to be **revised upwards**
- **EXPO 2015 with >20m visitors** expected in Italy



# 2014 Results

Detailed Information

February 10, 2015

INTESA  SANPAOLO

## Key P&L Figures

	2014 (€ m)	Δ vs 2013
Operating income	16,898	+4.0%
Core revenues <sup>(1)</sup>	16,121	+6.8%
Operating costs	(8,544)	+3.0%
Cost/Income	50.6%	(0.5pp)
Operating margin	8,354	+5.1%
Pre-tax income	3,435	+36.5%
Net income	1,251	n.m. <sup>(2)</sup>
Net income excluding one-off tax charge <sup>(3)</sup>	1,690	+38.8% <sup>(4)</sup>

(1) Operating income excluding Profits on trading

(2) Δ calculated vs 2013 Net income after impairment of goodwill/other intangible assets (-€4,550m)

(3) Tax rate increase from 12% to 26% on the gain booked in 4Q13 for the Bank of Italy stake

(4) Δ calculated vs 2013 Net income excluding impairment of goodwill/other intangible assets (€1,218m)

## Key Balance Sheet Figures

	31.12.14 (€ m)	Δ vs 31.12.13 (%)
Loans to Customers	339,105	(1.4)
Customer Financial Assets <sup>(1)</sup>	826,695	+2.9
of which Direct Deposits from Banking Business	359,629	(3.3)
of which Direct Deposits from Insurance Business and Technical Reserves	118,612	+26.9
of which Indirect Customer Deposits	465,777	+8.2
- Assets under Management	301,715	+16.7
- Assets under Administration	164,062	(4.5)
RWA	269,790	(4.8) <sup>(*)</sup>

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

(\*) Calculated on pro-forma data as of 31.12.13 (€283.5bn)

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## 2014: Solid Growth in Revenues and Profitability

€ m

	2013 Restated	2014	Δ%
Net interest income	8,110	8,374	3.3
Dividends and P/L on investments carried at equity	(49)	66	n.m.
Net fee and commission income	6,132	6,775	10.5
Profits (Losses) on trading	1,159	777	(33.0)
Income from insurance business	790	919	16.3
Other operating income	106	(13)	n.m.
<b>Operating income</b>	<b>16,248</b>	<b>16,898</b>	<b>4.0</b>
Personnel expenses	(4,802)	(5,092)	6.0
Other administrative expenses	(2,807)	(2,769)	(1.4)
Adjustments to property, equipment and intangible assets	(689)	(683)	(0.9)
<b>Operating costs</b>	<b>(8,298)</b>	<b>(8,544)</b>	<b>3.0</b>
<b>Operating margin</b>	<b>7,950</b>	<b>8,354</b>	<b>5.1</b>
Net provisions for risks and charges	(314)	(542)	72.6
Net adjustments to loans	(7,111)	(4,538)	(36.2)
Net impairment losses on assets	(417)	(227)	(45.6)
Profits (Losses) on HTM and on other investments	2,408	388	(83.9)
<b>Income before tax from continuing operations</b>	<b>2,516</b>	<b>3,435</b>	<b>36.5</b>
Taxes on income from continuing operations	(871)	(1,781)	104.5
Charges (net of tax) for integration and exit incentives	(80)	(103)	28.8
Effect of purchase cost allocation (net of tax)	(294)	(193)	(34.4)
Impairment (net of tax) of goodwill and other intangible assets	(5,797)	0	(100.0)
Income (Loss) after tax from discontinued operations	(31)	(48)	54.8
Minority interests	7	(59)	n.m.
<b>Net income</b>	<b>(4,550)</b>	<b>1,251</b>	<b>n.m.</b>
<b>Net income excluding impairment of goodwill and other intangible assets (2013) and one-off tax charge (2014)<sup>(1)</sup></b>	<b>1,218</b>	<b>1,690</b>	<b>38.8</b>

+6.8% excluding Profits on trading

+11.6% excluding Profits on trading

Note: figures may not add up exactly due to rounding differences. 2013 data has been restated to include Pravex-Bank in the discontinued operations following the sale agreement signed in January 2014

(1) Tax rate increase from 12% to 26% on the gain booked for the Bank of Italy stake: gain booked in 4Q13 and impact from higher taxation booked in 2Q14

## Q4 vs Q3: Further Increase in Commissions and Strong Decline in Net Adjustments to Loans

€ m

	3Q14	4Q14	Δ%
Net interest income	2,110	2,060	(2.4)
Dividends and P/L on investments carried at equity	53	2	(96.2)
Net fee and commission income	1,649	1,815	10.1
Profits (Losses) on trading	136	81	(40.4)
Income from insurance business	237	183	(22.8)
Other operating income (expenses)	21	(14)	n.m.
<b>Operating income</b>	<b>4,206</b>	<b>4,127</b>	<b>(1.9)</b>
Personnel expenses	(1,251)	(1,353)	8.2
Other administrative expenses	(648)	(805)	24.2
Adjustments to property, equipment and intangible assets	(168)	(188)	11.9
<b>Operating costs</b>	<b>(2,067)</b>	<b>(2,346)</b>	<b>13.5</b>
<b>Operating margin</b>	<b>2,139</b>	<b>1,781</b>	<b>(16.7)</b>
Net provisions for risks and charges	(12)	(294)	n.m.
Net adjustments to loans	(1,248)	(1,034)	(17.1)
Net impairment losses on other assets	(64)	(84)	31.3
Profits (Losses) on HTM and on other investments	73	5	(93.2)
<b>Income before tax from continuing operations</b>	<b>888</b>	<b>374</b>	<b>(57.9)</b>
Taxes on income from continuing operations	(322)	(183)	(43.2)
Charges (net of tax) for integration and exit incentives	(9)	(74)	722.2
Effect of purchase cost allocation (net of tax)	(49)	(45)	(8.2)
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Income (Loss) after tax from discontinued operations	(11)	(15)	36.4
Minority interests	(14)	(9)	(35.7)
<b>Net income</b>	<b>483</b>	<b>48</b>	<b>(90.1)</b>

+5.0% vs 4Q13

(0.1%) vs 4Q13

+2.2% vs 4Q13

€335m excluding Hungary and Charges for integration and exit incentives

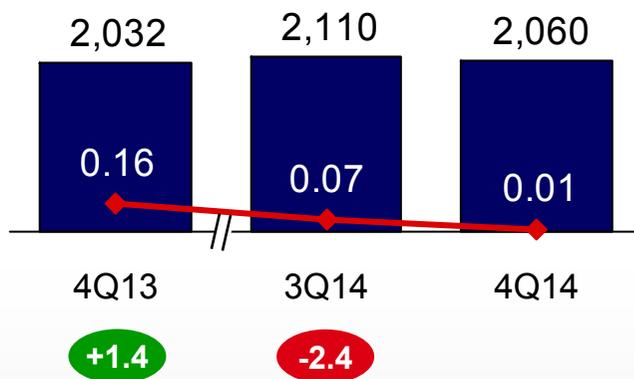
Note: figures may not add up exactly due to rounding differences

# Net Interest Income: Annual Growth Despite Market Rates at Historic Lows

## Quarterly Analysis

€ m

—◆— Euribor 1M; %  
 (○) % Δ 4Q14 vs 4Q13 and 3Q14

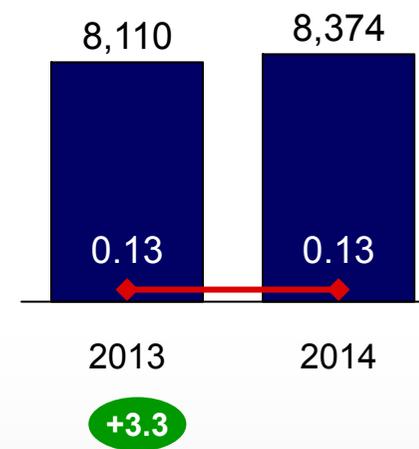


- 1.4% increase vs 4Q13
- Decrease vs 3Q14 due to securities portfolio

## Yearly Analysis

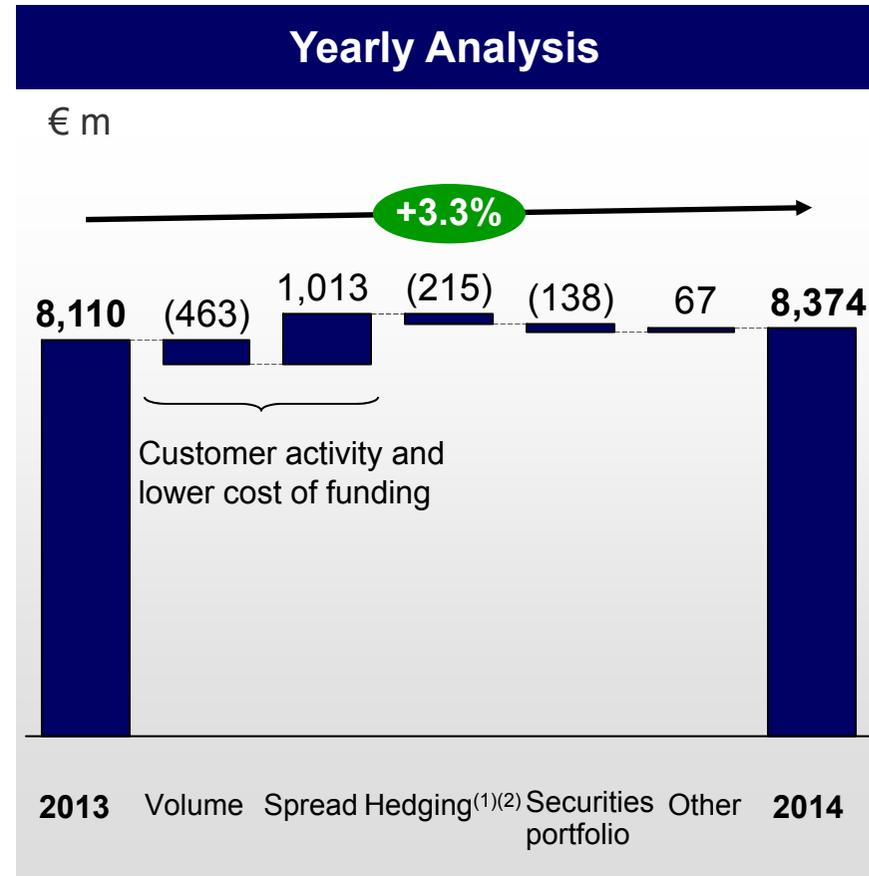
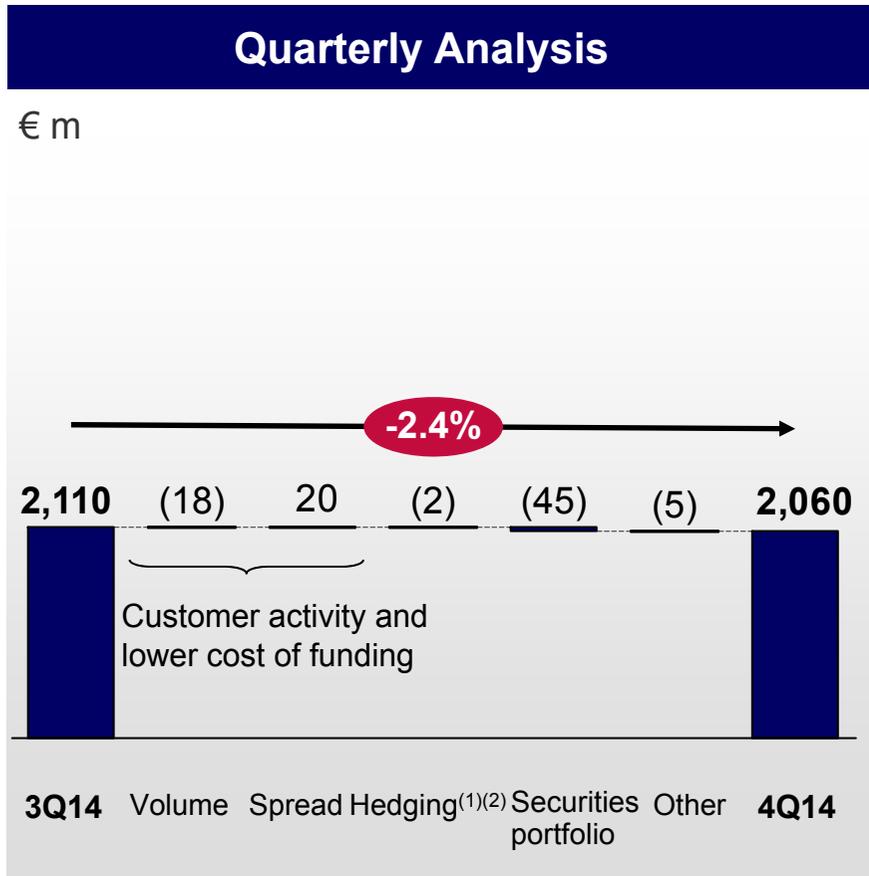
€ m

—◆— Euribor 1M; %  
 (○) % Δ 2014 vs 2013



- Increase due to lower funding cost and loan re-pricing, which more than offset the impact from volume decline and the lower contribution from core deposits hedging
- 5% decrease in average Direct deposits from banking business versus a 6.5% contraction in average Performing loans to customers, mostly due to Large and International Corporate, Financial Institutions, Public Finance, SME and Small Business customers

# Net Interest Income: Positive Annual Performance Due to Customer Activity and Lower Cost of Funding



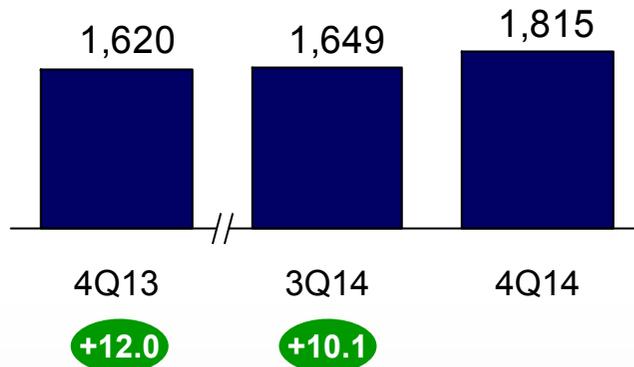
Note: figures may not add up exactly due to rounding differences  
 (1) ~€830m benefit from hedging in 2014, of which ~€210m in 4Q14  
 (2) Core deposits

# Net Fee and Commission Income: Highest Result Ever

## Quarterly Analysis

€ m

(%) Δ 4Q14 vs 4Q13 and 3Q14

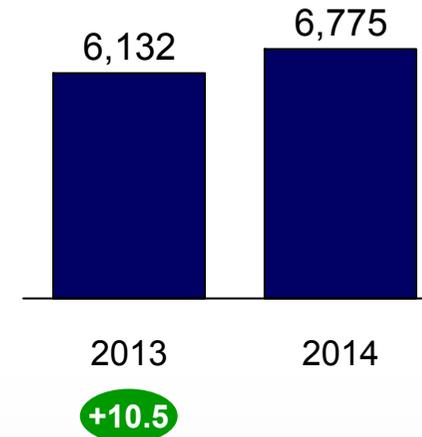


- 4Q14 is the highest quarter ever
- Double-digit growth vs 3Q14 and vs 4Q13
- Strong increase vs 3Q14 mostly attributable to a growth in Commissions from Management, dealing and consultancy activities (+15.8%; +€135m)
- ~€11bn increase in AuM stock in 4Q14

## Yearly Analysis

€ m

(%) Δ 2014 vs 2013



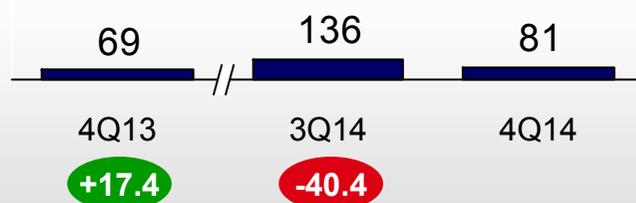
- 2014 is the highest yearly result ever
- Strong increase in commissions from Management, dealing and consultancy activities (+20.6%; +€613m) owing mainly to AuM and insurance products
- 2.4% (+€55m) growth in commissions from Commercial banking activities
- €43bn increase in AuM stock in 2014

# Profits on Trading

## Quarterly Analysis

€ m

(%) Δ 4Q14 vs 4Q13 and 3Q14



■ 17% increase vs 4Q13

## Yearly Analysis

€ m

(%) Δ 2014 vs 2013

■ Extraordinary items<sup>(2)</sup>



■ 12% decrease excluding extraordinary items

## Contributions by Activities

	4Q13	3Q14	4Q14	2013	2014
Customers	45	53	40	308	240
Capital markets & Financial assets AFS	13	8	34	175	125
Proprietary Trading and Treasury	9 <sup>(1)</sup>	66	3	599 <sup>(2)</sup>	375
Structured credit products	1	9	4	77	38

