1H18 Results

A Solid First Half

A Strong Bank for a Digital World

August 1, 2018

INTESA SANPAOLO

A Solid First Half

~€2.2bn Net income, the best H1 since 2008 (+25% vs 1H17 pro-forma[(1)])

~€2.6bn pro-forma Net income including capital gain from the Intrum agreement (~68% of the €3.8bn FY17 Net income already achieved[(1)])

Best ever H1 for Commissions and best H1 Operating income since 2008

Cost/Income down to 49.0%, with a more than 3% decrease YoY in Operating costs, leading to a 17% growth in Operating margin

€25bn NPL deleveraging since the peak of September 2015[(2)], at no cost to shareholders; half of 2018-2021 Business Plan NPL deleveraging target already achieved[(2)]

Common Equity[(3)] ratio up to 13.6%, well above regulatory requirements

Strong commitment to Corporate Social Responsibility thanks to a variety of initiatives already activated

Firmly on track to deliver 2018 Net income higher than the €3.8bn 2017 Net income[(1)] and 2018-2021 Business Plan targets

(1) Management data including the contribution of the two former Venetian banks – excluding public cash contribution of €3.5bn to offset the impact of the acquisition of certain assets of the two former Venetian banks on ISP's capital ratios – and the Morval Group consolidation
(2) Including Intrum agreement
(3) Pro-forma fully loaded Basel 3 (30.6.18 financial statements considering the total absorption of DTA related to goodwill realignment/adjustments to loans/non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of the operations of the two former Venetian banks, the expected distribution of 1H18 Net income of insurance companies, the expected absorption of DTA on losses carried forward, the capital increase to serve the Long-term Incentive Plan finalised in July 2018 and the savings shares conversion)

ISP: Top Performing Delivery Machine Built upon a Very Resilient and Well-diversified Business Model

	Delivery machine at work on Business Plan priorities	A very resilient and well-diversified business model
Significant de-risking	**50%** of targeted NPL deleveraging already achieved in 1H18	Best-in-class **credit recovery** and **NPL deal making capabilities** (at no cost to shareholders)
Cost reduction	Costs down by **more than 3%** YoY	High strategic **flexibility in managing costs**
Revenue growth	Revenues up by **more than 6%** YoY	A **Wealth Management and Protection** company (with ~€1tn in Customer Financial Assets) driven by a **client-centric approach**, with financial market activities **naturally hedging** volatility impact on fee-based business

Sustainable profitability coupled with a strong capital position

Well on Track on the Delivery of Our Business Plan Targets

	Business Plan CAGR 17-21 %	1H18 vs 1H17 pro-forma(1) %
Operating income	+4.0%	+6.1%
Operating costs	(0.9)%	(3.4)%
Operating margin	+9.1%	+17.0%
Loan loss provisions	(14.7)%	(17.9)%
Gross income	+13.5%	+21.8%
Net income	+12.1%	+25.4%

Common Equity(2) ratio at 13.6% vs 13.1% estimated in the Business Plan for 2021

(1) Management data including the contribution of the two former Venetian banks – excluding public cash contribution of €3.5bn to offset the impact of the acquisition of certain assets of the two former Venetian banks on ISP's capital ratios – and the Morval Group consolidation

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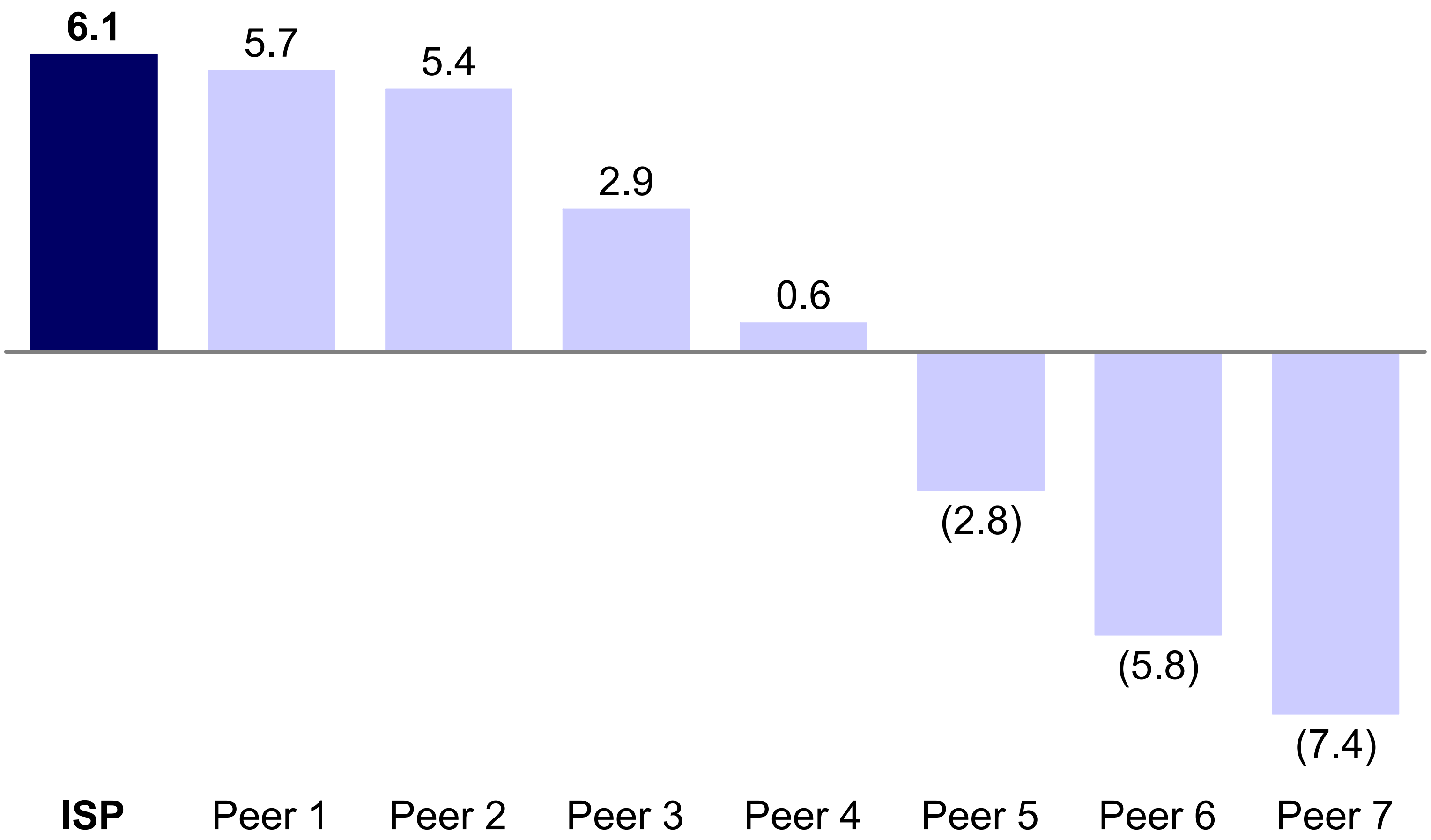
Top-Tier Operating Income Growth in Europe

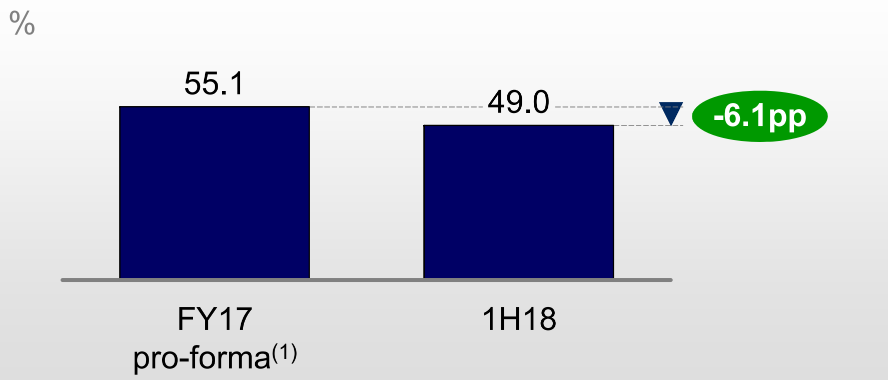
Δ YoY Operating income(1)
%



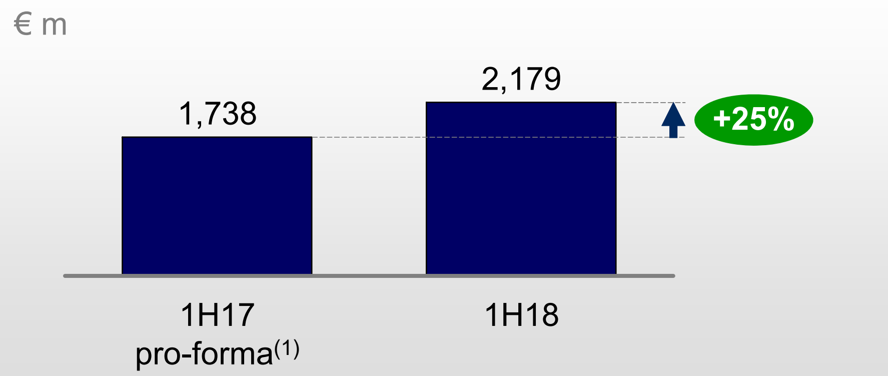
(1) Sample: BBVA, Credit Suisse, Deutsche Bank, Nordea, Santander, Standard Chartered and UBS (30.6.18 data); only top European banks that have communicated their 1H18 results

H1: Excellent Performance Delivered

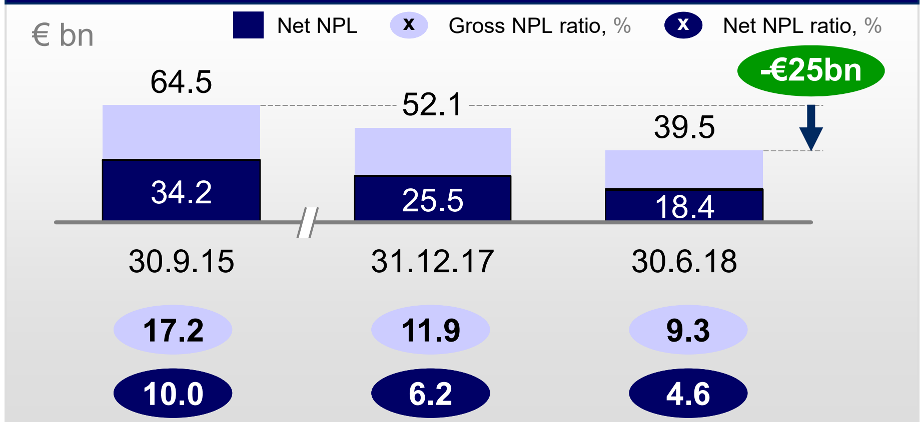
Cost/Income



Net income

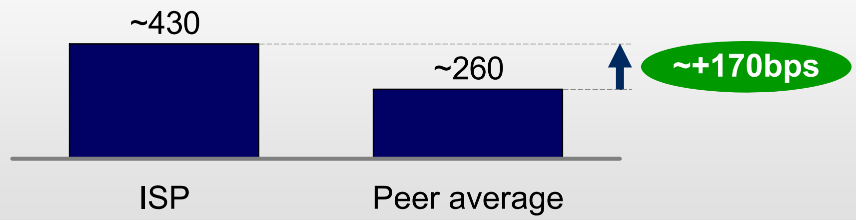


NPL stock



Excess capital

Fully Loaded CET1 Ratio Buffer vs requirements SREP + Combined Buffer[2][3], 30.6.18, bps



Excess capital due to internal capital management with €10bn cash dividends paid in the past 4 years

(1) Management data including the contribution of the two former Venetian banks – excluding public cash contribution of €3.5bn to offset the impact of the acquisition of certain assets of the two former Venetian banks on ISP's capital ratios – and the Morval Group consolidation
(2) Sample: BBVA, Deutsche Bank, Nordea and Santander (30.6.18 data); BNP Paribas, BPCE, Commerzbank, Crédit Agricole Group, ING, Société Générale and UniCredit (31.3.18 data). Source: Investors' Presentations, Press Releases, Conference Calls, Financial Statements
(3) Calculated as the difference between the Fully Loaded CET1 Ratio vs requirements SREP + Combined Buffer; only top European banks that have communicated their SREP requirement

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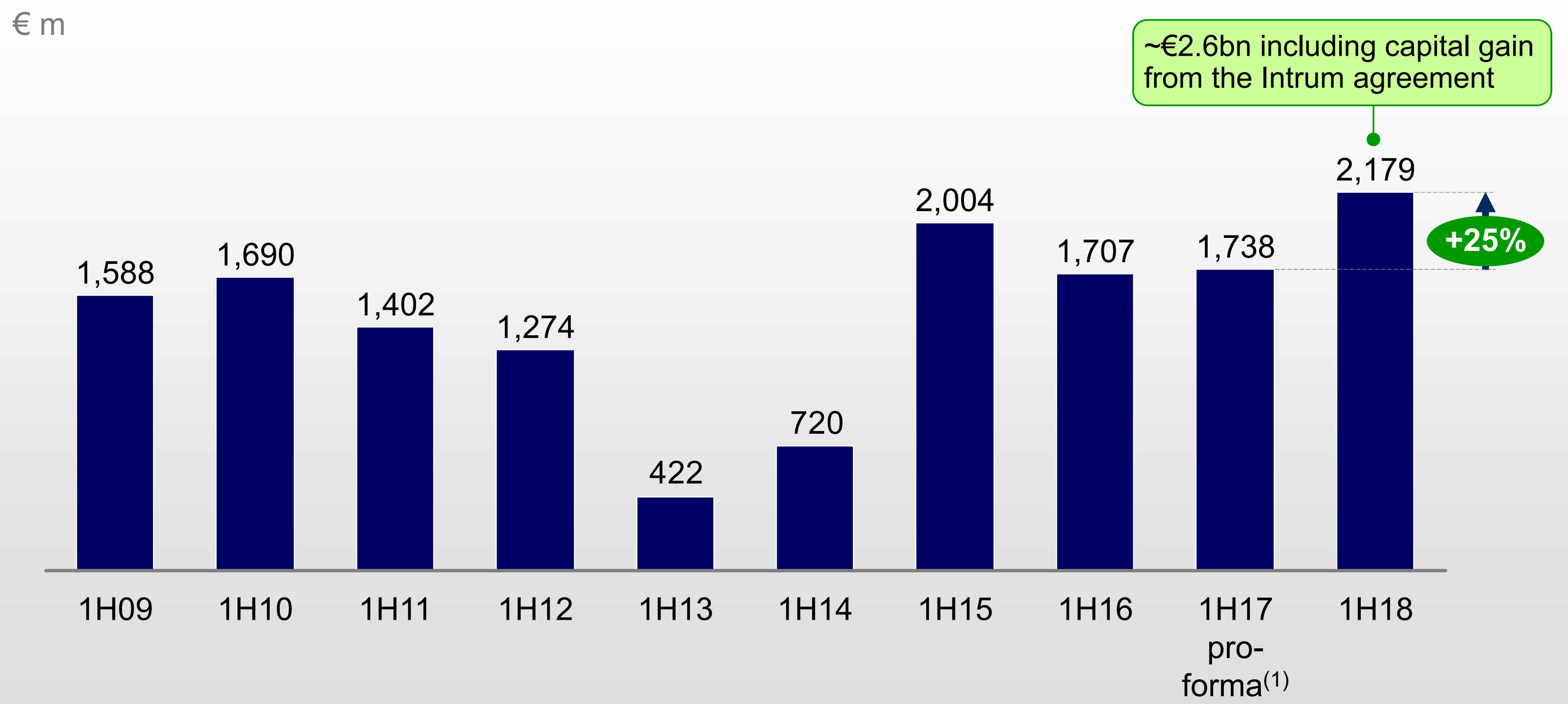
Best H1 Net Income since 2008

Net income



Firmly on track to deliver 2018 Net income higher than 2017: ~68% of the €3.8bn FY17 Net income[1] already achieved in H1[2]

(1) Management data including the contribution of the two former Venetian banks – excluding public cash contribution of €3.5bn to offset the impact of the acquisition of certain assets of the two former Venetian banks on ISP's capital ratios – and the Morval Group consolidation
(2) Including capital gain from the Intrum agreement

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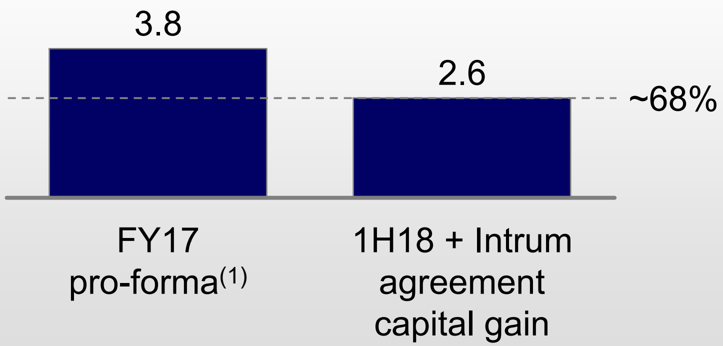
All Stakeholders Benefit from Our Excellent Performance

Shareholders

Net income, € bn

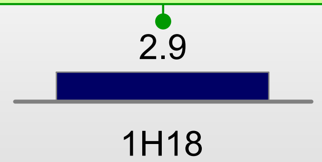


2018 payout ratio 85%

Employees

Personnel expenses, € bn

Excess capacity of ~5,000 people being reskilled and redeployed to priority initiatives



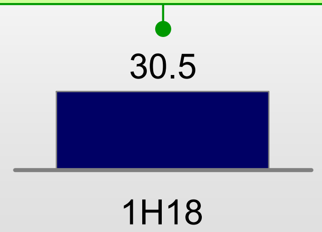
Public Sector

Taxes[2], € bn

Households and Businesses

Medium/Long-term new lending, € bn

Of which €25.5bn in Italy



~8,000 Italian companies helped to get back to performing status[3] in H1 (~81,000 since 2014)

