<u>**PRESS RELEASE**</u>

INTESA SANPAOLO: CONSOLIDATED RESULTS AT SEPTEMBER 30th 2013

VERY STRONG BALANCE SHEET: INTESA SANPAOLO, ONE OF THE FEW BANKS IN THE WORLD ALREADY BASEL 3 COMPLIANT IN TERMS OF CAPITAL RATIOS AND LIQUIDITY, FURTHER IMPROVES ITS LEADING POSITION.

IN THE THREE MONTHS TO SEPTEMBER 30, THE GROUP DELIVERED QUARTER-ON-QUARTER IMPROVEMENTS IN OPERATING INCOME, OPERATING MARGIN, PRE-TAX INCOME AND NET INCOME, DESPITE A CHALLENGING ECONOMIC ENVIRONMENT AND HIGHLY CONSERVATIVE PROVISIONING.

INTESA SANPAOLO ADOPTED A PARTICULARLY RIGOROUS AND CONSERVATIVE STANCE, AHEAD OF THE UPCOMING ASSET QUALITY REVIEW AND STRESS TEST EXERCISE ON EUROPEAN BANKS.

A COHESIVE TEAM MADE UP OF 94,000 GROUP PEOPLE ACHIEVED ROBUST 9-MONTH RESULTS AND IS COMMITTED TO DELIVERING VALUE TO SHAREHOLDERS THROUGH A NEW BUSINESS PLAN TO BE FULLY DEVELOPED BY SPRING OF NEXT YEAR.

ACTION PLAN ALREADY APPROVED FOR THE *BANCA DEI TERRITORI* DIVISION, WHICH IS THE KEY CONTRIBUTOR TO THE GROUP'S RESULTS ALSO IN VIEW OF THE NEW BUSINESS PLAN.

- **STRONG CAPITAL BASE, WHICH CONTINUES TO IMPROVE, AND IS WELL ABOVE REGULATORY REQUIREMENTS. PRO-FORMA BASEL 3 COMMON EQUITY, NET OF DIVIDENDS ACCRUED IN THE FIRST NINE MONTHS:**
  - **11.2% FULLY LOADED CET1 RATIO**
  - **11.5% FULLY LOADED CET1 RATIO UNDER DANISH COMPROMISE**
- **THIRD-QUARTER RESULTS IMPROVED VERSUS THE PREVIOUS QUARTER:**
  - **OPERATING INCOME +1.5%**
  - **OPERATING MARGIN +1.5%**
  - **PRE-TAX INCOME +17%**
  - **NET INCOME AT €218M, NEARLY DOUBLE THE €116M OF Q2**
- **PARTICULARLY RIGOROUS AND CONSERVATIVE PROVISIONING POLICY:**
  - **COVERAGE RATIO OF NON-PERFORMING LOANS FURTHER STRENGTHENED UP TO 44.5%, WITH A COVERAGE RATIO OF THE DOUBTFUL LOAN COMPONENT AT 61%**
  - **ROBUST RESERVE BUFFER ON PERFORMING LOANS FURTHER REINFORCED**
- **THE NEW BUSINESS PLAN SETS OUT THE MEDIUM-TERM GOAL OF ACHIEVING A RETURN ABOVE THE COST OF CAPITAL FOR:**
  - **THE GROUP**
  - **EACH BUSINESS UNIT**
- **ACTION PLAN FOR THE *BANCA DEI TERRITORI* DIVISION:**
  - **SIMPLIFICATION INITIATIVES ALREADY UNDER WAY INVOLVING:**
    - **THE NETWORK: GREATER EMPOWERMENT FOR THE SEVEN REGIONAL MANAGERS, NOW ACTING AS "GENERAL MANAGERS ON THE GROUND", AND A REDUCTION IN THE APPROXIMATELY 300 SUPPORT FUNCTION UNITS TO APPROXIMATELY 100**
    - **HEADQUARTERS: REDUCTION IN THE NUMBER OF DIRECT REPORTS TO THE HEAD OF THE DIVISION, FROM 22 TO SIX (EXCLUDING THE REGIONAL MANAGERS)**
    - **BRANCH FOOTPRINT: CLOSURE OF APPROXIMATELY 1,300 BRANCHES; 500 BRANCHES OPEN UNTIL 8 PM DURING THE WEEK, AND ON SATURDAY MORNINGS; MORE THAN 700 PATENTED ADVISORS FOR OUT-OF-THE-BRANCH ADVISORY SERVICES FOR INVESTMENT PRODUCTS**
  - **STREAMLINING PROCESS OF LEGAL ENTITIES, IN ORDER TO:**
    - **SIGNIFICANTLY LOWER THE NUMBER OF THE 16 EXISTING LOCAL BANKS**
    - **CONSOLIDATE THE SEVEN PRODUCT FACTORIES CURRENTLY OPERATING IN INDUSTRIAL CREDIT, LEASING AND FACTORING, INTO JUST TWO**

HIGHLIGHTS:

CAPITAL RATIOS:		**PRO-FORMA BASEL 3 COMMON EQUITY ON A FULLY LOADED BASIS AT 11.2% (11.5% UNDER DANISH COMPROMISE)**
		CORE TIER 1 AT 12.1% UNDER SAME COMPUTATION OF INSURANCE INVESTMENTS, AT 11.5% CONSIDERING NEW COMPUTATION
		TIER 1 AT 13% UNDER SAME COMPUTATION OF INSURANCE INVESTMENTS, AT 12.5% CONSIDERING NEW COMPUTATION
OPERATING INCOME:	Q3 2013:	**+1.5%** AT €4,146M VS €4,086M IN Q2 2013;
	9M 2013:	-7.7% AT €12,351M VS €13,387M IN 9M 2012
OPERATING COSTS:	Q3 2013:	**+1.4%** AT €2,041M VS €2,013M IN Q2 2013;
	9M 2013:	-7% AT €6,150M VS €6,616M IN 9M 2012
OPERATING MARGIN:	Q3 2013:	**+1.5%** AT €2,105M VS €2,073M IN Q2 2013;
	9M 2013:	-8.4% AT €6,201M VS €6,771M IN 9M 2012
INCOME BEFORE TAX FROM CONTINUING OPERATIONS:	Q3 2013:	**+17%** AT €570M VS €487M IN Q2 2013;
	9M 2013:	-43.4% AT €1,825M VS €3,224M IN 9M 2012
TAXES:	Q3 2013:	**€264M** VS €274M IN Q2 2013;
	9M 2013:	€902M VS €1,232M IN 9M 2012
NET INCOME:	Q3 2013:	**€218M** VS €116M IN Q2 2013;
	9M 2013:	€640M VS €1,688M IN 9M 2012
ADJUSTED NET INCOME(1)**:**	Q3 2013:	**€194M** VS €268M IN Q2 2013;
	9M 2013:	€854M VS €1,272M IN 9M 2012

Turin - Milan, November 13th 2013 – At its meeting today, the Intesa Sanpaolo Management Board approved the consolidated interim statement as at September 30th 2013 (2).

In the first nine months of 2013, the Group's results reflected a challenging economic environment and the adoption of a particularly rigorous and conservative stance aimed at **further reinforcing a rock solid balance sheet**. Specifically, the Group remained focused on further strengthening provisions, even though there have been signs of stabilisation in credit trends, ahead of the upcoming asset quality review and stress test exercise that regulatory authorities will carry out on European Banks:

(1) Methodological note on calculation of adjusted net income on page 19.
(2) Methodological note on the scope of consolidation on page 19.