Note: figures may not add up exactly due to rounding differences

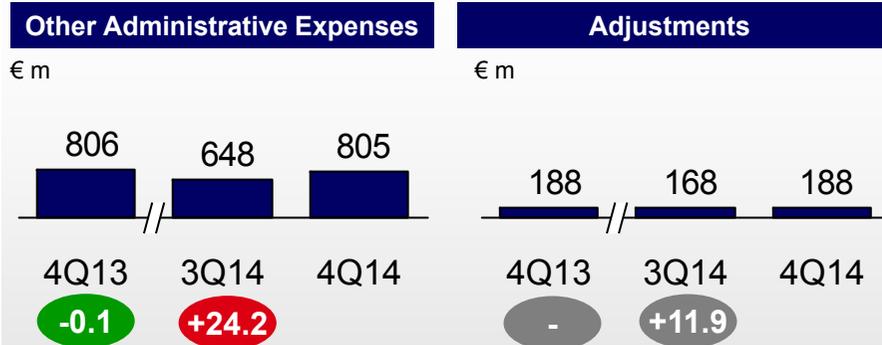
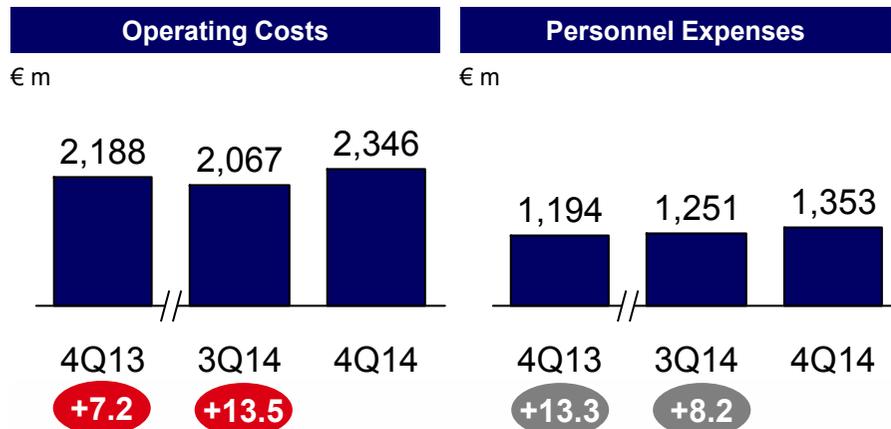
(1) Of which €84m capital gain on sale of Assicurazioni Generali stake

(2) Of which €84m capital gain on sale of Assicurazioni Generali stake and €193m capital gains on buy-backs

# Operating Costs: Cost/Income Down to 50.6% vs 51.1% in 2013

## Quarterly Analysis

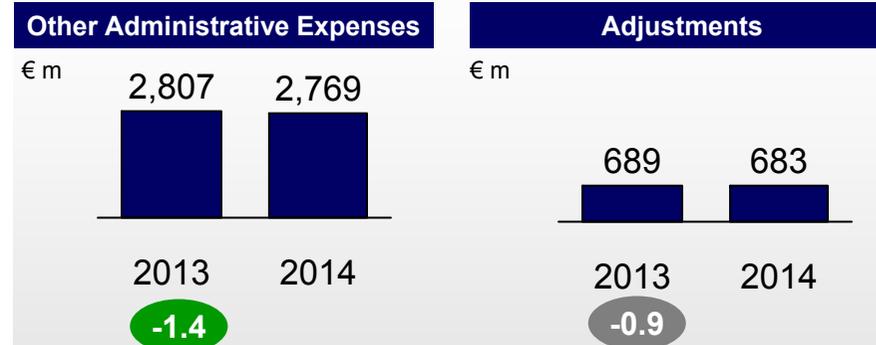
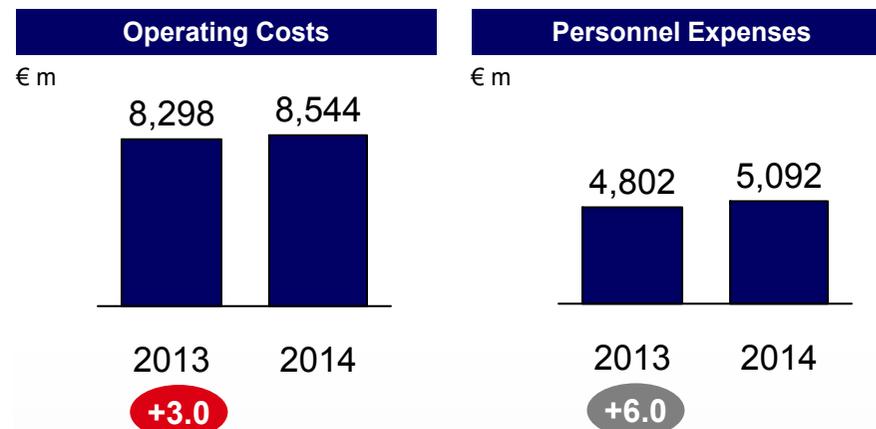
(%) Δ 4Q14 vs 4Q13 and 3Q14



- Personnel expenses up 8.2% vs 3Q14 due to the payment of incentives to trigger growth
- ~100 headcount reduction in 4Q14
- Increase in Other Administrative Expenses due to seasonal effects at year-end and advertising costs

## Yearly Analysis

(%) Δ 2014 vs 2013



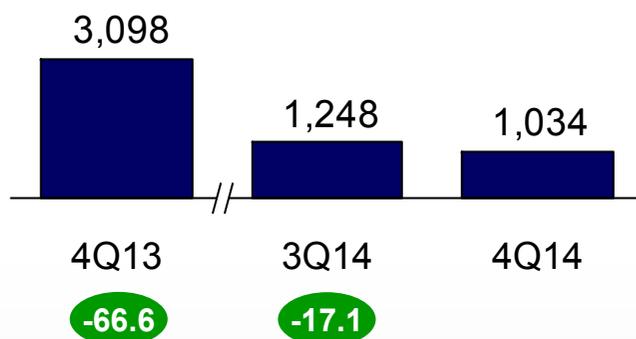
- Increase in Operating costs due to the payment of incentives to trigger growth not paid in 2013
- ~760 yearly headcount reduction

# Net Adjustments to Loans: Provisioning and Cost of Credit Down Coupled with Improved NPL Coverage

## Quarterly Analysis

€ m

(%) Δ 4Q14 vs 4Q13 and 3Q14

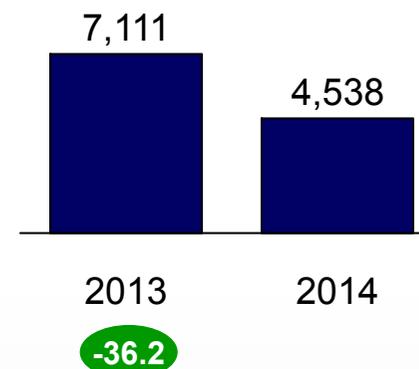


- 4Q14 Net adjustments to loans are the lowest since 1Q12
- Annualised cost of credit down to 122bps vs 148bps in 3Q14 and 360bps in 4Q13

## Yearly Analysis

€ m

(%) Δ 2014 vs 2013



- 2014 has the lowest inflow of new NPL from Performing Loans since 2011
- Cost of credit down to 134bps (207bps in 2013)
- Strong decline in net inflow from Performing loans to Non-performing loans (-22%)
- Non-performing loans cash coverage up 80bps (46.8% vs 46.0% in 2013)

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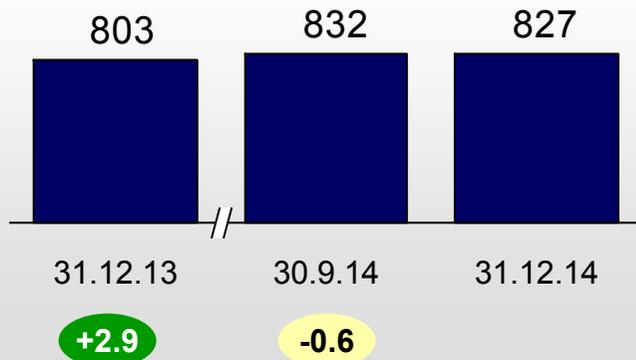
Divisional Results and Other Information

# Annual Growth in Customer Financial Assets Driven by a Strong Increase in AuM

% Δ 31.12.14 vs 31.12.13 and 30.9.14

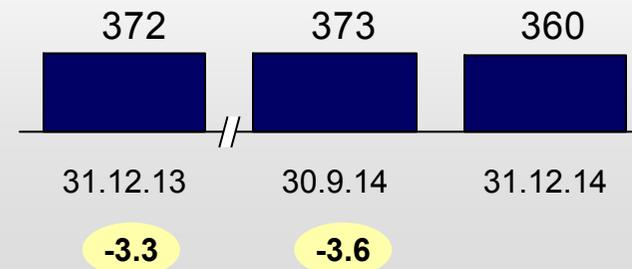
## Customer Financial Assets<sup>(1)</sup>

€ bn



## Direct Deposits from Banking Business

€ bn



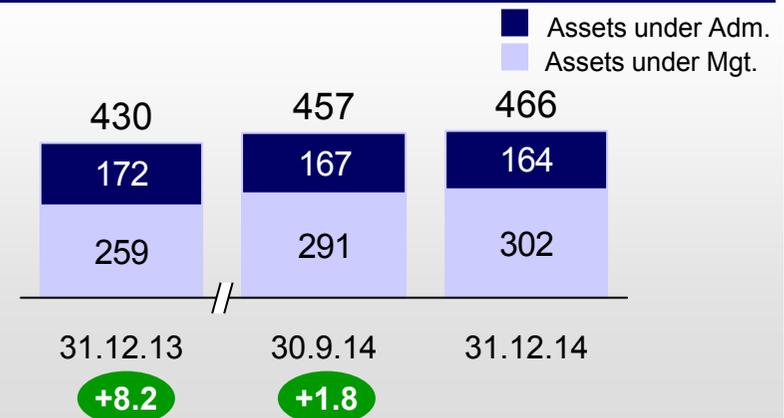
## Direct Deposits from Insurance Business and Technical Reserves

€ bn



## Indirect Customer Deposits

€ bn



**AuM / Indirect Customer Deposits ratio up to 65% vs 60% in 2013**

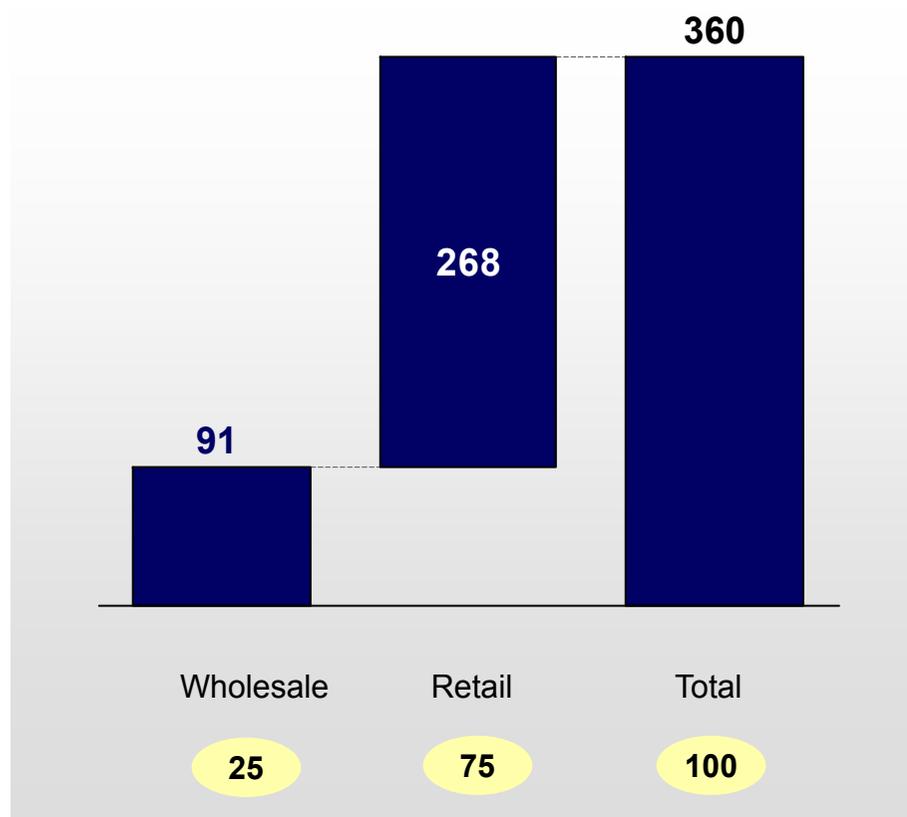
Note: figures may not add up exactly due to rounding differences

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

# Stable and Reliable Source of Funding from Retail Branch Network

## Breakdown of Direct Deposits from Banking Business

€ bn as of 31.12.14; % Percentage of total



	Wholesale	Retail
■ Current accounts and deposits	5	195
■ Repos and securities lending	21	-
■ Senior bonds	29	52
■ Covered bonds	13	-
■ EMTN puttable	5	-
■ Certificates of deposit + Commercial papers	8	1
■ Subordinated liabilities	11	4
■ Other deposits	1	16

**Retail funding represents 75% of Direct deposits from banking business**

Note: figures may not add up exactly due to rounding differences

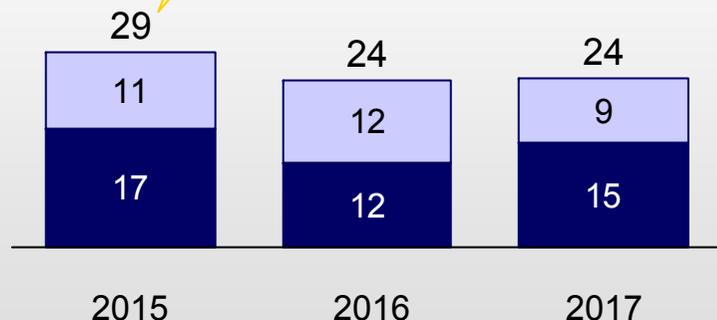
# Strong Funding Capability: Broad and Continued Access to International Markets

## 2015-2017 MLT Bond Maturities

€ bn

Wholesale  
Retail

~€2.5bn of bonds already placed, of which €2.2bn wholesale<sup>(1)</sup>



In 2014, €20bn of bonds (of which €12bn wholesale) and €11bn of 18/24-month Time Deposit placements

## Main Wholesale Issues

### 2014

- €3.75bn of eurobonds (of which €1bn subordinated Tier 2), €1.25bn of covered bonds, \$4.5bn of US bonds (of which \$2bn subordinated Tier 2) and CNY 650m bonds placed on international markets (more than 80% demand from foreign investors; target exceeded by more than 140%):
  - January: \$2.5bn 3y and 10y senior dual tranche bond issue on the US market, €750m 8y senior unsecured benchmark eurobond and €1.25bn 12y benchmark covered bonds backed by residential and commercial mortgages
  - February: CNY 650m (~€80m) 5y senior unsecured bond issue, the first medium-long term Renminbi denominated issue by an Italian bank
  - April: €1bn 5y senior unsecured benchmark eurobond issue
  - June: €1bn 7y senior unsecured benchmark eurobond issue and \$2bn 10y subordinated Tier 2 benchmark bond issue on the US market
  - September: €1bn 12y subordinated Tier 2 benchmark bond issue on international markets

