

PRESS RELEASE

Growth trend continues

Business Results of Banca Intesa – Q1 of 2008

Belgrade (20 May 2008) – In the first quarter of 2008, Banca Intesa realized excellent results in all segments of business operations by continuing growth trend and consolidating its leadership position on the domestic market with gross total assets amounting EUR 2.6 billion (RSD 216,000 million) which is by 35% higher compared to the results realized in the first quarter of the previous year. The bank's total capital till 31 March inclusive reached EUR 415 million (RSD 34,167 million), while in the same period in 2007 total capital amounted EUR 288 million which is an increase of 44% i.e. EUR 127 million. Namely, Banca Intesa performed the first recapitalization in the amount of EUR 50 million in March this year, and by the end of the current year it will perform another recapitalization amounting EUR 70 million, thus the capital of the Bank will be increased for EUR 120 million in the course of 2008.

Total placements of Banca Intesa during the first three months of 2008, reached EUR 1.38 billion (RSD 113,519 million), recording 50% growth compared to the same period in the previous year. Corporate placements reaching the amount of EUR 952 million (RSD 78,390 million) were increased for EUR 287 million i.e. by 43%, whereas retail placements were increased by 67%. Total deposits at the end of Q1 amounted EUR 1.6 billion (RSD 131,923 million) which is by 33% i.e. for EUR 401 million more when compared to the results realized in Q1 of 2007.

Banca Intesa, with March inclusive, realized the net profit prior to taxation in the amount of EUR 21 million (RSD 1,735 million) which is double more when compared to the same period in the previous year. Banca Intesa serves the needs of 1 276 000 clients, and during the first three months of this year, it gained the trust of 13,000 new users of its services and products. Banca Intesa has about 2,900 employees and a network of 216 branches throughout Serbia.

Plans for 2008

Despite a number of challenges set by the growing competition, increased restrictive monetary policy, as well as the crisis on the global financial market, Banca Intesa is planning to consolidate its leadership position in all segments of business operations, through introduction of innovative products, improvement of the existing offer, enhancement of the service quality, development of its business network by opening 14 new branches as well as widening its network of ATMs and POS terminals.

Development of business activities in 2008 will be directed towards establishing the so-called asset management companies, development of factoring, strengthening of leasing activities, development of private banking as well as widening the range of services in the field of investment banking.

The Parent Group Intesa Sanpaolo in Q1 of 2008

The Parent Group Intesa Sanpaolo recorded good business results in Q1 of the current year in spite of the negative effects of the crisis on the financial markets, realizing the consolidated net income of EUR 1.7 billion which is by 34% higher than in the same period of the previous year. Operating income in the first three months of 2008 reached EUR 4.6 billion and the expenses amounted EUR 2.4 billion.

Client placements till 31 March inclusive, reached EUR 362 billion which is by 4.4% more than in the same period of the previous year, whereas total client deposits reached EUR 1,020 billion, whereof direct deposits amounted EUR 394 billion and indirect EUR 653 billion.

Bank members of the Group, on the territory of Central and Eastern southeast Europe, the Russian Federation and Mediterranean in Q1 realized operating income of EUR 497 million, with growth of 12.2% compared to the same period of the previous year, and the operating expenses due to expansion of the commercial network grew by 12.2% from EUR 229 million to EUR 257 million.

Intesa Sanpaolo finished the first quarter of this business year with the organizational structure of 7,874 branches (6,566 in Italy and 1,308 in other countries) and total number of 101,769 employees, which is 2,938 more employees in comparison with the end of 2007.