INTESA SANPAOLO

PRESS RELEASE

INTESA SANPAOLO: CONSOLIDATED RESULTS AT JUNE 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 A CHALLENGING ENVIRONMENT, THE GROUP'S RESULTS REFLECT STRONG INCREASE IN COMMISSIONS, AGGRESSIVE COST CUTTING AND HIGHLY CONSERVATIVE PROVISIONING.

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

- **STRONG AND FURTHER IMPROVING CAPITAL BASE, WELL ABOVE REGULATORY REQUIREMENTS: PRO-FORMA BASEL 3 COMMON EQUITY UP 40bps TO 11% NET OF DIVIDENDS ACCRUED IN THE SEMESTER**

- **OPERATING MARGIN REFLECTS:**
  - **STABILISING NET INTEREST INCOME IN Q2 2013 AFTER FIVE QUARTERS OF DECLINE**
  - **STRONG INCREASE IN NET FEES AND COMMISSIONS (+7.4% IN Q2 2013 VS Q1 2013; +15.2% IN H1 2013 VS H1 2012)**
  - **CONTINUED AGGRESSIVE COST REDUCTION (-7.7% IN H1 2013 VS H1 2012)**

- **"OPPORTUNITY COST" OF A PARTICULARLY RIGOROUS AND CONSERVATIVE STANCE IN LIQUIDITY MANAGEMENT AND PROVISIONING EQUAL TO ~€640M PRE-TAX IN H1 2013 (~€390M IN Q2 2013):**
  - **~€190M "OPPORTUNITY COST" FROM EXTRAORDINARY LIQUIDITY BUFFER AT 0% YIELD (~€90M IN Q2)**
  - **~€450M "OPPORTUNITY COST" FROM INCREASE IN NPL COVERAGE RATIO ALREADY BEST-IN-CLASS (~€300M IN Q2), UP 150bps VS YEAR-END 2012 (UP 90bps IN Q2), DESPITE SIGNS OF STABILISING CREDIT TRENDS**

- **HALF-YEARLY NET INCOME AT €422M, REFLECTING THE "OPPORTUNITY COST" OF A PARTICULARLY RIGOROUS AND CONSERVATIVE STANCE AND HIGH TAXES (€638M)**

HIGHLIGHTS:

CAPITAL RATIOS:	**COMMON EQUITY BASEL 3 PRO-FORMA AT 11%**	
	CORE TIER 1 AT 11.7% UNDER SAME COMPUTATION OF INSURANCE INVESTMENTS, AT 11.1% CONSIDERING NEW COMPUTATION	
	TIER 1 AT 12.6% UNDER SAME COMPUTATION OF INSURANCE INVESTMENTS, AT 12% CONSIDERING NEW COMPUTATION	
	EBA PRO-FORMA AT 10.8% UNDER SAME COMPUTATION OF INSURANCE INVESTMENTS, AT 10.2% CONSIDERING NEW COMPUTATION	
OPERATING INCOME:	Q2 2013:	**-0.8%** AT €4,086M VS €4,119M IN Q1 2013;
	H1 2013:	-8.3% AT €8,205M VS €8,944M H1 2012
OPERATING COSTS:	Q2 2013:	**-4%** AT €2,013M VS €2,096M IN Q1 2013;
	H1 2013:	-7.7% AT €4,109M VS €4,450M IN H1 2012
OPERATING MARGIN:	Q2 2013:	**+2.5%** AT €2,073M VS €2,023M IN Q1 2013;
	H1 2013:	-8.9% AT €4,096M VS €4,494M IN H1 2012
INCOME BEFORE TAX FROM CONTINUING OPERATIONS:	Q2 2013:	**-36.6%** AT €487M VS €768M IN Q1 2013;
	H1 2013:	-44.5% AT €1,255M VS €2,262M IN H1 2012
TAXES:	Q2 2013:	**€274M** VS €364M IN Q1 2013;
	H1 2013:	€638M VS €778M IN H1 2012
NET INCOME:	Q2 2013:	**€116M** VS €306M IN Q1 2013;
	H1 2013:	€422M VS €1,274M IN H1 2012
ADJUSTED NET INCOME(1):	Q2 2013:	**€268M** VS €392M IN Q1 2013;
	H1 2013:	€660M VS €995M IN H1 2012

Turin - Milan, August 2nd 2013 – The Intesa Sanpaolo Management Board, in today's meeting, approved the consolidated half-yearly report as at June 30th 2013 (2).

In the first half of 2013, the Group's results reflected a challenging environment and the adoption of a particularly rigorous and conservative stance aimed at **a solid balance sheet getting even stronger** - with a **significant "opportunity cost" affecting short-term profitability**. Specifically, the Group focused on **strengthening provisions further**, ahead of both the upcoming asset quality review and the stress test exercise authorities will undertake on European Banks. This approach has been adopted despite the fact that the Group shows a lower incidence and a lower rate of growth of NPLs and higher NPL coverage than Italian peers, and notwithstanding some mild signs of sentiment improvement in the Italian economy:

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(1) Methodological note on calculation of adjusted net income on page 18.
(2) Methodological note on the scope of consolidation on page 18.