(1) Management data including the contribution of the two former Venetian banks – excluding public cash contribution of €3.5bn to offset the impact of the acquisition of certain assets of the two former Venetian banks on ISP's capital ratios – and the Morval Group consolidation
(2) Direct and indirect
(3) Deriving from Non-performing loans outflow

ISP: Supporting Italy through a World-class Reference Model on Social and Cultural Responsibility

Initiatives to **reduce child poverty** and multiple **partnerships in the making to support people in need**, delivering:

8,200 meals/day (>80% of 2018-21 Business Plan commitment)

3,000 dormitory beds/month (~50% of BP commitment)

3,000 medicines/month (100% of BP commitment)

Supported Italian families impacted by earthquakes and natural disasters **by forgiving or allowing moratoria of mortgages** on destroyed properties (>€15m in 1H18, in addition to more than €140m subsidised loans granted in the past)

Activated **5 "Start-up Initiatives"** in 1H18, with participation of **~260 start-ups**

Circular Economy credit Plafond fully designed with launch planned for 4Q18

ISP Fund for Impact (~€1.2bn lending capacity) **designed** with launch planned for 4Q18

Over 250,000 visitors to ISP "Gallerie d'Italia" museums and 5 major exhibitions held in 1H18

110 artworks from our corporate collection on loan in 1H18 to Italian and international museums and more than 100 art historians currently working full time at "Gallerie d’Italia"

1H18: Highlights

- **Excellent economic performance** driven by high quality earnings:
  - **€2,179m Net income**, the best H1 since 2008 (+25% vs 1H17 pro-forma(1)), **€927m in Q2**
  - ~€2.6bn pro-forma Net income including ~€400m additional capital gain from the Intrum agreement to be booked by year-end
  - **Best H1 Operating income in the last decade** (+6% vs 1H17 pro-forma(1)), **with best ever H1 for Commissions** (second best ever Q2)
  - **Strong decrease in Operating costs** (more than -3% vs 1H17 pro-forma(1)) with C/I ratio down to 49.0%, leading to a **17% growth in Operating margin**
  - **Strong reduction in Loan loss provisions** (-18% vs 1H17 pro-forma(1)), with annualised **cost of risk down to 59bps** (vs 81bps in FY17 pro-forma(1))
- Best-in-class capital position with **balance sheet further strengthened**:
  - **~€15bn NPL deleveraging** vs the peak of September 2015, which grows to **€25bn when including the Intrum agreement**, leading to the lowest Gross NPL stock since 2011 (lowest Net since 2009)
  - **Common Equity(2) ratio up to 13.6%**
  - **Best-in-class leverage ratio**: 6.2%

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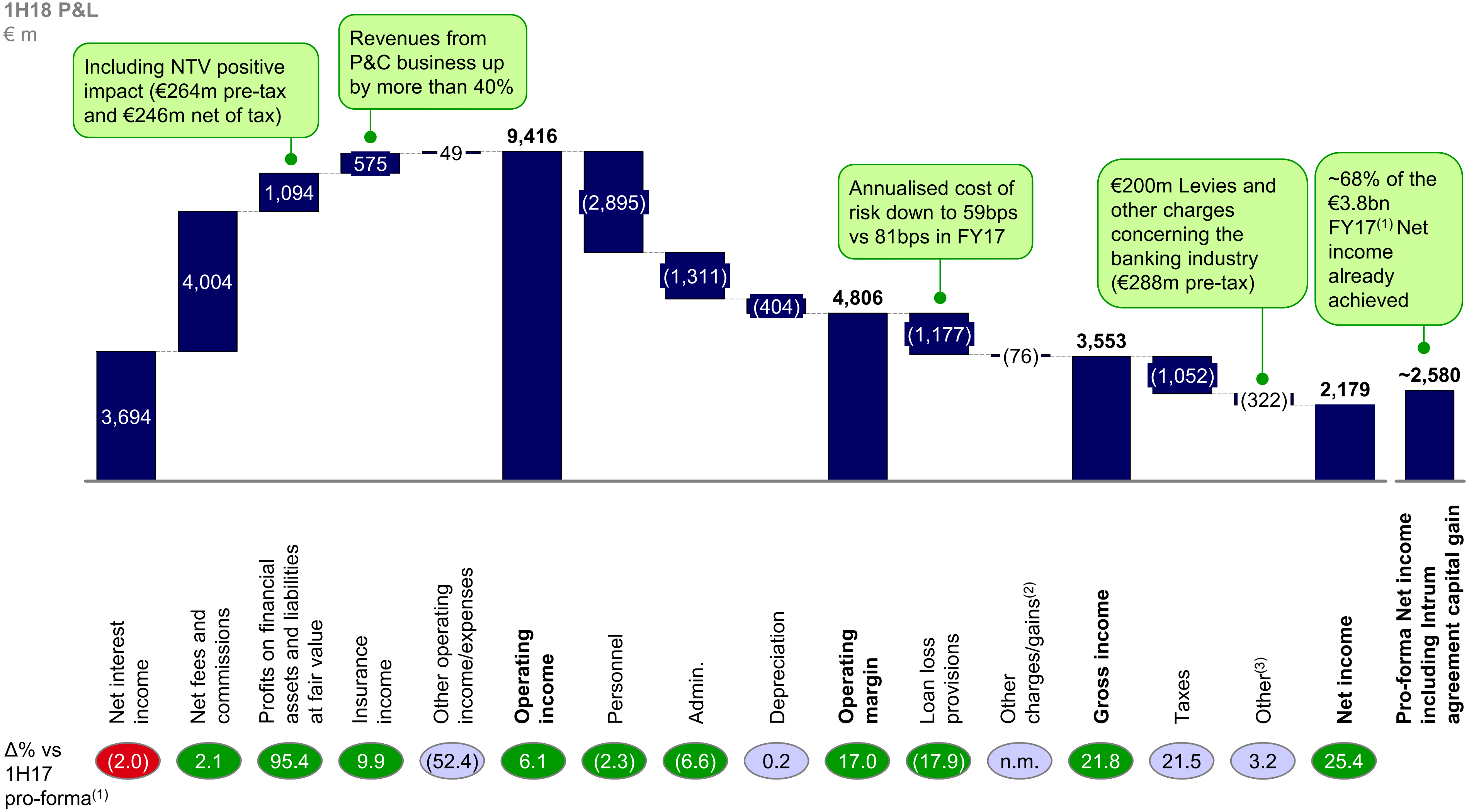
H1: Strong Growth in Profitability Driven by Growth in Revenues and Reduction in Operating Costs and Loan Loss Provisions

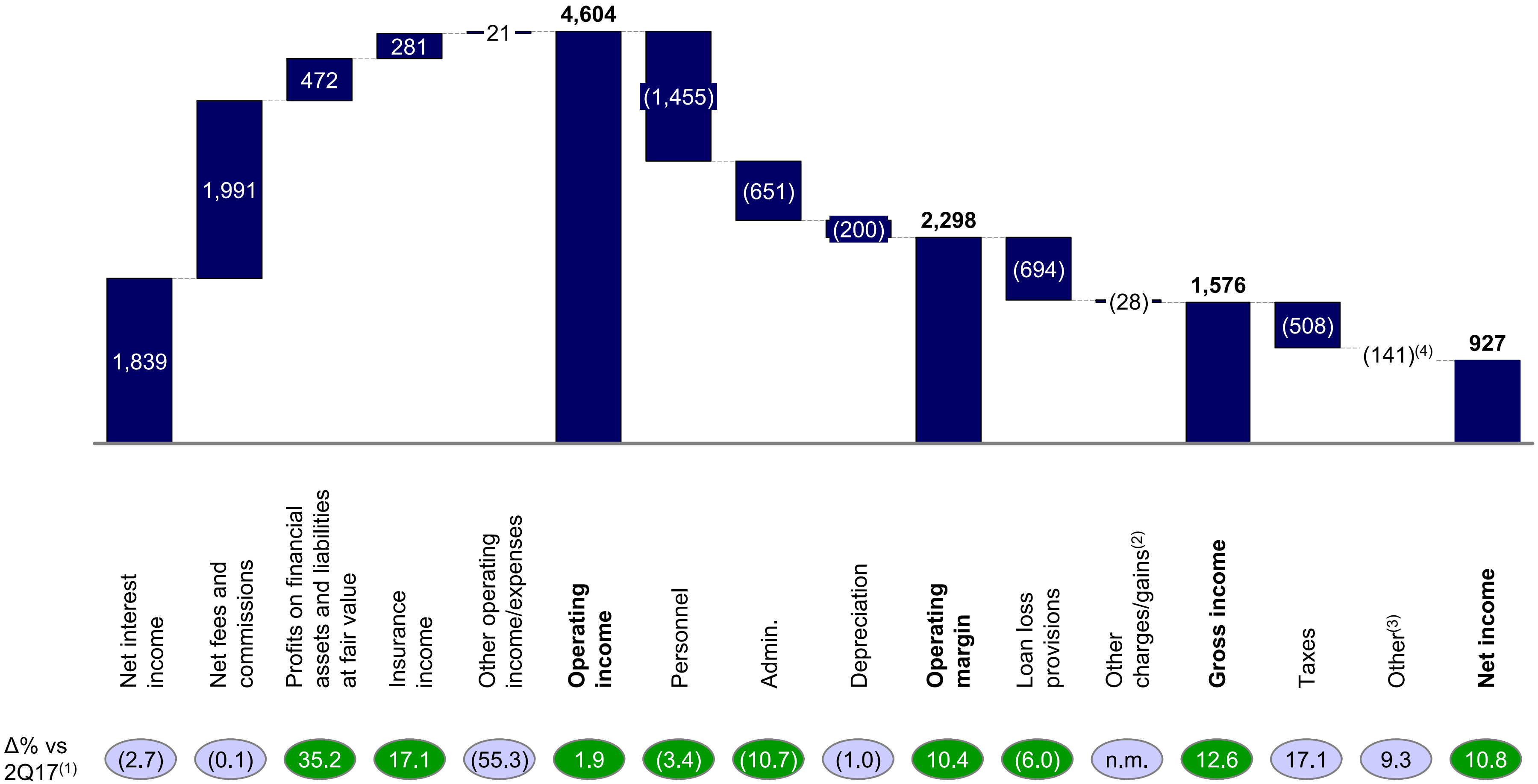
1H18 P&L
€ m



Note: figures may not add up exactly due to rounding
(1) Management data including the contribution of the two former Venetian banks – excluding public cash contribution of €3.5bn to offset the impact of the acquisition of certain assets of the two former Venetian banks on ISP's capital ratios – and the Morval Group consolidation
(2) Net provisions and net impairment losses on other assets, Other income (expenses), Income (Loss) from discontinued operations
(3) Charges (net of tax) for integration and exit incentives, Effect of purchase price allocation (net of tax), Levies and other charges concerning the banking industry (net of tax), Impairment (net of tax) of goodwill and other intangible assets, Minority interests

Q2: Solid Contribution to 1H18 Results, with Net Income in Excess of €900m

2Q18 P&L
€ m



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(2) Net provisions and net impairment losses on other assets, Other income (expenses), Income (Loss) from discontinued operations

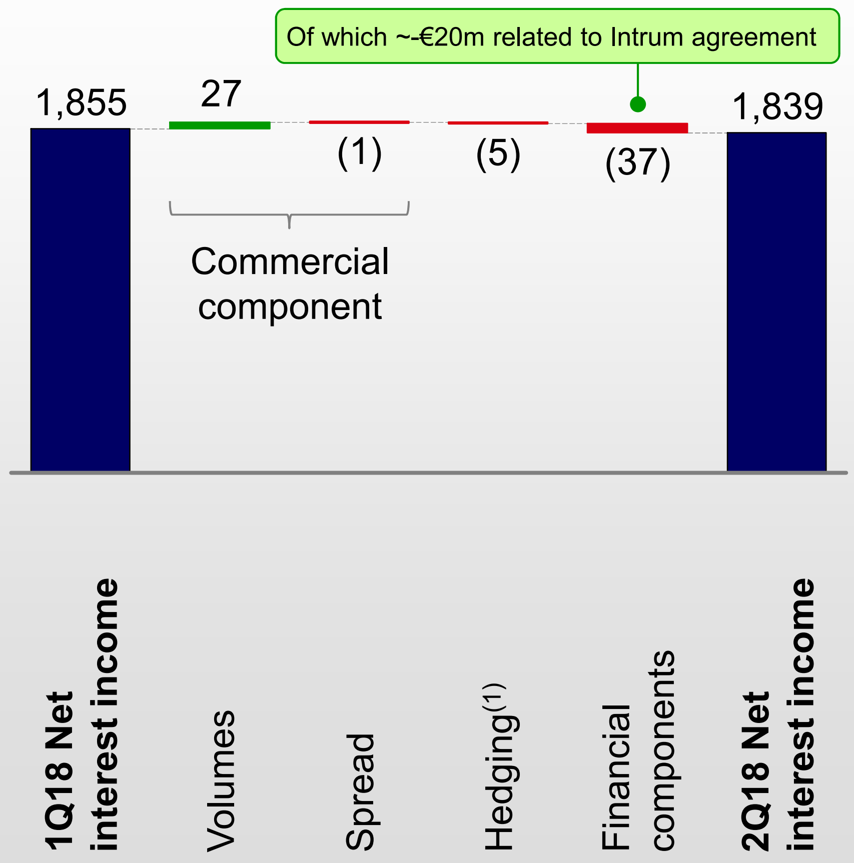
(3) Charges (net of tax) for integration and exit incentives, Effect of purchase price allocation (net of tax), Levies and other charges concerning the banking industry (net of tax), Impairment (net of tax) of goodwill and other intangible assets, Minority interests

(4) Including €83m of Levies and other charges concerning the banking industry (€120m pre-tax)

Net Interest Income: Strong Increase in the Commercial Component Despite Continuing Low Market Rates

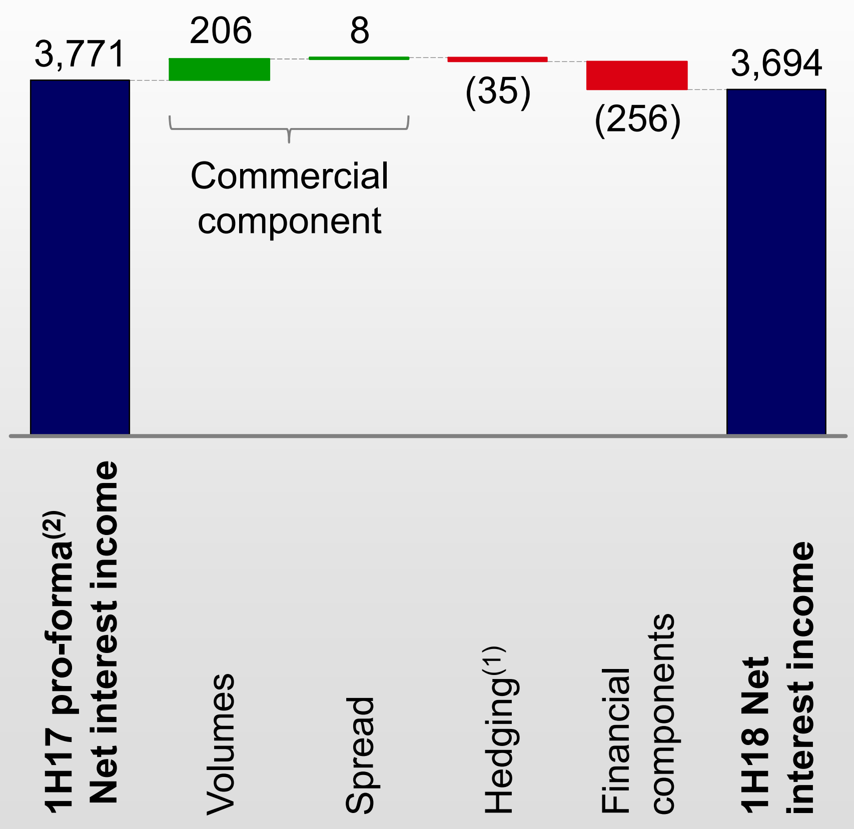
Quarterly comparison

Net interest income, Δ 2Q18 vs 1Q18
€ m



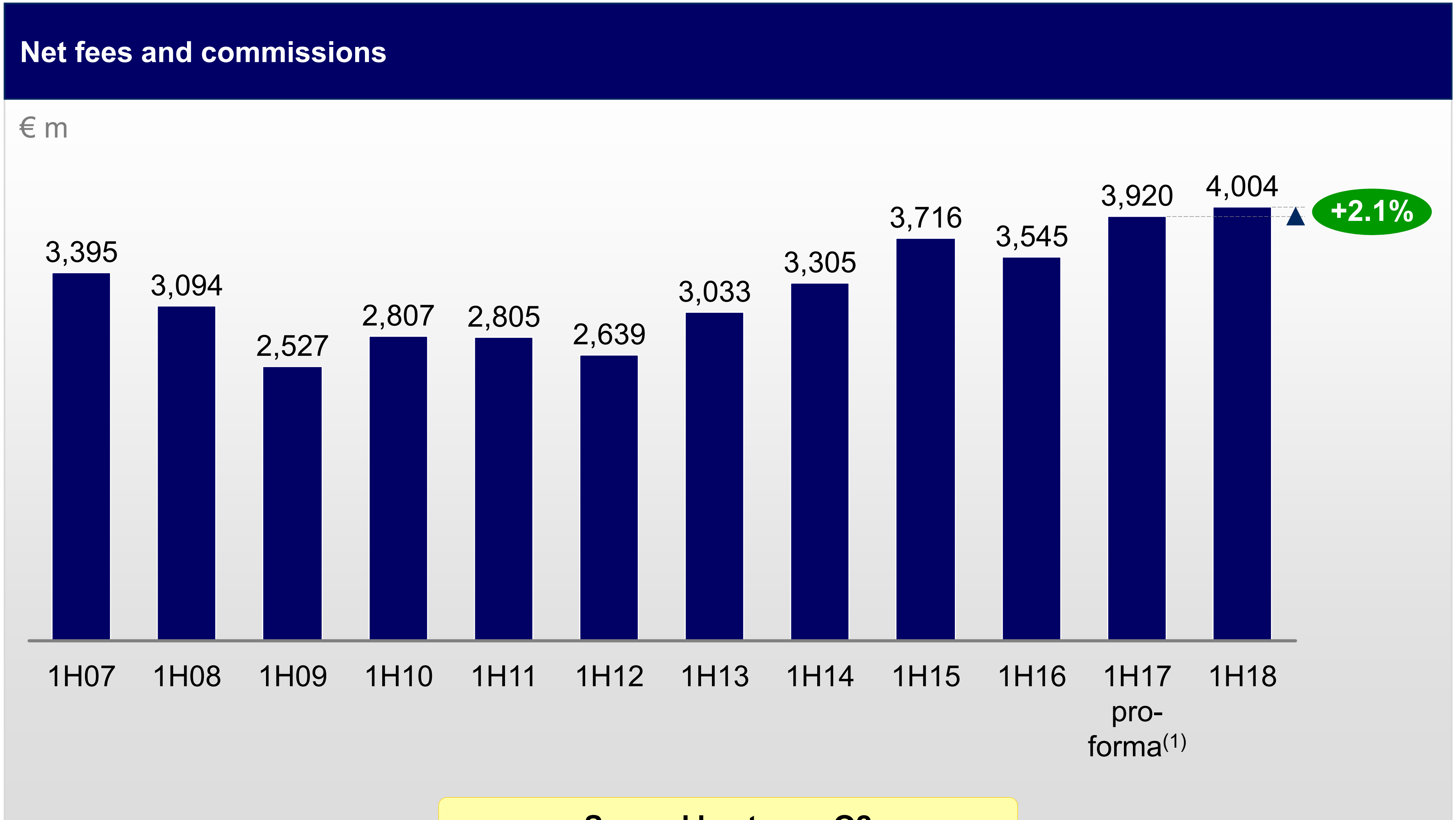
Yearly comparison

Net interest income, Δ 1H18 vs 1H17 pro-forma(2)
€ m



Note: figures may not add up exactly due to rounding
(1) ~€194m benefit from hedging on core deposits in 1H18, of which ~€95m in 2Q18
(2) Management data including the contribution of the two former Venetian banks and the Morval Group consolidation