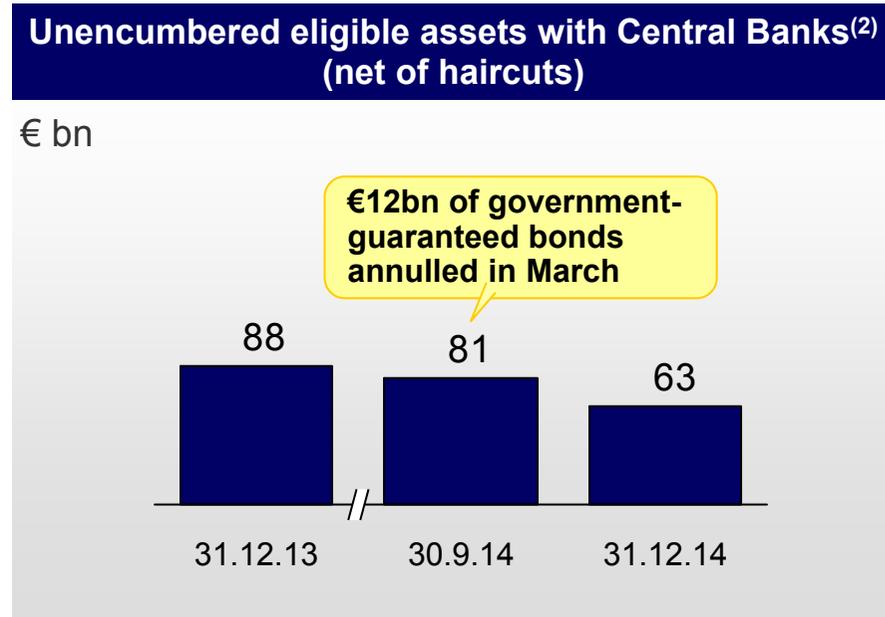
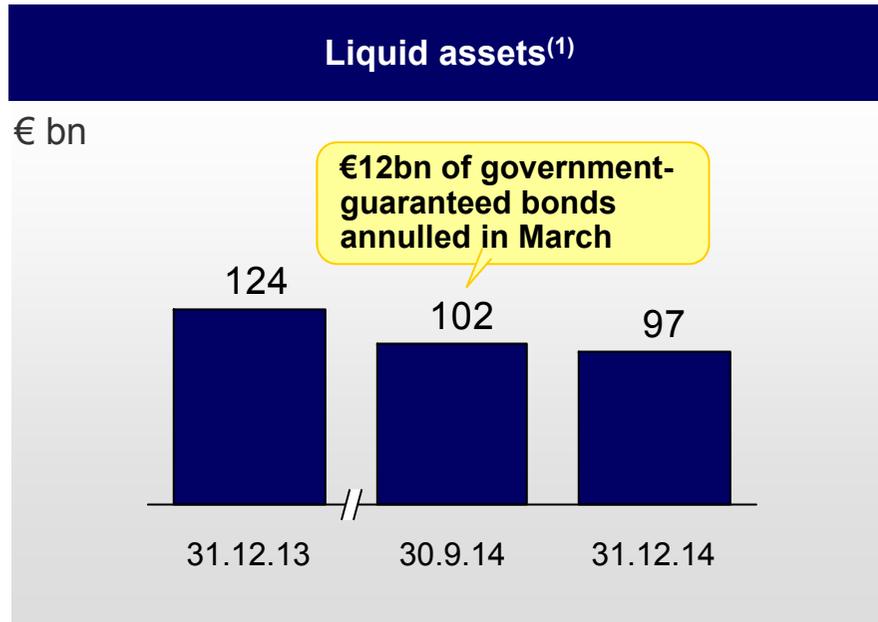
### 2015

- €1.25bn of eurobonds placed on international markets and €1bn of covered bonds (more than 75% demand from foreign investors; target exceeded by 120%):
  - January: €1.25bn 5y senior unsecured benchmark eurobond issue on international markets and €1bn 7y benchmark covered bonds issue backed by residential mortgages

Note: figures may not add up exactly due to rounding differences

(1) Data as of 31.1.15

# High Liquidity: LCR and NSFR Well Above Basel 3 Requirements for 2018-2019



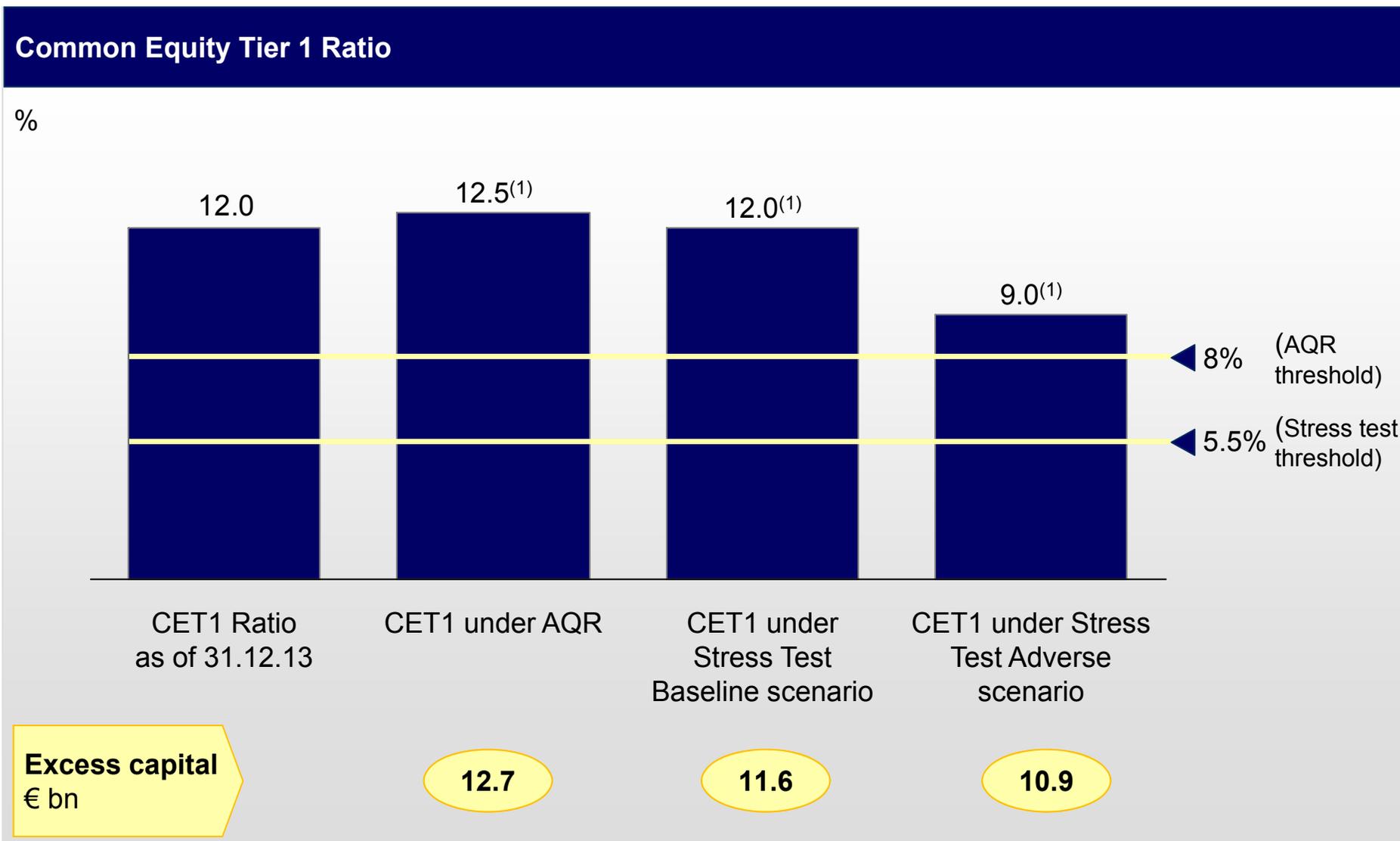
- ~€12.5bn TLTRO (maximum borrowing allowance): €4bn in September and ~€8.5bn in December
- €36bn LTRO fully paid back in 2013
- Loan to Deposit ratio<sup>(3)</sup> at 94.3%

(1) Stock of own-account eligible assets, including assets used as collateral and excluding eligible assets received as collateral

(2) Eligible assets freely available, excluding assets used as collateral and including eligible assets received as collateral

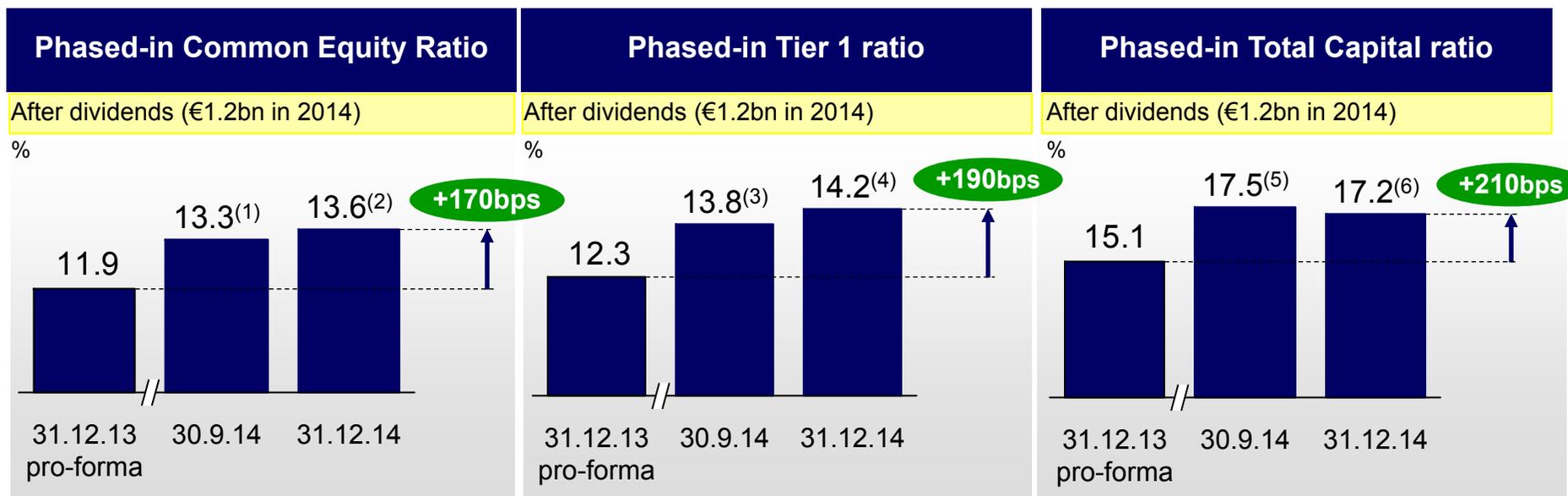
(3) Loans to Customers/Direct Deposits from Banking Business

# ISP Smoothly Navigated the ECB Comprehensive Assessment



(1) Including the capital gain deriving from the stake in Bank of Italy (~€1.8bn) as well as the other capital measures carried out in 2014 (~€0.4bn)

# Further Strengthening of a Solid Capital Base



**13.3% pro-forma fully loaded Common Equity ratio<sup>(7)</sup>**

Note: figures may not add up exactly due to rounding differences

(1) 13.2% not considering 3Q14 Net income after pro quota dividends

(2) 13.5% not considering 2014 Net income after dividends

(3) 13.7% not considering 3Q14 Net income after pro quota dividends

(4) 14.2% not considering 2014 Net income after dividends

(5) 17.3% not considering 3Q14 Net income after pro quota dividends

(6) 17.2% not considering 2014 Net income after dividends

(7) Pro-forma fully loaded Basel 3 (31.12.14 financial statements considering the total absorption of DTA related to goodwill realignment and the expected absorption of DTA on losses carried forward); including estimated benefits from the Danish Compromise (9bps)

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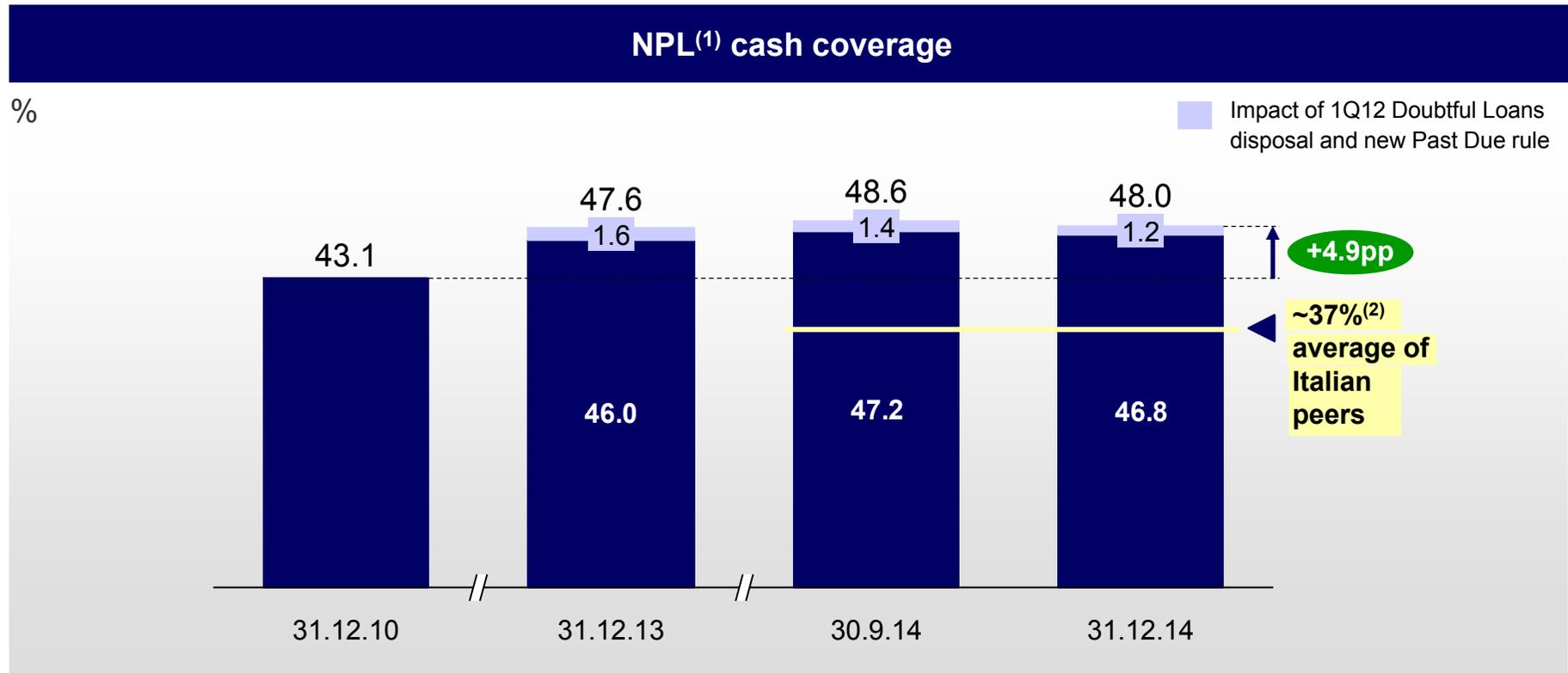
Detailed Consolidated P&L Results

Liquidity, Funding and Capital Base

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# Non-performing Loans: Sizeable and Increased Cash Coverage on a Yearly Basis



- Doubtful Loans recovery rate<sup>(3)</sup> at 138% in the period 2009 - 2014
- Stable NPL coverage vs 30.9.14 excluding the impact from a single name reclassified as a Substandard loan from Performing loans in Q4

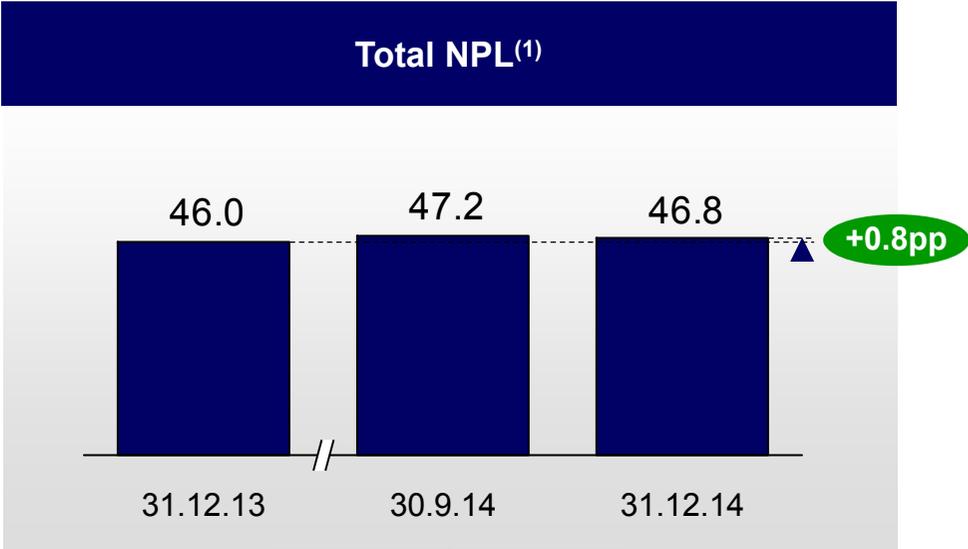
(1) Doubtful Loans (*sofferenze*), Substandard Loans (*incagli*), Restructured (*ristrutturati*) and Past Due (*scaduti e sconfinanti*; 90 days since 2012 vs 180 days up until 31.12.11)

(2) Sample: BPOP, MPS, UBI and UniCredit (data as of 30.9.14)

(3) Repayment on Doubtful Loans/Net book value

# Non-performing Loans: Increase in Cash Coverage on a Yearly Basis

Cash coverage; %



**Stable NPL coverage vs 30.9.14 excluding the impact from a single name reclassified as a Substandard loan from Performing loans in Q4**

(1) Doubtful Loans (*sofferenze*), Substandard Loans (*incagli*), Restructured (*ristrutturati*) and Past Due (*scaduti e sconfinanti*)