- **additional improvement on top of an already solid capital base**: **further strengthening of capital ratios** (already well above regulatory requirements) at September 30th 2013, net of dividends accrued in the first nine months of 2013. The **pro-forma Basel 3 common equity ratio on a fully loaded basis increased to 11.2%**(3) from 10.6% at year-end 2012, **one of the highest levels of major European banks**, and would reach **11.5%** including the effect of the so-called **Danish compromise**, assuming insurance investments were risk weighted instead of being deducted from capital. The Core Tier 1 ratio increased to 12.1% from 11.2% at year-end 2012 under rules on deduction of insurance investments in force until December 31st 2012; the Core Tier 1 ratio was at 11.5% at end of September under the new computation rules of insurance investments(4);
- **strong liquidity position and funding capability**: **liquid assets of 124 billion euro** and **large availability of unencumbered eligible assets with Central Banks, corresponding to liquidity of 92 billion euro at the end of September 2013**; **already compliant with Basel 3 Liquidity Coverage Ratio and Net Stable Funding Ratio requirements**, well ahead of deadlines (2019 and 2018 respectively);
- **current accounts and deposits up 5.3%** from year-end 2012;
- **positive results from all business units**;
- **solid and increasing contribution from Wealth Management**: 1,264 million euro pre-tax income in 9M 2013 (+20.7% versus 9M 2012), of which 220 million euro from Private Banking (+25.5% versus 9M 2012), 503 million euro from Insurance (+6.1%), 176 million euro from Eurizon Capital (+57.1%) and 365 million euro from Banca Fideuram(5) (+27.6%);
- **strong increase in assets under management:** an increase of approximately 19 billion euro in the first nine months of 2013;
- **sustained performance in net fees and commissions:** 4,524 million euro in 9M 2013, up 13.9% versus 9M 2012;
- **high efficiency**, highlighted by the **cost/income ratio of 49.8%** in 9M 2013**, top level amongst European peers**;
- **continued aggressive reduction in structural costs**: -7% in 9M 2013 versus 9M 2012, with **nominal savings of 466 million euro**;

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(3) Estimated applying the parameters set out under fully phased-in Basel 3 to the financial statements as at September 30th 2013, considering the total absorption of deferred tax assets (DTAs) related to goodwill realignment and the expected absorption before 2019 of DTAs on losses carried forward, and including the expected benefits from the optimisation actions on capital sources and requirements and from the absorption of sovereign risk shock.

(4) Until year-end 2012, Basel 2 transitional regulations applied by the Bank of Italy allowed banks to deduct their insurance investments, made prior to July 20th 2006, from their total regulatory capital. Effective January 1st 2013, this no longer applies and banks are now required to deduct 50% of these investments from Tier 1 and 50% from Tier 2.

(5) Including Fideuram Vita.

- **rigorous and conservative provisioning policy**:
  - **loan loss provisions** of 4,031 million euro in 9M 2013, up 23.9% compared to 9M 2012,
  - a **coverage ratio of non-performing loans up to 44.5%** in Q3 2013 from 44.2% in Q2 2013 (Italian peers average: 34.3% in Q2 2013), **with a coverage ratio of the doubtful loan component at 61%** (Italian peers average: 48.2% in Q2 2013),
  - a **strong reserve buffer on performing loans,** increased to 79bps from 76bps in Q2 2013, up a further 25 million euro in Q3 to 2,413 million euro, corresponding to approximately a further 100 million euro considering a flat coverage ratio (Italian peers average: 54 basis points in Q2 2013);
- **signs of stabilising credit trends** with gross NPL inflow from performing loans of 10.8 billion euro in 9M 2013, down from 11.2 billion euro in the same period last year; gross NPL inflow of 3.7 billion euro in Q3, compared with 3.6 billion euro in Q2 2013 and 3.7 billion euro in Q3 2012;
- **continued commitment to supporting the Italian economy**, with facilities granted of approximately 420 billion euro, which correspond to nearly one third of the GDP; two thirds of these facilities are made up of credit lines to households and small and medium-sized businesses. Medium and long-term loans of approximately 15 billion euro were underwritten in favour of households and small and medium-sized businesses in the first nine months of 2013, up 2.7% compared to the same period last year;
- **new Business Plan to be fully developed by spring 2014**, involving the 94,000 Group people, and focused on value creation through achieving, in the medium term, a **return above the cost of capital both at the Group level and for each business unit**;
- **action plan for the *Banca dei Territori* division already approved** - given the importance of the division to the Group's results, also in view of the new Business Plan - and developed in cooperation with the seven Regional Managers and the Headquarter structures of the division. The key pillar of the action plan is **simplification**, and several initiatives set forth in the plan are already under way concerning:
  - Headquarters of the division: **reduction in the number of direct reports to the head of the Division**, from 22 to six (excluding the seven Regional Managers),
  - Network: **greater empowerment for the seven Regional Managers** now acting as "General Managers on the ground", and a **reduction in the approximately 300 support function units to approximately 100,** focusing the activities of so-called Areas, into which the seven Regions are broken down (with two to six Areas for each Region), on commercial activities and reallocating freed-up resources to servicing clients,
  - branch footprint: **closures of approximately 1,300 branches**, of which approximately 900 have already been closed, in cities with the highest Group branch density, in order to shrink the Italian network down to a total number of approximately 3,800 branches by June 2014; 500 branches open until 8 pm, half of which also open at lunch time, and on Saturday mornings; more than 700 patented advisors for out-of-the-branch advisory services for investment products (2,000 advisors in the role by 2014).

  A streamlining process has also been decided upon with respect to the legal entities within the division, in order to:
  - **significantly lower the number of the 16 existing local banks**,
  - **consolidate the seven product factories** currently operating in industrial credit, leasing and factoring, **into just two**.

The income statement for the third quarter of 2013

The consolidated income statement for Q3 2013[6] recorded **operating income** of 4,146 million euro, up 1.5% from 4,086 million euro in Q2 2013 and down 6.7% from 4,443 million euro in Q3 2012.

In Q3 2013, **net interest income** amounted to 2,031 million euro, down 0.5% from 2,041 million euro in Q2 2013 and down 12.3% from 2,317 million euro in Q3 2012.

Net fee and commission income amounted to 1,483 million euro, down 5.8% from 1,575 million euro in Q2 2013. In detail, commissions on commercial banking activities were up 3.1%, and those on management, dealing and consultancy activities (including portfolio management, distribution of insurance products, dealing and placement of securities, etc.) were down 9.8%. Under the latter, commissions on dealing and placement of securities were down 18.5%, those on portfolio management decreased by 10.7%, and those on distribution of insurance products were down 4.3%. Net fee and commission income in Q3 2013 increased by 11.3%, compared with 1,333 million euro in Q3 2012. In detail, commissions on commercial banking activities were up 4.6%, and those on management, dealing and consultancy activities were up 22.8%. Under the latter, commissions on distribution of insurance products were up 35.6%, those on portfolio management were up 23.8%, and those on dealing and placement of securities were down 1%.

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(6) During the preparation of the interim statement at September 30th 2008, in the wake of the global financial crisis, certain amendments to international accounting standards were introduced and adopted by the European Commission. In short, in accordance with these amendments it is possible to reclassify - in specific circumstances considered to be rare - unquoted financial instruments, or no longer quoted, in an active market and no longer held for trading or available for sale: in particular, out of the category "fair value through profit and loss" into the categories "available-for-sale" or the "held-to-maturity" or "loans and receivables", and out of the category "available-for-sale" into the category "loans and receivables". The Group, largely basing on the prices at July 1st 2008, reclassified financial assets held for trading of 1,204 million euro into loans and receivables and 33 million euro into financial assets available for sale; the Group also reclassified financial assets available for sale of 5,686 million euro into loans and receivables. If these reclassifications had not been made, the profits/losses on trading for the third quarter of 2013 would have recorded 19 million euro as positive pre-tax impact (a positive impact of 59 million euro in the first nine months of 2013, a positive impact of 135 million euro in full-year 2012, a negative impact of 11 million euro in full-year 2011, a positive impact of 92 million euro in full-year 2010 and of 72 million euro in full-year 2009, and a negative impact of 459 million euro in full-year 2008) and the shareholders' equity would have included 1,457 million euro as negative pre-tax direct impact at September 30th 2013 (with a positive impact of 51 million euro in the third quarter of 2013 and 377 million euro in the first nine months of 2013).