Best Ever H1 for Commissions, Despite a Challenging Environment



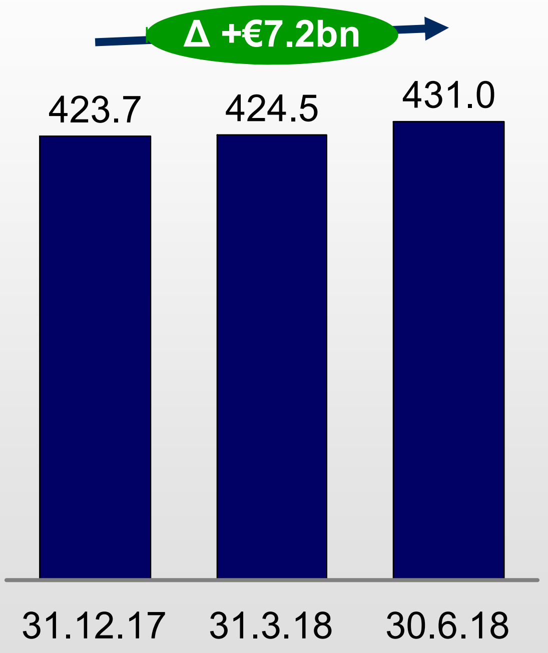
Second best ever Q2

(1) Management data including the contribution of the two former Venetian banks and the Morval Group consolidation

Increased Customer Financial Assets to Fuel Wealth Management Engine

Direct deposits

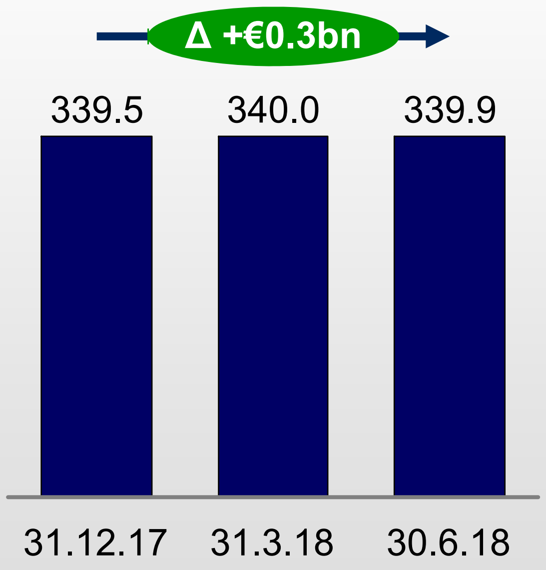
€ bn



+€10bn in household sight deposits in 1H18 (+€5bn in 2Q18)

Assets under Management

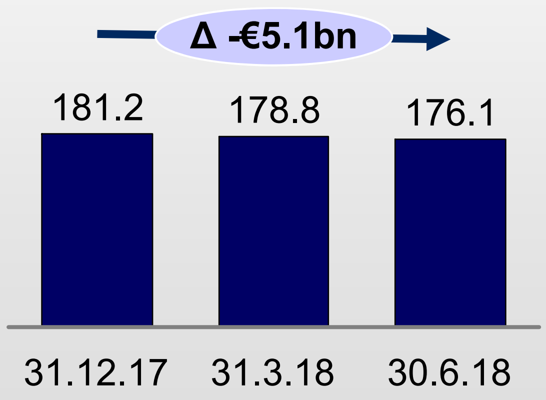
€ bn



€6.3bn of AuM Net inflows in 1H18, more than offsetting negative market performance(1)

Assets under Administration

€ bn



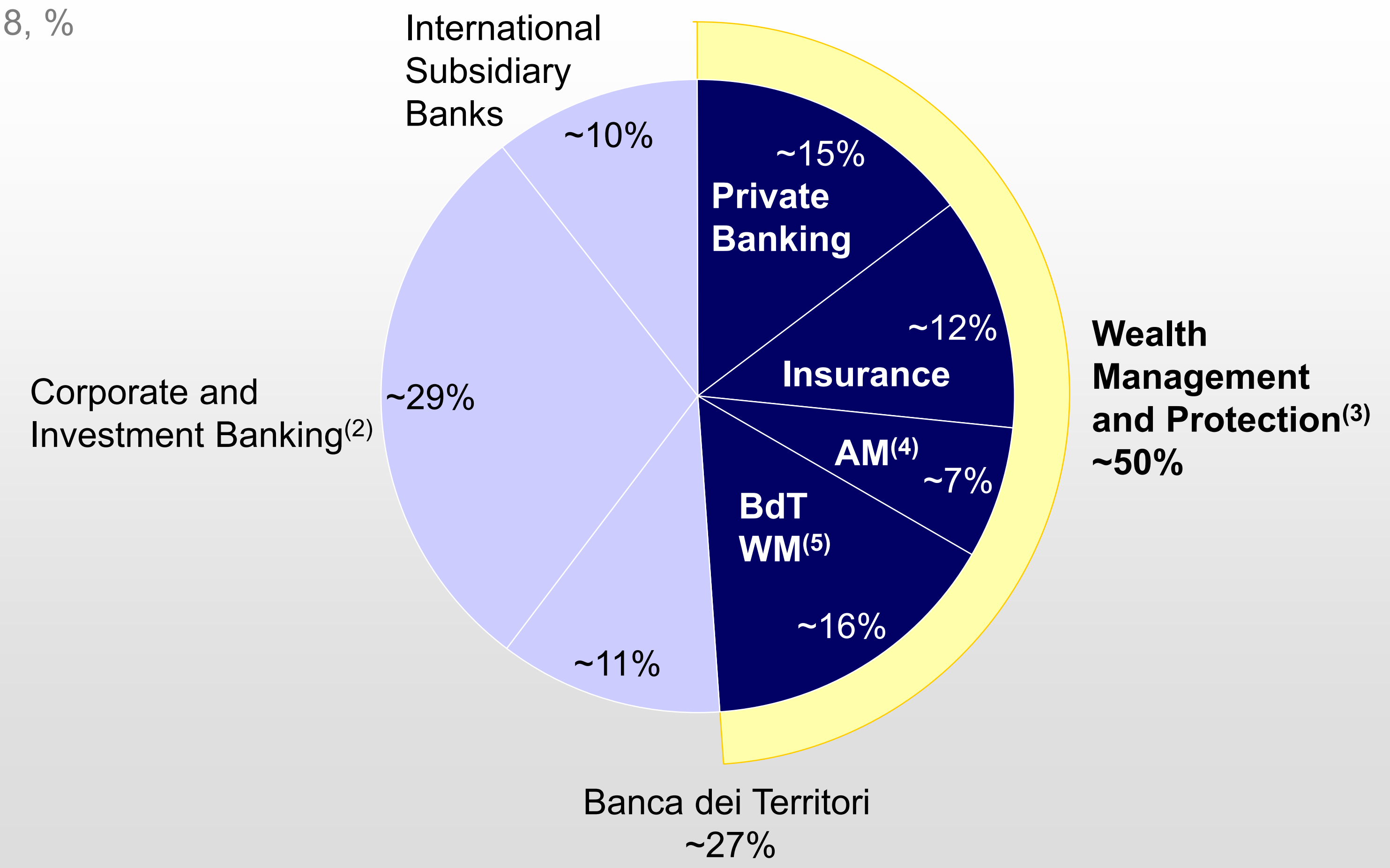
1H18 reduction in AuA entirely due to market performance

Note: figures may not add up exactly due to rounding
(1) FTSE MIB Index down by 3.5% in 2Q18 (~-1% in 1H18) and increased volatility (Chicago Board Options Exchange Volatility Index) at 16.2% in 1H18 vs 11.1% in 2017 (15.4% in 2Q18)
Source: Bloomberg

ISP: An Established Successful Wealth Management and Protection Company

Gross income breakdown[1]

1H18, %



Note: figures may not add up exactly due to rounding

(1) Excluding Corporate Centre and positive impact from NTV

(2) Excluding positive impact from NTV

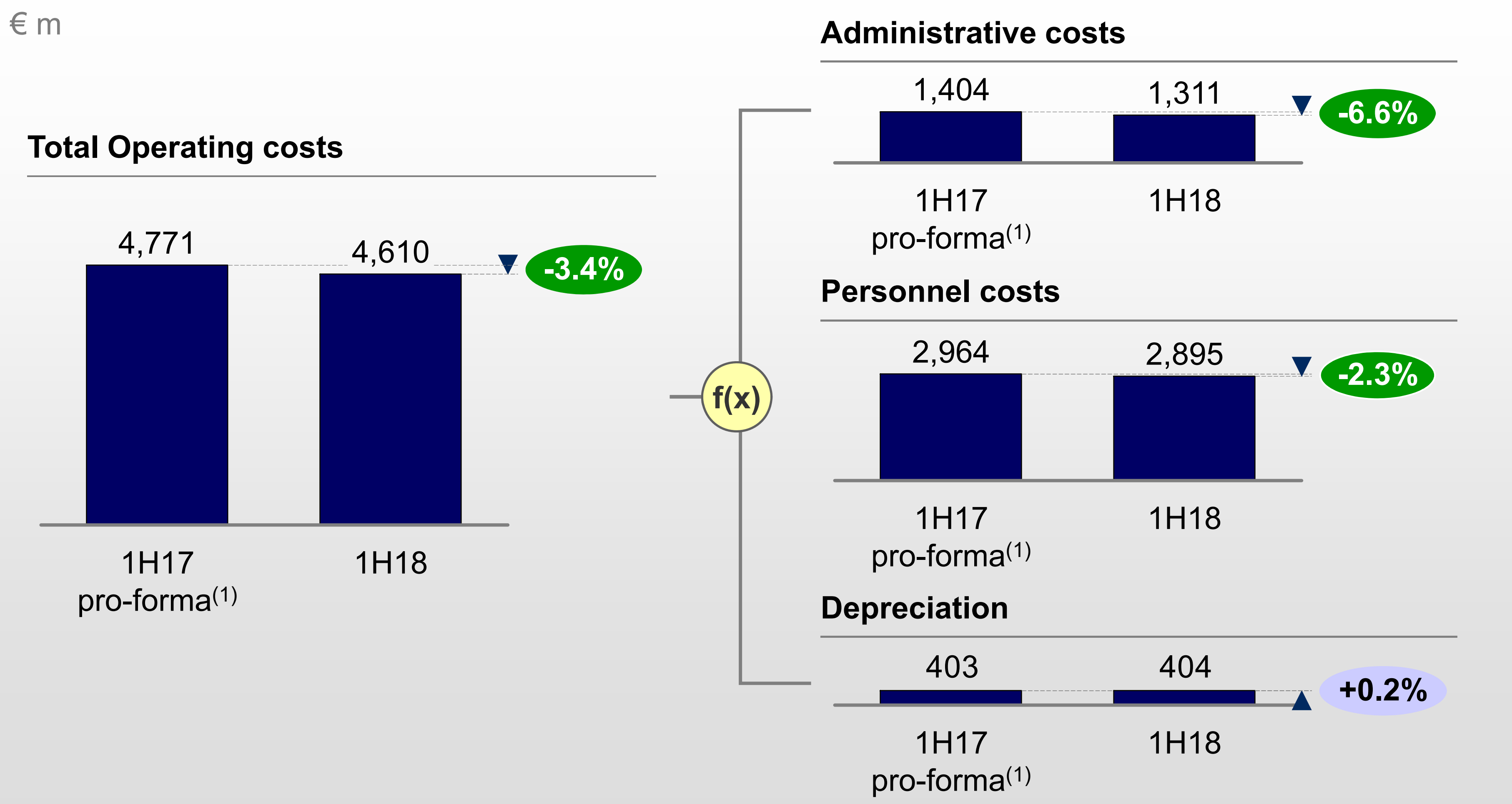
(3) Private Banking includes Fideuram, Intesa Sanpaolo Private Banking, Intesa Sanpaolo Private Bank (Suisse), Morval Group and Siref Fiduciaria; Insurance includes Fideuram Vita, Intesa Sanpaolo Assicura and Intesa Sanpaolo Vita; Asset Management includes Eurizon; BdT WM includes ~€1,090m revenues from WM products included in Banca dei Territori (applying a C/I of 35.0%)

(4) Asset Management

(5) Banca dei Territori Wealth Management

Strong Reduction in Operating Costs while still Investing for Growth

Operating costs



Cost/Income down to 49.0%

(1) Management data including the contribution of the two former Venetian banks and the Morval Group consolidation

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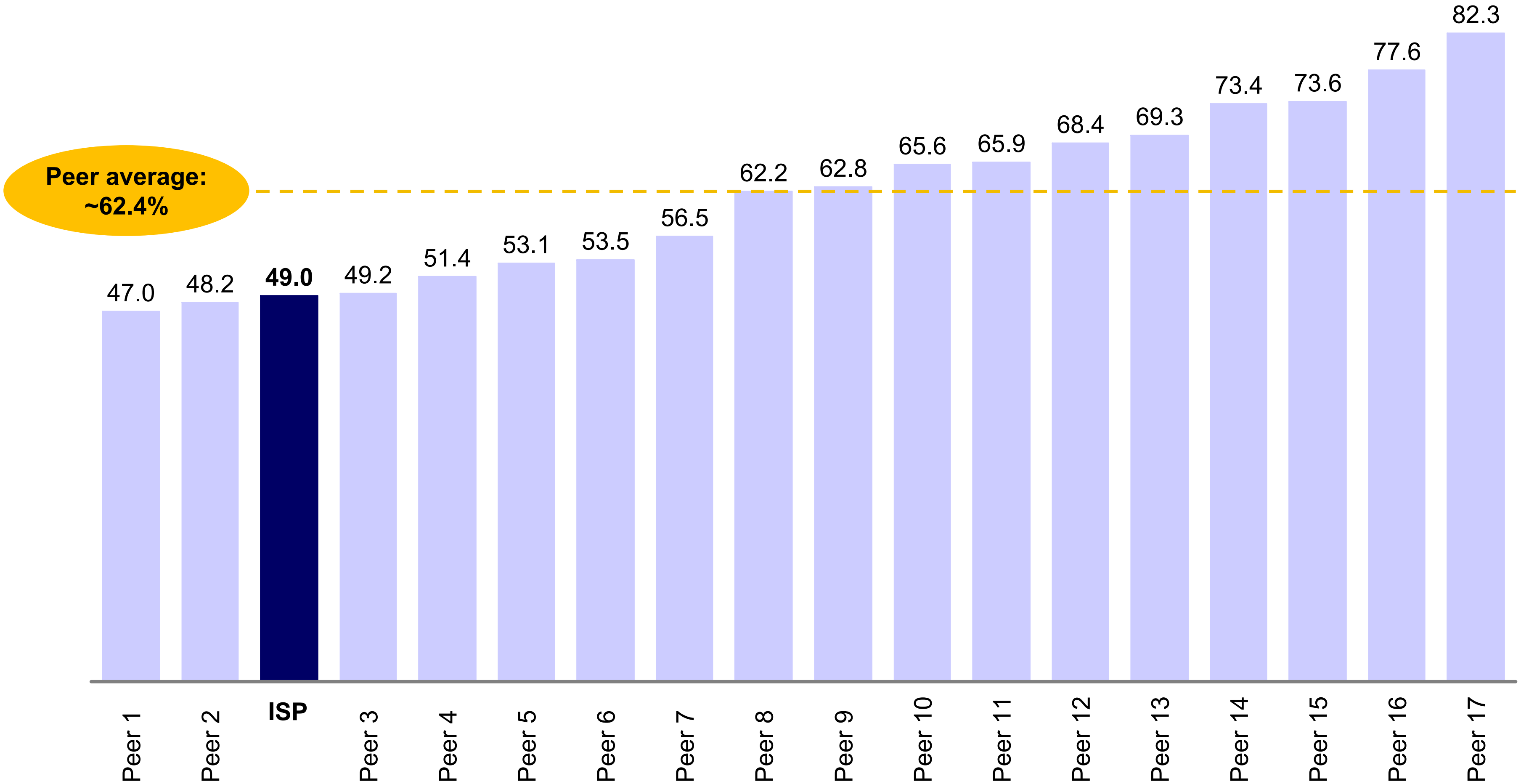
Best-in-class Cost/Income Ratio in Europe