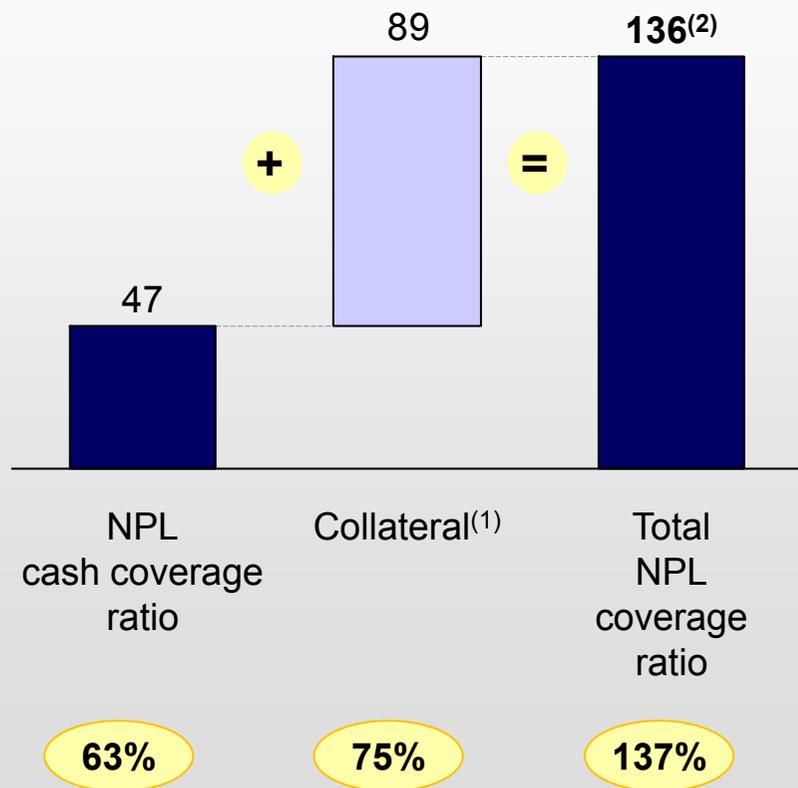
# Even Stronger NPL Coverage When Collateral is Considered

Incidence on Group Total Loans (gross values)

## Total NPL coverage (including collateral<sup>(1)</sup>)

31.12.14  
%

Doubtful loans coverage ratio

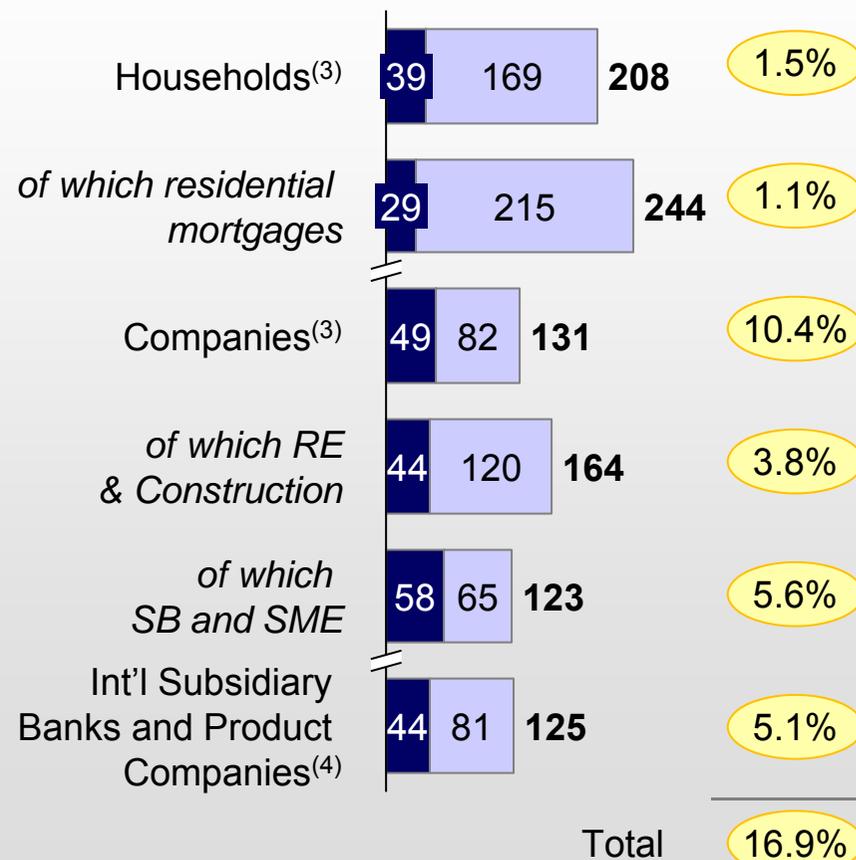


## Total NPL coverage (including collateral<sup>(1)</sup>) breakdown

31.12.14  
%

NPL cash coverage ratio

Collateral<sup>(1)</sup>



Note: figures may not add up exactly due to rounding differences

(1) Excluding personal guarantees

(2) 158% including personal guarantees

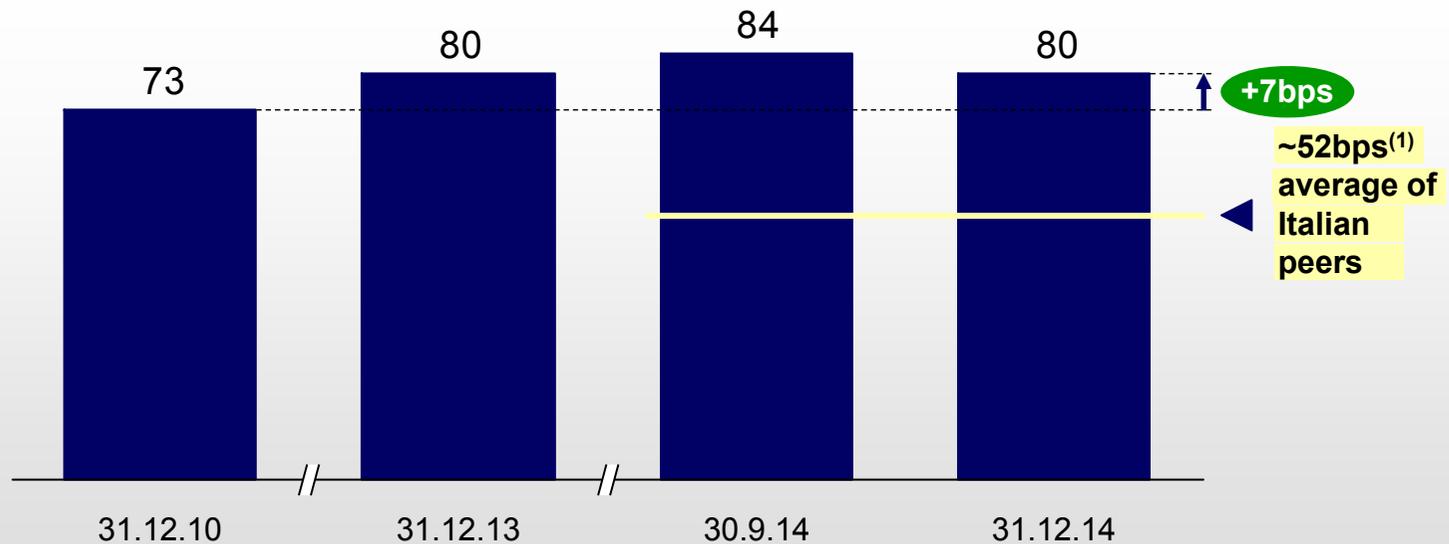
(3) Parent Bank and Italian Subsidiary Bank

(4) Mediocredito Italiano (Industrial Credit, Factoring and Leasing), Banca IMI (Capital Markets, Investment Banking and Structured Finance) and ISP Personal Finance

# Performing Loans: Robust Cash Coverage

## Performing Loans cash coverage

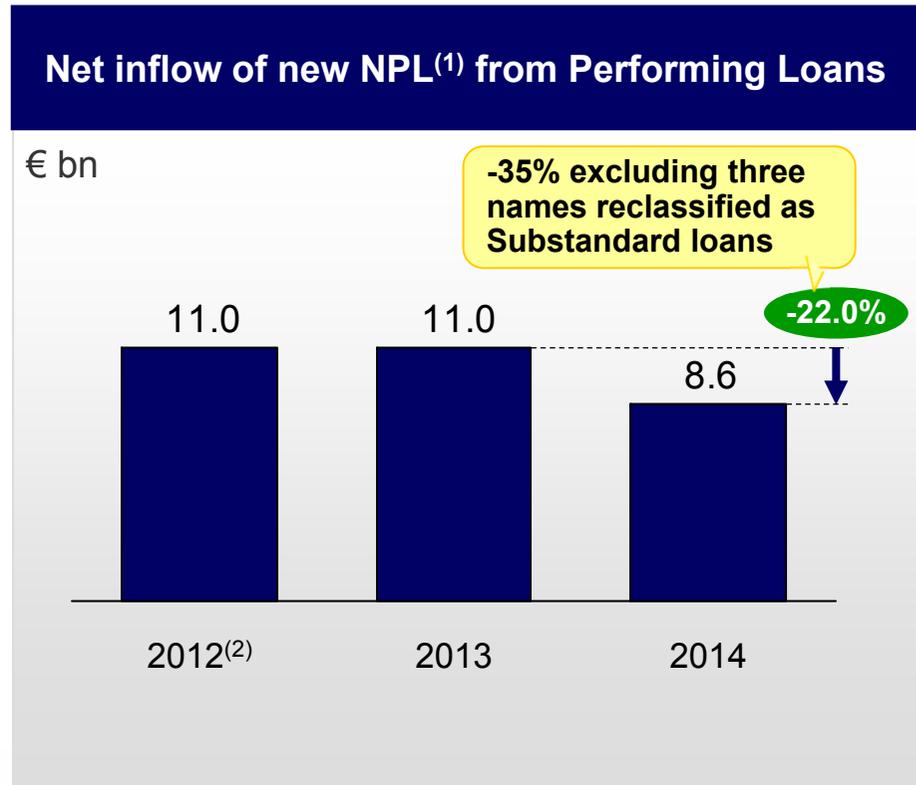
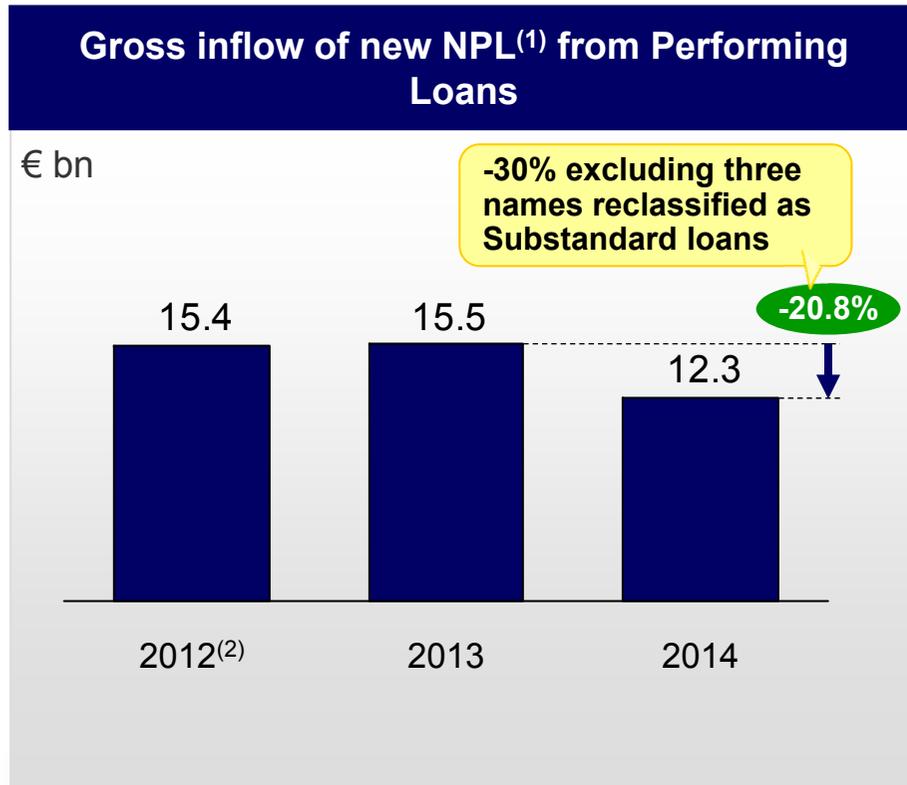
Bps



**Stable coverage vs 30.9.14 excluding the impact from a single name reclassified as a Substandard loan from Performing loans in Q4**

(1) Sample: BPOP, MPS, UBI and UniCredit (data as of 30.9.14)

# Non-performing Loans: Strong Decline in Inflow from Performing Loans



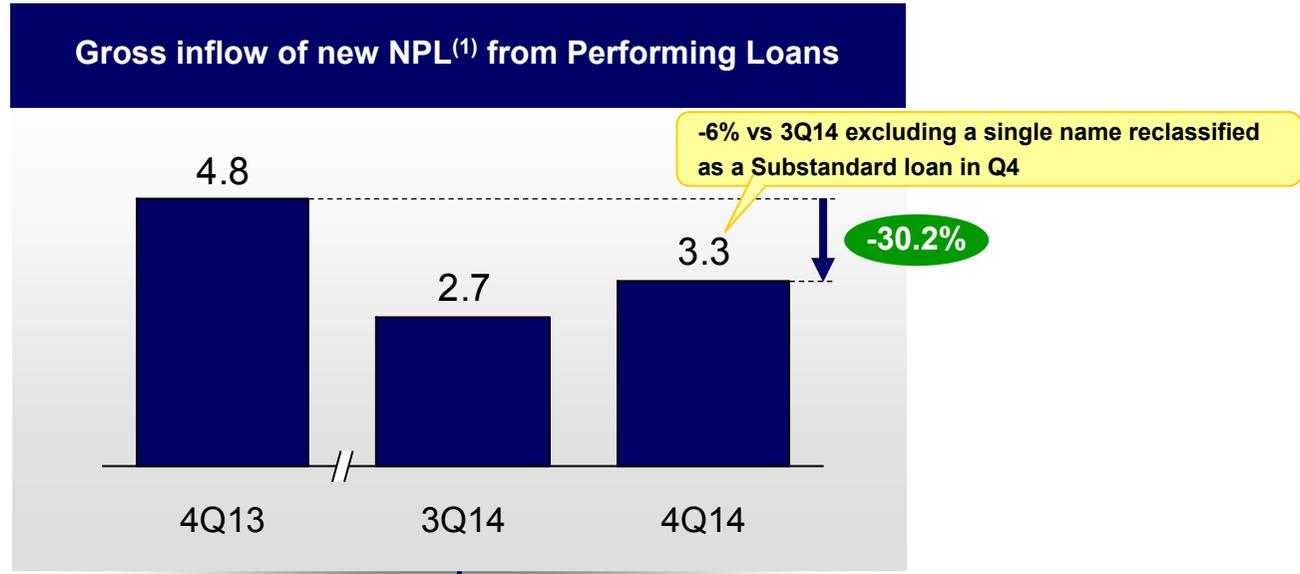
**2014 has the lowest inflow of new NPL from Performing loans since 2011**

(1) Doubtful Loans (*sofferenze*), Substandard Loans (*incagli*), Restructured (*ristrutturati*) and Past Due (*scaduti e sconfinanti*)

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

# Non-performing Loans: Strong Decline in Quarterly Gross Inflow from Performing Loans vs 4Q13

€ bn



Doubtful Loans			Substandard Loans			Restructured			Past Due		
0.2	0.1	0.1	3.0	1.2	2.3	0.1	0.0	0.0	1.5	1.4	1.0
4Q13	3Q14	4Q14	4Q13	3Q14	4Q14	4Q13	3Q14	4Q14	4Q13	3Q14	4Q14
-58.5%			-25.7%			-76.4%			-34.0%		

- 4Q14 has the lowest inflow of Past due since 2011
- Increase in Substandard loans inflow Q4 vs Q3 largely due to a single name

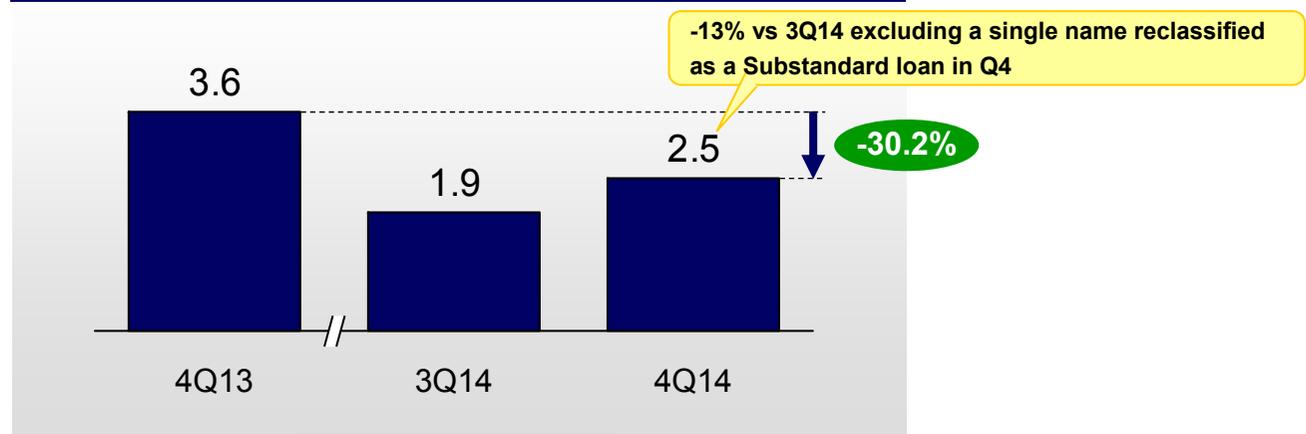
Note: figures may not add up exactly due to rounding differences

