



SPAFID CONNECT

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Oggetto : INTESA SANPAOLO: CONSOLIDATED
RESULTS AS AT 31 MARCH 2018

Testo del comunicato

Vedi allegato.

PRESS RELEASE

INTESA SANPAOLO: CONSOLIDATED RESULTS AS AT 31 MARCH 2018

RESULTS FOR Q1 2018 SHOWED THAT THE BANK IS FIRMLY ON TRACK TO DELIVER 2018 NET INCOME HIGHER THAN THE €3.8 BILLION NET INCOME OF 2017 AND TO HALVE NON-PERFORMING LOANS AS SET OUT IN THE 2018-2021 BUSINESS PLAN, TAKING INTO ACCOUNT THE STRATEGIC AGREEMENT SIGNED WITH INTRUM IN APRIL.

NET INCOME FOR Q1 2018 WAS €1,252 MILLION AND AROUND €1,650 MILLION – CORRESPONDING TO AROUND 43% OF THE €3.8 BILLION NET INCOME OF 2017 – WHEN INCLUDING THE NET CAPITAL GAIN FROM THE INTRUM PARTNERSHIP TO BE BOOKED BY YEAR-END 2018.

THE CAPITAL POSITION WAS SOLID AND WELL ABOVE REGULATORY REQUIREMENTS: PRO-FORMA FULLY LOADED COMMON EQUITY TIER 1 RATIO WAS 13.4%, NET OF DIVIDENDS ACCRUED IN THE QUARTER.

RESULTS FOR Q1 2018 REFLECT THE TWIN STRENGTHS OF INTESA SANPAOLO'S BUSINESS MODEL – REVENUE GENERATION ENHANCED BY FEE GROWTH, AND A HIGH LEVEL OF EFFICIENCY – AND IMPROVING CREDIT QUALITY.

CREDIT QUALITY IMPROVED. GROSS NPL REDUCTION, AT NO EXTRAORDINARY COST TO SHAREHOLDERS, OF AROUND €14 BILLION IN THE PAST 30 MONTHS AND AROUND €25 BILLION WHEN INCLUDING THE BAD-LOAN DISPOSAL AGREEMENT SIGNED WITH INTRUM, WHICH LEADS TO A GROSS NPL RATIO OF AROUND 9.5% AND NET NPL RATIO OF 4.7%, ALREADY ACHIEVING, IN Q1 2018, 48% OF THE 2018-2021 BUSINESS PLAN NPL DELEVERAGING TARGET. IN Q1 2018, ANNUALISED COST OF RISK DOWN TO 48 BASIS POINTS.

INTESA SANPAOLO CONTINUES TO OPERATE AS AN ACCELERATOR FOR GROWTH IN THE REAL ECONOMY IN ITALY. IN Q1 2018, MEDIUM/LONG-TERM NEW LENDING GRANTED BY THE GROUP TO ITALIAN HOUSEHOLDS AND BUSINESSES AMOUNTED TO AROUND €12.5 BILLION. IN Q1 2018, THE BANK FACILITATED THE RETURN TO PERFORMING STATUS OF AROUND 3,600 COMPANIES – BRINGING THE TOTAL TO AROUND 77,000 SINCE 2014.

- **ROBUST NET INCOME:**

- €1,252M IN Q1 2018 VS €1,428M IN Q4 2017 AND €901M IN Q1 2017
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- **GROWTH IN GROSS INCOME:**

- UP 30.6% ON Q1 2017
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- **GROWTH IN OPERATING MARGIN:**

- UP 24% ON Q1 2017
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- **GROWTH IN OPERATING INCOME:**

- UP 10.5% ON Q1 2017
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- **REDUCTION IN OPERATING COSTS:**

- DOWN 1.3% ON Q1 2017
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- **IMPROVEMENT IN THE CREDIT QUALITY TREND:**

- **DECREASE IN NPLs, ACHIEVED AT NO EXTRAORDINARY COST TO SHAREHOLDERS**
 - **GROSS NPL REDUCTION OF AROUND €1.5BN IN Q1 2018 AND AROUND €14BN IN THE PAST 30 MONTHS**
 - **NPL STOCK DOWN 2.7% GROSS ON DECEMBER 2017, AND 2.7% NET ON DECEMBER 2017 RECALCULATED AFTER THE IFRS 9 IMPACT**
 - **NPL TO TOTAL LOAN RATIO OF 11.7% GROSS AND 5.5% NET**
 - **INCLUDING THE BAD-LOAN DISPOSAL AGREEMENT SIGNED IN APRIL, AROUND €25BN GROSS NPL REDUCTION IN 30 MONTHS, LEADING TO GROSS NPL RATIO OF AROUND 9.5% AND NET NPL RATIO OF 4.7%**
 - **NET ADJUSTMENTS TO LOANS DOWN 30.6% ON Q1 2017**
 - **Q1 2018 COST OF RISK ANNUALISED DOWN TO 48 BASIS POINTS**
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- **SOLID CAPITAL POSITION, WELL ABOVE REGULATORY REQUIREMENTS:**

- **COMMON EQUITY TIER 1 RATIO AS AT 31 MARCH 2018, NET OF €1,064M OF DIVIDENDS ACCRUED IN THE QUARTER, OF**
 - **13.4% PRO-FORMA FULLY LOADED ⁽¹⁾ ⁽²⁾**
 - **13.3% ON A TRANSITIONAL BASIS FOR 2018 ⁽²⁾ ^(*)**
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(1) Estimated by applying the fully loaded parameters to the financial statements as at 31 March 2018, considering the total absorption of deferred tax assets (DTAs) related to goodwill realignment, loan adjustments, as well as to the non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of the Aggregate Set of Banca Popolare di Vicenza and Veneto Banca, the expected absorption of DTAs on losses carried forward, and the expected distribution of Q1 2018 net income of insurance companies.

(2) After the deduction of accrued dividends, assumed equal to 85% of the net income for the quarter, and coupons accrued on the Additional Tier 1 issues.

(*) 12.2% excluding the mitigation of the impact of the first time adoption of IFRS 9.