Cost/Income(1)

%



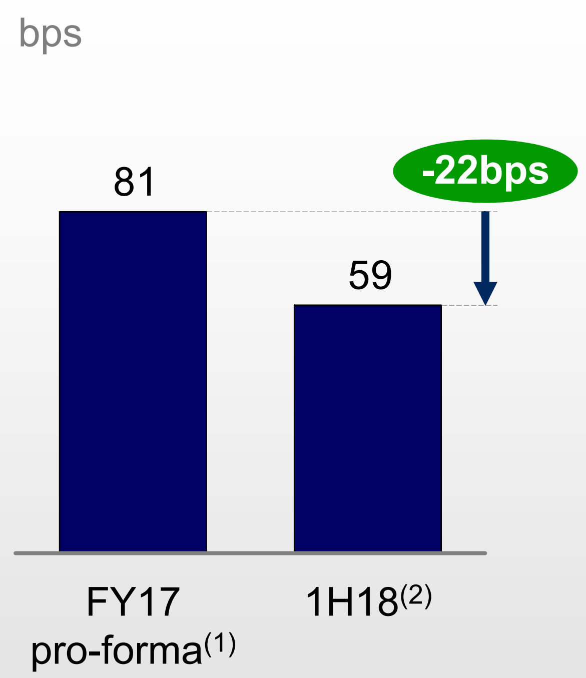
(1) Sample: BBVA, Credit Suisse, Deutsche Bank, Nordea, Santander, Standard Chartered and UBS (30.6.18 data); Barclays, BNP Paribas, BPCE, Commerzbank, Crédit Agricole S.A., HSBC, ING, Lloyds Banking Group, Société Générale and UniCredit (31.3.18 data)

Significant Reduction in Loan Loss Provisions and Cost of Risk Coupled with Increased NPL Coverage

Loan loss provisions

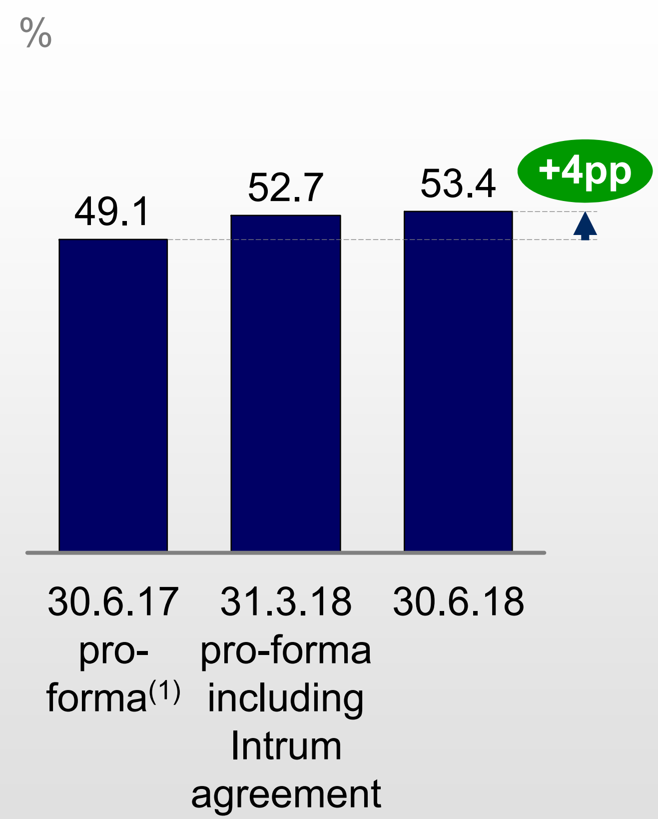
Lowest half-year LLPs since 1H08

Cost of risk



Well on track to deliver on our 2018-21 Business Plan Cost of risk target (41bps)

NPL coverage ratio

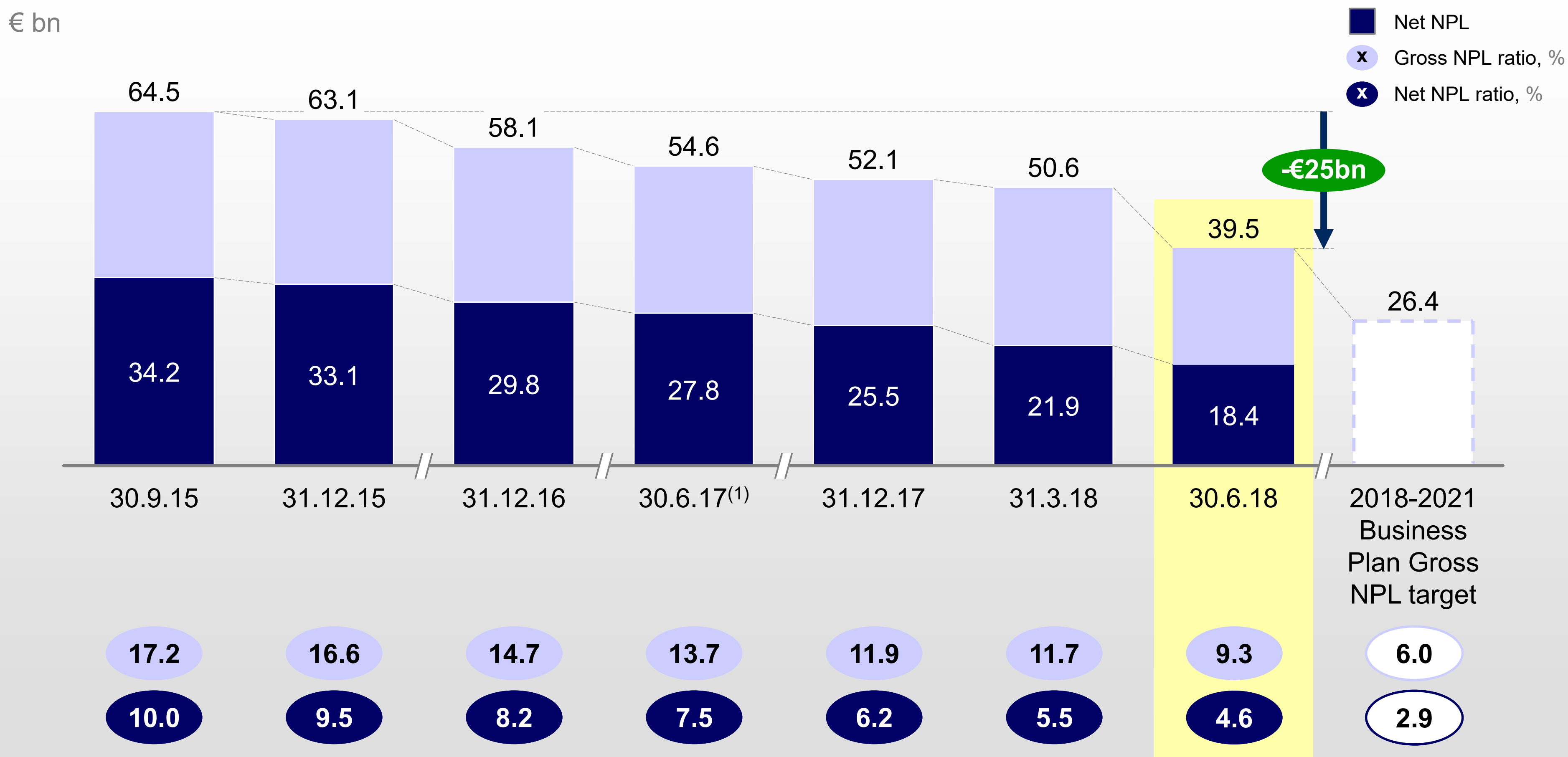


NPL coverage consistent with our Business Plan de-risking strategy

(1) Management data including the contribution of the two former Venetian banks and the Morval Group consolidation
(2) Annualised

Strong NPL Reduction…

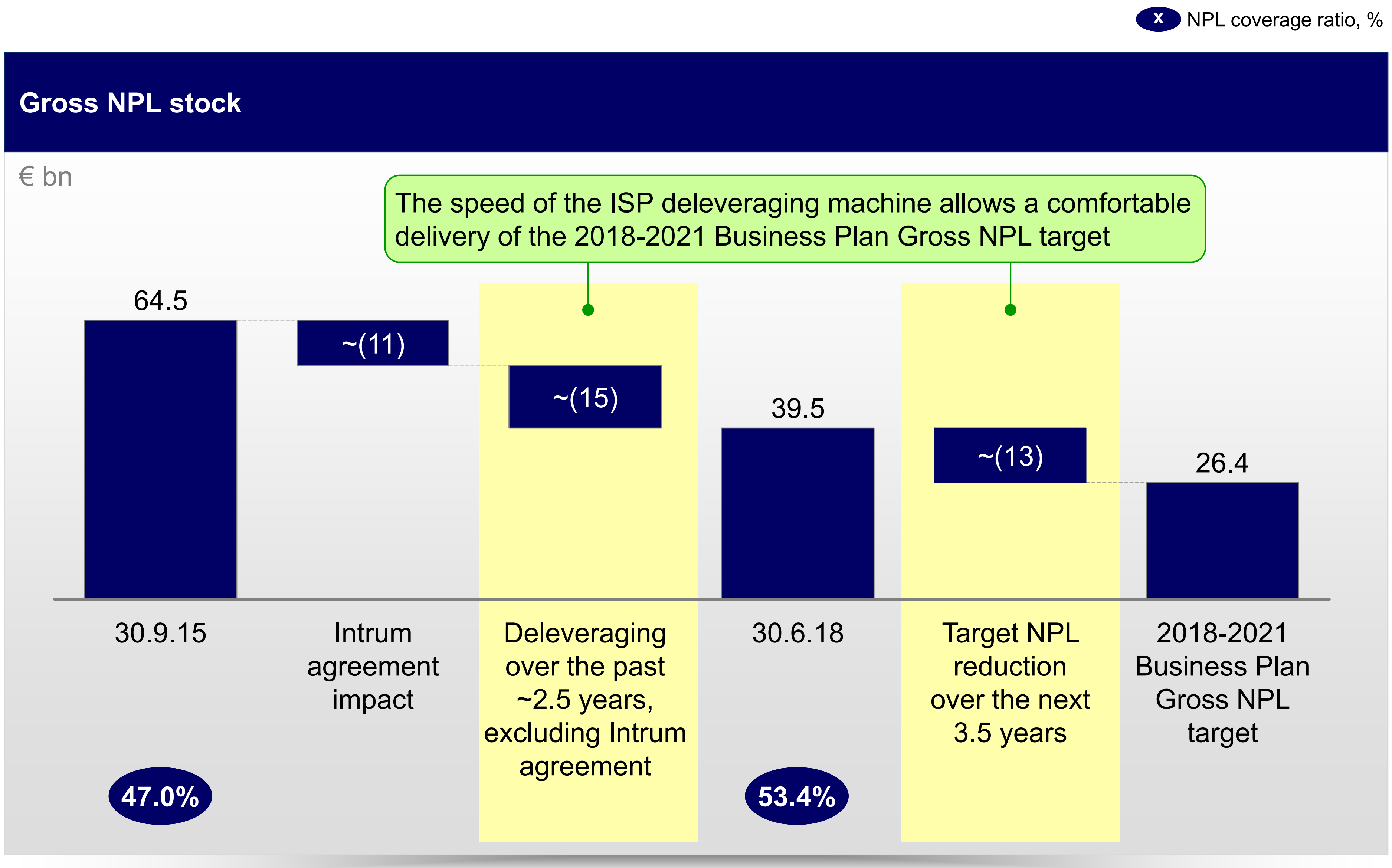
NPL stock



- **11 consecutive quarters of NPL reduction and Gross NPL ratio down to 9.3% (Net NPL ratio at 4.6%)**
- **Half of 2018-2021 Business Plan NPL deleveraging target already achieved**

(1) Excluding the contribution of the two former Venetian banks

… with Positive Outlook on the Delivery of 2018-2021 Business Plan NPL Deleveraging Target



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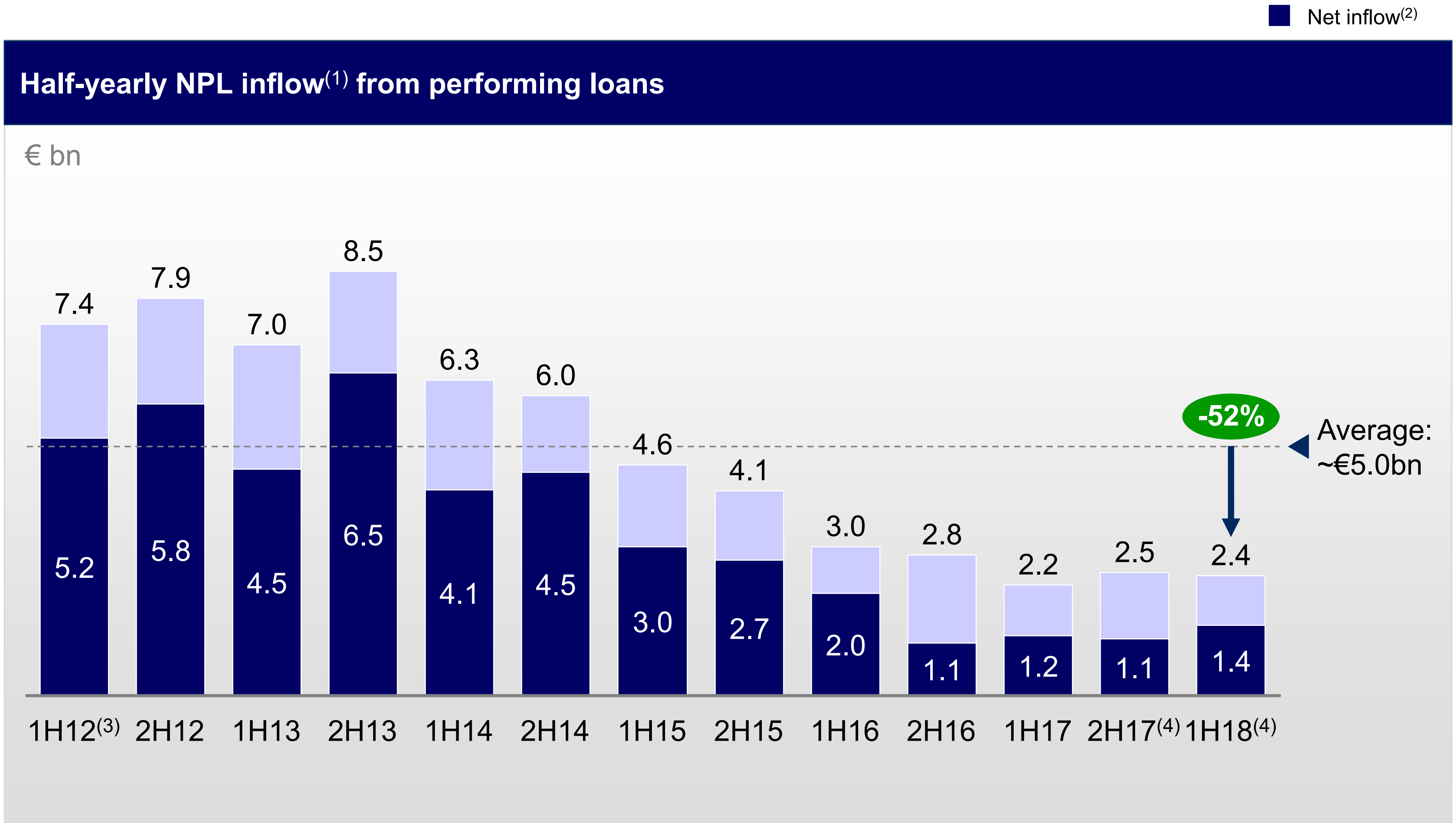
Stable NPL Inflow, Close to Historical Low

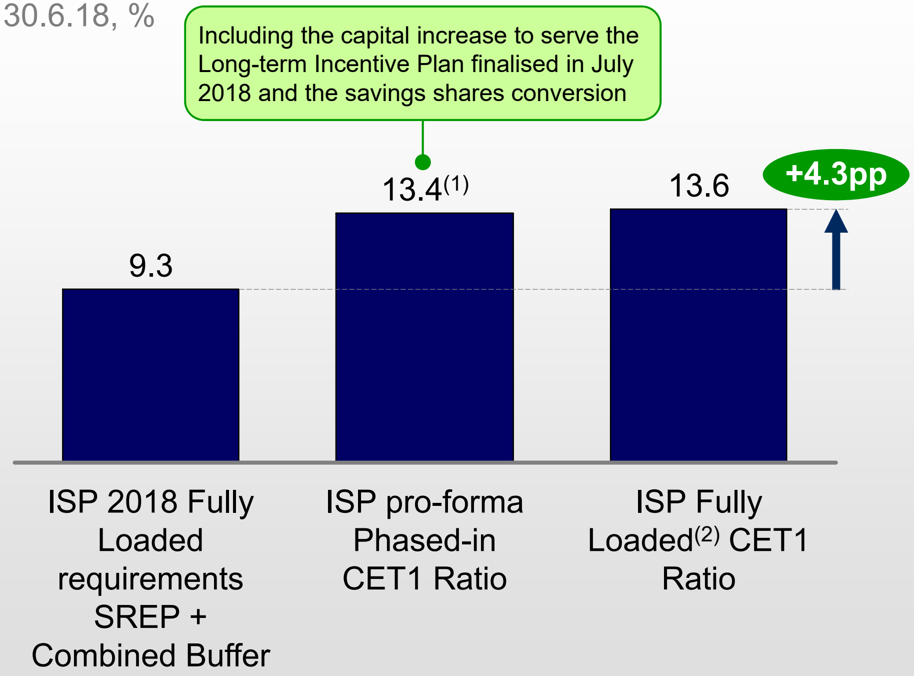


(1) Inflow to NPL (Bad Loans, Unlikely to Pay and Past Due) from performing loans
(2) Inflow to NPL (Bad Loans, Unlikely to Pay and Past Due) from performing loans minus outflow from NPL into performing loans
(3) 2012 figures recalculated to take into consideration the regulatory changes to Past Due classification criteria introduced by the Bank of Italy (90 days since 2012 vs 180 days up until 31.12.11)
(4) Including the contribution of the two former Venetian banks