- **additional improvement on top of already solid capital base**: **further strengthening of capital ratios** (already well above regulatory requirements) at June 30th 2013, net of dividends accrued in the semester. The **pro-forma common equity ratio under fully phased-in Basel 3 was up to 11%**(3) from 10.6% at year-end 2012, **one of the highest levels of major European banks**. The Core Tier 1 ratio increased to 11.7% from 11.2% at year-end 2012 under regulations on deduction of insurance investments in force until December 31st 2012; considering the new computation of insurance investments(4), the Core Tier 1 ratio stands at 11.1%. The pro-forma EBA ratio(5) stands at 10.8% under regulations on deduction of insurance investments in force until December 31st 2012 and at 10.2% considering the new computation, against the 9% ratio threshold;
- **strong liquidity position and funding capability**: **liquid assets of 127 billion euro** and **large availability of unencumbered eligible assets with Central Banks, corresponding to liquidity of 85 billion euro at the end of June 2013**; **already compliant with Basel 3 Liquidity Coverage Ratio and Net Stable Funding Ratio requirements**, well ahead of deadlines (2019 and 2018 respectively), even after the payback of the 12 billion euro borrowed under the ECB three-year LTRO put in place in December 2011;
- **current accounts and deposits up 5.1%** from year-end 2012;
- **positive results from all business units**;
- **solid and increasing contribution from Wealth Management** (6): 838 million euro pre-tax income in H1 2013 (+19.7% versus H1 2012), of which 151 million euro from Italian Private Banking (+26.4% versus H1 2012), 344 million euro from Insurance (+4.5%), 116 million euro from Asset Management (+58.9%) and 227 million euro from Financial Advisors (+26.8%);
- **strong increase in assets under management:** an increase of approximately 12 billion euro in the semester;
- **sustained performance in net fees and commissions:** 1,575 million euro in Q2 2013, up 7.4% versus Q1 2013, and 3,041 million euro in H1 2013, up 15.2% versus H1 2012;

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(3) Estimated applying the parameters set out under fully phased-in Basel 3 to the financial statements as at June 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) Estimated on the basis of the Core Tier 1 ratio as at June 30th 2013 and the impact of sovereign risk valuation at fair value based on volumes and prices as at September 30th 2011.

(6) Italian Private Banking, Insurance, Eurizon Capital and Banca Fideuram (including Fideuram Vita).

- **high efficiency**, highlighted by the **cost/income ratio at 50.1%** in H1 2013**, top level amongst European peers**;
- **continued aggressive reduction in structural costs**: -7.7% in H1 2013 versus H1 2012, with a **nominal savings of 341 million euro**;
- **rigorous and conservative provisioning policy**:
  - **loan loss provisions** of 2,564 million euro in H1 2013, up 24.8% compared to H1 2012,
  - a **coverage ratio of non-performing loans up to 44.2%** in Q2 2013 from 43.3% in Q1 2013 (Italian peers average: 34.1% in Q1 2013), **with a coverage ratio of the doubtful loan component up to 61.1%** from 60.6% in Q1 2013 (Italian peers average: 48.6% in Q1 2013)
  - a **strong reserve buffer on performing loans** maintained at a conservative 0.8% level in Q2 2013 (Italian peers average: 0.5% in Q1 2013).

  This rigorous and conservative provisioning policy is reflected in the **high recovery rate of doubtful loans,** equal on average to **144%** of their net book value over the 2009 – H1 2013 period;
- **significant P&L "opportunity cost"**, equal to approximately **640 million euro pre-tax - 450 million euro net - in the first half of 2013** (**approximately 390 million euro pre-tax in Q2 2013**) as follows:
  - approximately 190 million euro (approximately 90 million euro in Q2) from the **extraordinary liquidity buffer at 0% yield** equal to 20 billion euro, built up at the beginning of this year to deal with unexpected and crucial external uncertainties and absorbed at the end of the semester;
  - approximately 450 million euro (approximately 300 million euro in Q2) from the **increase in the NPL coverage ratio** (already best-in-class), **up 150bps** at the end of June 2013 versus year-end 2012 (of which 90bps in Q2 2013), **despite signals of stabilising credit trends** (gross NPL inflow from performing loans in Q2 2013 down 14.6% vs Q4 2012 and up 3.7% vs Q1 2013).

The income statement for the second quarter of 2013

The consolidated income statement for Q2 2013[7] recorded **operating income** of 4,086 million euro, down 0.8% from 4,119 million euro in Q1 2013 and down 1.1% from 4,131 million euro in Q2 2012.

In Q2 2013, **net interest income** of 2,041 million euro was recorded, up 0.9% from 2,022 million euro in Q1 2013 and down 16% from 2,431 million euro in Q2 2012.