HIGHLIGHTS:

OPERATING INCOME:	+2% +10.5%	€4,806M FROM €4,713M IN Q4 2017 FROM €4,350M IN Q1 2017
OPERATING COSTS:	-14.1% -1.3%	€2,298M FROM €2,674M IN Q4 2017 FROM €2,328M IN Q1 2017
OPERATING MARGIN:	+23% +24%	€2,508M FROM €2,039M IN Q4 2017 FROM €2,022M IN Q1 2017
GROSS INCOME:	€1,977M	FROM €1,536M IN Q4 2017 FROM €1,514M IN Q1 2017
NET INCOME:	€1,252M	FROM €1,428M IN Q4 2017 FROM €901M IN Q1 2017

CAPITAL RATIOS: COMMON EQUITY TIER 1 RATIO AFTER ACCRUED DIVIDENDS:
13.4% PRO-FORMA FULLY LOADED ⁽³⁾ ⁽⁴⁾;
13.3% ON A TRANSITIONAL BASIS FOR 2018 ("PHASED IN") ⁽⁴⁾ (*)

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- (3) Estimated by applying the fully loaded parameters to the financial statements as at 31 March 2018, considering the total absorption of deferred tax assets (DTAs) related to goodwill realignment, loan adjustments, as well as to the non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of the Aggregate Set of Banca Popolare di Vicenza and Veneto Banca, the expected absorption of DTAs on losses carried forward, and the expected distribution of Q1 2018 net income of insurance companies.
- (4) After the deduction of accrued dividends, assumed equal to 85% of the net income for the quarter, and coupons accrued on the Additional Tier 1 issues.
- (*) 12.2% excluding the mitigation of the impact of the first time adoption of IFRS 9.

Turin - Milan, 8 May 2018 – At its meeting today, the Board of Directors of Intesa Sanpaolo approved the consolidated interim statement as at 31 March 2018 ^(°) ⁽⁵⁾.

Results for Q1 2018 showed that the Bank is firmly on track to deliver 2018 net income higher than the €3.8bn net income of 2017 ⁽⁶⁾ and to halve NPLs as set out in the 2018-2021 Business Plan, taking into account the strategic agreement signed with Intrum in April:

- **net income at €1,252m** versus €1,428m in Q4 2017 and €901m in Q1 2017. **Adding the net capital gain of around €400m** from the Intrum partnership – to be booked by year-end 2018 – **to Q1 2018 net income, the result is around €1,650m, corresponding to around 43% of the €3.8bn net income of 2017 ⁽⁶⁾.**
- **gross income up 30.6%** on Q1 2017;
- **operating margin up 24%** on Q1 2017;
- **operating income up 10.5%** on Q1 2017;
- **net fee and commission income up 4.5%** on Q1 2017, also attributable to the trend of **assets under management, which in Q1 2018 recorded around €5bn of net inflow;**
- **high efficiency, highlighted by a cost/income of 47.8% – a figure that places Intesa Sanpaolo in the top tier of its European peers;**
- **operating costs down 1.3%** on Q1 2017;
- **net adjustments to loans down 30.6%** on Q1 2017;
- Q1 2018 **cost of risk annualised down to 48bps** versus the 81bps of full-year 2017;

(°) In accordance with Article 65-bis and Article 82-ter of the Issuers' Regulation, effective as of 2 January 2017, Intesa Sanpaolo opted for periodical disclosure, on a voluntary basis, of financial information as at 31 March and 30 September of each financial year, in addition to the annual report and the half-yearly report. This information consists of interim statements approved by the Board of Directors, basically providing continuity with the interim statements published in the past.

(5) Methodological note on the scope of consolidation on page 17.

(6) 2017 net income excluding the non-taxable public cash contribution of €3.5bn offsetting the impact on the capital ratios of certain assets and liabilities and certain legal relationships of Banca Popolare di Vicenza and Veneto Banca ("Aggregate Set").

- **improving credit quality** due to an **effective proactive credit management approach at no extraordinary cost to shareholders** in an improving economic environment:
 - **gross NPL reduction of around €1.5bn in Q1 2018 and around €14bn in 30 months;**
 - **NPL stock in March 2018 down 2.7% gross on December 2017, and 2.7% net on December 2017 recalculated to take into account the first time adoption of IFRS 9 effective from 1 January 2018;**
 - **NPL to total loan ratio of 11.7% gross and 5.5% net in March 2018;**
 - **including the bad-loan disposal agreement signed with Intrum (for an amount of around €10.8bn of gross book value and a valuation of around €3.1bn), gross NPL reduction of around €25bn in 30 months, leading to gross NPL ratio of around 9.5% and net NPL ratio of 4.7%, already achieving, in Q1 2018, 48% of the 2018-2021 Business Plan NPL deleveraging target;**
- **sizeable NPL coverage:**
 - **NPL cash coverage ratio of around 57% at the end of March 2018, with a cash coverage ratio of around 69% for the bad loan component, in line with year-end 2017 after the IFRS 9 impact;**
 - **robust reserve buffer on performing loans of around 0.6% at the end of March 2018, in line with year-end 2017 after the IFRS 9 impact;**
- **very solid capital position**, with capital ratios well above regulatory requirements. As at 31 March 2018, the **pro-forma fully loaded Common Equity Tier 1 ratio** came in at **13.4%** ⁽⁷⁾ ⁽⁸⁾ – **one of the highest levels amongst major European banks** – and the phased-in Common Equity Tier 1 ratio at 13.3% ⁽⁸⁾ ⁽⁹⁾ after the deduction of €1,064m of dividends accrued in the quarter. The aforementioned ratios compare with the SREP requirement for 2018, comprising Capital Conservation Buffer, O-SII Buffer and Countercyclical Capital Buffer ⁽¹⁰⁾, which set the fully loaded Common Equity Tier 1 ratio at 9.32% and the phased-in Common Equity Tier 1 ratio at 8.135%.

(7) Estimated by applying the fully loaded parameters to the financial statements as at 31 March 2018, considering the total absorption of deferred tax assets (DTAs) related to goodwill realignment, loan adjustments, as well as to the non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of the Aggregate Set of Banca Popolare di Vicenza and Veneto Banca, the expected absorption of DTAs on losses carried forward, and the expected distribution of Q1 2018 net income of insurance companies.

(8) After the deduction of accrued dividends, assumed equal to 85% of the net income for the quarter, and coupons accrued on the Additional Tier 1 issues.