Profits on trading were 401 million euro (including capital gains of 106 million euro on a senior note buy-back and 87 million euro on an exchange of own subordinated notes) compared with 235 million euro recorded in Q2 2013. Profits from customers increased to 92 million euro from 87 million euro. Profits from capital markets and AFS financial assets were unchanged at five million euro. Profits from proprietary trading and treasury activities increased to 295 million euro (including aforementioned capital gains of 193 million euro) from 106 million euro. Profits from structured credit products decreased to nine million euro from 37 million euro. Profits on trading of 401 million euro for Q3 2013 are compared with profits of 623 million euro in Q3 2012. The corresponding quarter of last year included a capital gain of 327 million euro on the buy-back of subordinated and senior notes, and recorded profits from customers of 66 million euro, profits from capital markets and AFS financial assets of 66 million euro, profits from proprietary trading and treasury activities of 441 million euro (including the aforementioned 327 million euro capital gain), and profits from structured credit products of 50 million euro. Without the IAS reclassification of financial assets held for trading into loans and receivables and financial assets available for sale made in past years, profits on trading in Q3 2013 would have recorded a positive pre-tax impact of 19 million euro.

Income from insurance business amounted to 204 million euro, compared with 218 million euro in Q2 2013 and 216 million euro in Q3 2012.

Operating costs increased to 2,041 million euro, up 1.4% versus the 2,013 million euro of Q2 2013 as a result of increases in personnel expenses and adjustments of 4.2% and 1.2% respectively and a decrease of 3.2% in administrative expenses. Operating costs for the quarter were down by 5.8%, compared with 2,166 million euro in Q3 2012 due to decreases by 7% in personnel expenses and 6.3% in administrative expenses, and a 6.9% increase in adjustments.

As a result, **operating margin** amounted to 2,105 million euro, up 1.5% from 2,073 million euro in Q2 2013 and down 7.6% from 2,277 million euro in Q3 2012. The cost/income ratio was at 49.2% in Q3 2013 versus 49.3% in Q2 2013 and 48.8% in Q3 2012.

Net **provisions** and adjustments (net provisions for risks and charges, net adjustments to loans, net impairment losses on other assets) amounted to 1,500 million euro, compared with 1,583 million euro in Q2 2013 and 1,310 million euro in Q3 2012. Net provisions for risks and charges amounted to one million euro, compared with 38 million euro in Q2 2013 and 69 million euro in Q3 2012. Net adjustments to loans came to 1,467 million euro, compared with 1,398 million euro in Q2 2013 and 1,198 million euro in Q3 2012. Net impairment losses on other assets came to 32 million euro, compared with 147 million euro in Q2 2013 (including the 58 million euro impairment of on the stake in Assicurazioni Generali), and 43 million euro in Q3 2012.

Profits/losses on investments held to maturity and on other investments generated losses of 35 million euro (including impairment of 28 million euro related to the investment in Telco), compared with losses of three million euro in Q2 2013 and of five million euro in Q3 2012.

Income before tax from continuing operations came to 570 million euro, compared with 487 million euro in Q2 2013 (up 17%) and 962 million euro in Q3 2012 (down 40.7%).

Consolidated net income for Q3 2013 was 218 million euro, compared with 116 million euro in Q2 2013 and 414 million euro in Q3 2012, after accounting:

- taxes of 264 million euro;
- charges (net of tax) for integration and exit incentives of five million euro;
- charges from purchase cost allocation (net of tax) of 72 million euro;
- minority interests of 11 million euro.

Adjusted net income for Q3 2013 - excluding the main non-recurring items - was 194 million euro, compared with 268 million euro in Q2 2013 and 277 million euro in Q3 2012.

The income statement for the first nine months of 2013

The consolidated income statement for 9M 2013 recorded **operating income** of 12,351 million euro, down 7.7% from 13,387 million euro in 9M 2012.

In 9M 2013, **net interest income** - 6,094 million euro **-** was down 15.9% from 7,249 million euro in 9M 2012.

Net fee and commission income amounted to 4,524 million euro, up 13.9% from 3,972 million euro in 9M 2012. In detail, commissions on commercial banking activities were up 7.5%, and those on management, dealing and consultancy activities were up 24.3%. Under the latter, commissions on distribution of insurance products were up 33.6%, those on portfolio management were up 25.3%, and those on dealing and placement of securities were up 8.6%.

Profits on trading were 1,091 million euro, compared with 1,500 million euro in 9M 2012 (which included total capital gains of 695 million euro on the buy-back of subordinated and senior notes and the disposal of the London Stock Exchange stake). Profits from customers increased to 263 million euro from 245 million euro. Profits from capital markets and AFS financial assets decreased to 162 million euro from 260 million euro (including a 94 million euro capital gain on disposal). Profits from proprietary trading and treasury activities decreased to 590 million euro (including a 193 million euro capital gain on buy-back) from 920 million euro (including a 601 million euro capital gain on buy-back). Profits from structured credit products amounted to 76 million euro from 75 million euro. Without the IAS reclassification of financial assets held for trading into loans and receivables and financial assets available for sale made in past years, trading profits in 9M 2013 would have recorded a positive pre-tax impact of 59 million euro.

Income from insurance business amounted to 653 million euro, compared with 669 million euro in 9M 2012.

Operating costs were down 7% to 6,150 million euro versus 6,616 million euro in 9M 2012 as a result of a 9.4% reduction in personnel expenses, a 5.7% decrease in administrative expenses and a 7.4% increase in adjustments.

As a result, **operating margin** amounted to 6,201 million euro, down 8.4% from 6,771 million euro in the same period last year. The cost/income ratio was 49.8% in 9M 2013, compared with 49.4% in 9M 2012.

Net **provisions** and adjustments (net provisions for risks and charges, net adjustments to loans, net impairment losses on other assets) amounted to 4,343 million euro, compared with 3,534 million euro in 9M 2012. Net provisions for risks and charges amounted to 65 million euro, compared with 140 million euro in 9M 2012. Net adjustments to loans came to 4,031 million euro, compared with 3,253 million euro in 9M 2012. Net impairment losses on other assets came to 247 million euro (including impairment of 58 million euro on the Assicurazioni Generali stake), compared with 141 million euro in 9M 2012.

Profits/losses on investments held to maturity and on other investments generated losses of 33 million euro (including impairment of 28 million euro on the Telco investment), compared with losses of 13 million euro in 9M 2012.

Income before tax from continuing operations came to 1,825 million euro, compared with 3,224 million euro in 9M 2012 (down 43.4%).

Consolidated net income for 9M 2013 was 640 million euro, compared with 1,688 million euro in the same period last year (which included a tax benefit of 173 million euro related to the refunding - for fiscal years 2007 to 2011 - of the deduction of the regional business tax *IRAP* paid on labour cost from the corporate income tax *IRES* taxable basis), after accounting:

- taxes of 902 million euro;
- charges (net of tax) for integration and exit incentives of 38 million euro;
- charges from purchase cost allocation (net of tax) of 219 million euro;
- minority interests of 26 million euro.