Solid and Increased Capital Base, Well Above Regulatory Requirements

ISP CET1 Ratios vs requirements SREP + Combined Buffer

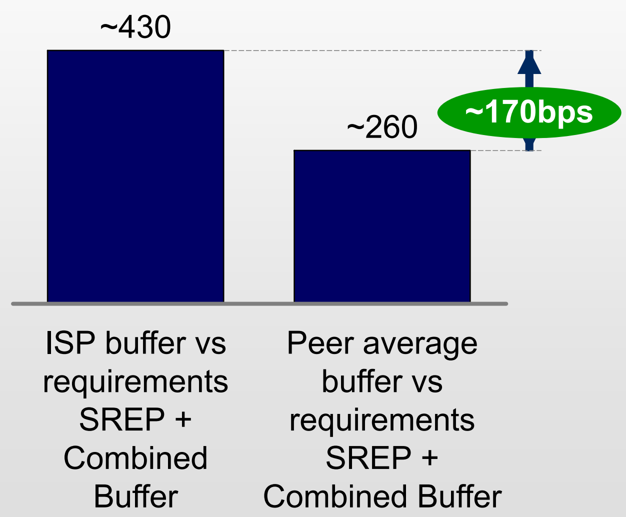
30.6.18, %



ISP CET1 ratios already including ~35bps impact deriving from the sovereign bond spread widening[3]

Fully Loaded CET1 Ratio Buffer vs requirements SREP + Combined Buffer[4][5]

30.6.18, bps



Excess capital due to internal capital management with €10bn cash dividends paid in the past 4 years

Note: figures may not add up exactly due to rounding

(1) 12.8% Phased-in CET1 Ratio

(2) Pro-forma fully loaded Basel 3 (30.6.18 financial statements considering the total absorption of DTA related to goodwill realignment/adjustments to loans/non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of the operations of the two former Venetian banks, the expected distribution of 1H18 Net income of insurance companies, the expected absorption of DTA on losses carried forward, the capital increase to serve the Long-term Incentive Plan finalised in July 2018 and the savings shares conversion)

(3) 10y BTP-Bund spread: 129bps as of 31.3.18, 238bps as of 30.6.18

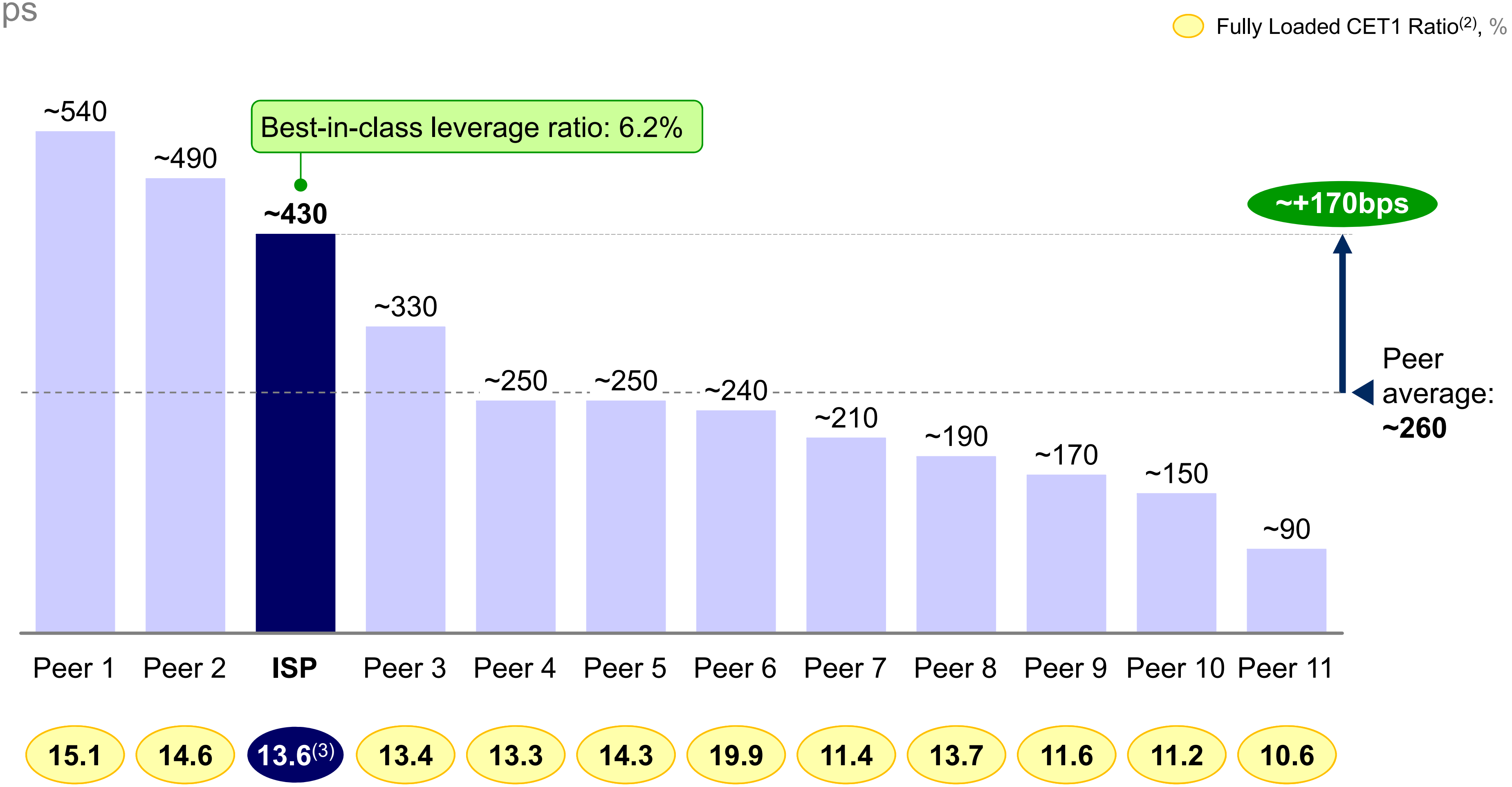
(4) Calculated as the difference between the Fully Loaded CET1 Ratio vs requirements SREP + Combined Buffer; only top European banks that have communicated their SREP requirement

(5) Sample: BBVA, Deutsche Bank, Nordea and Santander (30.6.18 data); BNP Paribas, BPCE, Commerzbank, Crédit Agricole Group, ING, Société Générale and UniCredit (31.3.18 data). Source: Investors' Presentations, Press Releases, Conference Calls, Financial Statements

Best-in-Class Excess Capital

Fully Loaded CET1 Ratio Buffer vs requirements SREP + Combined Buffer(1,2)

bps



(1) Calculated as the difference between the Fully Loaded CET1 ratio vs requirements SREP + Combined Buffer (for the French banks the counter-cyclical buffer is estimated on the Pillar 3 2017); only top European banks that have communicated their SREP requirement

(2) Sample: BBVA, Deutsche Bank, Nordea and Santander (30.6.18 data); BNP Paribas, BPCE, Commerzbank, Crédit Agricole Group, ING, Société Générale and UniCredit (31.3.18 data). Source: Investors' Presentations, Press Releases, Conference Calls, Financial Statements

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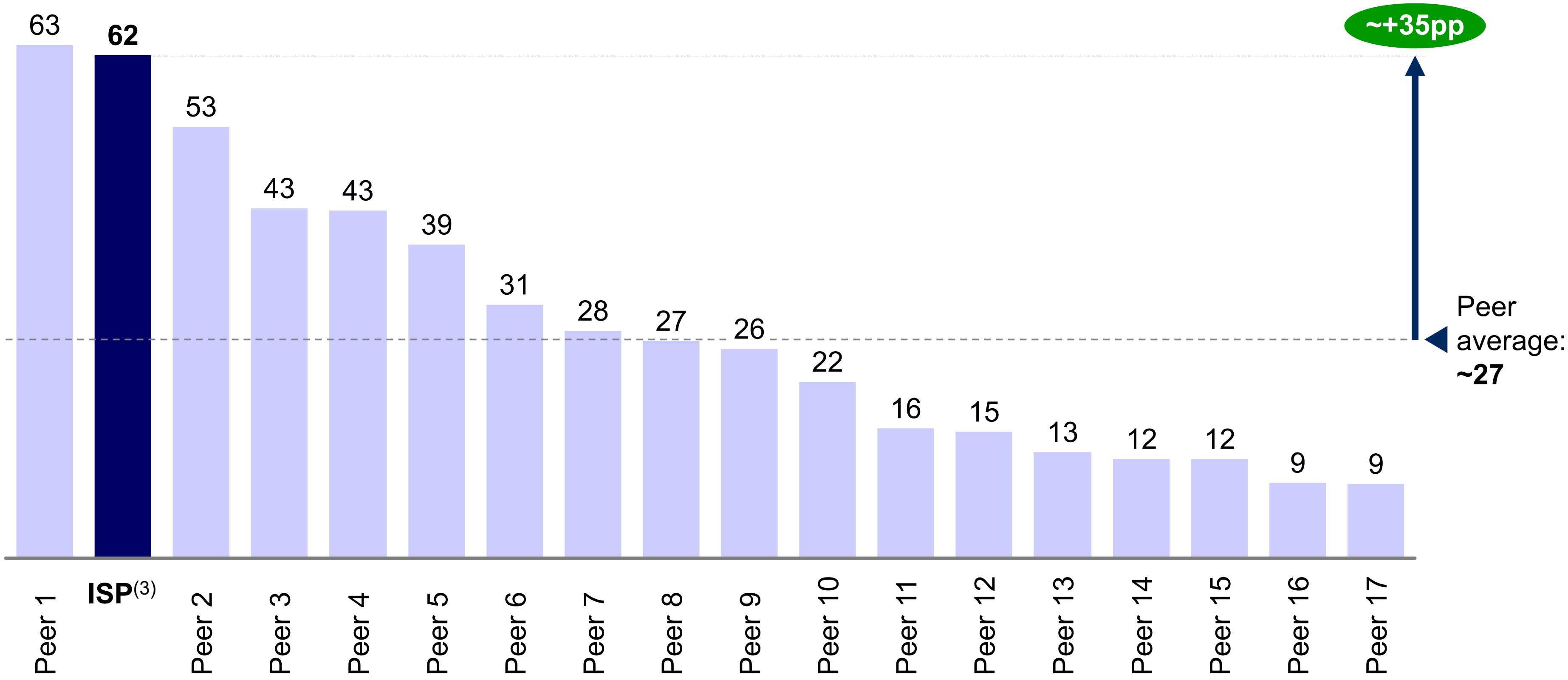
Best-in-class Risk Profile in Terms of Illiquid Assets

Fully Loaded CET1(1)/Total illiquid assets(2)
%



€163bn of liquid assets with LCR and NSFR well above 100%

(1) Fully Loaded CET1. Sample: BBVA, Credit Suisse, Deutsche Bank, Nordea, Santander, Standard Chartered and UBS (30.6.18 data); Barclays, BNP Paribas, BPCE, Commerzbank, Crédit Agricole Group, HSBC, ING, Lloyds Banking Group, Société Générale and UniCredit (31.3.18 data)
(2) Total illiquid assets include Net NPL, Net repossessed assets, Level 2 assets and Level 3 assets. Sample: Credit Suisse, Deutsche Bank, Nordea, Standard Chartered and UBS (30.6.18 data); BBVA and Santander (Net NPL and Net repossessed assets 30.6.18 data and Level 2 and Level 3 assets 31.12.17 data); Commerzbank, Crédit Agricole Group, HSBC, ING, Société Générale and UniCredit (Net NPL 31.3.18 data and Level 2 and Level 3 assets 31.12.17 data); Barclays, BNP Paribas, BPCE and Lloyds Banking Group (Net NPL and Level 2 and Level 3 assets 31.12.17 data); Crédit Agricole Group Net NPL data estimated
(3) 56% including the effect of Real Estate and Art, Culture and Historical Heritage portfolio revaluation

ISP Outlook for 2018

Growth in Operating income and continued cost management…

… leading to Operating margin growth

Decline in cost of risk…

… triggering further growth in Gross income

Growth in Net income vs 2017(1)

CONFIRMED

Firmly on track to deliver 2018 Net income higher than 2017: ~68% of the €3.8bn FY17 Net income(1) already achieved in H1

(1) Management data including the contribution of the two former Venetian banks – excluding public cash contribution of €3.5bn to offset the impact of the acquisition of certain assets of the two former Venetian banks on ISP's capital ratios – and the Morval Group consolidation

Italian Economy: Solid Fundamentals

Italian Economy

Employment	**Unemployment** was at 10.9% in Q2, the lowest level since 2012, with the **employment rate** at a 10-year high and the **activity rate** at an all-time high
Consumer Confidence	**Consumer confidence** was not affected by recent turmoil in the financial markets
Business Confidence	**Business confidence** remains close to a 10-year high (especially in the construction sector)
Industrial Production	**Industrial production** grew by +2.1% YoY in May: the 22nd increase in a row (the longest expansion in 10 years)
Investment Cycle	A genuine **investment cycle** has started: gross fixed investments grew by +3.9% in 2017 (the strongest increase since 2002) and by +4.5% YoY in Q1 2018
Trade Surplus	**Trade surplus** (net of energy) hit a new high in 2017 at €81bn, and the first 5 months of 2018 registered an improvement vs the same period in 2017 (€29.6bn from €28.8bn)
Real Estate	Recovery in **residential real estate transactions**, ongoing since 2015, converges with the first signs of a rebound in the price of new homes (+1.3% YoY in Q1 2018)

Italian GDP projected to grow more than 1% in 2018 and 2019

Source: Consensus Economics

A Solid First Half

~€2.2bn Net income, the best H1 since 2008 (+25% vs 1H17 pro-forma[1])

~€2.6bn pro-forma Net income including capital gain from the Intrum agreement (~68% of the €3.8bn FY17 Net income already achieved[1])

Best ever H1 for Commissions and best H1 Operating income since 2008

Cost/Income down to 49.0%, with a more than 3% decrease YoY in Operating costs, leading to a 17% growth in Operating margin

€25bn NPL deleveraging since the peak of September 2015[2], at no cost to shareholders; half of 2018-2021 Business Plan NPL deleveraging target already achieved[2]

Common Equity[3] ratio up to 13.6%, well above regulatory requirements

Strong commitment to Corporate Social Responsibility thanks to a variety of initiatives already activated

Firmly on track to deliver 2018 Net income higher than the €3.8bn 2017 Net income[1] and 2018-2021 Business Plan targets

(1) Management data including the contribution of the two former Venetian banks – excluding public cash contribution of €3.5bn to offset the impact of the acquisition of certain assets of the two former Venetian banks on ISP's capital ratios – and the Morval Group consolidation
(2) Including Intrum agreement
(3) Pro-forma fully loaded Basel 3 (30.6.18 financial statements considering the total absorption of DTA related to goodwill realignment/adjustments to loans/non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of the operations of the two former Venetian banks, the expected distribution of 1H18 Net income of insurance companies, the expected absorption of DTA on losses carried forward, the capital increase to serve the Long-term Incentive Plan finalised in July 2018 and the savings shares conversion)

1H18 Results

Detailed Information

Key P&L and Balance Sheet Figures

€ m

	1H18
Operating income	9,416
Operating costs	(4,610)
Cost/Income ratio	49.0%
Operating margin	4,806
Gross income (loss)	3,553
Net income	2,179

	30.6.18
Loans to Customers	399,859[2]
Customer Financial Assets[3]	948,379
of which Direct Deposits from Banking Business	430,976
of which Direct Deposits from Insurance Business and Technical Reserves	151,538
of which Indirect Customer Deposits	515,998
- Assets under Management	*339,850*
- Assets under Administration	*176,148*
RWA	282,383

+5.0%[1] average loans 1H18 vs 1H17

Note: data including the Morval Group consolidation. Figures may not add up exactly due to rounding
(1) Average Performing loans to customers excluding the loan granted to the former Venetian banks in compulsory administrative liquidation
(2) Decrease vs 31.12.17 mainly due to new IFRS9 requirements pertaining to classification, FTA (First Time Adoption) impact and the 2Q18 reclassification of the Bad loans disposal to Intrum in Non-current assets held for sale and discontinued operations
(3) Net of duplications between Direct Deposits and Indirect Customer Deposits

Contents

H1 vs H1: Best H1 Net Income since 2008

€ m

	1H17		1H18	Δ%
	Pro-forma(1) [A]	Excluding the two former Venetian Banks [B]	[C]	[C] / [A]
Net interest income	3,771	3,621	3,694	(2.0)
Net fee and commission income	3,920	3,763	4,004	2.1
Income from insurance business	523	523	575	9.9
Profits on financial assets and liabilities at fair value	560	594	1,094	95.4
Other operating income (expenses)	103	72	49	(52.4)
Operating income	**8,877**	**8,573**	**9,416**	**6.1**
Personnel expenses	(2,964)	(2,633)	(2,895)	(2.3)
Other administrative expenses	(1,404)	(1,220)	(1,311)	(6.6)
Adjustments to property, equipment and intangible assets	(403)	(374)	(404)	0.2
Operating costs	**(4,771)**	**(4,227)**	**(4,610)**	**(3.4)**
Operating margin	**4,106**	**4,346**	**4,806**	**17.0**
Net adjustments to loans	(1,434)	(1,432)	(1,177)	(17.9)
Net provisions and net impairment losses on other assets	(69)	(59)	(86)	24.6
Other income (expenses)	3,813	3,813	10	(99.7)
Income (Loss) from discontinued operations	0	0	0	n.m.
Gross income (loss)	**6,416**	**6,668**	**3,553**	**(44.6)**
Taxes on income	(866)	(890)	(1,052)	21.5
Charges (net of tax) for integration and exit incentives	(53)	(53)	(35)	(34.0)
Effect of purchase price allocation (net of tax)	(11)	(11)	(70)	536.4
Levies and other charges concerning the banking industry (net of tax)	(489)	(460)	(200)(3)	(59.1)
Impairment (net of tax) of goodwill and other intangible assets	0	0	0	n.m.
Minority interests	241	(16)	(17)	n.m.
Net income	**5,238**	**5,238**	**2,179**	**(58.4)**
Net income excluding the public cash contribution(2)	**1,738**	**1,738**	**2,179**	**25.4**

