

PRESS RELEASE

Intesa Sanpaolo Group presents business results for Q1 2010

Among most stable banking groups in Europe

Belgrade (June 01) – Business results for the Q1 2010 with a two-digit rate of growth and retained low risk level, clearly indicate that Intesa Sanpaolo is one the most liquid and firmest banking groups on the European market. Relying on the strategy of sustainable profitability which implies leading balanced business policy focused not only on operational income and expenses but on liquidity, stability and low risk level, the strength of the group became remarkably visible in times of international financial crisis, and during the period of latest tensions in Euro zone. This is supported by the fact that Intesa Sanpaolo is the only large banking group in Europe which previously was not in a situation to ask for help from the state or its interest parties.

Compared with the same reporting period last year, in the Q1 2010 the Group achieved the following results:

- **Business revenues increase**, despite negative impact of the surge of Euribor to the historically lowest rate, which entailed net income interest decreased, while the constant focus on building long-term relations with clients lead to significant recovery in terms of fees and commissions;
- **Decrease of operational expenses** for third year in a row, starting from the merger forming Intesa Sanpaolo Group;

Net profit in the first three months of the current year reads EUR 688 m, which is by 26,7 percent more than the achieved in last Q 2009. At the same time, the Bank operational profit is higher by 4 percent relative to the Q1 last year and shows

EUR 4,22 bn, while the operational margin increased from EUR 1,72 bn to EUR 1,97 bn, i.e. by 12 percent. The profit before tax was EUR 1,41 bn showing the growth of 19,5 percent compared to the same period in 2009.

International banks – subsidiaries increase total profit by one third

Governed by the same business principles, 11 international banks – subsidiaries of Intesa Sanpaolo Group, including Banca Intesa Beograd gained good business results in the Q1 2010. Net profit of banks Group members amounted EUR 113 m, which is, compared to the Q1 2009 more by 31,4 percent, while the operational profit reached EUR 552 m, by 3,2 percent more relative to the results achieved in the same period last year. Operational expenses amounted EUR 280 m, which is by 2,1 less then compared with EUR 286 m recorded in the Q1 2009. Profit before tax reached EUR 141 m, presenting the growth of 34,3 percent compared to the same reporting period in 2009.

Banca Intesa leading Bank on Serbian market

Due to its good business results achieved in Q1 2010, Banca Intesa confirmed the leading position on the Serbian market with the net balance sum of EUR 3.07 bn, total corporate and retail deposits of EUR 1.69 bn and total placements of EUR 2.23 bn including cross boarder loans.

Through its business network covering 206 branches and 3 mortgage loan centers, Banca Intesa successfully serviced more than 1,49 m clients, in specific 1,37 m individuals and over 120.000 corporate. The Bank has the most developed network of POS terminals and ATM devices, including 20.400 POS terminals and nearly 250 ATMs. During the Q1 2010, Banca Intesa reaffirmed its leading position in electronic banking and payment card operations. In Q1 2010, the Bank recorded more than a million of issued debit and credit cards.

Total loan portfolio in retail segment, despite aggravated conditions was increased relative to the Q1 2009 by EUR 45 m, and at the end of Q1 2010 it peaked at EUR 537 m.

Compared to the Q1 2009, retail deposits were higher by EUR 116 m and total citizens' savings at the end of Q1 amounts over EUR 893 m. Small business loans reached the level of EUR 127 m, while loans granted to farmers amounted to EUR 26 m.

The corporate segment of Banca Intesa recorded growing trend in Q1 2010, so whereby total placements at the end of Q1 reached EUR 1,543 m. In the current year the Bank held the first place in the number of realized loans with subsidized interest rate within the government's program, already approving one third of the total placements.

Despite unfavorable macroeconomic scenario, corporate loans at the end of Q1 2010 reached the value of EUR 802 m. The market share of Banca Intesa in total approved corporate loans at the level of banking sector is 16.5 percent, whereas the market share in local government deposits reached up to 30 percent.