Adjusted net income for 9M 2013 - excluding the main non-recurring items - was 854 million euro, compared with 1,272 million euro in the same period last year.

Balance sheet at September 30th 2013

As regards the consolidated balance sheet figures, as at September 30th 2013 **loans to customers** amounted to 350 billion euro, down 7.2% compared to December 31st 2012 and down 6.8% compared with September 30th 2012 (down 5.4% taking into account average volumes instead of those at the end of the period, mainly as a result of the reduction in loans to large corporates). Total **non-performing loans** (doubtful, substandard, restructured and past due) - net of adjustments - amounted to 30,816 million euro, up 8.2% from 28,472 million euro at year-end 2012. In detail, doubtful loans rose to 12,821 million euro from 11,202 million euro at year-end 2012, with a doubtful loans to total loans ratio of 3.7% (3% as at year-end 2012) and a coverage ratio of 61% (60.5% as at year-end 2012). The total coverage ratio was 123% taking into account **collateral and guarantees** to doubtful loans in addition to specific provisions. Substandard loans increased to 13,037 million euro from 11,495 million euro at year-end 2012, also due to the reclassification of a single exposure, previously included under restructured loans, which at the end of September 2013 amounted to approximately 690 million euro (net of adjustments, remained unchanged). Restructured loans decreased to 2,184 million euro from 2,863 million euro at year-end 2012. Past due loans decreased to 2,774 million euro from 2,912 million euro at year-end 2012.

Customer financial assets amounted to 785 billion euro (net of duplications between direct deposits and indirect customer deposits), down 1.2% from year-end 2012 and down 0.5% from September 30th 2012. Under customer financial assets, **direct deposits from banking business** amounted to 363 billion euro, down 4.5% from year-end 2012 and down 3.5% from September 30th 2012 (with current accounts and deposits up 5.3% from year-end 2012 and up 8.2% from the end of September 2012); **direct deposits from insurance business and technical reserves** amounted to 90 billion euro, up 9.7% from year-end 2012 and up 12.8% from September 30th 2012. Indirect customer deposits amounted to 421 billion euro, up 1.7% from year-end 2012 and up 2.1% from September 30th 2012. **Assets under management** totalled 250 billion euro, up 8% from year-end 2012 and up 10% from September 30th 2012. As for bancassurance, in the first nine months of 2013, new business for life policies amounted to 14.1 billion euro (67.2% higher than in the same period of 2012). Assets under administration and in custody amounted to 171 billion euro, down 6.3% from year-end 2012 and down 7.6% from September 30th 2012.

As at September 30th 2013, **capital ratios** were 12.1% for the Core Tier 1 ratio (year-end 2012: 11.2%), 13% for the Tier 1 ratio (year-end 2012: 12.1%) and 14.4% for the total capital ratio (year-end 2012: 13.6%). Capital ratios were calculated by applying the Basel 2 Foundation approach and the internal models to residential mortgages and corporate and retail SME portfolios (with floor at 85%), deducting the nominal value of the savings shares, and in accordance with regulations for insurance investment deduction in force until December 31st 2012. On the basis of the new computation of insurance investments(7), the Core Tier 1 ratio was at 11.5%, the Tier 1 ratio at 12.5% and the total capital ratio at 14.4%. The capital ratios are net of the dividend accrued in the first nine months for the year 2013, assuming 75% of the 832 million euro dividend paid in 2013 for year 2012.

(7) Until year-end 2012, Basel 2 transitional regulations applied by the Bank of Italy allowed banks to deduct their insurance investments, made prior to July 20th 2006, from their total regulatory capital. Effective January 1st 2013, this no longer applies and banks are now required to deduct 50% of these investments from Tier 1 and 50% from Tier 2.

According to existing available information, the estimated pro-forma common equity ratio for the Group on a **Basel 3 fully loaded basis** stands at 11.2% **-** calculated by applying the parameters set out under fully phased-in Basel 3 to the financial statements as at September 30th 2013 and considering the total absorption of deferred tax assets (DTAs) related to the goodwill realignment and the expected absorption before 2019 of DTAs on losses carried forward - with impact on the capital ratios comprising:

- 0.8 billion euro in total deductions from common equity assuming that the equity investment in the Bank of Italy is deducted,
- an additional 11.7 billion euro of RWAs due to DTAs and investments in banks, financial entities and insurance companies which are below the deduction limit,
- an additional 2.1 billion euro of RWAs due to DTAs included in risks weighted at 100% (related to loan adjustments), and
- a reduction of 1.8 billion euro in RWAs due to the regulatory impact on risks.

The estimated total impact of the above on the Core Tier 1 ratio is approximately 75 basis points (the actual impact is subject to the implementation of relevant regulations). The impact is reduced to approximately 30 basis points considering the expected benefits from the optimisation actions on capital sources and requirements and from the absorption of sovereign risk shock. There would be nearly no impact, hence a pro-forma common equity ratio at 11.5%, including the effect of the **Danish compromise**, that is if insurance investments were risk weighted instead of being deducted from capital.

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Thanks to the strategic decisions taken, **Intesa Sanpaolo** has confirmed its position as **one of the most solid international banking Groups**. In addition to the asset quality and level of capital ratios commented on above, the Group has continued to build on the following key strengths:

- a **robust liquidity profile** with
  - large availability of unencumbered eligible assets with Central Banks (including eligible assets received as collateral and excluding eligible assets currently used as collateral), corresponding to liquidity of 92 billion euro at the end of September this year,
  - high level of liquid assets (made up of eligible assets available - excluding eligible assets received as collateral - and eligible assets currently used as collateral) equal to 124 billion euro at the end of September this year,
  - the Group's refinancing operations with the ECB to optimise the cost of funding currently amounting to 21 billion euro, entirely made up of three-year LTRO, after the early payback of 12 billion euro in June 2013 and a further payback of 3 billion euro in October and November 2013 with no impact on the Group's liquidity;
  - stable and well-diversified sources of funding, with approximately 80% of direct deposits from the banking business (including securities issued) generated from retail operations,
  - medium/long-term funding of approximately 25 billion euro raised so far in 2013, of which approximately 15 billion euro were retail placements, in addition to pre-funding of five billion euro made in 2012. The entire medium/long-term wholesale bonds maturing throughout 2013 have already been refinanced;

- 2.65 billion euro of eurobonds, 1.75 billion euro of covered bonds and 4.75 billion dollars of US bonds placed on international markets. The total demand - approximately 90% from foreign investors – on average exceeded the issuance target by over 150%;

- **low leverage and an adequate capital base** with
  - much lower leverage and one of the best ratios of tangible net shareholders' equity to tangible assets amongst major European banking groups,
- a **low risk profile** with
  - the Group's securities portfolio at the end of September 2013 comprising Greek bonds (issued by the central and local governments) of 36 million euro, Irish bonds of 101 million euro and Portuguese bonds of 175 million euro.

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The Group had a **gross and net risk exposure** to structured credit products with underlying **US subprime** of 12 million euro as at September 30th 2013. Full and detailed information concerning structured credit products held by the Group is included - as usual - in the Interim Statement approved by the Management Board.

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As at September 30th 2013, the Intesa Sanpaolo Group's **operating structure** had a total network of 6,339 branches - of which 4,859 were in Italy and 1,480 abroad - with 94,157 employees.