Net fee and commission income amounted to 1,575 million euro, up 7.4% from 1,466 million euro in Q1 2013. In detail, commissions on commercial banking activities were up 0.7%, and those on management, dealing and consultancy activities (including portfolio management, distribution of insurance products, dealing and placement of securities, etc.) were up 16.2%. Under the latter, commissions on portfolio management were up 29.9%, those on distribution of insurance products up 14.7% while those on dealing and placement of securities were down 13.1%. Net fee and commission income in Q2 2013 increased by 19.1%, compared with 1,322 million euro in Q2 2012. In detail, commissions on commercial banking activities were up 7.2%, and those on management, dealing and consultancy activities were up 40.1%. Under the latter, commissions on portfolio management were up 43.2%, those on dealing and placement of securities were up 36.8%, and those on distribution of insurance products were up 34.4%.

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(7) 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 1,474 million euro into loans and receivables and 35 million euro into financial assets available for sale; the Group also reclassified financial assets available for sale of 5,812 million euro into loans and receivables. If these reclassifications had not been made, the profits/losses on trading for the second quarter of 2013 would have recorded 13 million euro as positive pre-tax impact (a positive impact of 40 million euro in the first half 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 1,508 million euro as negative pre-tax direct impact at June 30th 2013 (with a positive impact of 297 million euro in the second quarter of 2013 and 326 million euro in the first half of 2013).

Profits on trading were 235 million euro, compared with 455 million euro recorded in Q1 2013. Profits from customers amounted to 87 million euro from 84 million euro. Profits from capital markets and AFS financial assets decreased to 10 million euro from 142 million euro. Profits from proprietary trading and treasury activities decreased to 101 million euro from 199 million euro. Profits from structured credit products increased to 37 million euro from 30 million euro. Profits on trading of 235 million euro for Q2 2013 are compared with profits of 161 million euro in Q2 2012, which included capital gain of 94 million euro on the disposal of the London Stock Exchange stake; Q2 2012 recorded profits from customers of 65 million euro, profits from capital markets and AFS financial assets of 89 million euro (including the aforementioned 94 million euro capital gain from disposal), profits from proprietary trading and treasury activities of 2 million euro, and profits from structured credit products of 5 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 Q2 2013 would have recorded a positive pre-tax impact of 13 million euro.

Income from insurance business amounted to 218 million euro, compared with 231 million euro in Q1 2013 and 195 million euro in Q2 2012.

Operating costs decreased to 2,013 million euro, down 4% versus the 2,096 million euro of Q1 2013 as a result of an 8.7% decrease in personnel expenses, a 3.8% increase in administrative expenses, and a 1.2% increase in adjustments. Operating costs for the quarter were down by 10.3% compared with 2,243 million euro in Q2 2012 due to decreases by 14.6% in personnel expenses and 6.4% in administrative expenses, and a 9% increase in adjustments.

As a result, **operating margin** amounted to 2,073 million euro, up 2.5% from 2,023 million euro in Q1 2013 and up 9.8% from 1,888 million euro in Q2 2012. The cost/income ratio improved to 49.3% in Q2 2013 versus 50.9% in Q1 2013 and 54.3% in Q2 2012.

Net **provisions** and adjustments (net provisions for risks and charges, net adjustments to loans, net impairment losses on other assets) amounted to 1,583 million euro, compared with 1,260 million euro in Q1 2013 and 1,155 million euro in Q2 2012. Net provisions for risks and charges amounted to 38 million euro, compared with 26 million euro in Q1 2013 and 34 million euro in Q2 2012. Net adjustments to loans came to 1,398 million euro, compared with 1,166 million euro in Q1 2013 and 1,082 million euro in Q2 2012. Net impairment losses on other assets came to 147 million euro (including an impairment of 58 million euro on the stake in Assicurazioni Generali), compared with 68 million euro in Q1 2013 and 39 million euro in Q2 2012.

Profits/losses on investments held to maturity and on other investments generated losses of 3 million euro, compared with profits of 5 million euro in Q1 2013 and losses of 2 million euro in Q2 2012.

Income before tax from continuing operations came to 487 million euro, compared with 768 million euro in Q1 2013 (down 36.6%) and 731 million euro in Q2 2012 (down 33.4%).

Consolidated net income for Q2 2013 was 116 million euro, compared with 306 million euro in Q1 2013 and 470 million euro in Q2 2012 (the same period last year 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 274 million euro;
- charges (net of tax) for integration and exit incentives of 21 million euro;
- charges from purchase cost allocation (net of tax) of 73 million euro;
- minority interests of 3 million euro.

Adjusted net income for Q2 2013 - excluding the main non-recurring items - was 268 million euro, compared with 392 million euro in Q1 2013 and 287 million euro in Q2 2012.

The income statement for the first half of 2013

The consolidated income statement for H1 2013 recorded **operating income** of 8,205 million euro, down 8.3% from 8,944 million euro in H1 2012.

In H1 2013, **net interest income** - 4,063 million euro **-** was down 17.6% from 4,932 million euro in H1 2012.