+22% excluding public cash contribution(2) booked in 1H17

~€2.6bn pro-forma including Intrum agreement capital gain

Note: figures may not add up exactly due to rounding
(1) Management data including the contribution of the two former Venetian banks and the Morval Group consolidation
(2) Public cash contribution of €3.5bn to offset the impact of the acquisition of certain assets of the two former Venetian banks on ISP's capital ratios
(3) €288m pre-tax (€200m net of tax) of which charges for the Resolution Fund: €198m pre-tax (€138m net of tax), our estimated commitment for the year fully funded. ~€80m pre-tax (€53m net of tax) additional contribution for the National Resolution Fund

Q2 vs Q1: €927m Net Income

€ m

	1Q18 Restated	2Q18	Δ%
Net interest income	1,855	1,839	(0.9)
Net fee and commission income	2,013	1,991	(1.1)
Income from insurance business	294	281	(4.4)
Profits on financial assets and liabilities at fair value	622	472	(24.1)
Other operating income (expenses)	28	21	(25.0)
Operating income	**4,812**	**4,604**	**(4.3)**
Personnel expenses	(1,440)	(1,455)	1.0
Other administrative expenses	(660)	(651)	(1.4)
Adjustments to property, equipment and intangible assets	(204)	(200)	(2.0)
Operating costs	**(2,304)**	**(2,306)**	**0.1**
Operating margin	**2,508**	**2,298**	**(8.4)**
Net adjustments to loans	(483)	(694)	43.7
Net provisions and net impairment losses on other assets	(51)	(35)	(31.4)
Other income (expenses)	2	8	300.0
Income (Loss) from discontinued operations	1	(1)	n.m.
Gross income (loss)	**1,977**	**1,576**	**(20.3)**
Taxes on income	(544)	(508)	(6.6)
Charges (net of tax) for integration and exit incentives	(19)	(16)	(15.8)
Effect of purchase price allocation (net of tax)	(44)	(26)	(40.9)
Levies and other charges concerning the banking industry (net of tax)	(117)	(83)[2]	(29.1)
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	(1)	(16)	n.m.
Net income	**1,252**	**927**	**(26.0)**

+1.2% excluding NTV positive impact[1] booked in Q1 (Operating income)

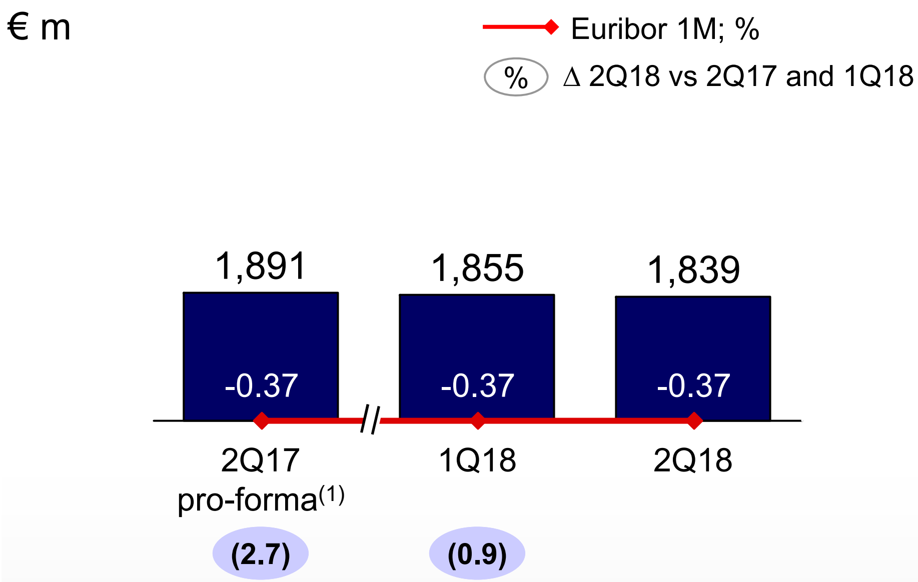
+2.4% excluding NTV positive impact[1] booked in Q1 (Operating margin)

Note: 1Q18 data restated to reflect the Morval Group consolidation. Figures may not add up exactly due to rounding
(1) €264m pre-tax (€246m net of tax)
(2) ~€120m pre-tax (€83m net of tax) of which ~€80m pre-tax (€53m net of tax) additional contribution for the National Resolution Fund

INTESA SANPAOLO

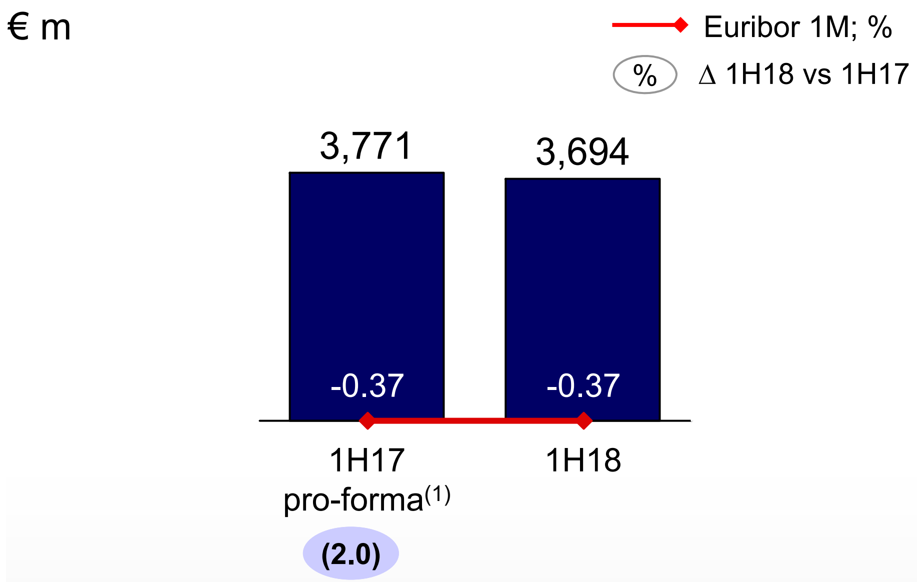
Net Interest Income: Impacted by All-Time Low Interest Rates

Quarterly Analysis



- **Slight increase vs Q1 excluding the Intrum agreement impact**
- **1.5% growth in average Direct deposits from banking business vs Q1**

Yearly Analysis

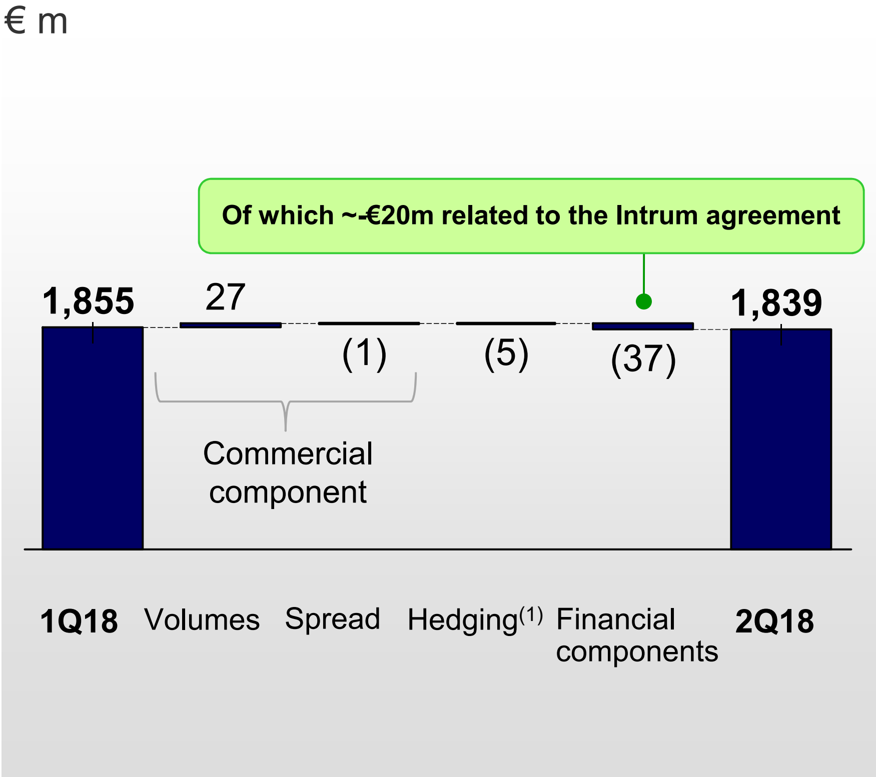


- **€214m growth in the commercial component**
- **Decrease due to active management of securities portfolio and lower contribution from core deposit hedging**
- **5.0%[2] growth in average Performing loans to customers**
- **3.8% growth in average Direct deposits from banking business**

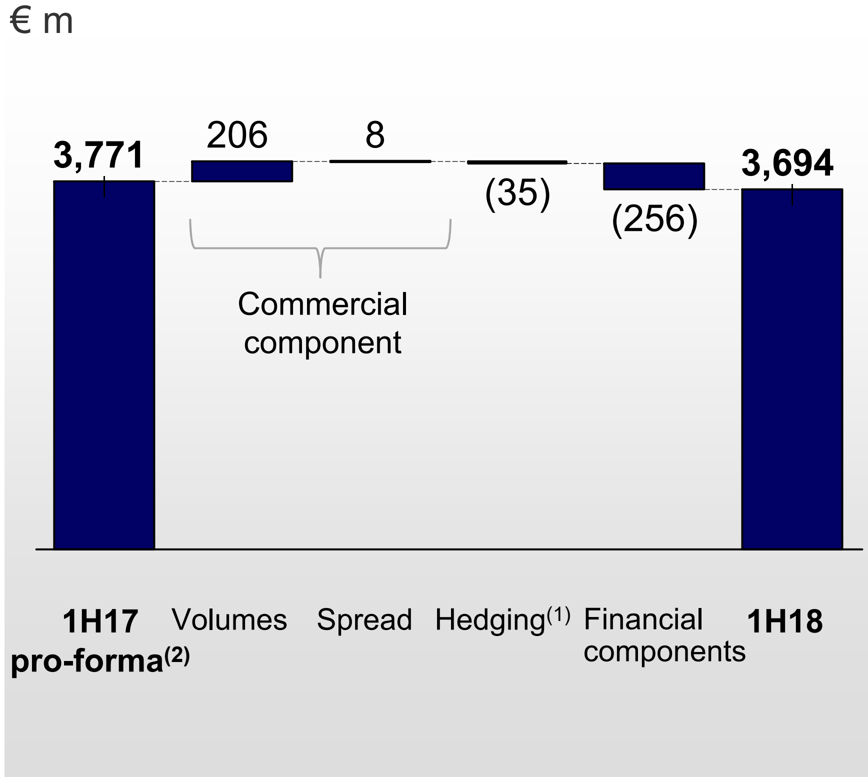
(1) Management data including the contribution of the two former Venetian banks and the Morval Group consolidation
(2) Average Performing loans to customers excluding the loan granted to the former Venetian banks in compulsory administrative liquidation

Net Interest Income: Strong Increase in the Commercial Component

Quarterly Analysis



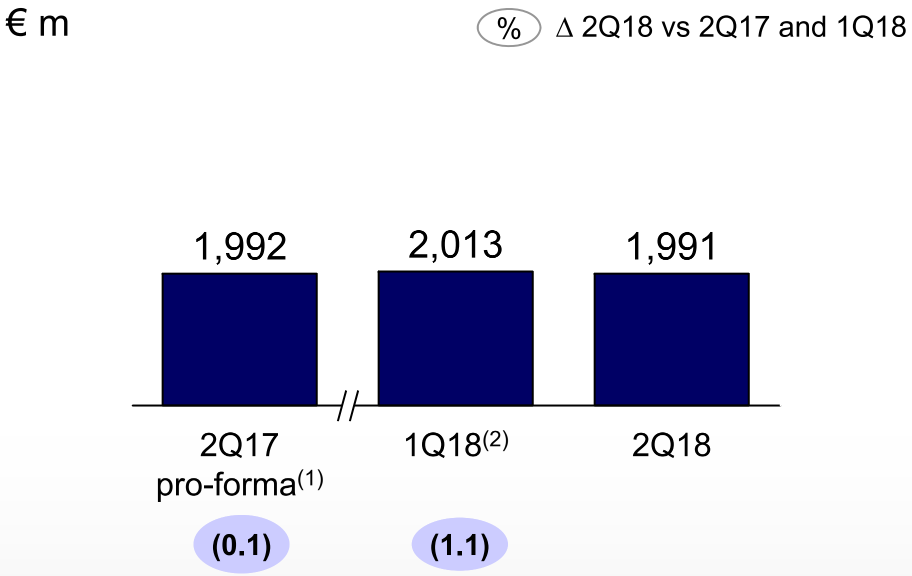
Yearly Analysis



Note: figures may not add up exactly due to rounding
(1) ~€194m benefit from hedging on core deposits in 1H18, of which ~€95m in 2Q18
(2) Management data including the contribution of the two former Venetian banks and the Morval Group consolidation

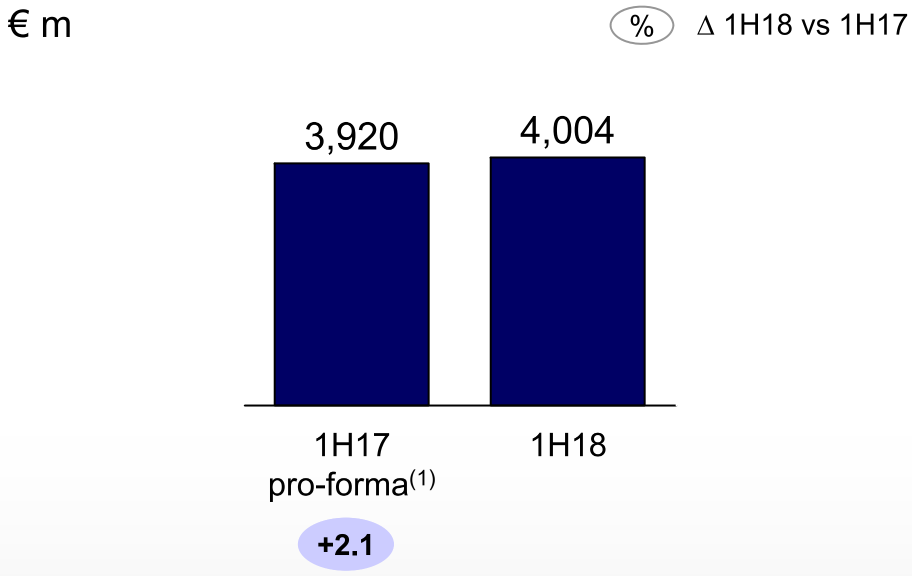
Net Fee and Commission Income: Best H1 Ever despite the Challenging Environment

Quarterly Analysis



- **Second best ever Q2**
- **Increase vs 1Q18 in commissions from Commercial banking activities (+8.7%; +€49m)**
- **€1.6bn of AuM net inflows in 2Q18**

Yearly Analysis

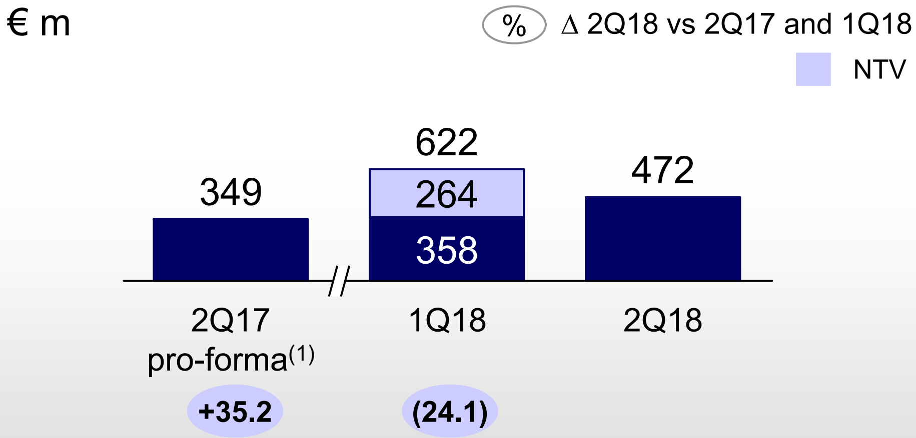


- **Increase in commissions from Commercial banking activities (+4.2%; +€47m)[3]**
- **Growth in commissions from Management, dealing and consultancy activities (+3.0%; +€71m)[3] owing mainly to Dealing and placement of securities and AuM**
- **More than €12bn increase in AuM stock on a yearly basis**

(1) Management data including the contribution of the two former Venetian banks and the Morval Group consolidation
(2) Data restated to reflect the Morval Group consolidation
(3) Variation calculated considering management data including the contribution of the two former Venetian banks and the Morval Group consolidation

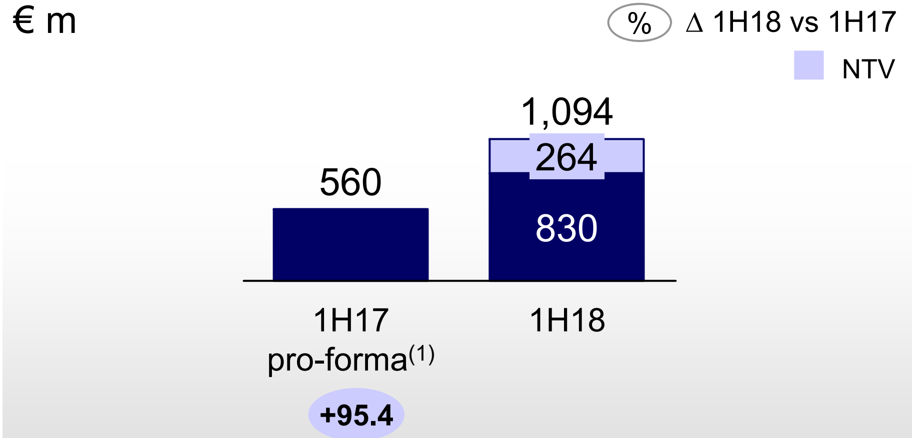
Profits on Financial Assets and Liabilities at Fair Value: Excellent Performance