(9) 12.2% excluding the mitigation of the impact of the first time adoption of IFRS 9.

(10) *Countercyclical Capital Buffer* calculated taking into account the exposures as at 31 March 2018 in the various countries where the Group has a presence, as well as the respective requirements set by the competent national authorities relating to the period 2018-2019 where available, or the most recent update of the reference period (requirement was set at zero per cent in Italy for Q1 and Q2 2018).

- **strong liquidity position and funding capability**, with **liquid assets of €166bn** and **available unencumbered liquid assets of €87bn at the end of March 2018**. **The Basel 3 Liquidity Coverage Ratio and Net Stable Funding Ratio requirements have already been complied with**. The Group's refinancing operations with the ECB to optimise the cost of funding and to support businesses in their investment amounted to an average of €63.6bn in Q1 2018 (an average of €60.8bn in 2017 including, for the full year, the components deriving from the acquisition of the Aggregate Set of Banca Popolare di Vicenza and Veneto Banca). These refinancing operations consisted entirely of the TLTRO with a four-year maturity.
- **support to the real economy**, with around **€15bn of medium/long-term new lending** in Q1 2018. **Loans** amounting to around **€12.5bn** were granted **in Italy**, of which around **€11bn was granted to households and SMEs**. **In Q1 2018, the Bank facilitated the return** from non-performing to performing status of around **3,600 Italian companies** – bringing the total to around **77,000 since 2014**.

The income statement for the first quarter of 2018

The consolidated income statement for Q1 2018 recorded **operating income** of €4,806m, up 2% from €4,713m in Q4 2017 and up 10.5% from €4,350m in Q1 2017.

As part of it, in Q1 2018 **net interest income** amounted to €1,855m, up 1% from €1,837m in Q4 2017 and down 1.3% from €1,880m in Q1 2017.

Net fee and commission income amounted to €2,008m, down 6.4% from €2,146m in Q4 2017. Specifically, commissions on commercial banking activities were down 7.7% and commissions on management, dealing and consultancy activities were down 5.6%. The latter, which include portfolio management, distribution of insurance products, dealing and placement of securities, etc., recorded decreases of 7.6% in dealing and placement of securities, 7.1% in portfolio management (performance fees contributed €5m in Q1 2018 and €72m in Q4 2017) and 1.8% in distribution of insurance products. Net fee and commission income for Q1 2018 was up 4.5% from €1,922m in Q1 2017. Specifically, commissions on commercial banking activities were up 3.5% and those on management, dealing and consultancy activities were up 6.2% with increases of 13.3% in dealing and placement of securities, 6.8% in portfolio management (performance fees contributed €3m in Q1 2017) and 1.3% in distribution of insurance products.

Income from insurance business amounted to €294m from €183m in Q4 2017 and €283m in Q1 2017.

Profits on financial assets and liabilities at fair value amounted to €621m (including the positive contribution of €264m deriving from the fair value measurement of the NTV investment) from €538m in Q4 2017. Profits from customers decreased from €252m to €111m. Activities in capital markets increased from €169m to €285m (including the aforementioned contribution from NTV). Trading and treasury activities increased from €115m to €223m. Structured credit products decreased from €3m to €2m. Profits of €621m for Q1 2018 compare with profits of €209m in Q1 2017, which recorded profits from customers of €129m, profits from capital markets of €18m, profits from trading and treasury activities of €54m, and profits from structured credit products of €8m.

Operating costs amounted to €2,298m, down 14.1% from the €2,674m of Q4 2017, attributable to decreases of 10.6% in personnel expenses, 21.1% in administrative expenses and 12.8% in adjustments. Operating costs for Q1 2018 were reduced by 1.3% from the €2,328m of Q1 2017, following decreases of 1.2% in personnel expenses and 2.2% in administrative expenses and an increase of 1.5% in adjustments.

As a result, **operating margin** amounted to €2,508m, up 23% from the €2,039m of Q4 2017 and up 24% from the €2,022m of Q1 2017. The cost/income ratio for Q1 2018 was 47.8% versus 56.7% in Q4 2017 and 53.5% in Q1 2017.

Net adjustments to loans amounted to €483m from €1,229m in Q4 2017 and €696m in Q1 2017.

Net provisions and net impairment losses on other assets amounted to €51m from €135m in Q4 2017 and €8m in Q1 2017.

Other income amounted to €2m versus €861m in Q4 2017 (including the capital gain of €811m deriving from the sale of the Allfunds stake) and €196m in Q1 2017 (including a positive impact of around €190m deriving from the fair value measurement of the investment in Bank of Qingdao following the reclassification of this equity investment, which is no longer included among companies subject to significant influence).

Income from discontinued operations amounted to €1m versus the zero balance of both Q4 2017 and Q1 2017.

Gross income amounted to €1,977m versus €1,536m in Q4 2017 and €1,514m in Q1 2017.

Consolidated net income for the quarter amounted to €1,252m, after accounting:

- taxes on income of €544m;
- charges (net of tax) for integration and exit incentives of €19m;
- effect of purchase price allocation (net of tax) of €44m;
- levies and other charges concerning the banking industry (net of tax) of €117m, deriving from the following pre-tax figures: charges of €166m in relation to the ordinary contribution to the resolution fund estimated for full year 2018 and €4m in relation to contributions to the deposit guarantee scheme concerning the international network, and recovery of €1m in relation to the *Atlante* fund. In Q4 2017, this caption recorded recovery of €3m, deriving from the following pre-tax figures: recovery of €15m in relation to contributions to the Italian deposit guarantee scheme, and charges of €4m in relation to contributions to the deposit guarantee scheme concerning the international network and €7m in relation to the National Interbank Deposit Guarantee Fund Voluntary Scheme. In Q1 2017, the caption amounted to €282m, deriving from pre-tax charges of €150m in relation to the ordinary contribution to the resolution fund estimated for full year 2017, €4m in relation to the contributions to the deposit guarantee scheme concerning the international network, and €261m in relation to impairment losses on the *Atlante* fund.
- minority interests of €1m.

Net income of €1,252m in Q1 2018 compares to €1,428m in Q4 2017 and €901m in Q1 2017.