Net fee and commission income amounted to 3,041 million euro, up 15.2% from 2,639 million euro in H1 2012. In detail, commissions on commercial banking activities were up 9%, and those on management, dealing and consultancy activities were up 25%. Under the latter, commissions on distribution of insurance products were up 32.6%, those on portfolio management were up 26%, and those on dealing and placement of securities were up 12.8%.

Profits on trading were 690 million euro, compared with 877 million euro in H1 2012 (which included a capital gain of 274 million euro on the Tier 1 note buy back and a capital gain of 94 million euro on the disposal of the London Stock Exchange stake). Profits from customers amounted to 171 million euro from 179 million euro. Profits from capital markets and AFS financial assets decreased to 152 million euro from 191 million euro (including the aforementioned 94 million euro capital gain on disposal). Profits from proprietary trading and treasury activities decreased to 300 million euro from 483 million euro (including the aforementioned 274 million euro capital gain on the buy back). Profits from structured credit products increased to 67 million euro from 25 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 H1 2013 would have recorded a positive pre-tax impact of 40 million euro.

Income from insurance business amounted to 449 million euro, compared with 453 million euro in the first half of 2012.

Operating costs were down 7.7% to 4,109 million euro versus 4,450 million euro in H1 2012 as a result of a 10.6% reduction in personnel expenses, a 5.5% decrease in administrative expenses and a 7.7% increase in adjustments.

As a result, **operating margin** amounted to 4,096 million euro, down 8.9% from 4,494 million euro in the same period last year. The cost/income ratio was 50.1% in H1 2013, compared with 49.8% in H1 2012.

Net **provisions** and adjustments (net provisions for risks and charges, net adjustments to loans, net impairment losses on other assets) amounted to 2,843 million euro, compared with 2,224 million euro in the first half of 2012. Net provisions for risks and charges amounted to 64 million euro, compared with 71 million euro in H1 2012. Net adjustments to loans came to 2,564 million euro, compared with 2,055 million euro in H1 2012. Net impairment losses on other assets came to 215 million euro (including an impairment of 58 million euro on the Assicurazioni Generali stake), compared with 98 million euro in H1 2012.

Profits/losses on investments held to maturity and on other investments generated profits of 2 million euro, compared with losses of 8 million euro in the first half of 2012.

Income before tax from continuing operations came to 1,255 million euro, compared with 2,262 million euro in the first half of 2012 (down 44.5%).

Consolidated net income for the first half of 2013 was 422 million euro, compared with 1,274 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 638 million euro;
- charges (net of tax) for integration and exit incentives of 33 million euro;
- charges from purchase cost allocation (net of tax) of 147 million euro;
- minority interests of 15 million euro.

Adjusted net income for the first half of 2013 - excluding the main non-recurring items - was 660 million euro, compared with 995 million euro in the same period last year.

Balance sheet at June 30th 2013

As regards the consolidated balance sheet figures, as at June 30th 2013 **loans to customers** amounted to 358 billion euro, down 4.8% compared to December 31st 2012 and down 4.5% compared with June 30th 2012 (down 5.2% 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 29,657 million euro, up 4.2% from 28,472 million euro at year-end 2012. In detail, doubtful loans rose to 12,055 million euro from 11,202 million euro at year-end 2012. Doubtful loans to total loans ratio was 3.4% (3% as at year-end 2012), and the coverage ratio was 61.1% (60.5% as at year-end 2012). Total coverage was 123% taking into account **collateral and guarantees** to doubtful loans in addition to specific provisions. Substandard loans increased to 13,114 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, of approximately 800 million euro (net of adjustments, which were unchanged). Restructured loans decreased to 1,999 million euro from 2,863 million euro at year-end 2012. Past due loans decreased to 2,489 million euro from 2,912 million euro at year-end 2012.

Customer financial assets amounted to 787 billion euro (net of duplications between direct deposits and indirect customer deposits), down 1% from year-end 2012 and up 1.6% from June 30th 2012. Under customer financial assets, **direct deposits from banking business** amounted to 372 billion euro, down 2.1% from year-end 2012 and up 0.9% from June 30th 2012 (with current accounts and deposits up 5.1% from year-end 2012 and up 9.4% from the end of June 2012); **direct deposits from insurance business and technical reserves** amounted to 86 billion euro, up 5.1% from year-end 2012 and up 11.9% from June 30th 2012. Indirect customer deposits amounted to 414 billion euro, up 0.1% from year-end 2012 and up 2% from June 30th 2012. **Assets under management** totalled 243 billion euro, up 5% from year-end 2012 and up 9.3% from June 30th 2012. As for bancassurance, in the first half of 2013, new business for life policies amounted to 9.4 billion euro (56% higher than in the first half of 2012). Assets under administration and in custody amounted to 171 billion euro, down 6.1% from year-end 2012 and down 6.7% from June 30th 2012.