Quarterly Analysis



- **+31.8% vs 1Q18 when excluding the NTV positive impact**

Yearly Analysis



- **Strong increase even when excluding NTV positive impact (+48.2%)**

Contributions by Activity

	2Q17 pro-forma[1]	1Q18	2Q18	1H17 pro-forma[1]	1H18
Customers	140	112	122	271	233
Capital markets	22	285[2]	98	39	382[2]
Trading and Treasury	175	223	250	229	474
Structured credit products	12	2	3	20	5

Note: figures may not add up exactly due to rounding
(1) Management data including the contribution of the two former Venetian banks and the Morval Group consolidation
(2) Including €264m NTV (Nuovo Trasporto Viaggiatori) positive impact

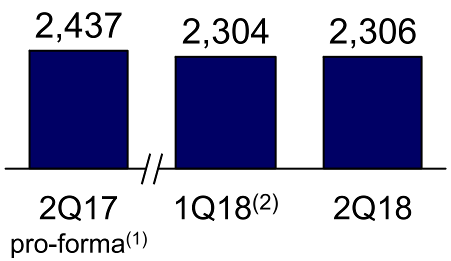
Operating Costs: Strong Decrease on a Yearly Basis

Quarterly Analysis

% Δ 2Q18 vs 2Q17 and 1Q18

Operating Costs

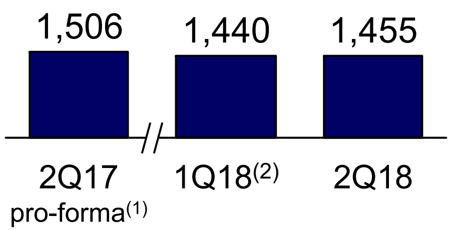
€ m



(5.4) +0.1

Personnel Expenses

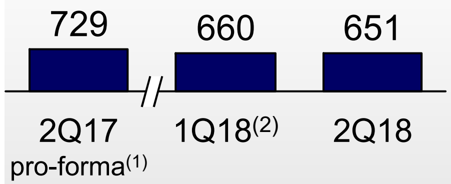
€ m



(3.4) +1.0

Other Administrative Expenses

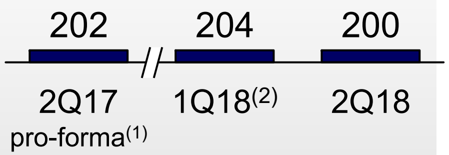
€ m



(10.7) (1.4)

Adjustments

€ m



(1.0) (2.0)

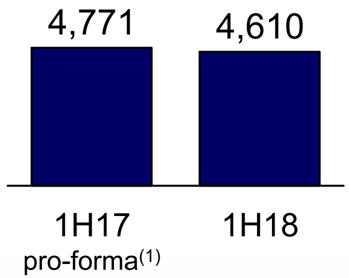
- **Strong decrease (-10.7%) vs 2Q17 in Other Administrative Expenses**
- **~1,100 headcount reduction in Q2**

Yearly Analysis

% Δ 1H18 vs 1H17

Operating Costs

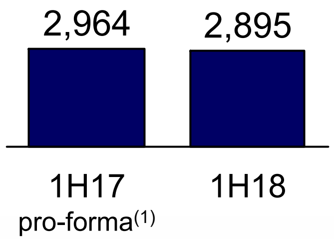
€ m



(3.4)

Personnel Expenses

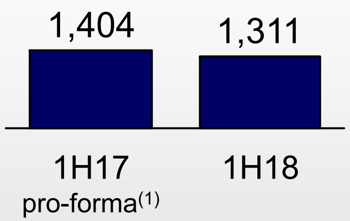
€ m



(2.3)

Other Administrative Expenses

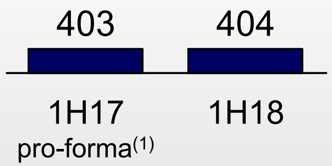
€ m



(6.6)

Adjustments

€ m



+0.2

- **Cost/Income ratio down to 49.0% (vs 55.1% in FY17 pro-forma[1])**
- **~3,700 headcount reduction**

(1) Management data including the contribution of the two former Venetian banks and the Morval Group consolidation
(2) Data restated to reflect the Morval Group consolidation

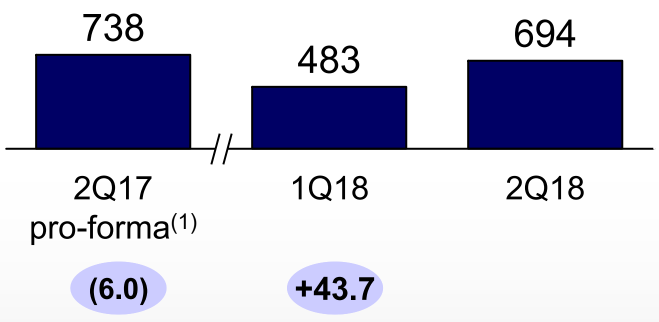
INTESA SANPAOLO

Net Adjustments to Loans: Significant Yearly Reduction Coupled with Increased NPL Coverage

Quarterly Analysis

€ m

% Δ 2Q18 vs 2Q17 and 1Q18

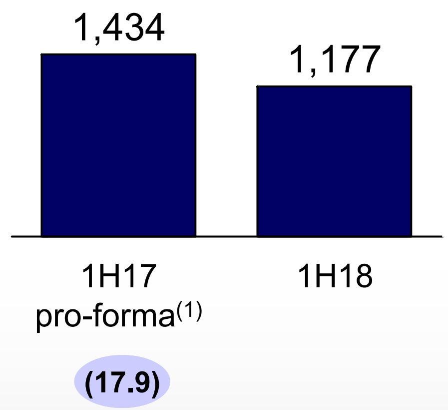


- **Eleventh consecutive quarterly reduction in NPL stock**
- **€25bn[2] NPL deleveraging since the peak of 30.9.15**

Yearly Analysis

€ m

% Δ 1H18 vs 1H17



- **Lowest Net adjustments to loans since 1H08**
- **Annualised cost of credit down to 59bps (vs 81bps in FY17 pro-forma[1])**
- **Non-performing loans cash coverage up to 53.4%[3] (vs 49.1% as of 30.6.17 pro-forma[1])**

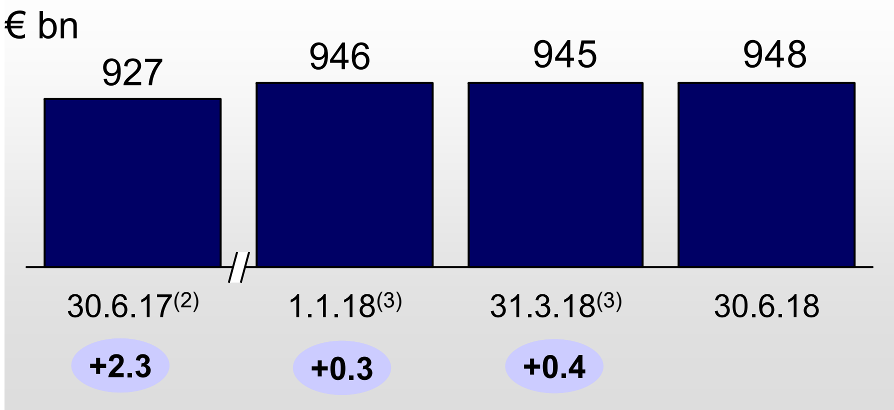
(1) Management data including the contribution of the two former Venetian banks and the Morval Group consolidation
(2) Including the Intrum agreement
(3) After the Intrum agreement

Contents

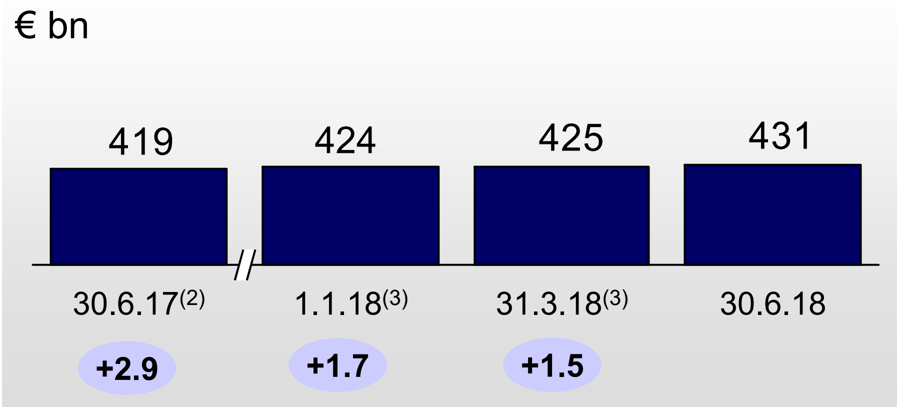
Growth in Customer Financial Assets

% Δ 30.6.18 vs 30.6.17, 1.1.18, 31.3.18

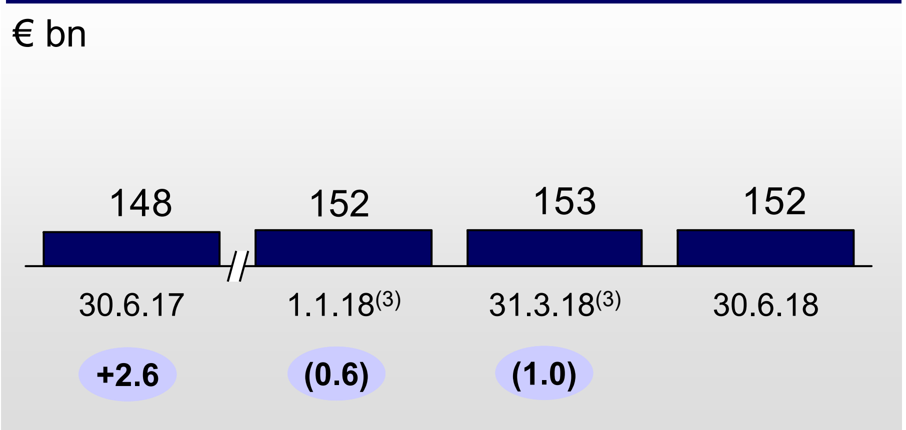
Customer Financial Assets[1]



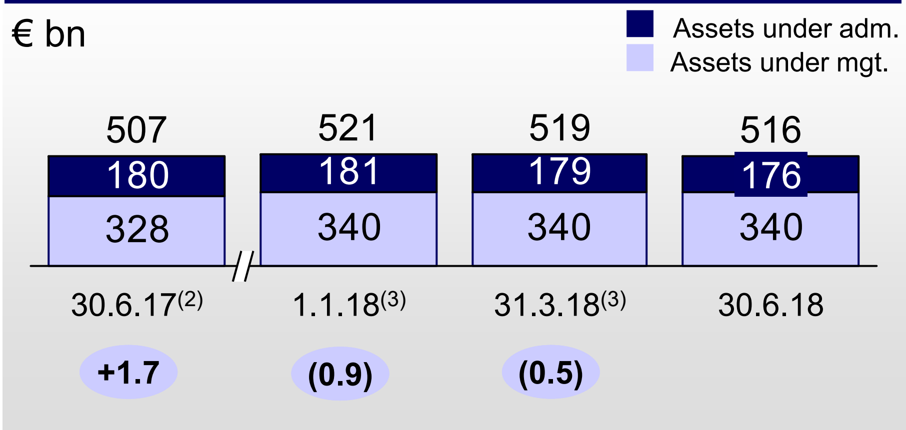
Direct Deposits from Banking Business



Direct Deposits from Insurance Business and Technical Reserves



Indirect Customer Deposits



Note: figures may not add up exactly due to rounding
(1) Net of duplications between Direct Deposits and Indirect Customer Deposits
(2) Management data including the contribution of the two former Venetian banks and the Morval Group consolidation
(3) Data restated to reflect the Morval Group consolidation

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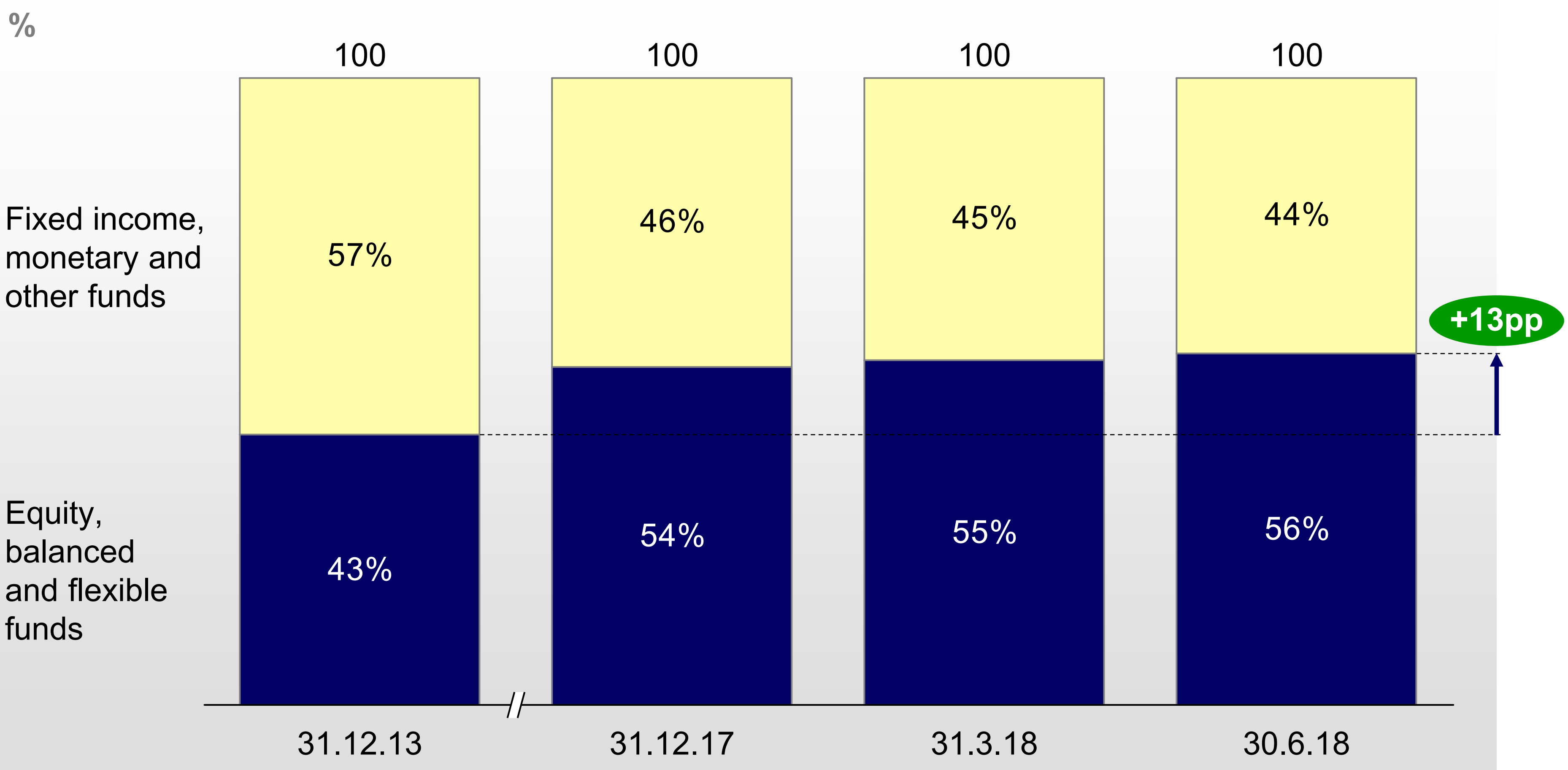
Mutual Funds Mix

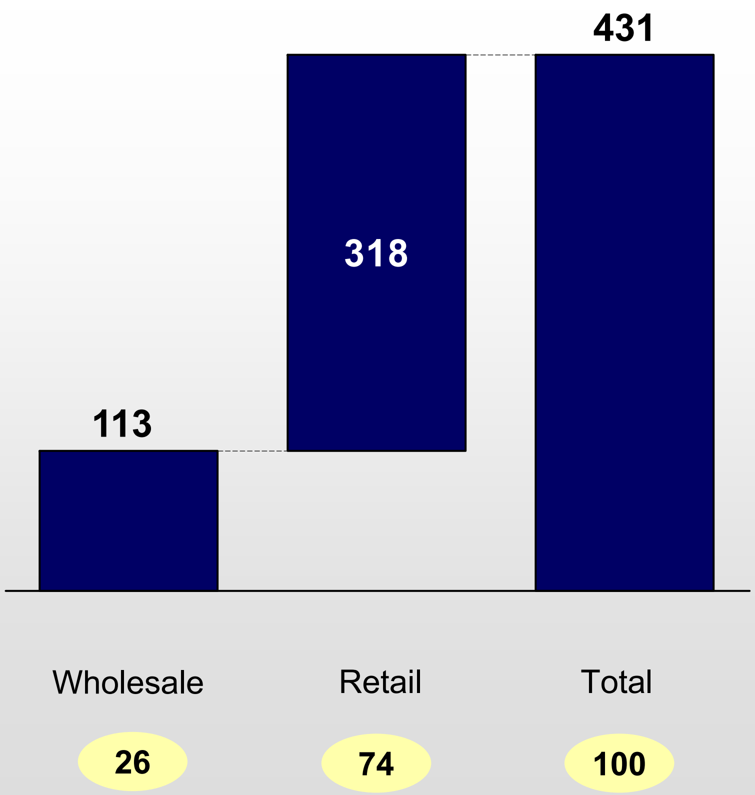
Mutual funds mix



Funding Mix

Breakdown of Direct Deposits from Banking Business

€ bn as of 30.6.18; % Percentage of total



	Wholesale	Retail
■ Current accounts and deposits	8	287
■ Repos and securities lending	30	-
■ Senior bonds	41	12(1)
■ Covered bonds	12	-
■ EMTN puttable	-	-
■ Certificates of deposit + Commercial papers	11	-
■ Subordinated liabilities	9	2
■ Other deposits	-	17(2)