(1) Doubtful Loans (*sofferenze*), Substandard Loans (*incagli*), Restructured (*ristrutturati*) and Past Due (*scaduti e sconfinanti*)

# Non-performing Loans: Strong Decline in Quarterly Net Inflow from Performing Loans vs 4Q13

€ bn

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



Doubtful Loans			Substandard Loans			Restructured			Past Due		
0.1	0.1	0.0	2.6	0.9	1.9	0.1	0.0	0.0	0.8	1.0	0.6
4Q13	3Q14	4Q14	4Q13	3Q14	4Q14	4Q13	3Q14	4Q14	4Q13	3Q14	4Q14
		-69.6%			-27.9%			n.m.			-26.4%

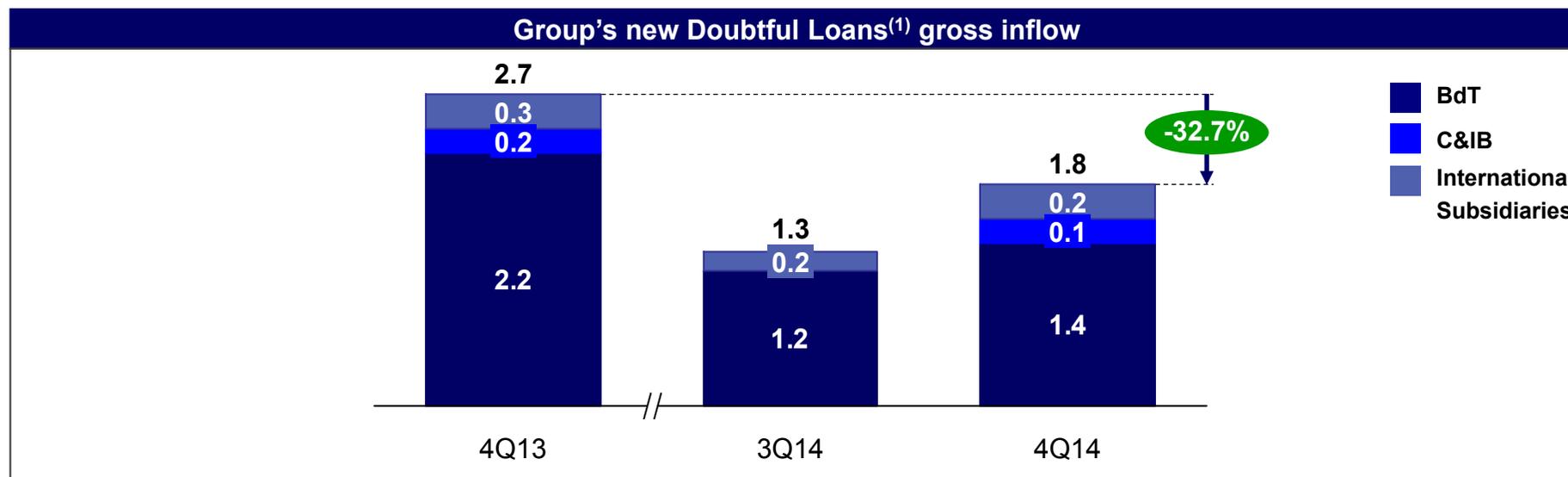
**Increase in Substandard loans inflow Q4 vs Q3 largely due to a single name**

Note: figures may not add up exactly due to rounding differences

(1) Doubtful Loans (*sofferenze*), Substandard Loans (*incagli*), Restructured (*ristrutturati*) and Past Due (*scaduti e sconfinanti*)

# New Doubtful Loans: Gross Inflow Down vs 4Q13

€ bn



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

	4Q13	3Q14	4Q14
<b>Total</b>	<b>2.2</b>	<b>1.2</b>	<b>1.4</b>
Mediocredito Italiano <sup>(2)</sup>	0.5	0.2	0.2
Small Business	0.2	0.2	0.2
Individuals	0.1	0.1	0.2
SMEs	1.3	0.6	0.8

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

	4Q13	3Q14	4Q14
<b>Total</b>	<b>0.2</b>	<b>-</b>	<b>0.1</b>
Banca IMI <sup>(3)</sup>	0.1	-	-
Corporate and Public Finance	-	-	-
International Network & Global Industries	0.1	-	0.1
Financial Institutions	-	-	-

Note: figures may not add up exactly due to rounding differences

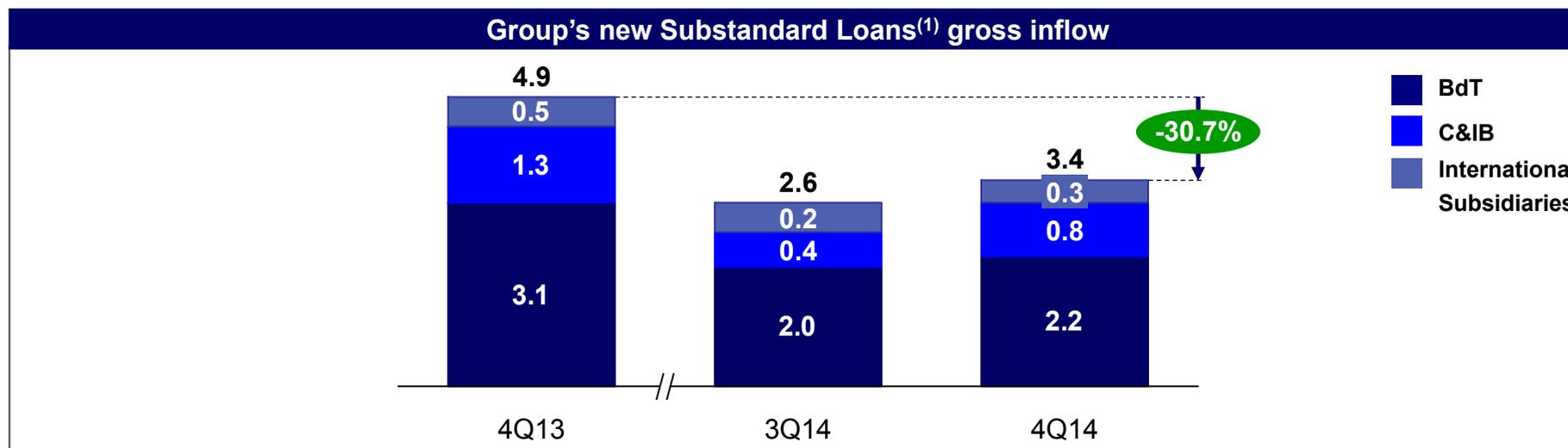
(1) Sofferenze

(2) Industrial Credit, Factoring and Leasing

(3) Capital Markets, Investment Banking and Structured Finance

# New Substandard Loans: Gross Inflow Down vs 4Q13

€ bn



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

	4Q13	3Q14	4Q14
<b>Total</b>	<b>3.1</b>	<b>2.0</b>	<b>2.2</b>
Mediocredito Italiano <sup>(2)</sup>	0.7	0.5	0.6
Small Business	0.4	0.3	0.4
Individuals	0.4	0.2	0.3
SMEs	1.7	1.0	1.0

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

	4Q13	3Q14	4Q14
<b>Total</b>	<b>1.3</b>	<b>0.4</b>	<b>0.8</b>
Banca IMI <sup>(3)</sup>	0.9	0.1	-
Corporate and Public Finance	0.2	0.1	0.2
International Network & Global Industries	0.2	0.2	0.6
Financial Institutions	-	-	-

Note: figures may not add up exactly due to rounding differences

(1) Incagli

(2) Industrial Credit, Factoring and Leasing

(3) Capital Markets, Investment Banking and Structured Finance

## Non-performing Loans: Breakdown by Category

Gross NPL			
€ m	31.12.13	30.9.14	31.12.14
<b>Total</b>	<b>57,342</b>	<b>61,750</b>	<b>62,867</b>
Past Due	2,232	1,892	1,468
- of which 90-180 days	817	746	492
Restructured	2,728	2,819	3,091
Substandard <sup>(1)</sup>	17,979	19,846	20,265
Doubtful <sup>(2)</sup>	34,403	37,193	38,043

Net NPL			
€ m	31.12.13	30.9.14	31.12.14
<b>Total</b>	<b>30,987</b>	<b>32,617</b>	<b>33,461</b>
Past Due	1,958	1,638	1,252
- of which 90-180 days	753	689	442
Restructured	2,315	2,321	2,546
Substandard <sup>(1)</sup>	13,815	15,014	15,485
Doubtful <sup>(2)</sup>	12,899	13,644	14,178

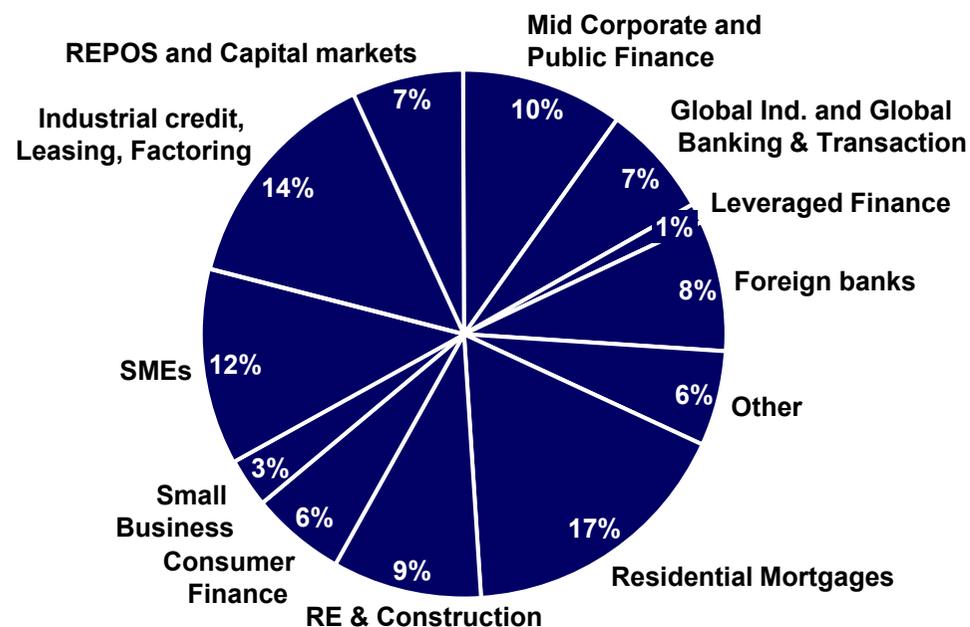
- **Substandard loans down in Q4 excluding a single name reclassified from Performing loans (-2.1% gross and -1.6% net)**
- **Strong decline in Past Due stock**

(1) Incagli

(2) Sofferenze

# Loans to Customers: Well-Diversified Portfolio

**Breakdown by business area**  
(Data as of 31.12.14)



## ■ Low risk profile of residential mortgage portfolio

- Instalment/available income ratio at 37%
- Average Loan-to-Value equal to 53%
- Original average maturity equal to ~22 years
- Residual average life equal to ~18 years

**Breakdown by economic business sectors**

	30.9.14	31.12.14
<b>Loans of the Italian banks and companies of the Group</b>		
Households	24.9%	25.0%
Public Administration	5.7%	5.7%
Financial companies	4.6%	5.4%
Non-financial companies	44.8%	43.6%
<i>of which:</i>		
HOLDING AND OTHER	7.2%	6.5%
DISTRIBUTION	6.1%	6.1%
CONSTRUCTION AND MATERIALS FOR CONSTR.	6.1%	5.7%
SERVICES	5.8%	5.5%
UTILITIES	3.9%	4.6%
TRANSPORT	2.3%	2.3%
METALS AND METAL PRODUCTS	2.3%	2.3%
AGRICULTURE	1.8%	1.8%
FOOD AND DRINK	1.5%	1.6%
MECHANICAL	1.5%	1.4%
INTERMEDIATE INDUSTRIAL PRODUCTS	1.2%	1.2%
FASHION	1.2%	1.1%
ELECTROTECHNICAL AND ELECTRONIC	0.9%	0.8%
TRANSPORTATION MEANS	0.5%	0.6%
BASE AND INTERMEDIATE CHEMICALS	0.5%	0.4%
PUBLISHING AND PRINTING	0.5%	0.4%
ENERGY AND EXTRACTION	0.6%	0.4%
FURNITURE	0.3%	0.3%
OTHER CONSUMPTION GOODS	0.2%	0.2%
PHARMACEUTICAL	0.2%	0.2%
MASS CONSUMPTION GOODS	0.1%	0.1%
WHITE GOODS	0.1%	0.1%
<b>Rest of the world</b>	<b>7.6%</b>	<b>7.7%</b>
<b>Loans of the foreign banks and companies of the Group</b>	<b>8.4%</b>	<b>8.5%</b>
<b>Doubtful Loans</b>	<b>4.0%</b>	<b>4.2%</b>
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>

Note: figures may not add up exactly due to rounding differences

# Contents

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**Detailed Consolidated P&L Results**

**Liquidity, Funding and Capital Base**

**Asset Quality**

**Divisional Results and Other Information**

# Divisional Financial Highlights

Data as of 31.12.14

	Banca dei Territori	Eurizon Capital	Corporate & Investment Banking	International Subsidiary Banks	Banca Fideuram	Corporate Centre / Others <sup>(1)</sup>	Total
Operating Income (€ m)	11,209	547	3,243	2,129	1,033	(1,263)	16,898
Operating Margin (€ m)	5,788	417	2,345	1,046	696	(1,938)	8,354
Net Income (€ m)	1,187	270	1,301	89	356	(1,952)	1,251
Cost/Income (%)	48.4	23.8	27.7	50.9	32.6	n.m.	50.6
RWA (€ bn)	100.2	0.9	92.5	27.6	5.7	42.8	269.8
Direct Deposits from Banking Business (€ bn)	176.1	n.m.	97.4	31.1	8.7	46.4	359.6
Loans to Customers (€ bn)	200.6	0.5	91.0	26.4	5.3	15.4	339.1

€1,690m excluding the one-off impact from the higher tax rate on the Bank of Italy stake gain<sup>(2)</sup> recorded in the Corporate Centre

Note: figures may not add up exactly due to rounding differences. Figures take into account the change in scope of the Banca dei Territori Division and the Corporate and Investment Banking Division approved by the Management Board on May 21<sup>st</sup> 2013

(1) Treasury Department, Central Structures and consolidation adjustments

(2) Gain booked in 4Q13 and one-off impact from higher taxation booked in 2Q14

## Banca dei Territori: 2014 vs 2013

€ m

	2013	2014	Δ%
	Restated		
Net interest income	6,217	5,880	(5.4)
Dividends and P/L on investments carried at equity	13	0	(100.0)
Net fee and commission income	4,094	4,415	7.8
Profits (Losses) on trading	69	54	(21.7)
Income from insurance business	707	820	16.0
Other operating income (expenses)	35	40	14.3
<b>Operating income</b>	<b>11,135</b>	<b>11,209</b>	<b>0.7</b>
Personnel expenses	(2,982)	(3,158)	5.9
Other administrative expenses	(2,302)	(2,257)	(2.0)
Adjustments to property, equipment and intangible assets	(9)	(6)	(33.3)
<b>Operating costs</b>	<b>(5,293)</b>	<b>(5,421)</b>	<b>2.4</b>
<b>Operating margin</b>	<b>5,842</b>	<b>5,788</b>	<b>(0.9)</b>
Net provisions for risks and charges	(47)	(67)	42.6
Net adjustments to loans	(5,548)	(3,571)	(35.6)
Net impairment losses on other assets	(2)	(4)	100.0
Profits (Losses) on HTM and on other investments	0	0	n.m.
<b>Income before tax from continuing operations</b>	<b>245</b>	<b>2,146</b>	<b>775.9</b>
Taxes on income from continuing operations	(52)	(805)	n.m.
Charges (net of tax) for integration and exit incentives	(67)	(84)	25.4
Effect of purchase cost allocation (net of tax)	(164)	(70)	(57.3)
Impairment (net of tax) of goodwill and other intangible assets	(3,912)	0	(100.0)
Income (Loss) after tax from discontinued operations	0	0	n.m.
Minority interests	0	0	n.m.
<b>Net income</b>	<b>(3,950)</b>	<b>1,187</b>	<b>n.m.</b>
<b>Net income excluding impairment of goodwill and other intangible assets</b>	<b>(38)</b>	<b>1,187</b>	<b>n.m.</b>