As at June 30th 2013, **capital ratios** were 11.7% for the Core Tier 1 ratio (year-end 2012: 11.2%), 12.6% for the Tier 1 ratio (year-end 2012: 12.1%) and 14.1% 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 the deduction of insurance investments in force until December 31st 2012. Considering the new computation of insurance investments(8), the Core Tier 1 ratio is 11.1%, the Tier 1 ratio is 12% and the total capital ratio is 14.1%. The capital ratios are net of the dividend accrued in the semester for year 2013, assuming the half-yearly quota of the 832 million euro paid in 2013 for year 2012.

According to existing available information, the estimated pro-forma common equity ratio for the Group under **fully phased-in Basel 3** is at 11% – calculated by applying the parameters set out under fully phased-in Basel 3 to the financial statements as at June 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 2.2 billion euro of RWAs due to DTAs included in risks weighted at 100% (related to loan adjustments), and
- a reduction of 1.9 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 70 basis points (the actual impact is subject to the implementation of the relevant regulations). The impact is reduced to approximately 10 basis points considering the expected benefits from the optimisation actions on capital sources and requirements and from the absorption of sovereign risk shock.

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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:

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(8) 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.

- 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 85 billion euro at the end of June 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 127 billion euro at the end of June this year,
  - the Group's refinancing operations with the ECB to optimise the cost of funding amounting to 24 billion euro at the end of June this year, entirely made up of three-year LTRO, after the early payback during the second quarter of 2013 - with no impact on the Group's liquidity - of the 12 billion euro borrowed under the ECB three-year refinancing operation put in place on December 21st 2011,
  - 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 15 billion euro raised up to now, of which approximately 10 billion euro were retail placements. Adding 5 billion euro pre-funding made in 2012, the entire medium/long-term wholesale bonds maturing throughout 2013 have already been refinanced;
  - one billion euro of eurobonds, one billion euro of covered bonds and 3.5 billion dollars of US bonds placed - entirely within the first four months of 2013 - on international markets. The total demand - over 95% from foreign investors - exceeded the issuance target by approximately 200%;
- **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,
  - pro-forma EBA ratio as at June 30th 2013[9] at 10.8% under regulations on deduction of insurance investments in force until December 31st 2012 and at 10.2% considering the new computation, against the 9% ratio threshold;
- a **low risk profile** with
  - the Group's securities portfolio at the end of June 2013 comprising Greek bonds (issued by the central and local governments) of 18 million euro, Irish bonds of 102 million euro and Portuguese bonds of 228 million euro.

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The Group had a **gross and net risk exposure** to structured credit products with underlying **US subprime** of 11 million euro as at June 30th 2013. Full and detailed information concerning structured credit products held by the Group is included - as usual - in the half-yearly report approved by the Management Board.

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As at June 30th 2013, the Intesa Sanpaolo Group's **operating structure** had a total network of 6,452 branches - of which 4,939 were in Italy and 1,513 abroad - with 94,558 employees.

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(9) Estimated on the basis of the Core Tier 1 ratio as at June 30th 2013 and the impact of sovereign risk valuation at fair value based on volumes and prices as at September 30th 2011.

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 2,000 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 activities of Leasint, Mediofactoring and the management of the Group's proprietary trading.

In the second quarter of 2013, the Corporate and Investment Banking Division recorded:

- operating income of 1,017 million euro, down 6.9% from 1,092 million euro in Q1 2013;
- operating costs of 222 million euro, down 7.1% from 239 million euro in Q1 2013;
- operating margin of 794 million euro, down 6.9% from 853 million euro in Q1 2013;
- a cost/income ratio of 21.8% versus 21.9% in Q1 2013;
- net provisions and adjustments of 401 million euro from 283 million euro in Q1 2013;
- losses on investments held to maturity and on other investments of 2 million euro, compared with a zero balance in Q1 2013;
- income before tax from continuing operations of 392 million euro, down 31.3% from 571 million euro in Q1 2013;
- net income of 261 million euro, down 32% from 384 million euro in Q1 2013.

In the first half of 2013, the Corporate and Investment Banking Division recorded:
- operating income of 2,109 million euro, contributing approximately 26% of the consolidated operating income (25% in H1 2012), down 5.8% from 2,240 million euro in H1 2012;
- operating costs of 462 million euro, down 7.2% from 498 million euro in H1 2012;
- operating margin of 1,647 million euro, down 5.5% from 1,742 million euro in H1 2012;
- a cost/income ratio of 21.9% versus 22.2% in H1 2012;
- net provisions and adjustments of 682 million euro from 565 million euro in H1 2012;
- losses on investments held to maturity and on other investments of 2 million euro, compared with losses of 9 million euro in H1 2012;
- income before tax from continuing operations of 963 million euro, down 17.6% from 1,168 million euro in H1 2013;
- net income of 645 million euro, down 22.4% from 831 million euro of H1 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);
- SME customers: SMEs with a turnover between 2.5 and 150 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, and Setefi operating in electronic payments.