Balance sheet as at 31 March 2018

As regards the consolidated balance sheet figures, as at 31 March 2018 **loans to customers** amounted to €401bn, up 0.4% on the figure of year-end 2017 recalculated to take into account the first time adoption of the IFRS 9 effective from 1 January 2018 (up 3.1% on Q4 2017 and up 5.2% on Q1 2017 when taking into account quarterly average volumes ⁽¹¹⁾). Total **non-performing loans** (bad, unlikely-to-pay, and past due) - net of adjustments - amounted to €21,926m, down 2.7% from the €22,528m of year-end 2017 after the IFRS 9 impact. In detail, bad loans amounted to €10,555m from €10,562m at year-end 2017 after the IFRS 9 impact, with a bad loan to total loan ratio of 2.6% (in line with the figure as at year-end 2017 after the IFRS 9 impact), and a cash coverage ratio of 68.6% (69.1% as at year-end 2017 after the IFRS 9 impact). Unlikely-to-pay loans decreased to €10,972m from €11,592m as at year-end 2017 after the IFRS 9 impact. Past due loans amounted to €399m from €374m at year-end 2017 after the IFRS 9 impact.

Customer financial assets amounted to €942bn, down 0.1% on year-end 2017. Under customer financial assets, **direct deposits from banking business** amounted to €424bn, up 0.2% on year-end 2017. **Direct deposits from insurance business and technical reserves** amounted to €153bn, up 0.4% on year-end 2017. Indirect customer deposits amounted to €517bn, down 0.4% on year-end 2017. **Assets under management** amounted to €338bn, up 0.1% on year-end 2017. As for bancassurance, in Q1 2018 the new business for life policies amounted to €5.3bn. Assets held under administration and in custody amounted to €178bn, down 1.3% on year-end 2017.

Capital ratios as at 31 March 2018, calculated by applying the transitional arrangements for 2018 and after the deduction of €1,064m of dividends accrued in the first quarter of 2018, were as follows:

- Common Equity Tier 1 ratio ⁽¹²⁾ at 13.3% (13% at year-end 2017 ⁽¹³⁾),
- Tier 1 ratio ⁽¹²⁾ at 15.2% (14.9% at year-end 2017 ⁽¹³⁾),
- total capital ratio ⁽¹²⁾ at 17.9% (17.7% at year-end 2017 ⁽¹³⁾).

(11) Excluding the loan to the banks in compulsory administrative liquidation (former Banca Popolare di Vicenza and Veneto Banca).

(12) After the deduction of accrued dividends, assumed equal to 85% of the net income for the quarter, and coupons accrued on the Additional Tier 1 issues. Excluding the mitigation of the impact of the first time adoption of IFRS 9, capital ratios are 12.2% for the Common Equity Tier 1 ratio, 14.2% for the Tier 1 ratio and 17.3% for the total capital ratio.

(13) Taking into account the impact of the first time adoption of IFRS 9 and under the transitional arrangements for 2018. Excluding the mitigation of the impact of the first time adoption of IFRS 9, capital ratios are 11.9% for the Common Equity Tier 1 ratio, 13.8% for the Tier 1 ratio and 17% for the total capital ratio.

The estimated pro-forma common equity ratio for the Group on a **fully loaded basis** was 13.4% (13% at year-end 2017 after the IFRS 9 impact). It was calculated by applying the fully loaded parameters to the financial statements as at 31 March 2018, taking into account the total absorption of deferred tax assets (DTAs) related to goodwill realignment, loan adjustments, and the non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of the Aggregate Set of Banca Popolare di Vicenza and Veneto Banca, the expected absorption of DTAs on losses carried forward, and the expected distribution of Q1 2018 net income of insurance companies.

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As a result of the strategic decisions taken, **Intesa Sanpaolo** has maintained 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 its key strengths: **robust liquidity** and **low leverage**.

In particular, with regard to the components of the Group's **liquidity**:

- the high level of available unencumbered liquid assets (including eligible assets with Central Banks received as collateral and excluding eligible assets currently used as collateral) amounted to €87bn at the end of March 2018;
- the high level of liquid assets (comprising available unencumbered liquid assets, excluding eligible assets received as collateral, and eligible assets currently used as collateral) amounted to €166bn at the end of March 2018;
- refinancing operations with the ECB to optimise the cost of funding and to support businesses in their investment amounted to an average of €63.6bn in Q1 2018 (an average of €60.8bn in 2017 including, for the full year, the components deriving from the acquisition of the Aggregate Set of Banca Popolare di Vicenza and Veneto Banca). These refinancing operations consisted entirely of the TLTRO with a four-year maturity.
- the sources of funding were stable and well diversified, with retail funding representing 74% of direct deposits from banking business (including securities issued);
- the medium/long-term funding was around €4.4bn in Q1 2018, consisting almost entirely of wholesale funding;
- medium/long-term wholesale issues in Q1 2018 included senior benchmark transactions of U.S.\$2.5bn, JPY46.6bn and €1.25bn (of these, around 96% were placed with foreign investors).

The Group's **leverage ratio** as at 31 March 2018 was 6.3% applying the transitional arrangements for 2018 and 5.7% fully loaded, both best in class among major European banking groups.

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As at 31 March 2018, the Intesa Sanpaolo Group's **operating structure** had a total network of 5,783 branches, consisting of 4,636 branches in Italy and 1,147 abroad, and employed 95,828 people.

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Breakdown of results by business area

The **Banca dei Territori** Division comprises:

- Retail customers (individual customers with financial assets up to €100,000 and businesses/companies with low-complexity needs)
- Personal customers (individual customers with financial assets between €100,000 and €1m)
- SME customers, including companies whose group turnover is below €350m.

The division includes Banca 5, a “proximity bank” linked with a non-captive network of points of sale, focused on instant banking and targeting categories of customers who rarely use banking products and services. Moreover, the division includes Banca Prossima operating at the service of non-profit entities through the Group’s branches with regional centres and a team of specialists, and Mediocredito Italiano which is the SME Finance Hub.