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Breakdown of results by business area

The **Corporate and Investment Banking** division includes:

- Global Industries, in charge of managing relationships with 200 corporates (of which 50 Italian and 150 foreign) with global reach, which operate in six key industries with high growth potential (oil & gas, power & utilities, automotive, infrastructures, telecom & media, luxury & consumer goods);
- Corporate Italia, in charge of managing relationships with around 700 large to mid- sized Italian corporates that are not part of either the Global Industries or Public Finance segments;
- Public Finance and Infrastructure, which provides services to government, public entities, local authorities, universities, public utilities, general contractors, and public and private healthcare providers;
- International, in charge of managing relationships with corporates with a foreign-based parent company, that are not part of the Global Industries segment, and also responsible for foreign Public Finance clients. Furthermore, the department is responsible for foreign branches, representative offices and foreign subsidiaries carrying out corporate banking (Société Européenne de Banque and Intesa Sanpaolo Bank Ireland), and provides specialist support toward the internationalisation of Italian corporates and export development;
- Global Banking & Transaction, in charge of relationships with financial institutions, and the management of transactional services related to payment systems, custody and settlement of Italian securities (local custody);
- Banca IMI, which is in charge of investment banking operations, namely the creation of structured finance products and M&A consultancy services to the Group's clients, capital markets activities for the Group's clients and institutional operators in market making activities; and
- Merchant Banking, which operates in the private equity area also through Private Equity International (PEI) and IMI Investimenti companies.

The division also comprises the management of the Group's proprietary trading.

In the third quarter of 2013, the Corporate and Investment Banking division recorded:

- operating income of 777 million euro, down 8.7% from 852 million euro in Q2 2013;
- operating costs of 205 million euro, up 10% from 186 million euro in Q2 2013;
- operating margin of 572 million euro, down 14% from 665 million euro in Q2 2013;
- a cost/income ratio of 26.4% versus 21.8% in Q2 2013;
- net provisions and adjustments of 63 million euro from 151 million euro in Q2 2013;
- profits on investments held to maturity and on other investments of 16 million euro, compared with losses of two million euro in Q2 2013;
- income before tax from continuing operations of 526 million euro, up 2.5% from 513 million euro in Q2 2013;
- net income of 353 million euro, up 2.2% from 346 million euro in Q2 2013.

In the first nine months of 2013, the Corporate and Investment Banking division recorded:
- operating income of 2,616 million euro, contributing approximately 21% of the consolidated operating income (20% in 9M 2012), down 3.5% from 2,712 million euro in 9M 2012;
- operating costs of 592 million euro, down 4.2% from 618 million euro in 9M 2012;
- operating margin of 2,024 million euro, down 3.3% from 2,094 million euro in 9M 2012;
- a cost/income ratio of 22.6% versus 22.8% in 9M 2012;
- net provisions and adjustments of 324 million euro from 485 million euro in 9M 2012;
- profits on investments held to maturity and on other investments of 14 million euro, compared with a zero balance in 9M 2012;
- income before tax from continuing operations of 1,714 million euro, up 6.5% from 1,609 million euro in 9M 2012;
- net income of 1,151 million euro, up 1.8% from 1,131 million euro in 9M 2012; net income would be up 12.2% excluding the capital gain on the sale of London Stock Exchange stake, recorded in the first nine months of 2012.

The **Banca dei Territori** division comprises:
- retail customers: households (individual customers with financial assets up to 100,000 euro), personal (individual customers with financial assets between 100,000 euro and one million euro), small businesses (enterprises with a turnover under 2.5 million euro and with loan facilities under one million euro);
- businesses with a turnover between 2.5 and 350 million euro; and
- Private customers: individual customers with financial assets exceeding one million euro.

The division includes Intesa Sanpaolo Private Banking, the Group's company which serves private banking customers, and Banca Prossima, at the service of non-profit entities and operating through the Group's branches with regional centres and a team of specialists. In addition, the Banca dei Territori division comprises product companies, namely Mediocredito Italiano, the Group's company which specialises in industrial credit, Intesa Sanpaolo Vita and Intesa Sanpaolo Previdenza operating in the insurance and pension business, the fiduciary service company SIREFID, Intesa Sanpaolo Personal Finance operating in the consumer credit business, Setefi operating in electronic payments as well as Leasint and Mediofactoring, companies operating, respectively, in the leasing and in the factoring business.

In the third quarter of 2013, the Banca dei Territori division recorded:
- operating income of 2,734 million euro, down 3.8% from 2,843 million euro in Q2 2013;
- operating costs of 1,290 million euro, in line with the 1,289 million euro of Q2 2013;
- operating margin of 1,444 million euro, down 7.1% from 1,554 in Q2 2013;
- a cost/income ratio of 47.2% versus 45.3% in Q2 2013;
- net provisions and adjustments of 1,221 million euro, compared with 1,161 million euro in Q2 2013;
- income before tax from continuing operations of 223 million euro, down 43.3% from 393 million euro in Q2 2013;
- net income of 87 million euro, down 50.8% from 176 million euro of Q2 2013.

In the first nine months of 2013, the Banca dei Territori division recorded:
- operating income of 8,383 million euro, contributing approximately 68% of the consolidated operating income (61% in 9M 2012), up 3.1% from 8,133 million euro in 9M 2012;
- operating costs of 3,942 million euro, down 8% from 4,287 million euro in 9M 2012;
- operating margin of 4,441 million euro, up 15.5% from 3,846 million euro in 9M 2012;
- a cost/income ratio improving to 47% versus 52.7% in 9M 2012;
- net provisions and adjustments of 3,344 million euro, compared with 2,329 million euro in 9M 2012;
- income before tax from continuing operations of 1,097 million euro, down 27.7% from 1,517 million euro in 9M 2012;
- net income of 476 million euro, down 36.7% from 752 million euro in 9M 2012. The net income would be down 19.4% excluding the tax benefit recorded for 9M 2012 and related to the refunding of the deduction of the regional business tax *IRAP* paid on labour cost from the corporate income tax *IRES* taxable basis.

Eurizon Capital, the company specialising in providing collective and individual asset management products to the Group's internal banking networks, is developing increasingly effective synergies with the Banca dei Territori division. The company is also focused on strengthening its presence in the "open architecture" segment through specific distribution agreements with other networks and institutional investors. Eurizon Capital controls Eurizon Capital (Luxembourg). The latter is a company specialising in managing Luxembourg mutual funds with low tracking error, as well as Slovak, Hungarian and Croatian mutual funds following the setting up of a new hub in Eastern Europe. Eurizon Capital also controls Epsilon Associati, a company specialising in managing structured products and mutual funds using quantitative methods which is 51% owned by Eurizon Capital and 49% owned by Banca IMI. Eurizon Capital owns a 49% stake in a Chinese asset management company, Penghua Fund Management.

In the third quarter of 2013, Eurizon Capital recorded:
- operating income of 84 million euro, down 6.9% from 91 million euro in Q2 2013;
- operating costs of 24 million euro, down 1.9% from 25 million euro in Q2 2013;
- operating margin of 60 million euro, down 8.8% from 66 million euro in Q2 2013;
- a cost/income ratio of 28.6% versus 27.5% in Q2 2013;
- no provisions and adjustments, compared with a net release of three million euro in Q2 2013;
- income before tax from continuing operations of 60 million euro, down 13.3% from 69 million euro in Q2 2013;
- net income of 36 million euro, down 14.3% from 42 million euro in Q2 2013.