In the second quarter of 2013, the Banca dei Territori Division recorded:
- operating income of 2,629 million euro, up 1.4% from 2,592 million euro in Q1 2013;
- operating costs of 1,249 million euro, down 5.5% from 1,321 million euro in Q1 2013;
- operating margin of 1,380 million euro, up 8.6% from 1,270 million euro in Q1 2013;
- a cost/income ratio improving to 47.5% versus 51% in Q1 2013;
- net provisions and adjustments of 963 million euro, compared with 778 million euro in Q1 2013;
- income before tax from continuing operations of 416 million euro, down 15.4% from 492 million euro in Q1 2013;
- net income of 196 million euro, down 12.3% from 224 million euro of Q1 2013.

In the first half of 2013, the Banca dei Territori Division recorded:
- operating income of 5,221 million euro, contributing approximately 64% of the consolidated operating income (56% in H1 2012), up 3.9% from 5,024 million euro in H1 2012;
- operating costs of 2,571 million euro, down 8.3% from 2,805 million euro in H1 2012;
- operating margin of 2,650 million euro, up 19.4% from 2,219 million euro in H1 2012;
- a cost/income ratio improving to 49.2% versus 55.8% in H1 2012;
- net provisions and adjustments of 1,742 million euro, compared with 1,171 million euro in H1 2012;
- income before tax from continuing operations of 908 million euro, down 13.4% from 1,048 million euro in H1 2012;
- net income of 420 million euro, down 27.5% from 579 million euro in H1 2012. The net income would be up 0.7% excluding the tax benefit recorded for H1 2012 (that tax benefit 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 specialised 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), a company specialised in managing Luxembourg mutual funds with low tracking error. It also controls Epsilon Associati, a company specialised 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 second quarter of 2013, Eurizon Capital recorded:
- operating income of 91 million euro, up 23% from 74 million euro in Q1 2013;
- operating costs of 25 million euro, down 4.8% from 26 million euro in Q1 2013;
- operating margin of 66 million euro, up 38.2% from 48 million euro in Q1 2013;
- a cost/income ratio improving to 27.5% versus 35.1% in Q1 2013;
- net provisions and adjustments showing a net release of provisions for 3 million euro, compared with no provisions and adjustments in Q1 2013;
- income before tax from continuing operations of 69 million euro, up 45% from 48 million euro in Q1 2013;
- net income of 42 million euro, up 52.5% from 28 million euro in Q1 2013.

In the first half of 2013, Eurizon Capital recorded:
- operating income of 164 million euro, accounting for approximately 2% of the consolidated operating income (1% in H1 2012), up 23.3% from 133 million euro in H1 2012;
- operating costs of 51 million euro, down 13.6% from 59 million euro in H1 2012;
- operating margin of 113 million euro, up 52.7% from 74 million euro in H1 2012;
- a cost/income ratio improving to 31.1% versus 44.4% in H1 2012;
- net provisions and adjustments showing a net release of provisions for 3 million euro, compared with net provisions and adjustments of one million euro in H1 2012;
- income before tax from continuing operations of 116 million euro, up 58.9% from 73 million euro in H1 2012;
- net income of 70 million euro, up 79.5% from 39 million euro in H1 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 second quarter of 2013, the International Subsidiary Banks Division recorded:
- operating income of 545 million euro, up 5.3% from 518 million euro in Q1 2013;
- operating costs of 297 million euro, up 3.8% from 287 million euro in Q1 2013;
- operating margin of 248 million euro, up 7.1% from 232 million euro in Q1 2013;
- a cost/income ratio improving to 54.5% versus 55.4% in Q1 2013;
- net provisions and adjustments of 223 million euro, compared with 157 million euro in Q1 2013;
- losses on investments held to maturity and on other investments of 2 million euro, compared with a zero balance in Q1 2013;
- income before tax from continuing operations of 23 million euro, down 69.9% from 75 million euro in Q1 2013. Excluding the negative contribution from the subsidiaries in Hungary and in Ukraine, the second and the first quarter of 2013 would close, respectively, with an income of 153 million euro and 139 million euro (up 10.1%);
- net loss of 25 million euro, compared with a net income of 37 million euro in Q1 2013. Excluding the negative contribution from the subsidiaries in Hungary and in Ukraine, the

second and the first quarter of 2013 would close, respectively, with a net income of 119 million euro and 112 million euro (up 6.3%).

In the first half of 2013, the International Subsidiary Banks Division recorded:
- operating income of 1,064 million euro, contributing approximately 13% of the consolidated operating income (12% in H1 2012), down 2.5% from 1,091 million euro in H1 2012;
- operating costs of 584 million euro, up 1.6% from 575 million euro in H1 2012;
- operating margin of 480 million euro, down 7% from 516 million euro in H1 2012;
- a cost/income ratio of 54.9% versus 52.7% in H1 2012;
- net provisions and adjustments of 379 million euro, compared with 381 million euro in H1 2012;
- losses on investments held to maturity and on other investments of 3 million euro, compared with profits of 2 million in H1 2012;
- income before tax from continuing operations of 98 million euro, down 28.5% from 137 million euro in H1 2012. Excluding the negative contribution from the subsidiaries in Hungary and in Ukraine, the first half of 2013 and the first half of 2012 would close, respectively, with an income of 292 million euro and 276 million euro (up 5.8%);
- net income of 12 million euro, down 77.8% from 54 million euro in H1 2012. Excluding the negative contribution from the subsidiaries in Hungary and in Ukraine, the first half of 2013 and the first half of 2012 would close, respectively, with a net income of 231 million euro and 223 million euro (up 3.6%).