Note: figures may not add up exactly due to rounding differences. Figures take into account the change in scope of the Banca dei Territori Division and the Corporate and Investment Banking Division approved by the Management Board on May 21<sup>st</sup> 2013

## Banca dei Territori: Q4 vs Q3

€ m

	3Q14	4Q14	Δ%
Net interest income	1,435	1,427	(0.6)
Dividends and P/L on investments carried at equity	(0)	0	n.m.
Net fee and commission income	1,073	1,126	4.9
Profits (Losses) on trading	10	14	32.2
Income from insurance business	212	164	(22.4)
Other operating income (expenses)	11	8	(23.1)
<b>Operating income</b>	<b>2,742</b>	<b>2,739</b>	<b>(0.1)</b>
Personnel expenses	(789)	(785)	(0.6)
Other administrative expenses	(537)	(627)	16.8
Adjustments to property, equipment and intangible assets	(1)	(1)	(4.4)
<b>Operating costs</b>	<b>(1,328)</b>	<b>(1,413)</b>	<b>6.4</b>
<b>Operating margin</b>	<b>1,414</b>	<b>1,326</b>	<b>(6.2)</b>
Net provisions for risks and charges	(8)	(31)	285.9
Net adjustments to loans	(977)	(859)	(12.0)
Net impairment losses on other assets	(0)	(3)	n.m.
Profits (Losses) on HTM and on other investments	0	(0)	n.m.
<b>Income before tax from continuing operations</b>	<b>429</b>	<b>434</b>	<b>1.0</b>
Taxes on income from continuing operations	(139)	(184)	32.6
Charges (net of tax) for integration and exit incentives	(7)	(61)	795.8
Effect of purchase cost allocation (net of tax)	(16)	(19)	16.4
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Income (Loss) after tax from discontinued operations	0	0	n.m.
Minority interests	0	0	n.m.
<b>Net income</b>	<b>268</b>	<b>170</b>	<b>(36.4)</b>

Note: figures may not add up exactly due to rounding differences. Figures take into account the change in scope of the Banca dei Territori Division and the Corporate and Investment Banking Division approved by the Management Board on May 21<sup>st</sup> 2013

## Eurizon Capital: 2014 vs 2013

€ m

	2013	2014	Δ%
Net interest income	1	1	0.0
Dividends and P/L on investments carried at equity	32	38	18.8
Net fee and commission income	370	501	35.4
Profits (Losses) on trading	3	6	100.0
Income from insurance business	0	0	n.m.
Other operating income (expenses)	1	1	0.0
<b>Operating income</b>	<b>407</b>	<b>547</b>	<b>34.4</b>
Personnel expenses	(51)	(59)	15.7
Other administrative expenses	(59)	(70)	18.6
Adjustments to property, equipment and intangible assets	(1)	(1)	0.0
<b>Operating costs</b>	<b>(111)</b>	<b>(130)</b>	<b>17.1</b>
<b>Operating margin</b>	<b>296</b>	<b>417</b>	<b>40.9</b>
Net provisions for risks and charges	14	1	(92.9)
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.
<b>Income before tax from continuing operations</b>	<b>310</b>	<b>418</b>	<b>34.8</b>
Taxes on income from continuing operations	(87)	(101)	16.1
Charges (net of tax) for integration and exit incentives	0	(1)	n.m.
Effect of purchase cost allocation (net of tax)	(38)	(38)	0.0
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Income (Loss) after tax from discontinued operations	0	0	n.m.
Minority interests	(7)	(8)	14.3
<b>Net income</b>	<b>178</b>	<b>270</b>	<b>51.7</b>

2014 result at €308m  
excluding the Effect of  
purchase cost  
allocation

Note: figures may not add up exactly due to rounding differences

## Eurizon Capital: Q4 vs Q3

€ m

	3Q14	4Q14	Δ%
Net interest income	0	0	(24.4)
Dividends and P/L on investments carried at equity	10	10	8.8
Net fee and commission income	112	167	49.3
Profits (Losses) on trading	0	(0)	n.m.
Income from insurance business	0	0	n.m.
Other operating income (expenses)	0	1	3.1
<b>Operating income</b>	<b>122</b>	<b>178</b>	<b>45.5</b>
Personnel expenses	(14)	(16)	19.4
Other administrative expenses	(16)	(21)	28.7
Adjustments to property, equipment and intangible assets	(0)	(0)	4.5
<b>Operating costs</b>	<b>(30)</b>	<b>(37)</b>	<b>24.3</b>
<b>Operating margin</b>	<b>92</b>	<b>140</b>	<b>52.4</b>
Net provisions for risks and charges	(0)	(2)	n.m.
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.
<b>Income before tax from continuing operations</b>	<b>92</b>	<b>139</b>	<b>50.7</b>
Taxes on income from continuing operations	(23)	(33)	43.1
Charges (net of tax) for integration and exit incentives	(1)	(0)	(19.8)
Effect of purchase cost allocation (net of tax)	(10)	(10)	0.0
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Income (Loss) after tax from discontinued operations	0	0	n.m.
Minority interests	(2)	(3)	65.1
<b>Net income</b>	<b>57</b>	<b>93</b>	<b>62.4</b>

4Q14 result at €103m excluding the Effect of purchase cost allocation

Note: figures may not add up exactly due to rounding differences

## Corporate and Investment Banking: 2014 vs 2013

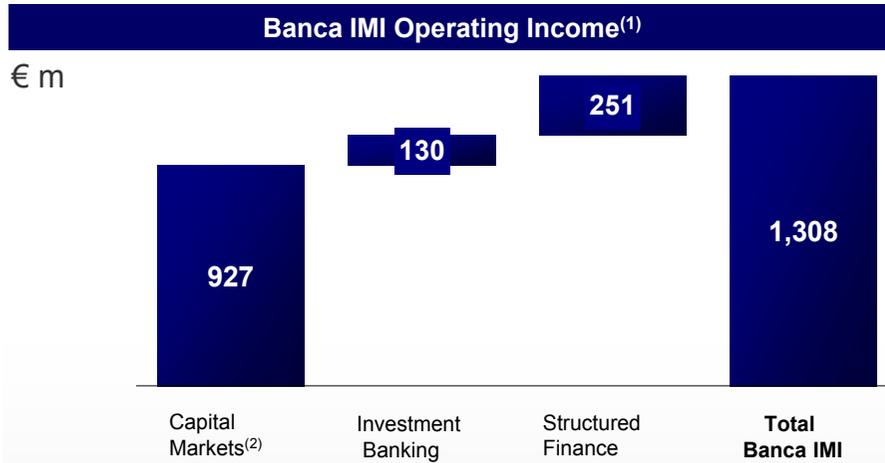
€ m

	2013 Restated	2014	Δ%
Net interest income	1,863	1,835	(1.5)
Dividends and P/L on investments carried at equity	6	24	300.0
Net fee and commission income	815	816	0.1
Profits (Losses) on trading	675	568	(15.9)
Income from insurance business	0	0	n.m.
Other operating income (expenses)	1	0	(100.0)
<b>Operating income</b>	<b>3,360</b>	<b>3,243</b>	<b>(3.5)</b>
Personnel expenses	(294)	(351)	19.4
Other administrative expenses	(510)	(544)	6.7
Adjustments to property, equipment and intangible assets	(3)	(3)	0.0
<b>Operating costs</b>	<b>(807)</b>	<b>(898)</b>	<b>11.3</b>
<b>Operating margin</b>	<b>2,553</b>	<b>2,345</b>	<b>(8.1)</b>
Net provisions for risks and charges	(10)	(4)	(60.0)
Net adjustments to loans	(718)	(495)	(31.1)
Net impairment losses on other assets	(92)	(56)	(39.1)
Profits (Losses) on HTM and on other investments	(15)	90	n.m.
<b>Income before tax from continuing operations</b>	<b>1,718</b>	<b>1,880</b>	<b>9.4</b>
Taxes on income from continuing operations	(649)	(575)	(11.4)
Charges (net of tax) for integration and exit incentives	(4)	(4)	0.0
Effect of purchase cost allocation (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	(1,134)	0	(100.0)
Income (Loss) after tax from discontinued operations	0	0	n.m.
Minority interests	0	0	n.m.
<b>Net income</b>	<b>(69)</b>	<b>1,301</b>	<b>n.m.</b>
<b>Net income excluding impairment of goodwill and other intangible assets</b>	<b>1,065</b>	<b>1,301</b>	<b>22.2</b>

Note: figures may not add up exactly due to rounding differences. Figures take into account the change in scope of the Banca dei Territori Division and the Corporate and Investment Banking Division approved by the Management Board on May 21<sup>st</sup> 2013

# Banca IMI: Significant Contribution to Group Results

2014 Results



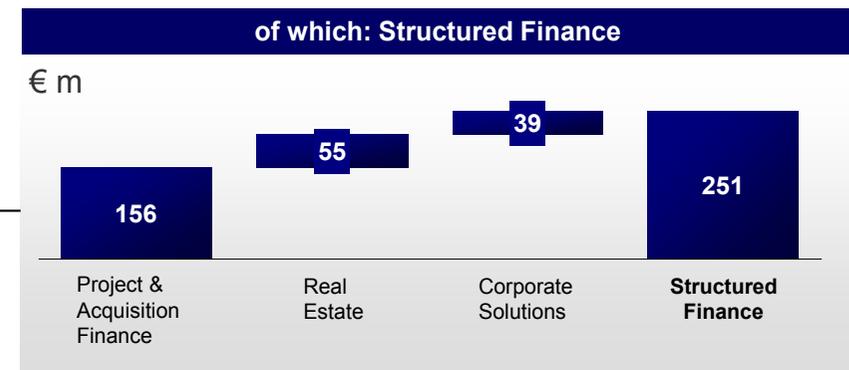
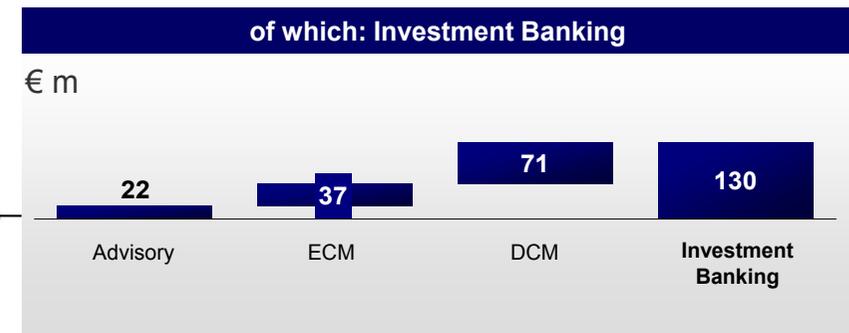
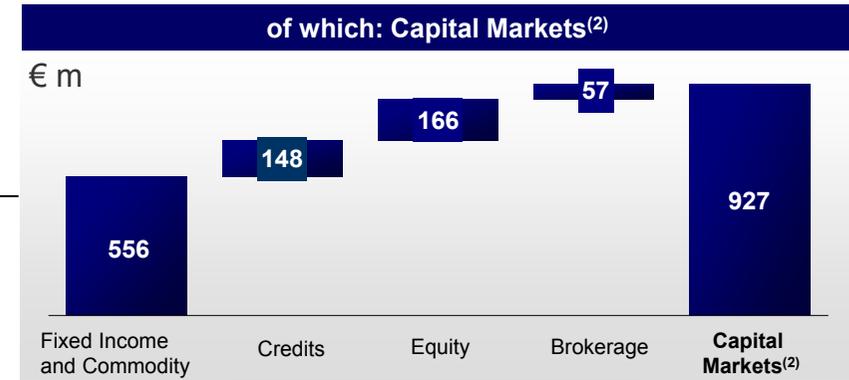
Cost/Income	31.4%	38.2%	23.6%	30.6%
RWA (€ bn)	16.2	0.2	5.7	22.1

- ~69% of Operating income is customer driven
- 2014 average VaR at €57m
- 2014 Net income at €491m

Note: figures may not add up exactly due to rounding differences

(1) Banca IMI S.p.A. and its subsidiaries

(2) Including Finance and Capital Management



## Corporate and Investment Banking: Q4 vs Q3

€ m

	3Q14	4Q14	Δ%
Net interest income	474	445	(6.1)
Dividends and P/L on investments carried at equity	11	3	(67.4)
Net fee and commission income	177	228	28.8
Profits (Losses) on trading	9	95	970.4
Income from insurance business	0	0	n.m.
Other operating income (expenses)	(1)	2	n.m.
<b>Operating income</b>	<b>670</b>	<b>773</b>	<b>15.5</b>
Personnel expenses	(95)	(103)	8.6
Other administrative expenses	(121)	(163)	34.6
Adjustments to property, equipment and intangible assets	(0)	(2)	419.1
<b>Operating costs</b>	<b>(216)</b>	<b>(267)</b>	<b>23.8</b>
<b>Operating margin</b>	<b>454</b>	<b>506</b>	<b>11.5</b>
Net provisions for risks and charges	(0)	(1)	n.m.
Net adjustments to loans	(115)	(91)	(20.8)
Net impairment losses on other assets	(11)	(20)	83.8
Profits (Losses) on HTM and on other investments	60	(22)	n.m.
<b>Income before tax from continuing operations</b>	<b>387</b>	<b>372</b>	<b>(4.0)</b>
Taxes on income from continuing operations	(115)	(120)	4.8
Charges (net of tax) for integration and exit incentives	(0)	(3)	n.m.
Effect of purchase cost allocation (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Income (Loss) after tax from discontinued operations	0	0	n.m.
Minority interests	0	0	n.m.
<b>Net income</b>	<b>272</b>	<b>248</b>	<b>(8.7)</b>

Note: figures may not add up exactly due to rounding differences. Figures take into account the change in scope of the Banca dei Territori Division and the Corporate and Investment Banking Division approved by the Management Board on May 21<sup>st</sup> 2013

## International Subsidiary Banks<sup>(\*)</sup>: 2014 vs 2013

€ m

	2013	2014	Δ%
	Restated		
Net interest income	1,533	1,509	(1.6)
Dividends and P/L on investments carried at equity	32	43	34.4
Net fee and commission income	534	535	0.2
Profits (Losses) on trading	106	128	20.8
Income from insurance business	0	0	n.m.
Other operating income (expenses)	(82)	(86)	4.9
<b>Operating income</b>	<b>2,123</b>	<b>2,129</b>	<b>0.3</b>
Personnel expenses	(560)	(561)	0.2
Other administrative expenses	(435)	(416)	(4.4)
Adjustments to property, equipment and intangible assets	(113)	(106)	(6.2)
<b>Operating costs</b>	<b>(1,108)</b>	<b>(1,083)</b>	<b>(2.3)</b>
<b>Operating margin</b>	<b>1,015</b>	<b>1,046</b>	<b>3.1</b>
Net provisions for risks and charges	(10)	(240)	n.m.
Net adjustments to loans	(776)	(512)	(34.0)
Net impairment losses on other assets	(135)	(40)	(70.4)
Profits (Losses) on HTM and on other investments	(11)	0	(100.0)
<b>Income before tax from continuing operations</b>	<b>83</b>	<b>254</b>	<b>206.0</b>
Taxes on income from continuing operations	(173)	(163)	(5.8)
Charges (net of tax) for integration and exit incentives	0	(2)	n.m.
Effect of purchase cost allocation (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	(722)	0	(100.0)
Income (Loss) after tax from discontinued operations	0	0	n.m.
Minority interests	0	0	n.m.
<b>Net income</b>	<b>(812)</b>	<b>89</b>	<b>n.m.</b>
<b>Net income excluding impairment of goodwill and other intangible assets</b>	<b>(90)</b>	<b>89</b>	<b>n.m.</b>

2014 result at €425m excluding Hungary

Note: figures may not add up exactly due to rounding differences

(\*) Not including Ukraine subsidiary Pravex-Bank following the signing of an agreement for the sale of 100% of the bank in January 2014. Finalisation of the transaction is subject to regulatory approval

## International Subsidiary Banks<sup>(\*)</sup>: Q4 vs Q3

€ m

	3Q14	4Q14	Δ%
Net interest income	380	387	1.9
Dividends and P/L on investments carried at equity	13	4	(67.1)
Net fee and commission income	137	135	(1.5)
Profits (Losses) on trading	45	17	(62.0)
Income from insurance business	0	0	n.m.
Other operating income (expenses)	(26)	(8)	67.4
<b>Operating income</b>	<b>549</b>	<b>535</b>	<b>(2.5)</b>
Personnel expenses	(136)	(155)	13.8
Other administrative expenses	(100)	(113)	12.2
Adjustments to property, equipment and intangible assets	(28)	(26)	(6.1)
<b>Operating costs</b>	<b>(265)</b>	<b>(294)</b>	<b>11.1</b>
<b>Operating margin</b>	<b>284</b>	<b>241</b>	<b>(15.2)</b>
Net provisions for risks and charges	0	(172)	n.m.
Net adjustments to loans	(124)	(149)	20.7
Net impairment losses on other assets	(4)	(39)	n.m.
Profits (Losses) on HTM and on other investments	0	(2)	n.m.
<b>Income before tax from continuing operations</b>	<b>157</b>	<b>(121)</b>	<b>n.m.</b>
Taxes on income from continuing operations	(44)	(32)	(28.1)
Charges (net of tax) for integration and exit incentives	(0)	(1)	835.0
Effect of purchase cost allocation (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Income (Loss) after tax from discontinued operations	0	0	n.m.
Minority interests	0	0	n.m.
<b>Net income</b>	<b>113</b>	<b>(154)</b>	<b>n.m.</b>