In the first quarter of 2018, the Banca dei Territori Division recorded:

- operating income of €2,387m, -2% versus €2,437m in Q4 2017, +3.5% versus €2,307m in Q1 2017, contributing approximately 50% of the consolidated operating income (53% in Q1 2017);
- operating costs of €1,347m, -9.7% versus €1,491m in Q4 2017, -3.6% versus €1,397m in Q1 2017;
- operating margin of €1,040m, +10% versus €946m in Q4 2017, +14.3% versus €910m in Q1 2017;
- a cost/income ratio of 56.4% versus 61.2% in Q4 2017 and 60.6% in Q1 2017;
- net provisions and adjustments of €383m, versus €369m in Q4 2017 and €297m in Q1 2017;
- gross income of €657m, +14% versus €577m in Q4 2017, +7.2% versus €613m in Q1 2017;
- net income of €415m, +26.7% versus €328m in Q4 2017, +13.1% versus €367m in Q1 2017.

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

- Global Corporate, which manages the relationship with corporate clients with a turnover higher than €350m and national public entities, grouped, in accordance with a sector-based model, in the following 11 industries: Automotive & Mechanics; Basic Materials & Healthcare; Food & Beverage and Distribution; Retail & Luxury; Infrastructure & Real Estate Partners; Public Finance; Global EPC & Integrated Logistics; Energy & Utilities; Oil & Gas; Telecom, Media & Technology; Business Solutions
- International Department, which ensures the development of the division and is responsible for foreign branches, representative offices and foreign subsidiaries carrying out corporate banking (Intesa Sanpaolo Bank Luxembourg, Intesa Sanpaolo Bank Ireland, Intesa Sanpaolo Brasil and Banca Intesa in the Russian Federation)
- Financial Institutions, which is responsible for relationships with financial institutions
- Global Transaction Banking, which is responsible for management of transaction banking services
- Banca IMI, which operates in investment banking (M&A and advisory), structured finance, capital markets and primary markets (equity and debt capital market).

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

In the first quarter of 2018, the Corporate and Investment Banking Division recorded:

- operating income of €1,164m, +20.4% versus €967m in Q4 2017, +40.9% versus €826m in Q1 2017, contributing approximately 24% of the consolidated operating income (19% in Q1 2017);
- operating costs of €254m, -14.9% versus €299m in Q4 2017, +5.4% versus €241m in Q1 2017;
- operating margin of €910m, +36.2% versus €668m in Q4 2017, +55.6% versus €585m in Q1 2017;
- a cost/income ratio of 21.8% versus 30.9% in Q4 2017 and 29.2% in Q1 2017;
- net provisions and adjustments of €33m, versus €49m in Q4 2017 and €74m in Q1 2017;
- gross income of €877m, +42.4% versus €616m in Q4 2017, +71.6% versus €511m in Q1 2017;
- net income of €671m, +57.7% versus €425m in Q4 2017, +84.8% versus €363m in Q1 2017.

The **International Subsidiary Banks** ⁽¹⁴⁾ Division is responsible for operations on international markets through commercial banking subsidiaries and associates, and provides guidelines, coordination and support for the Group's subsidiaries. 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 in charge of the Group's operations in the following geographical areas: i) South-Eastern Europe, through Privredna Banka Zagreb in Croatia, Banca Intesa Beograd in Serbia, Intesa Sanpaolo Banka Bosna i Hercegovina in Bosnia and Herzegovina, Intesa Sanpaolo Bank Albania and Intesa Sanpaolo Bank Romania; ii) Central-Eastern Europe, through Intesa Sanpaolo Bank in Slovenia, VUB Banka in Slovakia and CIB Bank in Hungary; iii) South Mediterranean, through Bank of Alexandria in Egypt.

In the first quarter of 2018, the International Subsidiary Banks Division recorded:

- operating income of €469m, -4.1% versus €489m in Q4 2017, +1.3% versus €463m in Q1 2017, contributing approximately 10% of the consolidated operating income (11% in Q1 2017);
- operating costs of €232m, -10% versus €258m in Q4 2017, +4% versus €223m in Q1 2017;
- operating margin of €237m, +2.6% versus €231m in Q4 2017, -1.3% versus €240m in Q1 2017;
- a cost/income ratio of 49.5% versus 52.7% in Q4 2017 and 48.2% in Q1 2017;
- net recoveries of €2m, versus net provisions and adjustments of €62m in Q4 2017 and €20m in Q1 2017;
- gross income of €240m, +37.7% versus €174m in Q4 2017, -42.3% versus €416m in Q1 2017 (+6.2%, excluding the impact from the Bank of Qingdao reclassification);
- net income of €183m, +38% versus €133m in Q4 2017, -48.6% versus €356m in Q1 2017 (+7%, excluding the impact from the Bank of Qingdao reclassification).

(14) The International Subsidiary Banks Division does not include Pravex-Bank in Ukraine, which is placed in a reporting line to the Capital Light Bank business unit.

The **Private Banking** Division serves the top customer segment (Private and High Net Worth Individuals) through Fideuram and its subsidiaries Fideuram Investimenti, Intesa Sanpaolo Private Banking, Sirefid, Fideuram Fiduciaria, Intesa Sanpaolo Private Bank (Suisse) and Fideuram Asset Management Ireland.

In the first quarter of 2018, the Private Banking Division recorded:

- operating income of €480m, -0.3% versus €482m in Q4 2017, +2.6% versus €468m in Q1 2017, contributing approximately 10% of the consolidated operating income (11% in Q1 2017);
- operating costs of €137m, -9.9% versus €152m in Q4 2017, +4.6% versus €131m in Q1 2017;
- operating margin of €343m, +4.1% versus €330m in Q4 2017, +1.8% versus €337m in Q1 2017;
- a cost/income ratio of 28.5% versus 31.6% in Q4 2017 and 28% in Q1 2017;
- net provisions and adjustments of €2m, versus €9m both in Q4 2017 and Q1 2017;
- gross income of €349m, +8.9% versus €320m in Q4 2017, +6.4% versus €328m in Q1 2017;
- net income of €242m, +18.6% versus €204m in Q4 2017, +6.1% versus €228m in Q1 2017.