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 second quarter of 2013, Banca Fideuram recorded:
- operating income of 222 million euro, up 13.8% from 195 million euro in Q1 2013;
- operating costs of 71 million euro, down 12.6% from 81 million euro in Q1 2013;
- operating margin of 151 million euro, up 32.6% from 114 million euro in Q1 2013;
- a cost/income ratio improving to 32% versus 41.5% in Q1 2013;
- net provisions and adjustments of 20 million euro, compared with 19 million euro in Q1 2013;
- profits on investments held to maturity and on other investments of one million euro, compared with a zero balance in Q1 2013;
- income before tax from continuing operations of 132 million euro, up 38.2% from 95 million euro in Q1 2013;
- net income of 77 million euro, up 35.8% from 57 million euro in Q1 2013.

In the first half of 2013, Banca Fideuram recorded:
- operating income of 418 million euro, contributing approximately 5% of the consolidated operating income (the same as in H1 2012), up 1% from 414 million euro in H1 2012;
- operating costs of 153 million euro, down 10.5% from 171 million euro in H1 2012;
- operating margin of 265 million euro, up 9.1% from 243 million euro in H1 2012;
- a cost/income ratio improving to 36.6% versus 41.3% in H1 2012;
- net provisions and adjustments of 39 million euro, compared with 60 million euro in H1 2012;

- profits on investments held to maturity and on other investments of one million euro, compared with losses of 4 million euro in H1 2012;
- income before tax from continuing operations of 227 million euro, up 26.8% from 179 million euro in H1 2012;
- net income of 134 million euro, double the 65 million euro reported for H1 2012.

The outlook for 2013

In 2013, the Intesa Sanpaolo Group will continue to prioritise the delivery of sustainable results. Attention will be strongly focused on actions aimed at strengthening the capital base and further improving the profile of risk and liquidity, as well as on profitability targets. Furthermore, 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 relating to business areas do not yet take into account 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.

* * *

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

in the second quarter of 2013: 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;

in the first quarter of 2013: 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;

in the first quarter of 2012: 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;

in the second quarter 2012: 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;

in the third quarter of 2012: 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;

in the fourth quarter 2012: 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 half of 2013, the reclassified consolidated income statement and the reclassified consolidated balance sheet included in the report approved by the Management Board are attached. Please note that these statements have not been reviewed by the auditing company. The auditing company in charge of performing the limited review of the half-yearly report has not yet completed its analysis.

* * *

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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Investor Relations
+39.02.87943180
investor.relations@intesasanpaolo.com

Media Relations
+39.02.87963531
stampa@intesasanpaolo.com

group.intesasanpaolo.com

Gruppo Intesa Sanpaolo

Reclassified consolidated statement of income

(millions of euro)

	30.06.2013	30.06.2012	Changes	
			amount	%
Net interest income	4,063	4,932	-869	-17.6
Dividends and profits (losses) on investments carried at equity	-41	55	-96	
Net fee and commission income	3,041	2,639	402	15.2
Profits (Losses) on trading	690	877	-187	-21.3
Income from insurance business	449	453	-4	-0.9
Other operating income (expenses)	3	-12	15	
Operating income	8,205	8,944	-739	-8.3
Personnel expenses	-2,422	-2,709	-287	-10.6
Other administrative expenses	-1,351	-1,429	-78	-5.5
Adjustments to property, equipment and intangible assets	-336	-312	24	7.7
Operating costs	-4,109	-4,450	-341	-7.7
Operating margin	4,096	4,494	-398	-8.9
Net provisions for risks and charges	-64	-71	-7	-9.9
Net adjustments to loans	-2,564	-2,055	509	24.8
Net impairment losses on other assets	-215	-98	117	
Profits (Losses) on investments held to maturity and on other investments	2	-8	10	
Income (Loss) before tax from continuing operations	1,255	2,262	-1,007	-44.5
Taxes on income from continuing operations	-638	-778	-140	-18.0
Charges (net of tax) for integration and exit incentives	-33	-24	9	37.5
Effect of purchase price allocation (net of tax)	-147	-149	-2	-1.3
Goodwill impairment (net of tax)	-	-	-	-
Income (Loss) after tax from discontinued operations	-	-	-	-
Minority interests	-15	-37	-22	-59.5
Net income (loss)	422	1,274	-852	-66.9

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

Figures restated, where necessary, considering the changes in the scope of consolidation.