In the first nine months of 2013, Eurizon Capital recorded:
- operating income of 248 million euro, contributing approximately 2% of the consolidated operating income (1% in 9M 2012), up 24.6% from 199 million euro in 9M 2012;
- operating costs of 75 million euro, down 10.7% from 84 million euro in 9M 2012;
- operating margin of 173 million euro, up 50.4% from 115 million euro in 9M 2012;
- a cost/income ratio improving to 30.2% versus 42.2% in 9M 2012;
- net provisions and adjustments showing a net release of three million euro, compared with provisions and adjustments of three million euro in 9M 2012;
- income before tax from continuing operations of 176 million euro, up 57.1% from 112 million euro in 9M 2012;
- net income of 107 million euro, up 78.3% from 60 million euro in 9M 2012.

The **International Subsidiary Banks** division is responsible for activities in foreign markets where the Group is operational through commercial banking subsidiaries and associates. The division provides guidelines, coordination and support to subsidiaries abroad that are mainly active in retail banking. It is responsible for defining the Group's development strategy related to its direct presence abroad, including exploring and analysing new growth opportunities in markets where the Group already has a presence, as well as in new ones. This division also coordinates operations of international subsidiary banks and their relations with the Parent Company's head office departments and the Corporate and Investment Banking division's branches and offices abroad. The division is made up of three Departments which are in charge of the different geographical areas where it operates: i) the SEE Area which includes the banking subsidiaries in South-Eastern Europe, Privredna Banka Zagreb in Croatia, Banca Intesa Beograd in Serbia, Intesa Sanpaolo Banka Bosna i Hercegovina in Bosnia and Herzegovina, Intesa Sanpaolo Bank Albania, Intesa Sanpaolo Bank Romania; ii) the CEE Area which includes the banking subsidiaries in Central-Eastern Europe, Banka Koper in Slovenia, VUB Banka in Slovakia and CIB Bank in Hungary; iii) the CIS & South Mediterranean Area which includes the banking subsidiaries: Banca Intesa in the Russian Federation, Pravex-Bank in Ukraine and Bank of Alexandria in Egypt.

In the third quarter of 2013, the International Subsidiary Banks division recorded:
- operating income of 549 million euro, up 0.6% from 545 million euro in Q2 2013;
- operating costs of 277 million euro, down 6.9% from 297 million euro in Q2 2013;
- operating margin of 272 million euro, up 9.7% from 248 million euro in Q2 2013;
- a cost/income ratio improving to 50.5% versus 54.5% in Q2 2013;
- net provisions and adjustments of 153 million euro, compared with 223 million euro in Q2 2013;
- losses on investments held to maturity and on other investments of seven million euro, compared with losses of two million in Q2 2013;
- income before tax from continuing operations of 112 million euro from 23 million euro in Q2 2013. Excluding the negative contribution from the subsidiaries in Hungary and in Ukraine, the third and the second quarter of 2013 would close, respectively, with an income of 137 million euro and 152 million euro (down 10.3% quarter-on-quarter);
- net income of 75 million euro, compared with a net loss of 25 million euro in Q2 2013. Excluding the negative contribution from the subsidiaries in Hungary and in Ukraine, the third and the second quarter of 2013 would close, respectively, with a net income of 114 million euro and 119 million euro (down 4.3% quarter-on-quarter).

In the first nine months of 2013, the International Subsidiary Banks division recorded:
- operating income of 1,613 million euro, contributing approximately 13% of the consolidated operating income (12% in 9M 2012), down 1% from 1,630 million euro in 9M 2012;
- operating costs of 861 million euro, down 1% from 870 million euro in 9M 2012;
- operating margin of 752 million euro, down 1.1% from 760 million euro in 9M 2012;
- a cost/income ratio of 53.4%, the same as in 9M 2012;
- net provisions and adjustments of 532 million euro, compared with 576 million euro in 9M 2012;
- losses on investments held to maturity and on other investments of 10 million euro, compared with profits of two million euro in 9M 2012;
- income before tax from continuing operations of 210 million euro, up 12.9% from 186 million euro in 9M 2012. Excluding the negative contribution from the subsidiaries in Hungary and in Ukraine, the first nine months of 2013 and the corresponding period of 2012 would close, respectively, with an income of 429 million euro and 416 million euro (up 3.1%);
- net income of 87 million euro, up 50% from 58 million euro in 9M 2012. Excluding the negative contribution from the subsidiaries in Hungary and in Ukraine, the first nine months of 2013 and the corresponding period of 2012 would close, respectively, with a net income of 344 million euro and 333 million euro (up 3.3%).

Banca Fideuram performs asset gathering activities serving customers with a medium to high savings potential through its network of private bankers. This business unit's operations include Fideuram Vita. In the third quarter of 2013, Banca Fideuram recorded:
- operating income of 228 million euro, up 2.4% from 222 million euro in Q2 2013;
- operating costs of 77 million euro, up 7.9% from 71 million euro in Q2 2013;
- operating margin of 151 million euro, in line with Q2 2013;
- a cost/income ratio of 33.8% versus 32% in Q2 2013;
- net provisions and adjustments of 13 million euro, compared with 20 million euro in Q2 2013;
- a zero balance of profits/losses on investments held to maturity and on other investments, compared with profits of one million euro in Q2 2013;
- income before tax from continuing operations of 138 million euro, up 4.8% from 132 million euro in Q2 2013;
- net income of 72 million euro, down 6.8% from 77 million euro in Q2 2013.

In the first nine months of 2013, Banca Fideuram recorded:
- operating income of 645 million euro, contributing approximately 5% of the consolidated operating income (the same as in 9M 2012), up 0.6% from 641 million euro in 9M 2012;
- operating costs of 229 million euro, down 10.2% from 255 million euro in 9M 2012;
- operating margin of 416 million euro, up 7.8% from 386 million euro in 9M 2012;
- a cost/income ratio improving to 35.5% versus 39.8% in 9M 2012;
- net provisions and adjustments of 52 million euro, compared with 90 million euro in 9M 2012;
- profits on investments held to maturity and on other investments of one million euro, compared with losses of 10 million euro in 9M 2012;

- income before tax from continuing operations of 365 million euro, up 27.6% from 286 million euro in 9M 2012;
- net income of 205 million euro, up 70.8% from 120 million euro in 9M 2012.

The outlook for 2013

In the fourth quarter of 2013, the Intesa Sanpaolo Group will continue to prioritise the delivery of sustainable results. Attention will be focused on profitability targets as well as on continued actions aimed at strengthening the capital base and further improving the profile of risk and liquidity.

The Group’s efficiency and productivity will be constantly addressed. Repricing actions will make it possible to partially limit the impact of an expected negative environment on market rates. Strict cost containment actions will counteract the effects of automatic pay increases and inflation. The cost of credit will remain at a high level.

* * *

For consistency purposes, the balance sheet figures of the first three quarters of 2012 were restated consolidating line by line the items related to a summary of assets and liabilities from SediciBanca, a bank belonging to the Delta Group whose purchase was completed in December 2012.

Income statement and balance sheet figures for the four quarters of 2012 and the first two quarters of 2013 relating to the business areas were restated to consider the change in the scope of the Banca dei Territori division and the Corporate and Investment Banking division, approved by the Management Board on May 21st 2013. Specifically, the scope of the Banca dei Territori division was extended to include businesses with consolidated turnover between 150 and 350 million euro and product factories operating in the leasing and the factoring business.