The **Asset Management** Division develops asset management solutions targeted at the Group's customers, commercial networks outside the Group and the institutional clientele through Eurizon Capital. Eurizon Capital controls Eurizon Capital SA (Luxembourg), a company specialising in managing Luxembourg mutual funds with low tracking error, and VUB Asset Management (Slovakia), which heads up the Hungarian CIB IFM and the Croatian PBZ Invest (the asset management hub in Eastern Europe). Eurizon Capital also controls Epsilon Associati SGR - a company specialising in active management and, specifically, in quantitative and multi-strategy management with total-return investment aims - which is 51% owned by Eurizon Capital and 49% by Banca IMI. Eurizon Capital owns 49% of the Chinese asset management company Penghua Fund Management. Moreover, Eurizon Capital owns 20% of the Chinese wealth management company Yi Tsai, which is 25% owned by Fideuram and 55% by the Parent Company Intesa Sanpaolo.

In the first quarter of 2018, the Asset Management Division recorded:

- operating income of €192m, -16.5% versus €230m in Q4 2017, +7.9% versus €178m in Q1 2017, contributing approximately 4% of the consolidated operating income (4% in Q1 2017 as well);
- operating costs of €38m, -24.1% versus €50m in Q4 2017, +11.8% versus €34m in Q1 2017;
- operating margin of €154m, -14.4% versus €180m in Q4 2017, +6.9% versus €144m in Q1 2017;
- a cost/income ratio of 19.8% versus 21.8% in Q4 2017 and 19.1% in Q1 2017;
- gross income of €154m, -14.2% versus €179m in Q4 2017, +6.9% versus €144m in Q1 2017;
- net income of €121m, -13.9% versus €140m in Q4 2017, +5.2% versus €115m in Q1 2017.

The **Insurance** Division develops insurance products tailored for the Group's clients and coordinates the operations of Intesa Sanpaolo Vita (which controls Intesa Sanpaolo Assicura) and Fideuram Vita.

In the first quarter of 2018, the Insurance Division recorded:

- operating income of €324m, +54.5% versus €210m in Q4 2017, +1.6% versus €319m in Q1 2017, contributing approximately 7% of the consolidated operating income (7% in Q1 2017 as well);
- operating costs of €41m, -19.9% versus €51m in Q4 2017, +2.5% versus €40m in Q1 2017;
- operating margin of €283m, +78.6% versus €158m in Q4 2017, +1.4% versus €279m in Q1 2017;
- a cost/income ratio of 12.7% versus 24.4% in Q4 2017 and 12.5% in Q1 2017;
- no provisions and adjustments, versus net provisions and adjustments of €1m in Q4 2017, and no provisions and adjustments in Q1 2017;
- gross income of €283m, +79.4% versus €158m in Q4 2017, +1.4% versus €279m in Q1 2017;
- net income of €199m, +98% versus €100m in Q4 2017, +2.1% versus €195m in Q1 2017.

The outlook for 2018

In 2018, the Group's net income is expected to grow compared with 2017, excluding from the 2017 net income the €3.5 billion public cash contribution that offset the impact on the capital ratios resulting from the acquisition of the Aggregate Set of Banca Popolare di Vicenza and Veneto Banca. An increase in revenues, continuous cost management and a decrease in the cost of risk are envisaged as the drivers of the expected performance of net income. The dividend policy for 2018 envisages the distribution of an amount of cash dividends corresponding to a payout ratio of 85% of net income.

* * *

For consistency purpose, the income statement and balance sheet figures for the first three quarters of 2017 were restated following the acquisition of certain assets and liabilities and certain legal relationships of Banca Popolare di Vicenza and Veneto Banca (Aggregate Set). The related items were consolidated line by line (on the basis of management accounts) and the corresponding net income/loss was included under minority interests (the restatement does not include subsidiary Eximbank - Moldova, which entered the scope of consolidation of the Intesa Sanpaolo Group at the end of the first quarter of 2018). Income statement and balance sheet figures for the four quarters of 2017 relating to the business areas were restated and included the relevant components of the Aggregate Set.

* * *

In order to present more complete information on the results generated as at 31 March 2018, the reclassified consolidated income statement and the reclassified consolidated balance sheet included in the interim statement approved by the Board of Directors are attached. Please note that the auditing firm is completing the activities for the issue of a statement in accordance with Article 26 (2) of Regulation EU no. 575/2013 and ECB Decision no. 2015/656.

* * *

The manager responsible for preparing the company's financial reports, Fabrizio Dabbene, 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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Intesa Sanpaolo Group

Reclassified consolidated statement of income

	31.03.2018	31.03.2017	Changes vs 31.03.2017		31.03.2017 Aggregate	Changes vs 31.03.2017 Aggregate	
						(millions of euro)	
			amount	%		amount	%
Net interest income	1,855	1,805	50	2.8	1,880	-25	-1.3
Net fee and commission income	2,008	1,855	153	8.2	1,922	86	4.5
Income from insurance business	294	283	11	3.9	283	11	3.9
Profits (Losses) on financial assets and liabilities designated at fair value	621	226	395		209	412	
Other operating income (expenses)	28	40	-12	-30.0	56	-28	-50.0
Operating income	4,806	4,209	597	14.2	4,350	456	10.5
Personnel expenses	-1,436	-1,286	150	11.7	-1,454	-18	-1.2
Other administrative expenses	-658	-583	75	12.9	-673	-15	-2.2
Adjustments to property, equipment and intangible assets	-204	-186	18	9.7	-201	3	1.5
Operating costs	-2,298	-2,055	243	11.8	-2,328	-30	-1.3
Operating margin	2,508	2,154	354	16.4	2,022	486	24.0
Net adjustments to loans	-483	-695	-212	-30.5	-696	-213	-30.6
Other net provisions and net impairment losses on other assets	-51	-3	48		-8	43	
Other income (expenses)	2	196	-194	-99.0	196	-194	-99.0
Income (Loss) from discontinued operations	1	-	1	-	-	1	-
Gross income (loss)	1,977	1,652	325	19.7	1,514	463	30.6
Taxes on income	-544	-445	99	22.2	-432	112	25.9
Charges (net of tax) for integration and exit incentives	-19	-12	7	58.3	-12	7	58.3
Effect of purchase price allocation (net of tax)	-44	-6	38		-6	38	
Levies and other charges concerning the banking industry (net of tax)	-117	-282	-165	-58.5	-296	-179	-60.5
Impairment (net of tax) of goodwill and other intangible assets	-	-	-	-	-	-	-
Minority interests	-1	-6	-5	-83.3	133	-134	
Net income (loss)	1,252	901	351	39.0	901	351	39.0

Figures restated, where necessary and material, considering the changes in the scope of consolidation. Aggregate figures recalculated on the basis of management accounts to include the economic effects of the acquired Aggregate Set of Banca Popolare di Vicenza and Veneto Banca.