Gruppo Intesa Sanpaolo

Reclassified consolidated balance sheet

(millions of euro)

Assets	30.06.2013	31.12.2012	Changes	
			amount	%
Financial assets held for trading	55,905	63,546	-7,641	-12.0
of which: Insurance Companies	1,006	1,125	-119	-10.6
Financial assets designated at fair value through profit and loss	37,042	36,887	155	0.4
of which: Insurance Companies	35,947	35,748	199	0.6
Financial assets available for sale	103,944	97,209	6,735	6.9
of which: Insurance Companies	45,097	43,527	1,570	3.6
Investments held to maturity	2,140	2,148	-8	-0.4
Due from banks	31,570	36,533	-4,963	-13.6
Loans to customers	358,404	376,625	-18,221	-4.8
Investments in associates and companies subject to joint control	2,710	2,706	4	0.1
Property, equipment and intangible assets	19,914	20,249	-335	-1.7
Tax assets	13,508	12,673	835	6.6
Non-current assets held for sale and discontinued operations	26	25	1	4.0
Other assets	22,622	24,981	-2,359	-9.4
Total Assets	647,785	673,582	-25,797	-3.8

Liabilities and Shareholders' Equity	30.06.2013	31.12.2012	Changes	
			amount	%
Due to banks	67,522	73,352	-5,830	-7.9
Due to customers and securities issued	368,419	377,358	-8,939	-2.4
of which: Insurance Companies	81	68	13	19.1
Financial liabilities held for trading	44,353	52,195	-7,842	-15.0
of which: Insurance Companies	85	79	6	7.6
Financial liabilities designated at fair value through profit and loss	29,257	27,047	2,210	8.2
of which: Insurance Companies	29,246	27,038	2,208	8.2
Tax liabilities	2,983	3,494	-511	-14.6
Liabilities associated with non-current assets held for sale and discontinued operations	-	-	-	-
Other liabilities	24,564	30,617	-6,053	-19.8
Technical reserves	56,633	54,660	1,973	3.6
Allowances for specific purpose	4,404	4,953	-549	-11.1
Share capital	8,546	8,546	-	-
Reserves	41,563	40,861	702	1.7
Valuation reserves	-1,443	-1,692	-249	-14.7
Minority interests	562	586	-24	-4.1
Net income (loss)	422	1,605	-1,183	-73.7
Total Liabilities and Shareholders' Equity	647,785	673,582	-25,797	-3.8

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

Liabilities and Shareholders' Equity	2013		2012			
	30/6	31/3	31/12	30/9	30/6	31/3
Due to banks	67,522	72,775	73,352	74,787	83,831	75,958
Due to customers and securities issued	368,419	375,956	377,358	373,471	365,667	368,685
of which: Insurance Companies	81	132	68	106	117	343
Financial liabilities held for trading	44,353	49,736	52,195	55,779	54,921	47,907
of which: Insurance Companies	85	93	79	68	26	23
Financial liabilities designated at fair value through profit and loss	29,257	28,130	27,047	26,278	24,854	24,496
of which: Insurance Companies	29,246	28,120	27,038	25,938	24,417	23,637
Tax liabilities	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	24,564	26,207	30,617	27,410	28,812	24,641
Technical reserves	56,633	55,552	54,660	53,468	52,310	53,023
Allowances for specific purpose	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
Reserves	41,563	42,419	40,861	40,906	40,882	41,800
Valuation reserves	-1,443	-1,894	-1,692	-2,158	-2,862	-1,953
Minority interests	562	570	586	667	672	738
Net income (loss)	422	306	1,605	1,688	1,274	804
Total Liabilities and Shareholders' Equity	647,785	667,107	673,582	669,004	666,738	652,948

Figures restated, 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	
	30.06.2013	30.06.2012	30.06.2013	30.06.2012	30.06.2013	30.06.2012	30.06.2013	30.06.2012	30.06.2013	30.06.2012
Operating income	2,109	2,240	5,221	5,024	1,064	1,091	164	133	418	414
Operating costs	-462	-498	-2,571	-2,805	-584	-575	-51	-59	-153	-171
Operating margin	1,647	1,742	2,650	2,219	480	516	113	74	265	243
Net income (loss)	645	831	420	579	12	54	70	39	134	65

Balance sheet (millions of euro)	Corporate and Investment Banking		Banca dei Territori		International Subsidiary Banks		Eurizon Capital		Banca Fideuram	
	30.06.2013	31.12.2012	30.06.2013	31.12.2012	30.06.2013	31.12.2012	30.06.2013	31.12.2012	30.06.2013	31.12.2012
Loans to customers	137,683	143,134	177,510	182,077	28,490	29,312	122	226	3,809	3,985
Direct deposits from banking business	113,594	109,700	198,981	201,540	30,780	31,163	7	7	7,119	6,672

Figures restated, where necessary, considering the changes in the scope of consolidation and in business unit constituents and discontinued operations.