4Q14 result at €59m  
excluding Hungary

Note: figures may not add up exactly due to rounding differences

(\*) Not including Ukraine subsidiary Pravex-Bank following the signing of an agreement for the sale of 100% of the bank in January 2014. Finalisation of the transaction is subject to regulatory approval

## Banca Fideuram: 2014 vs 2013

€ m

	2013	2014	Δ%
Net interest income	147	136	(7.5)
Dividends and P/L on investments carried at equity	0	0	n.m.
Net fee and commission income	662	770	16.3
Profits (Losses) on trading	17	29	70.6
Income from insurance business	78	99	26.9
Other operating income (expenses)	(9)	(1)	(88.9)
<b>Operating income</b>	<b>895</b>	<b>1,033</b>	<b>15.4</b>
Personnel expenses	(126)	(144)	14.3
Other administrative expenses	(181)	(178)	(1.7)
Adjustments to property, equipment and intangible assets	(15)	(15)	0.0
<b>Operating costs</b>	<b>(322)</b>	<b>(337)</b>	<b>4.7</b>
<b>Operating margin</b>	<b>573</b>	<b>696</b>	<b>21.5</b>
Net provisions for risks and charges	(74)	(83)	12.2
Net adjustments to loans	(6)	0	(100.0)
Net impairment losses on other assets	(4)	1	n.m.
Profits (Losses) on HTM and on other investments	(2)	0	(100.0)
<b>Income before tax from continuing operations</b>	<b>487</b>	<b>614</b>	<b>26.1</b>
Taxes on income from continuing operations	(150)	(166)	10.7
Charges (net of tax) for integration and exit incentives	(1)	(6)	500.0
Effect of purchase cost allocation (net of tax)	(89)	(86)	(3.4)
Impairment (net of tax) of goodwill and other intangible assets	(29)	0	(100.0)
Income (Loss) after tax from discontinued operations	0	0	n.m.
Minority interests	0	0	n.m.
<b>Net income</b>	<b>218</b>	<b>356</b>	<b>63.3</b>
<b>Net income excluding impairment of goodwill and other intangible assets</b>	<b>247</b>	<b>356</b>	<b>44.1</b>

2014 result at €442m excluding the Effect of purchase cost allocation

Note: including Fideuram Vita. Figures may not add up exactly due to rounding differences

## Banca Fideuram: Q4 vs Q3

€ m

	3Q14	4Q14	Δ%
Net interest income	36	29	(17.6)
Dividends and P/L on investments carried at equity	0	0	n.m.
Net fee and commission income	196	214	9.2
Profits (Losses) on trading	5	13	135.8
Income from insurance business	25	19	(26.3)
Other operating income (expenses)	(0)	0	n.m.
<b>Operating income</b>	<b>262</b>	<b>275</b>	<b>5.0</b>
Personnel expenses	(36)	(41)	14.5
Other administrative expenses	(43)	(50)	17.5
Adjustments to property, equipment and intangible assets	(4)	(4)	0.3
<b>Operating costs</b>	<b>(83)</b>	<b>(95)</b>	<b>15.4</b>
<b>Operating margin</b>	<b>179</b>	<b>180</b>	<b>0.2</b>
Net provisions for risks and charges	(13)	(30)	129.1
Net adjustments to loans	0	0	(100.0)
Net impairment losses on other assets	(0)	0	n.m.
Profits (Losses) on HTM and on other investments	0	0	n.m.
<b>Income before tax from continuing operations</b>	<b>166</b>	<b>149</b>	<b>(9.9)</b>
Taxes on income from continuing operations	(47)	(36)	(22.2)
Charges (net of tax) for integration and exit incentives	(1)	(5)	500.0
Effect of purchase cost allocation (net of tax)	(22)	(18)	(17.6)
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Income (Loss) after tax from discontinued operations	0	0	n.m.
Minority interests	0	(0)	n.m.
<b>Net income</b>	<b>97</b>	<b>90</b>	<b>(6.6)</b>

4Q14 result at €108m excluding the Effect of purchase cost allocation

Note: including Fideuram Vita. Figures may not add up exactly due to rounding differences

# Quarterly P&L Analysis

€ m

	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14
	Restated	Restated	Restated	Restated				
Net interest income	2,017	2,035	2,026	2,032	2,100	2,104	2,110	2,060
Dividends and P/L on investments carried at equity	(43)	2	(6)	(2)	30	(19)	53	2
Net fee and commission income	1,462	1,571	1,479	1,620	1,584	1,727	1,649	1,815
Profits (Losses) on trading	454	236	400	69	151	409	136	81
Income from insurance business	230	215	203	142	251	248	237	183
Other operating income (expenses)	(12)	15	33	70	(8)	(12)	21	(14)
<b>Operating income</b>	<b>4,108</b>	<b>4,074</b>	<b>4,135</b>	<b>3,931</b>	<b>4,108</b>	<b>4,457</b>	<b>4,206</b>	<b>4,127</b>
Personnel expenses	(1,260)	(1,149)	(1,199)	(1,194)	(1,273)	(1,215)	(1,251)	(1,353)
Other administrative expenses	(658)	(682)	(661)	(806)	(650)	(666)	(648)	(805)
Adjustments to property, equipment and intangible assets	(165)	(167)	(169)	(188)	(163)	(164)	(168)	(188)
<b>Operating costs</b>	<b>(2,083)</b>	<b>(1,998)</b>	<b>(2,029)</b>	<b>(2,188)</b>	<b>(2,086)</b>	<b>(2,045)</b>	<b>(2,067)</b>	<b>(2,346)</b>
<b>Operating margin</b>	<b>2,025</b>	<b>2,076</b>	<b>2,106</b>	<b>1,743</b>	<b>2,022</b>	<b>2,412</b>	<b>2,139</b>	<b>1,781</b>
Net provisions for risks and charges	(26)	(38)	(1)	(249)	(55)	(181)	(12)	(294)
Net adjustments to loans	(1,158)	(1,390)	(1,465)	(3,098)	(1,077)	(1,179)	(1,248)	(1,034)
Net impairment losses on other assets	(68)	(147)	(32)	(170)	(12)	(67)	(64)	(84)
Profits (Losses) on HTM and on other investments	5	(3)	(35)	2,441	75	235	73	5
<b>Income before tax from continuing operations</b>	<b>778</b>	<b>498</b>	<b>573</b>	<b>667</b>	<b>953</b>	<b>1,220</b>	<b>888</b>	<b>374</b>
Taxes on income from continuing operations	(364)	(271)	(264)	28	(364)	(912)	(322)	(183)
Charges (net of tax) for integration and exit incentives	(12)	(21)	(5)	(42)	(7)	(13)	(9)	(74)
Effect of purchase cost allocation (net of tax)	(74)	(73)	(72)	(75)	(46)	(53)	(49)	(45)
Impairment (net of tax) of goodwill and other intangible assets	0	0	0	(5,797)	0	0	0	0
Income (Loss) after tax from discontinued operations	(10)	(14)	(3)	(4)	(13)	(9)	(11)	(15)
Minority interests	(12)	(3)	(11)	33	(20)	(16)	(14)	(9)
<b>Net income</b>	<b>306</b>	<b>116</b>	<b>218</b>	<b>(5,190)</b>	<b>503</b>	<b>217</b>	<b>483</b>	<b>48</b>

Note: figures may not add up exactly due to rounding differences. 2013 data has been restated to include Pravex in the discontinued operations following the sale agreement signed in January 2014

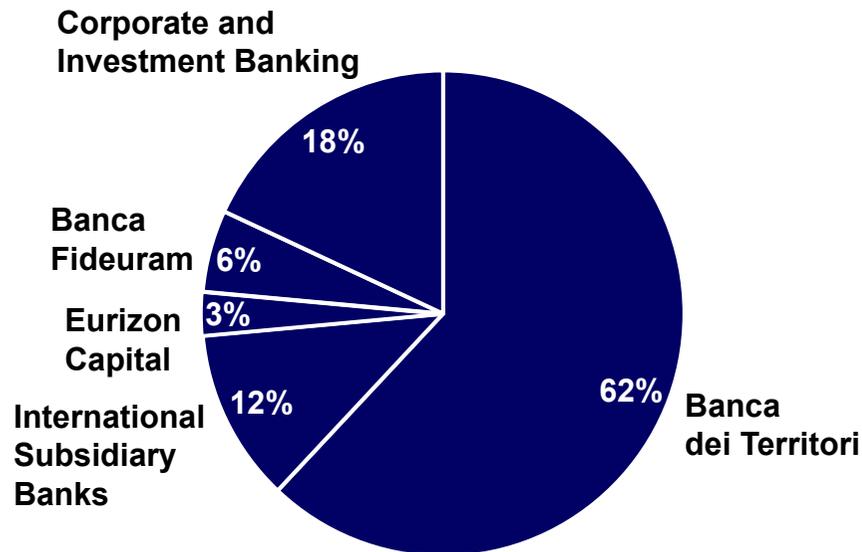
# Net Fee and Commission Income: Quarterly Development

€ m

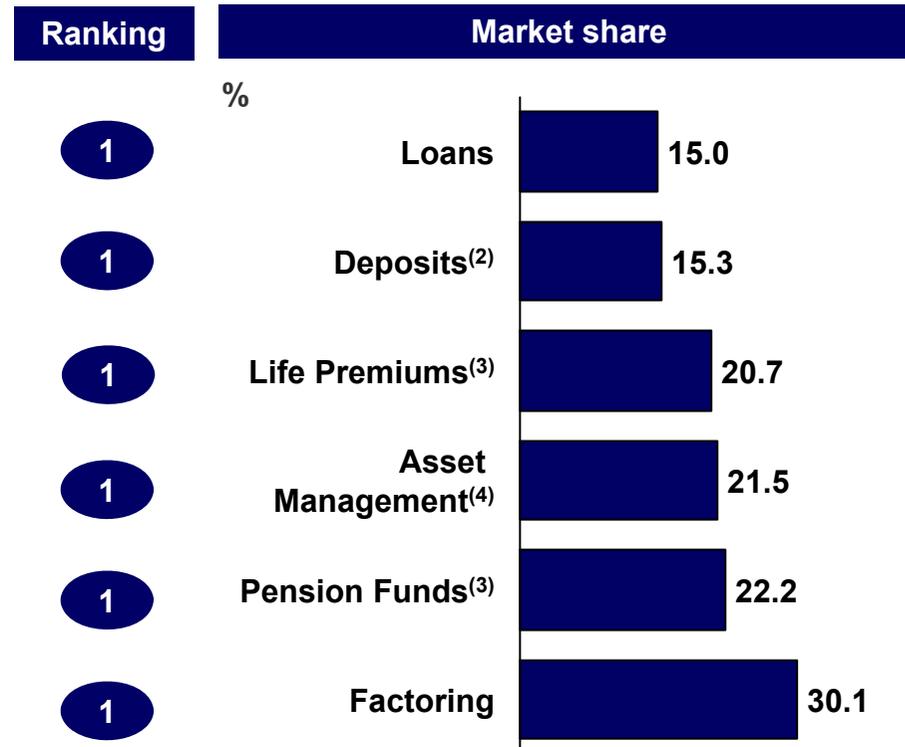
Net Fee and Commission Income								
	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14
Guarantees given / received	88	61	69	83	71	87	93	80
Collection and payment services	66	81	84	108	85	99	85	106
Current accounts	280	285	288	286	279	278	277	271
Credit and debit cards	111	122	125	127	117	130	135	126
<b>Commercial banking activities</b>	<b>545</b>	<b>549</b>	<b>566</b>	<b>604</b>	<b>552</b>	<b>594</b>	<b>590</b>	<b>583</b>
Dealing and placement of securities	137	119	97	110	152	159	87	105
Currency dealing	10	11	11	9	10	10	11	10
Portfolio management	301	391	349	466	391	467	481	563
Distribution of insurance products	184	211	202	208	227	242	234	268
Other	36	44	41	39	41	43	43	45
<b>Management, dealing and consultancy activities</b>	<b>668</b>	<b>776</b>	<b>700</b>	<b>832</b>	<b>821</b>	<b>921</b>	<b>856</b>	<b>991</b>
Other net fee and commission income	249	246	213	184	211	212	203	241
<b>Net fee and commission income</b>	<b>1,462</b>	<b>1,571</b>	<b>1,479</b>	<b>1,620</b>	<b>1,584</b>	<b>1,727</b>	<b>1,649</b>	<b>1,815</b>

# Market Leadership in Italy

## 2014 Operating Income Breakdown by business area<sup>(1)</sup>



## Leader in Italy (data as of 31.12.14)



Note: figures may not add up exactly due to rounding differences. Figures take into account the change in scope of the Banca dei Territori Division and the Corporate and Investment Banking Division approved by the Management Board on May 21<sup>st</sup> 2013

(1) Excluding Corporate Centre

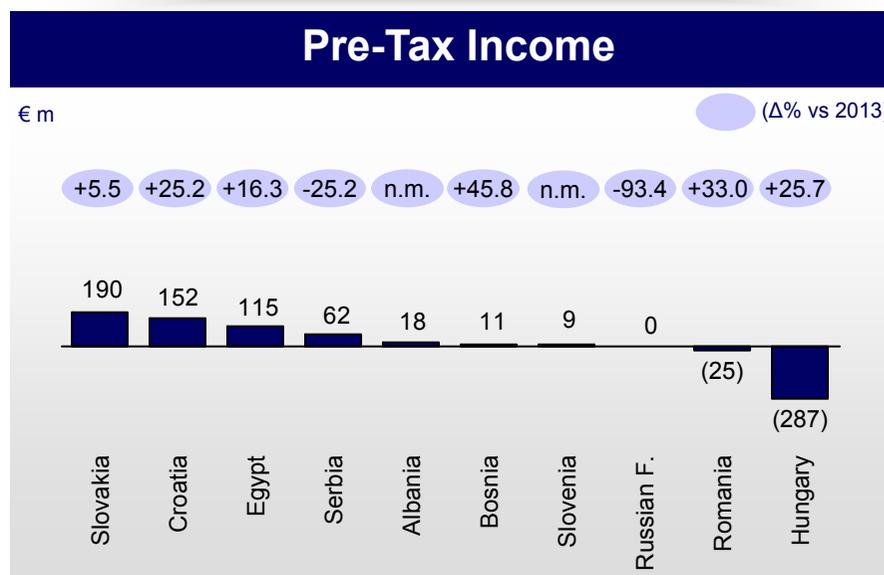
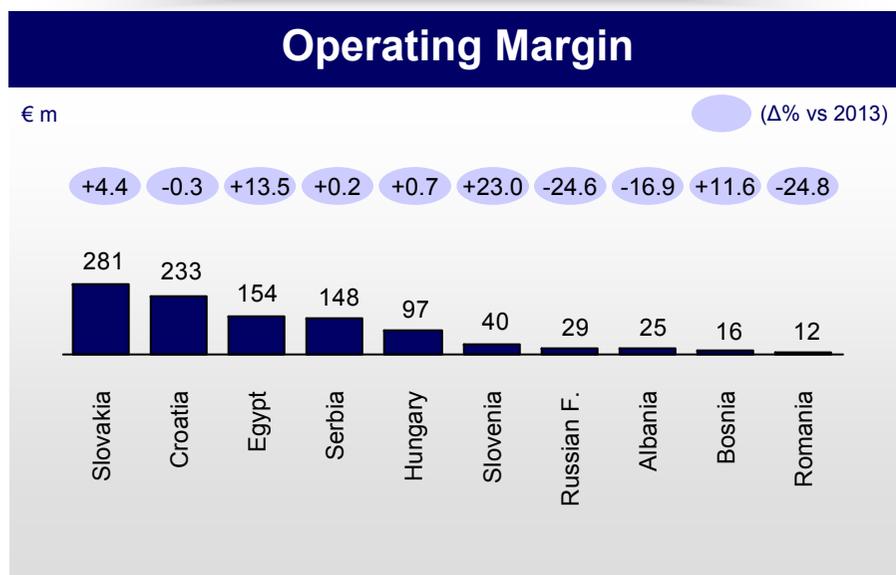
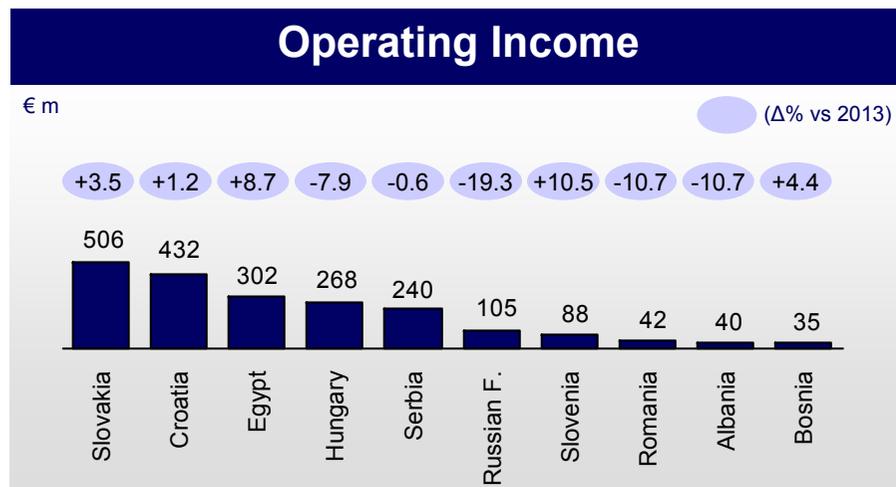
(2) Including bonds