Intesa Sanpaolo Group

Quarterly development of the reclassified consolidated statement of income

	(millions of euro)				
	2018		2017		
	First quarter	Fourth quarter	Third quarter	Second quarter	First quarter
Net interest income	1,855	1,837	1,807	1,815	1,805
Net fee and commission income	2,008	2,146	1,946	1,896	1,855
Income from insurance business	294	183	227	240	283
Profits (Losses) on financial assets and liabilities designated at fair value	621	538	182	365	226
Other operating income (expenses)	28	9	11	32	40
Operating income	4,806	4,713	4,173	4,348	4,209
Personnel expenses	-1,436	-1,606	-1,440	-1,338	-1,286
Other administrative expenses	-658	-834	-680	-633	-583
Adjustments to property, equipment and intangible assets	-204	-234	-202	-188	-186
Operating costs	-2,298	-2,674	-2,322	-2,159	-2,055
Operating margin	2,508	2,039	1,851	2,189	2,154
Net adjustments to loans	-483	-1,229	-643	-737	-695
Other net provisions and net impairment losses on other assets	-51	-135	-23	-57	-3
Other income (expenses)	2	861	72	3,617	196
Income (Loss) from discontinued operations	1	-	-	-	-
Gross income (loss)	1,977	1,536	1,257	5,012	1,652
Taxes on income	-544	-249	-343	-444	-445
Charges (net of tax) for integration and exit incentives	-19	-227	-20	-41	-12
Effect of purchase price allocation (net of tax)	-44	364	-26	-5	-6
Levies and other charges concerning the banking industry (net of tax)	-117	3	-192	-178	-282
Impairment (net of tax) of goodwill and other intangible assets	-	-	-	-	-
Minority interests	-1	1	-26	-7	-6
Net income (loss)	1,252	1,428	650	4,337	901

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

Intesa Sanpaolo Group

Quarterly development of the reclassified consolidated statement of income – aggregate figures

	(millions of euro)				
	2018		2017		
	First quarter	Fourth quarter	Third quarter Aggregate	Second quarter Aggregate	First quarter Aggregate
Net interest income	1855	1837	1828	1890	1880
Net fee and commission income	2,008	2,446	1,979	1,986	1,922
Income from insurance business	294	183	227	240	283
Profits (Losses) on financial assets and liabilities designated at fair value	621	538	183	348	209
Other operating income (expenses)	28	9	19	47	56
Operating income	4,806	4,713	4,236	4,511	4,350
Personnel expenses	-1436	-1606	-1467	-1501	-1454
Other administrative expenses	-658	-834	-692	-727	-673
Adjustments to property, equipment and intangible assets	-204	-234	-206	-202	-201
Operating costs	-2,298	-2,674	-2,365	-2,430	-2,328
Operating margin	2,508	2,039	1,871	2,081	2,022
Net adjustments to loans	-483	-1,229	-648	-738	-696
Other net provisions and net impairment losses on other assets	-51	-135	-30	-62	-8
Other income (expenses)	2	861	72	3,617	196
Income (Loss) from discontinued operations	1	-	-	-	-
Gross income (loss)	1,977	1,536	1,265	4,898	1,514
Taxes on income	-544	-249	-366	-433	-432
Charges (net of tax) for integration and exit incentives	-19	-227	-20	-41	-12
Effect of purchase price allocation (net of tax)	-44	364	-26	-5	-6
Levies and other charges concerning the banking industry (net of tax)	-117	3	-192	-193	-296
Impairment (net of tax) of goodwill and other intangible assets	-	-	-	-	-
Minority interests	-1	1	-11	111	133
Net income (loss)	1,252	1,428	650	4,337	901

Figures restated, where necessary and material, considering the changes in the scope of consolidation. Aggregate figures recalculated on the basis of management accounts to include the economic effects of the acquired Aggregate Set of Banca Popolare di Vicenza and Veneto Banca.

Intesa Sanpaolo Group

Reclassified consolidated balance sheet

Assets	31.03.2018	01.01.2018	(millions of euro)	
			Changes amount	%
Due from banks	70,451	71,576	-1,125	-16
Loans to customers	401,033	399,463	1,570	0.4
<i>Loans to customers measured at amortised cost</i>	400,419	399,076	1,343	0.3
<i>Loans to customers designated at fair value through other comprehensive income and through profit or loss</i>	614	387	227	58.7
Financial assets measured at amortised cost which do not constitute loans	11,688	11,557	131	1.1
Financial assets designated at fair value through profit or loss	42,111	42,158	-47	-0.1
Financial assets designated at fair value through other comprehensive income	60,398	59,860	538	0.9
Financial assets pertaining to insurance companies measured at fair value pursuant to IAS 39	153,550	152,582	968	0.6
Financial assets pertaining to insurance companies measured at amortised cost pursuant to IAS 39	476	423	53	12.5
Investments in associates and companies subject to joint control	654	678	-24	-3.5
Property, equipment and intangible assets	14,367	14,419	-52	-0.4
Tax assets	17,174	18,018	-844	-4.7
Non-current assets held for sale and discontinued operations	751	627	124	19.8
Other assets	20,075	22,736	-2,661	-11.7
Total Assets	792,728	794,097	-1,369	-0.2