* * *

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

<u>in the first quarter of 2013</u>: 1) 17 million euro charges for integration and exit incentives and related tax savings resulting in net charges of 12 million euro, and 2) 74 million euro charges from purchase cost allocation, net of tax;

<u>in the second quarter of 2013</u>: 1) 58 million euro impairment charges related to the Assicurazioni Generali stake, recorded under net impairment losses on other assets, 2) 28 million euro charges for integration and exit incentives and related tax savings resulting in net charges of 21 million euro, and 3) 73 million euro charges from purchase cost allocation, net of tax;

<u>in the third quarter of 2013:</u> 1) 193 million euro capital gain on the senior note buy-back and on the exchange of own subordinated notes, recorded under profits on trading, and related taxes resulting in a net capital gain of 129 million euro, 2) 28 million euro impairment charges relating to the Telco investment, recorded under profits (losses) on investments held to maturity and on other investments, 3) 9 million euro charges for integration and exit incentives and related tax savings resulting in net charges of 5 million euro, and 4) 72 million euro charges from purchase cost allocation, net of tax;

<u>in the first quarter of 2012</u>: 1) 274 million euro capital gain on the Tier 1 notes buy-back, recorded under profits on trading, and related taxes resulting in a net capital gain of 183 million euro, 2) 20 million euro charges for integration and exit incentives and related tax savings resulting in net charges of 14 million euro, and 3) 73 million euro charges from purchase cost allocation, net of tax;

<u>in the second quarter 2012</u>: 1) 94 million euro capital gain on the sale of the stake in the London Stock Exchange, recorded under profits on trading, and related tax effects, resulting in a 105 million euro net capital gain, 2) 9 million euro impairment charges relating to the Telco investment, recorded under profits (losses) on investments held to maturity and on other investments, 3) 173 million euro tax benefit related to the refunding, for the fiscal years 2007-2011, of the deduction of Regional Business Tax (IRAP) paid on labour cost from Corporate Income Tax (IRES) taxable basis, recorded under taxes on income from continuing operations, 4) 14 million euro charges for integration and exit incentives and related tax savings resulting in net charges of 10 million euro, and 5) 76 million euro charges from purchase cost allocation, net of tax;

<u>in the third quarter of 2012</u>: 1) 327 million euro capital gain on the subordinated and senior notes buy-back, recorded under profits on trading and related taxes, resulting in a net capital gain of 219 million euro, 2) 17 million euro charges for integration and exit incentives and related tax savings resulting in net charges of 11 million euro, and 3) 71 million euro charges from purchase cost allocation, net of tax;

<u>in the fourth quarter 2012</u>: 1) 110 million euro capital gain on the exchange of own subordinated bonds for a newly-issued senior bond recorded under profits on trading and related taxes, resulting in a 74 million euro net capital gain, 2) 107 million euro impairment charges relating to the Telco investment, recorded under profits (losses) on investments held to maturity and on other investments, 3) 26 million euro tax benefit related to the refunding - for fiscal years 2007 to 2011 - of the deduction of Regional Business Tax (IRAP) paid on labour cost from Corporate Income Tax (IRES) taxable basis, recorded under taxes on income from continuing operations, 4) 136 million euro charges for integration and exit incentives and related tax savings resulting in net charges of 99 million euro, and 5) 79 million euro charges from purchase cost allocation, net of tax.

* * *

In order to present more complete information on the results generated in the first nine months of 2013, the reclassified consolidated income statement and the reclassified consolidated balance sheet included in the interim statement approved by the Management Board are attached. Please note that these statements and the interim statement have not been reviewed by the auditing company.

* * *

The manager responsible for preparing the company's financial reports, Ernesto Riva, declares, pursuant to paragraph 2 of Article 154 bis of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the document results, books and accounting records.

* * *

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This press release contains certain forward-looking statements, projections, objectives, estimates and forecasts reflecting the Intesa Sanpaolo management's current views with respect to certain 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 Intesa Sanpaolo's future financial position and results of operations, strategy, plans, objectives, goals and targets and future developments in the markets where Intesa Sanpaolo participates or is seeking to participate.

Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements as a prediction of actual results. The Intesa Sanpaolo Group's ability to achieve its projected objectives or results is dependent on many factors which are outside management's control. Actual results may differ materially from (and be more negative than) those projected or implied in the forward-looking statements. Such forward-looking information involves risks and uncertainties that could significantly affect expected results and is based on certain key assumptions.

All forward-looking statements included herein are based on information available to Intesa Sanpaolo as of the date hereof. Intesa Sanpaolo undertakes no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable law. All subsequent written and oral forward-looking statements attributable to Intesa Sanpaolo or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements.

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Gruppo Intesa Sanpaolo

Reclassified consolidated statement of income

(millions of euro)

	30.09.2013	30.09.2012	Changes	
			amount	%
Net interest income	6,094	7,249	-1,155	-15.9
Dividends and profits (losses) on investments carried at equity	-47	28	-75	
Net fee and commission income	4,524	3,972	552	13.9
Profits (Losses) on trading	1,091	1,500	-409	-27.3
Income from insurance business	653	669	-16	-2.4
Other operating income (expenses)	36	-31	67	
Operating income	12,351	13,387	-1,036	-7.7
Personnel expenses	-3,626	-4,004	-378	-9.4
Other administrative expenses	-2,017	-2,140	-123	-5.7
Adjustments to property, equipment and intangible assets	-507	-472	35	7.4
Operating costs	-6,150	-6,616	-466	-7.0
Operating margin	6,201	6,771	-570	-8.4
Net provisions for risks and charges	-65	-140	-75	-53.6
Net adjustments to loans	-4,031	-3,253	778	23.9
Net impairment losses on other assets	-247	-141	106	75.2
Profits (Losses) on investments held to maturity and on other investments	-33	-13	20	
Income (Loss) before tax from continuing operations	1,825	3,224	-1,399	-43.4
Taxes on income from continuing operations	-902	-1,232	-330	-26.8
Charges (net of tax) for integration and exit incentives	-38	-35	3	8.6
Effect of purchase price allocation (net of tax)	-219	-220	-1	-0.5
Goodwill impairment (net of tax)	-	-	-	-
Income (Loss) after tax from discontinued operations	-	-	-	-
Minority interests	-26	-49	-23	-46.9
Net income (loss)	640	1,688	-1,048	-62.1
Basic EPS - euro	0.04	0.10		
Diluted EPS - euro	0.04	0.10		

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

Gruppo Intesa Sanpaolo

Quarterly development of the reclassified consolidated statement of income

(millions of euro)

	2013			2012			
	Third quarter	Second quarter	First quarter	Fourth quarter	Third quarter	Second quarter	First quarter
Net interest income	2,031	2,041	2,022	2,181	2,317	2,431	2,501
Dividends and profits (losses) on investments carried at equity	-6	2	-43	11	-27	29	26
Net fee and commission income	1,483	1,575	1,466	1,479	1,333	1,322	1,317
Profits (Losses) on trading	401	235	455	682	623	161	716
Income from insurance business	204	218	231	159	216	195	258
Other operating income (expenses)	33	15	-12	-18	-19	-7	-5
Operating income	4,146	4,086	4,119	4,494	4,443	4,131	4,813
Personnel expenses	-1,204	-1,156	-1,266	-1,334	-1,295	-1,353	-1,356
Other administrative expenses	-666	-688	-663	-781	-711	-735	-694
Adjustments to property, equipment and intangible assets	-171	-169	-167	-182	-160	-155	-157
Operating costs	-2,041	-2,013	-2,096	-2,297	-2,166	-2,243	-2,207
Operating margin	2,105	2,073	2,023	2,197	2,277	1,888	2,606
Net provisions for risks and charges	-1	-38	-26	-105	-69	-34	-37
Net adjustments to loans	-1,467	-1,398	-1,166	-1,461	-1,198	-1,082	-973
Net impairment losses on other assets	-32	-147	-68	-141	-43	-39	-59
Profits (Losses) on investments held to maturity and on other investments	-35	-3	5	-104	-5	-2	-6
Income (Loss) before tax from continuing operations	570	487	768	386	962	731	1,531
Taxes on income from continuing operations	-264	-274	-364	-291	-454	-152	-626
Charges (net of tax) for integration and exit incentives	-5	-21	-12	-99	-11	-10	-14
Effect of purchase price allocation (net of tax)	-72	-73	-74	-79	-71	-76	-73
Goodwill impairment (net of tax)	-	-	-	-	-	-	-
Income (Loss) after tax from discontinued operations	-	-	-	-	-	-	-
Minority interests	-11	-3	-12	-	-12	-23	-14
Net income (loss)	218	116	306	-83	414	470	804