(3) Data as of 30.9.14

(4) Mutual funds; data as of 30.9.14

# International Subsidiary Banks(\*): Key P&L Data by Country

Data as of 31.12.14



(\* ) The Ukraine subsidiary Pravex-Bank is included in discontinued operations following the sale agreement signed in January 2014. Finalisation of the transaction is subject to regulatory approval

# International Subsidiary Banks by Country: ~8% of the Group's Total Loans

Data as of 31.12.14

	 Hungary	 Slovakia	 Slovenia	 Croatia	 Serbia	 Bosnia	 Albania	 Romania	 Russian F.	 CEE Total	 Egypt	 Total	 Ukraine(*)
<b>Oper. Income (€ m)</b>	268	506	88	432	240	35	40	42	105	1,756	302	2,057	14
<b>% of Group total</b>	1.6%	3.0%	0.5%	2.6%	1.4%	0.2%	0.2%	0.2%	0.6%	10.4%	1.8%	12.2%	0.1%
<b>Net income (€ m)</b>	(337)	146	7	120	59	10	15	(25)	0	(5)	75	69	(48)
<b>% of Group total</b>	<i>n.m.</i>	11.7%	0.6%	9.6%	4.7%	0.8%	1.2%	<i>n.m.</i>	0.0%	<i>n.m.</i>	6.0%	5.6%	<i>n.m.</i>
<b>Customer Deposits (€ bn)</b>	3.8	9.3	1.8	6.7	2.6	0.5	0.9	0.7	0.5	26.9	4.2	31.1	0.2
<b>% of Group total</b>	1.1%	2.6%	0.5%	1.9%	0.7%	0.1%	0.2%	0.2%	0.1%	7.5%	1.2%	8.6%	0.1%
<b>Customer Loans (€ bn)</b>	3.5	8.3	1.7	6.1	2.2	0.5	0.3	0.7	0.8	24.1	2.4	26.5	0.1
<b>% of Group total</b>	1.0%	2.4%	0.5%	1.8%	0.6%	0.2%	0.1%	0.2%	0.2%	7.1%	0.7%	7.8%	0.0%
<b>Total Assets (€ bn)</b>	5.6	11.7	2.4	9.5	4.0	0.7	1.1	1.0	1.0	37.0	5.2	42.2	0.2
<b>% of Group total</b>	0.9%	1.8%	0.4%	1.5%	0.6%	0.1%	0.2%	0.2%	0.2%	5.7%	0.8%	6.5%	0.0%
<b>Book value (€ m)</b>	590	1,351	274	1,392	804	98	129	143	196	4,977	437	5,414	0
<b>- goodwill/intangibles</b>	21	58	5	11	7	2	4	6	9	123	4	127	10

Note: figures may not add up exactly due to rounding differences

(\*) Pravax-Bank is included in discontinued operations following the sale agreement signed in January 2014. Finalisation of the transaction is subject to regulatory approval

# International Subsidiary Banks by Country: Loans Breakdown and Coverage

Data as of 31.12.14

										<b>CEE Total</b>		<b>Total</b>	
	Hungary	Slovakia	Slovenia	Croatia	Serbia	Bosnia	Albania	Romania	Russian F.		Egypt		Ukraine(*)
<b>Performing loans (€ bn)</b>	2.8	8.1	1.4	5.6	1.9	0.5	0.2	0.6	0.8	<b>22.0</b>	2.3	<b>24.3</b>	0.1
<b>of which:</b>													
<b>Retail local currency</b>	7%	55%	52%	18%	12%	7%	4%	31%	4%	<b>31%</b>	59%	<b>34%</b>	57%
<b>Retail foreign currency</b>	31%	0%	1%	36%	22%	39%	14%	64%	0%	<b>18%</b>	0%	<b>16%</b>	20%
<b>Corporate local currency</b>	28%	40%	46%	13%	16%	27%	36%	3%	80%	<b>30%</b>	28%	<b>30%</b>	16%
<b>Corporate foreign currency</b>	34%	5%	2%	33%	49%	28%	46%	2%	16%	<b>21%</b>	14%	<b>20%</b>	7%
<b>Doubtful loans<sup>(1)</sup> (€ m)</b>	378	129	72	172	160	16	28	82	20	<b>1,057</b>	11	<b>1,068</b>	37
<b>Substandard and Restructured<sup>(2)</sup> (€ m)</b>	267	95	94	310	98	5	15	22	18	<b>924</b>	144	<b>1,068</b>	21
<b>Performing loans coverage</b>	2.8%	1.2%	1.3%	1.5%	1.2%	0.9%	4.8%	1.3%	0.9%	<b>1.5%</b>	2.4%	<b>1.6%</b>	2.5%
<b>Doubtful loans<sup>(1)</sup> coverage</b>	64%	63%	61%	67%	52%	71%	60%	70%	71%	<b>64%</b>	93%	<b>65%</b>	78%
<b>Substandard and Restructured loans<sup>(2)</sup> coverage</b>	31%	32%	15%	30%	30%	17%	21%	41%	28%	<b>29%</b>	25%	<b>29%</b>	33%
<b>Cost of credit<sup>(3)</sup> (bps)</b>	410	101	138	129	361	91	241	467	322	<b>198</b>	140	<b>193</b>	2,493

Note: figures may not add up exactly due to rounding differences

(\*) Pravex-Bank is included in discontinued operations following the sale agreement signed in January 2014. Finalisation of the transaction is subject to regulatory approval

(1) Sofferenze

(2) Including Past due

(3) Net adjustments to loans/Net customer loans

# Common Equity Ratio as of 31.12.14: from Phased-in to Pro-forma Fully Loaded

	~€ bn	~bps
<b>Transitional adjustments</b>		
Reserve shortfall	(0.1)	(3)
Valuation reserves	0.1	3
Minorities exceeding requirements	(0.1)	(5)
DTA on losses carried forward <sup>(1)</sup>	0.1	3
<b>Total</b>	<b>(0.1)</b>	<b>(3)</b>
<b>Deductions exceeding cap<sup>(*)</sup></b>		
<b>Total</b>	<b>(1.4)</b>	<b>(56)</b>
(*) as a memo, constituents of deductions subject to cap:		
- Other DTA <sup>(2)</sup>	1.3	
- Investments in banking and financial companies	0.7	
- Investments in insurance companies	4.6	
<b>RWA from 100% weighted DTA<sup>(3)</sup></b>	<b>(5.1)</b>	<b>25</b>
Benefit from the Danish Compromise		9
<b>Total estimated impact</b>		<b>(25)</b>
<b>Pro-forma fully-loaded Common Equity ratio</b>		<b>13.3%</b>

Note: figures may not add up exactly due to rounding differences

(1) Considering the expected absorption of DTA on losses carried forward (€0.3bn as of 31.12.14)

(2) Other DTA: mostly related to provisions for risks and charges. DTA related to goodwill realignment and adjustments to loans are excluded due to their treatment as credits to tax authorities

(3) Considering the total absorption of DTA related to goodwill realignment (€5.1bn as of 31.12.14)

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

€ m

	DEBT SECURITIES								LOANS
	Banking Business					Total	Insurance Business	Total	
	L&R	AFS	HTM	CFV <sup>(2)</sup>	HFT				
<b>EU Countries</b>	<b>10,706</b>	<b>43,501</b>	<b>1,172</b>	<b>1,028</b>	<b>11,716</b>	<b>68,123</b>	<b>64,844</b>	<b>132,967</b>	<b>324,348</b>
Austria	134	440	3		152	729	8	737	486
Belgium		931			160	1,091	44	1,135	595
Bulgaria							3	3	42
Croatia	149	52	24	782	14	1,021	10	1,031	6,008
Cyprus	3					3		3	86
Czech Republic					1	1		1	354
Denmark		10			99	109	37	146	175
Estonia									2
Finland		83			192	275	19	294	44
France	217	3,036		200	977	4,430	798	5,228	3,535
Germany	216	3,005	4		1,757	4,982	2,583	7,565	2,775
Greece	2				3	5		5	19
Hungary	43	307			158	508	28	536	3,709
Ireland	227				158	385	423	808	363
Italy	7,908	32,343	480	46	5,323	46,100	56,863	102,963	272,301
Latvia									58
Lithuania		21				21		21	7
Luxembourg	457	10			605	1,072	425	1,497	2,072
Malta									406
The Netherlands	175	313	38		650	1,176	421	1,597	2,829
Poland	25					25		25	190
Portugal	210	11			55	276	40	316	202
Romania	10	138			6	154	49	203	833
Slovakia		1,134	623		6	1,763		1,763	7,691
Slovenia		200				200	7	207	1,582
Spain	542	1,392			539	2,473	2,201	4,674	2,300
Sweden		9			423	432	3	435	59
United Kingdom	388	66			438	892	882	1,774	15,625
<b>North African Countries</b>		<b>1,215</b>				<b>1,215</b>		<b>1,215</b>	<b>2,536</b>
Algeria									3
Egypt		1,215				1,215		1,215	2,496
Libya									5
Morocco									23
Tunisia									9
<b>Japan</b>					<b>563</b>	<b>563</b>		<b>563</b>	<b>229</b>

Note: figures may not add up exactly due to rounding differences

(1) Exposure to sovereign risks (central and local governments), banks and other customers. Book Value of Debt Securities and Net Loans as of 31.12.14

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

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

€ m

	DEBT SECURITIES										LOANS
	Banking Business					Total	Insurance Business	Total	AFS Reserve <sup>(3)</sup>		
	L&R	AFS	HTM	CFV <sup>(2)</sup>	HFT						
<b>EU Countries</b>	<b>7,563</b>	<b>40,850</b>	<b>1,033</b>	<b>822</b>	<b>6,870</b>	<b>57,138</b>	<b>57,016</b>	<b>114,154</b>	<b>465</b>		<b>20,035</b>
Austria		416	3		31	450	6	456	3		
Belgium		931			42	973	10	983	7		
Bulgaria											
Croatia	134	49	24	776	14	997	4	1,001			949
Cyprus	3					3		3			
Czech Republic					1	1		1			
Denmark					17	17		17			
Estonia											
Finland		30			182	212	8	220			10
France	106	2,733			620	3,459	131	3,590	21		16
Germany	39	2,989			1,394	4,422	2,122	6,544	26		
Greece											
Hungary	28	307			46	381	28	409			242
Ireland							92	92	1		
Italy	6,814	30,596	383	46	3,040	40,879	52,653	93,532	348		17,965
Latvia											58
Lithuania		21				21		21			
Luxembourg	50				570	620	102	722			
Malta											
The Netherlands		44			415	459	137	596	2		
Poland	25					25		25	-1		
Portugal					2	2	26	28			18
Romania	10	138			6	154	49	203	2		9
Slovakia		1,030	623		6	1,659		1,659	30		121
Slovenia		174				174	7	181	8		183
Spain	354	1,392			93	1,839	1,641	3,480	18		464
Sweden					347	347		347			
United Kingdom					44	44		44			
<b>North African Countries</b>		<b>1,213</b>				<b>1,213</b>		<b>1,213</b>	<b>-5</b>		
Algeria											
Egypt		1,213				1,213		1,213	-5		
Libya											
Morocco											
Tunisia											
<b>Japan</b>					<b>554</b>	<b>554</b>		<b>554</b>			

Banking Business Government bond duration: 4 years

Note: figures may not add up exactly due to rounding differences

(1) Exposure to central and local governments. Book Value of Debt Securities and Net Loans as of 31.12.14

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

(3) Net of tax and allocation to insurance products under separate management; referred to all debt securities; almost entirely regarding sovereign risks

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

€ m

	DEBT SECURITIES								LOANS
	Banking Business					Total	Insurance Business	Total	
	L&R	AFS	HTM	CFV <sup>(2)</sup>	HFT				
<b>EU Countries</b>	<b>511</b>	<b>1,559</b>	<b>139</b>	<b>203</b>	<b>2,563</b>	<b>4,975</b>	<b>4,042</b>	<b>9,017</b>	<b>16,833</b>
Austria	124				44	168		168	265
Belgium					73	73	31	104	439
Bulgaria									
Croatia				3		3		3	54
Cyprus									2
Czech Republic									1
Denmark		10			61	71	19	90	129
Estonia									
Finland		12			10	22		22	31
France		220		200	212	632	196	828	2,276
Germany	109		4		206	319	215	534	1,570
Greece									3
Hungary					109	109		109	46
Ireland					59	59	170	229	37
Italy	87	1,030	97		1,156	2,370	2,325	4,695	3,751
Latvia									
Lithuania									5
Luxembourg							304	304	1,061
Malta									384
The Netherlands	22	97	38		50	207	156	363	388
Poland									34
Portugal					11	11	1	12	9
Romania									56
Slovakia		104				104		104	
Slovenia		25				25		25	1
Spain	27				372	399	261	660	873
Sweden					70	70		70	35
United Kingdom	142	61			130	333	364	697	5,383
<b>North African Countries</b>		<b>2</b>				<b>2</b>		<b>2</b>	<b>77</b>
Algeria									2
Egypt		2				2		2	48
Libya									
Morocco									23
Tunisia									4
<b>Japan</b>					<b>9</b>	<b>9</b>		<b>9</b>	<b>23</b>

Note: figures may not add up exactly due to rounding differences

(1) Book Value of Debt Securities and Net Loans as of 31.12.14

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

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

€ m

	DEBT SECURITIES								LOANS
	Banking Business					Total	Insurance Business	Total	
	L&R	AFS	HTM	CFV <sup>(2)</sup>	HFT				
<b>EU Countries</b>	<b>2,632</b>	<b>1,092</b>		<b>3</b>	<b>2,283</b>	<b>6,010</b>	<b>3,786</b>	<b>9,796</b>	<b>287,480</b>
Austria	10	24			77	111	2	113	221
Belgium					45	45	3	48	156
Bulgaria							3	3	42
Croatia	15	3		3		21	6	27	5,005
Cyprus									84
Czech Republic									353
Denmark					21	21	18	39	46
Estonia									2
Finland		41				41	11	52	3
France	111	83			145	339	471	810	1,243
Germany	68	16			157	241	246	487	1,205
Greece	2				3	5		5	16
Hungary	15				3	18		18	3,421
Ireland	227				99	326	161	487	326
Italy	1,007	717			1,127	2,851	1,885	4,736	250,585
Latvia									
Lithuania									2
Luxembourg	407	10			35	452	19	471	1,011
Malta									22
The Netherlands	153	172			185	510	128	638	2,441
Poland									156
Portugal	210	11			42	263	13	276	175
Romania									768
Slovakia									7,570
Slovenia		1				1		1	1,398
Spain	161				74	235	299	534	963
Sweden		9			6	15	3	18	24
United Kingdom	246	5			264	515	518	1,033	10,242
<b>North African Countries</b>									<b>2,459</b>
Algeria									1
Egypt									2,448
Libya									5
Morocco									
Tunisia									5
<b>Japan</b>									<b>206</b>

Note: figures may not add up exactly due to rounding differences

(1) Book Value of Debt Securities and Net Loans as of 31.12.14

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

# Disclaimer

**“The manager responsible for preparing the company’s financial reports, 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 includes certain forward looking statements, projections, objectives and estimates reflecting the current views of the management of the Company with respect to future events. Forward looking statements, projections, objectives, estimates and forecasts are generally identifiable by the use of the words “may,” “will,” “should,” “plan,” “expect,” “anticipate,” “estimate,” “believe,” “intend,” “project,” “goal” or “target” or the negative of these words or other variations on these words or comparable terminology. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts, including, without limitation, those regarding the Company’s future financial position and results of operations, strategy, plans, objectives, goals and targets and future developments in the markets where the Company participates or is seeking to participate.

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