Liabilities	31.03.2018	01.01.2018	(millions of euro)	
			Changes amount	%
Due to banks at amortised cost	96,905	99,989	-3,084	-3.1
Due to customers at amortised cost and securities issued	417,422	416,371	1,051	0.3
Financial liabilities held for trading	39,751	41,456	-1,705	-4.1
Financial liabilities designated at fair value	4	3	1	33.3
Financial liabilities pertaining to insurance companies measured at amortised cost pursuant to IAS 39	1,394	1,312	82	6.3
Financial liabilities pertaining to insurance companies measured at fair value pursuant to IAS 39	69,058	68,233	825	12
Tax liabilities	2,548	2,509	39	16
Liabilities associated with non-current assets held for sale and discontinued operations	266	264	2	0.8
Other liabilities	20,590	19,954	636	3.2
Technical reserves	82,656	82,926	-270	-0.3
Allowances for risks and charges	7,240	7,426	-186	-2.5
<i>of which allowances for commitments and financial guarantees given</i>	503	535	-32	-6.0
Share capital	8,732	8,732	-	-
Reserves	40,796	33,578	7,218	21.5
Valuation reserves	-760	-878	-118	-13.4
Valuation reserves pertaining to insurance companies	429	417	12	2.9
Equity instruments	4,103	4,103	-	-
Minority interests	342	386	-44	-11.4
Net income (loss)	1,252	7,316	-6,064	-82.9
Total liabilities and shareholders' equity	792,728	794,097	-1,369	-0.2

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

Intesa Sanpaolo Group

Quarterly development of the reclassified consolidated balance sheet

(millions of euro)

Assets	2018			2017		
	31/3	1/1	31/12	30/9	30/6	31/3
Due from banks	70,451	71,576	72,057	79,520	75,552	61,788
Loans to customers	401,033	399,463	411,902	399,943	405,181	402,764
<i>Loans to customers measured at amortised cost</i>	400,419	399,076	411,902	399,943	405,181	402,764
<i>Loans to customers designated at fair value through other comprehensive income and through profit or loss</i>	614	387	-	-	-	-
Financial assets measured at amortised cost which do not constitute loans	11,688	11,557	-	-	-	-
Financial assets designated at fair value through profit or loss	42,111	42,158	39,582	42,532	44,981	47,159
Financial assets designated at fair value through other comprehensive income	60,398	59,860	64,968	68,489	67,598	76,758
Financial assets pertaining to insurance companies measured at fair value pursuant to IAS 39	153,550	152,582	152,582	150,391	147,621	145,744
Financial assets pertaining to insurance companies measured at amortised cost pursuant to IAS 39	476	423	423	433	305	887
Investments in associates and companies subject to joint control	654	678	678	655	732	769
Property, equipment and intangible assets	14,367	14,419	14,419	12,425	12,548	12,568
Tax assets	17,174	18,018	16,887	16,834	17,056	16,917
Non-current assets held for sale and discontinued operations	751	627	627	788	778	783
Other assets	20,075	22,736	22,736	18,856	20,520	24,231
Total Assets	792,728	794,097	796,861	790,866	792,872	790,368
Liabilities and Shareholders' Equity	2018			2017		
	31/3	1/1	31/12	30/9	30/6	31/3
Due to banks at amortised cost	96,905	99,989	99,989	99,999	99,827	103,001
Due to customers at amortised cost and securities issued	417,422	416,371	416,371	416,507	411,344	412,416
Financial liabilities held for trading	39,751	41,456	41,218	41,715	42,553	44,823
Financial liabilities designated at fair value	4	3	3	3	4	3
Financial liabilities pertaining to insurance companies measured at amortised cost pursuant to IAS 39	1,394	1,312	1,312	1,397	1,341	1,333
Financial liabilities pertaining to insurance companies measured at fair value pursuant to IAS 39	69,058	68,233	68,233	65,466	62,891	60,637
Tax liabilities	2,548	2,509	2,509	2,225	2,136	2,348
Liabilities associated with non-current assets held for sale and discontinued operations	266	264	264	296	295	302
Other liabilities	20,590	19,954	20,214	18,499	27,978	24,195
Technical reserves	82,656	82,926	82,926	83,211	83,593	84,405
Allowances for risks and charges	7,240	7,426	7,218	7,042	7,017	5,442
<i>of which allowances for commitments and financial guarantees given</i>	503	535	327	399	440	547
Share capital	8,732	8,732	8,732	8,732	8,732	8,732
Reserves	40,796	33,578	36,843	37,301	37,300	40,273
Valuation reserves	-760	-878	-1,206	-2,327	-2,240	-2,555
Valuation reserves pertaining to insurance companies	429	417	417	419	404	398
Equity instruments	4,103	4,103	4,103	4,102	4,102	3,358
Minority interests	342	386	399	391	357	356
Net income (loss)	1,252	7,316	7,316	5,888	5,238	901
Total Liabilities and Shareholders' Equity	792,728	794,097	796,861	790,866	792,872	790,368

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

Intesa Sanpaolo Group

Breakdown of financial highlights by business area

Income statement (millions of euro)	Banca dei Territori			Corporate and Investment Banking			International Subsidiary Banks			Private Banking			Asset Management			Insurance		
	2018	2017	2017 Aggregate	2018	2017	2017 Aggregate	2018	2017	2017 Aggregate	2018	2017	2017 Aggregate	2018	2017	2017 Aggregate	2018	2017	2017 Aggregate
Operating income	2.387	2.135	2.307	1.164	819	826	469	461	463	480	464	468	192	178	178	324	319	319
Operating costs	-1.347	-1.176	-1.397	-254	-240	-241	-232	-215	-223	-137	-130	-131	-38	-34	-34	-41	-40	-40
Operating margin	1.040	959	910	910	579	585	237	246	240	343	334	337	154	144	144	283	279	279
Net income (loss)	415	400	367	671	358	363	183	362	356	242	226	228	121	115	115	199	195	195

Balance sheet (millions of euro)	Banca dei Territori		Corporate and Investment Banking		International Subsidiary Banks		Private Banking		Asset Management		Insurance	
	31.03.2018	01.01.2018	31.03.2018	01.01.2018	31.03.2018	01.01.2018	31.03.2018	01.01.2018	31.03.2018	01.01.2018	31.03.2018	01.01.2018
Loans to customers	214.602	212.547	115.645	114.317	28.807	28.594	8.249	7.912	361	361	22	22
Direct deposits from banking business	193.503	191.925	107.529	107.160	36.340	35.774	31.043	31.146	6	6	-	-

Figures restated, where necessary and material, considering the changes in the scope of consolidation and in business unit constituents and discontinued operations. Aggregate figures recalculated on the basis of management accounts to include the economic effects of the acquired Aggregate Set of Banca Popolare di Vicenza and Veneto Banca.

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