

## PRESS RELEASE

### Intesa Sanpaolo leader in Serbia

**Belgrade (27 June 2007)** – According to the data of NBS on the results of banking sector in Serbia, achieved in Q1 of the current year, Intesa Sanpaolo Group is the leader not only in total assets, total placements and deposits but also in the amount of total capital.

Intesa Sanpaolo Group, existing from 1 January 2007, in Serbia operates through Banca Intesa and Panonska bank. At the end of Q1 these two banks together have total assets in the amount of EUR 1.86 billion (RSD 152 billion) and market share of 12%, which puts the Group on the leading position in Serbian banking sector.

Intesa Sanpaolo is also leader in the amount of total placements reaching EUR 841 million (RSD 68.6 billion) which provides a market share of 11.6%. The Group also has the leading position in the amount of total deposits reaching EUR 1.36 billion (RSD 111.3 billion) with market share of 13%.

After Banca Intesa increased its capital in February for further EUR 100 million, Intesa Sanpaolo Group became the biggest bank in Serbia in terms of total capital amount that reaches EUR 288 million (RSD 23.469 billion)

Intesa Sanpaolo is planning its activities towards further consolidation of its market position in Serbia, which includes finding suitable organization model to give optimal results, with simultaneous appreciation of the quality and regional character of Panonska bank. So far organizational, business and IT integration have been announced, and already in 2008, common performance of Banca Intesa and Panonska bank is expected.

Intesa Sanpaolo is the 6<sup>th</sup> bank in the Europe in terms of market capitalization and among first 15 in the world. It serves the needs of over 18 million clients through a business network of 7,076 branches in 35 countries. On the Italian market, Intesa Sanpaolo Group is the absolute leader, with average market share of over 20% in all segments of business operations, which is double more in comparison with its first competitor.

Through the merger of two banks, its presence in the region of Middle and Eastern Europe was considerably improved, the proof of which is the number of 7 million clients and 1,237 branches in 12 countries. Apart from Serbia, Intesa Sanpaolo operates in Croatia (Privredna banka Zagreb), Slovenia (Banka Koper), Romania (Sanpaolo IMI Bank Romania), Albania (Banca Italo Albanese), Bosnia (UPI Bank and LTG Bank), Slovakia (VUB Bank), Hungary (CIB Bank and InterEuropa Bank), Russia (KMB Bank) and Ukraine (Ukrsotsbank).

Division of foreign banks that manages the business operations of Intesa Sanpaolo Group on foreign markets and coordinates the work of subsidiary banks, in Q1 of 2007 achieved net operating income growth of 24.6% in relation to the same period in the previous year (EUR 436 million in relation to EUR 350 million in Q1 of 2006). Total costs in Q1 increased by 7.4% when compared to the same period in the previous year, reaching EUR 219 million as a result of business network widening. The proportion of income and costs in

this segment was improved from 58.3% to 50.2%. As a result, operating margin was increased by 48.6%, from EUR 146 million to 217 million.

Plans for 2007 predict the continuation of positive growth trends, in accordance with the three-year-period plan of business operations.