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

Gruppo Intesa Sanpaolo

Reclassified consolidated balance sheet

(millions of euro)

Assets	30.09.2013	31.12.2012	Changes amount	Changes %
Financial assets held for trading	53,337	63,546	-10,209	-16.1
of which: Insurance Companies	754	1,125	-371	-33.0
Financial assets designated at fair value through profit and loss	37,636	36,887	749	2.0
of which: Insurance Companies	36,541	35,748	793	2.2
Financial assets available for sale	102,969	97,209	5,760	5.9
of which: Insurance Companies	46,526	43,527	2,999	6.9
Investments held to maturity	2,120	2,148	-28	-1.3
Due from banks	32,891	36,533	-3,642	-10.0
Loans to customers	349,671	376,625	-26,954	-7.2
Investments in associates and companies subject to joint control	2,682	2,706	-24	-0.9
Property, equipment and intangible assets	19,782	20,249	-467	-2.3
Tax assets	13,691	12,673	1,018	8.0
Non-current assets held for sale and discontinued operations	26	25	1	4.0
Other assets	24,963	24,981	-18	-0.1
Total Assets	639,768	673,582	-33,814	-5.0

Liabilities and Shareholders' Equity	30.09.2013	31.12.2012	Changes amount	Changes %
Due to banks	64,993	73,352	-8,359	-11.4
Due to customers and securities issued	359,589	377,358	-17,769	-4.7
of which: Insurance Companies	558	68	490	
Financial liabilities held for trading	40,517	52,195	-11,678	-22.4
of which: Insurance Companies	73	79	-6	-7.6
Financial liabilities designated at fair value through profit and loss	30,027	27,047	2,980	11.0
of which: Insurance Companies	30,016	27,038	2,978	11.0
Tax liabilities	3,594	3,494	100	2.9
Liabilities associated with non-current assets held for sale and discontinued operations	-	-	-	-
Other liabilities	27,574	30,617	-3,043	-9.9
Technical reserves	59,088	54,660	4,428	8.1
Allowances for specific purpose	4,319	4,953	-634	-12.8
Share capital	8,546	8,546	-	-
Reserves	41,600	40,861	739	1.8
Valuation reserves	-1,305	-1,692	-387	-22.9
Minority interests	586	586	-	-
Net income (loss)	640	1,605	-965	-60.1
Total Liabilities and Shareholders' Equity	639,768	673,582	-33,814	-5.0

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

Gruppo Intesa Sanpaolo

Quarterly development of the reclassified consolidated balance sheet

(millions of euro)

Assets	2013			2012			
	30/9	30/6	31/3	31/12	30/9	30/6	31/3
Financial assets held for trading	53,337	55,905	61,556	63,546	70,034	66,080	60,328
of which: Insurance Companies	754	1,006	953	1,125	1,102	1,257	1,331
Financial assets designated at fair value through profit and loss	37,636	37,042	36,747	36,887	36,546	37,842	35,971
of which: Insurance Companies	36,541	35,947	35,722	35,748	35,486	36,763	35,015
Financial assets available for sale	102,969	103,944	97,030	97,209	88,317	88,408	85,224
of which: Insurance Companies	46,526	45,097	42,454	43,527	41,709	41,082	40,623
Investments held to maturity	2,120	2,140	2,150	2,148	2,224	2,222	2,266
Due from banks	32,891	31,570	38,569	36,533	36,580	35,826	32,431
Loans to customers	349,671	358,404	371,561	376,625	375,037	375,183	378,280
Investments in associates and companies subject to joint control	2,682	2,710	2,716	2,706	2,794	2,795	2,672
Property, equipment and intangible assets	19,782	19,914	20,052	20,249	20,257	20,360	20,484
Tax assets	13,691	13,508	12,661	12,673	12,873	13,382	12,406
Non-current assets held for sale and discontinued operations	26	26	25	25	28	27	26
Other assets	24,963	22,622	24,040	24,981	24,314	24,613	22,860
Total Assets	639,768	647,785	667,107	673,582	669,004	666,738	652,948

Liabilities and Shareholders' Equity	2013			2012			
	30/9	30/6	31/3	31/12	30/9	30/6	31/3
Due to banks	64,993	67,522	72,775	73,352	74,787	83,831	75,958
Due to customers and securities issued	359,589	368,419	375,956	377,358	373,471	365,667	368,685
of which: Insurance Companies	558	81	132	68	106	117	343
Financial liabilities held for trading	40,517	44,353	49,736	52,195	55,779	54,921	47,907
of which: Insurance Companies	73	85	93	79	68	26	23
Financial liabilities designated at fair value through profit and loss	30,027	29,257	28,130	27,047	26,278	24,854	24,496
of which: Insurance Companies	30,016	29,246	28,120	27,038	25,938	24,417	23,637
Tax liabilities	3,594	2,983	3,979	3,494	3,297	2,936	3,154
Liabilities associated with non-current assets held for sale and discontinued operations	-	-	-	-	-	-	-
Other liabilities	27,574	24,564	26,207	30,617	27,410	28,812	24,641
Technical reserves	59,088	56,633	55,552	54,660	53,468	52,310	53,023
Allowances for specific purpose	4,319	4,404	4,825	4,953	4,865	4,895	5,149
Share capital	8,546	8,546	8,546	8,546	8,546	8,546	8,546
Reserves	41,600	41,563	42,419	40,861	40,906	40,882	41,800
Valuation reserves	-1,305	-1,443	-1,894	-1,692	-2,158	-2,862	-1,953
Minority interests	586	562	570	586	667	672	738
Net income (loss)	640	422	306	1,605	1,688	1,274	804
Total Liabilities and Shareholders' Equity	639,768	647,785	667,107	673,582	669,004	666,738	652,948

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

Gruppo Intesa Sanpaolo

Breakdown of financial highlights by business area

Income statement (millions of euro)	Corporate and Investment Banking		Banca dei Territori		International Subsidiary Banks		Eurizon Capital		Banca Fideuram	
	30.09.2013	30.09.2012	30.09.2013	30.09.2012	30.09.2013	30.09.2012	30.09.2013	30.09.2012	30.09.2013	30.09.2012
Operating income	2,616	2,712	8,383	8,133	1,613	1,630	248	199	645	641
Operating costs	-592	-618	-3,942	-4,287	-861	-870	-75	-84	-229	-255
Operating margin	2,024	2,094	4,441	3,846	752	760	173	115	416	386
Net income (loss)	1,151	1,131	476	752	87	58	107	60	205	120

Balance sheet (millions of euro)	Corporate and Investment Banking		Banca dei Territori		International Subsidiary Banks		Eurizon Capital		Banca Fideuram	
	30.09.2013	31.12.2012	30.09.2013	31.12.2012	30.09.2013	31.12.2012	30.09.2013	31.12.2012	30.09.2013	31.12.2012
Loans to customers	96,475	103,498	212,584	223,387	27,876	29,312	145	226	3,890	3,985
Direct deposits from banking business	111,976	107,163	196,415	204,113	30,596	31,163	7	7	7,244	6,672

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