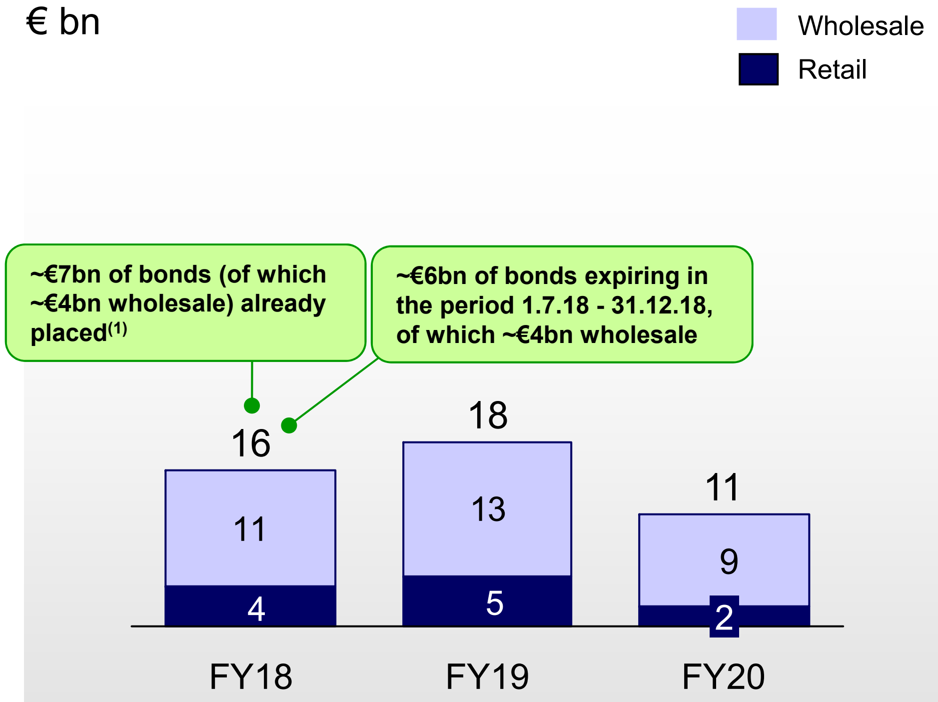
Placed with Private Banking clients

Retail funding represents 74% of Direct deposits from banking business

Note: figures may not add up exactly due to rounding
(1) 26% placed with Private Banking clients
(2) Including Certificates

Strong Funding Capability: Broad Access to International Markets

2018-2020 MLT Bond Maturities



ISP Main Wholesale Issues

2017

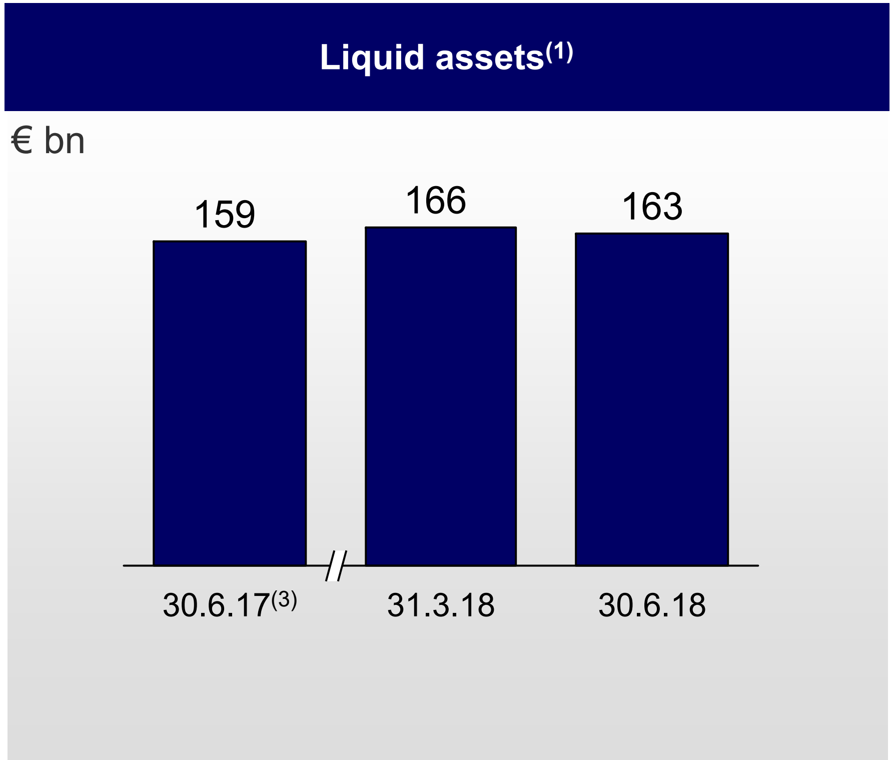
- €2bn Additional Tier 1, €2.5bn senior unsecured eurobond, €1bn covered bonds, €500m green bond and $2.5bn senior unsecured placed. On average 83% demand from foreign investors; targets exceeded by 167%
  - January: €1.25bn Additional Tier 1 issue and €1bn 7y senior unsecured eurobond issue
  - April: €1.5bn 5y senior unsecured eurobond issue
  - May: €750m Additional Tier 1 issue
  - June: €1bn 10y covered bonds backed by residential mortgages and inaugural €500m 5y senior unsecured green bond, first Italian bank to debut as a "green" issuer
  - July: $2.5bn senior unsecured issue equally split between 5y and 10y tranches

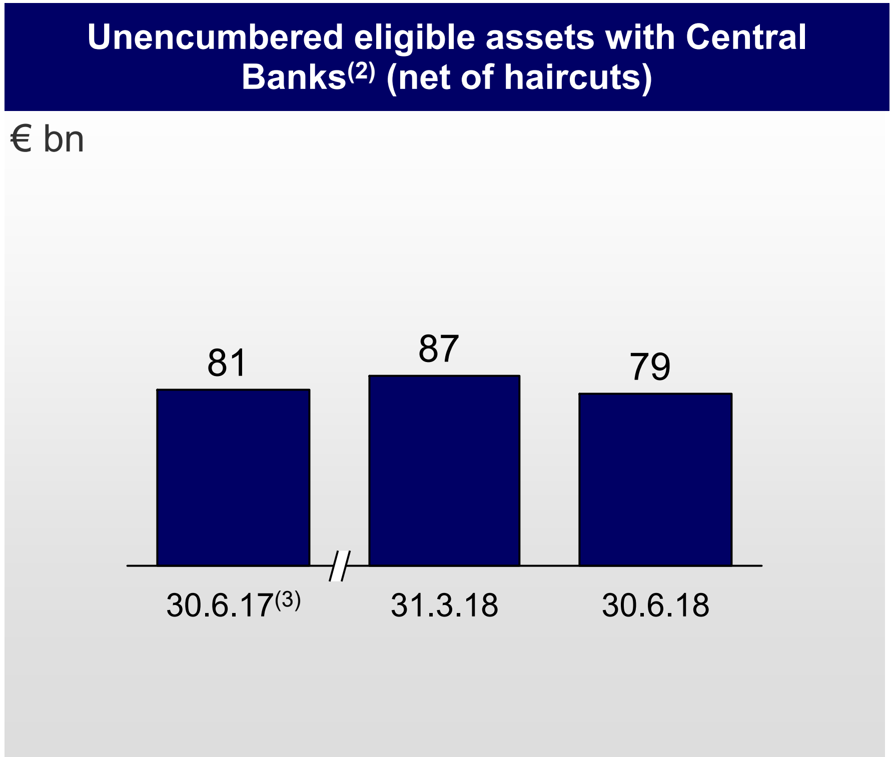
2018

- $2.5bn senior unsecured, JPY46.6bn senior unsecured, €1.25bn senior unsecured and €1bn covered bonds placed. On average 90% demand from foreign investors; targets exceeded by 151%
  - January: $2.5bn triple-tranche senior unsecured issue split between $1bn 5y, $1bn 10y and $500m 30y
  - February: inaugural senior unsecured Tokyo Pro-Bond for a total of JPY46.6bn, the first Pro-Bond transaction for an Italian issuer, split between 3y-5y-10y-15y tranches
  - March: €1.25bn 10y senior unsecured issue
  - July: €1bn 7y covered bonds backed by residential mortgages

Note: figures may not add up exactly due to rounding
(1) Data as of 30.6.18

High Liquidity: LCR and NSFR Well Above Regulatory Requirements



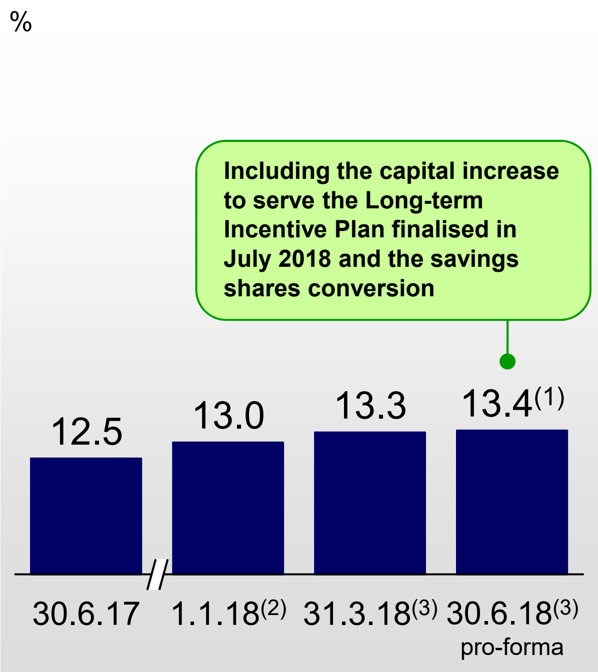


- **TLTRO II: ~€61bn[4]**
- **Loan to Deposit ratio[5] at 93%**

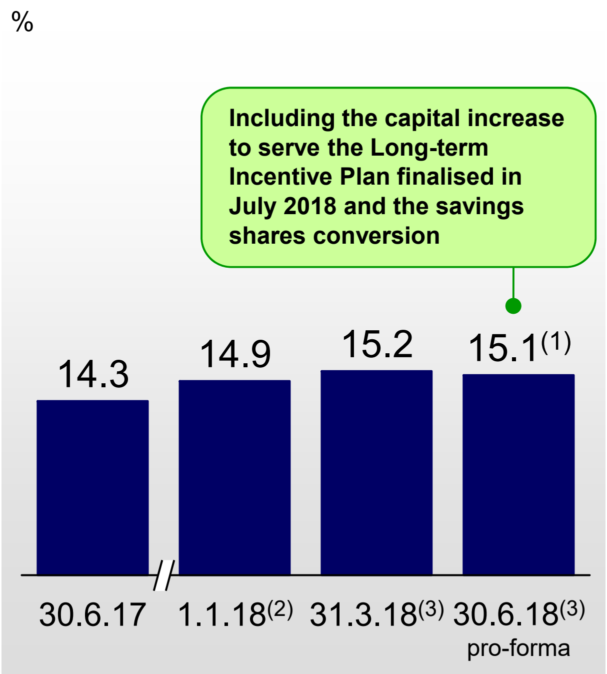
(1) Stock of own-account eligible assets (including assets used as collateral and excluding eligible assets received as collateral) and cash & deposits with Central Banks
(2) Eligible assets freely available (excluding assets used as collateral and including eligible assets received as collateral) and cash & deposits with Central Banks
(3) Excluding contribution of the two former Venetian banks
(4) In June 2016: ~€36bn against a repayment of the €27.6bn borrowed under TLTRO I, in September 2016: ~€5bn, in December 2016: ~€3.5bn and in March 2017: €12bn. Including the TLTRO II taken by the two former Venetian banks (~€7.1bn split between ~€6.8bn in June 2016 and €300m in December 2016). In 2Q18: ~€2.5bn mandatory early repayment related to the two former Venetian Banks
(5) Loans to Customers/Direct Deposits from Banking Business

Solid Capital Base

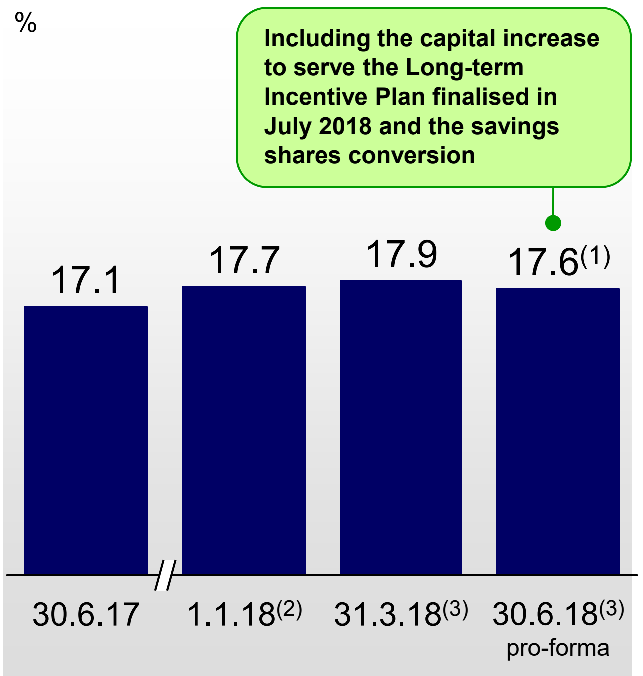
Phased-in Common Equity Ratio



Phased-in Tier 1 Ratio



Phased-in Total Capital Ratio



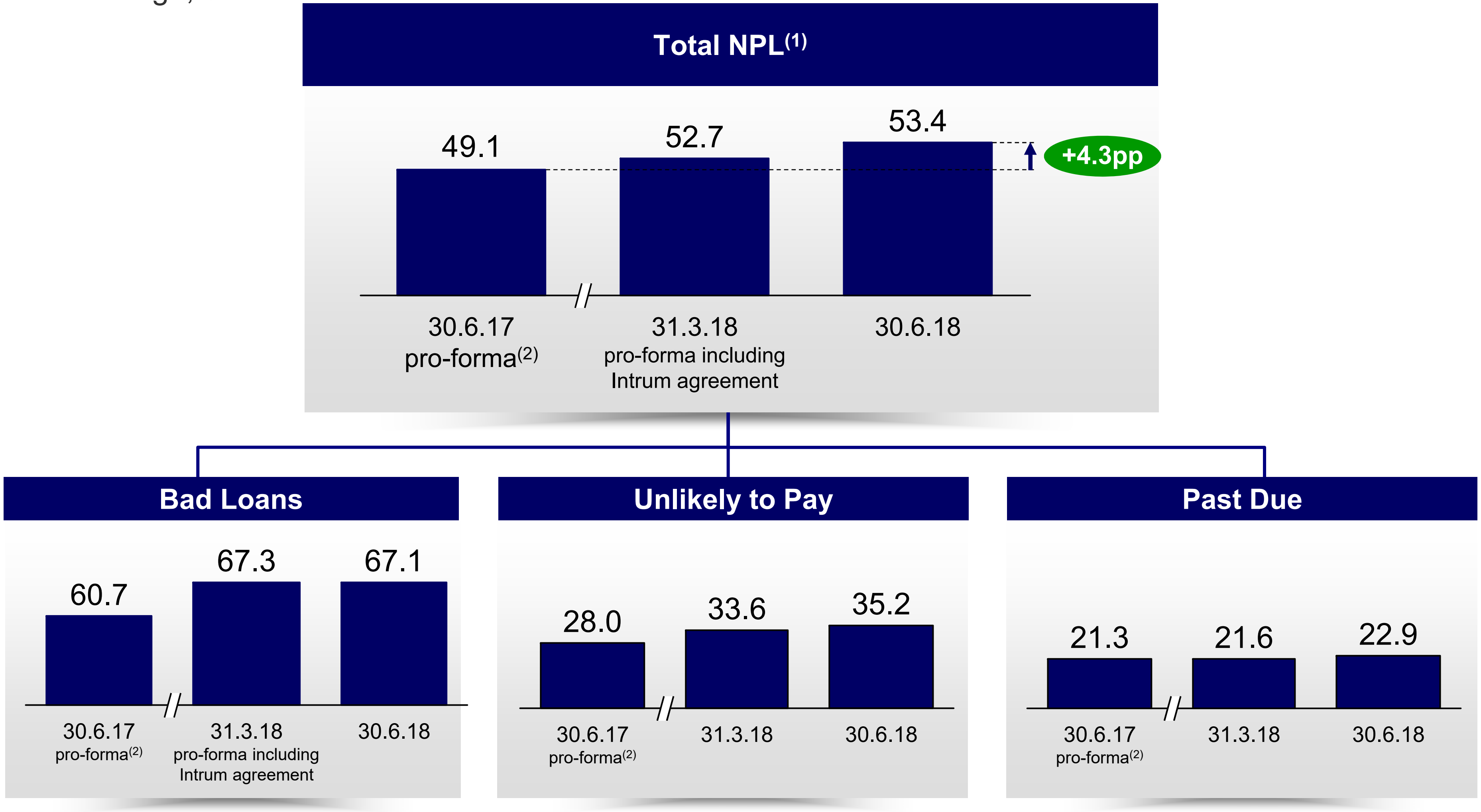
- **13.6% pro-forma fully loaded Common Equity ratio[4]**
- **6.2% leverage ratio**

(1) 12.8% Phased-in CET1 ratio; 14.6% Phased-in Tier 1 ratio; 17.1% Phased-in Total Capital ratio
(2) Considering IFRS9 FTA and 2018 transitional rules impact
(3) After the deduction of accrued dividends, assumed equal to 85% of the Net income for the period, and coupons accrued on the Additional Tier 1 issues
(4) Pro-forma fully loaded Basel 3 (30.6.18 financial statements considering the total absorption of DTA related to goodwill realignment/adjustments to loans/non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of the operations of the two former Venetian banks, the expected absorption of DTA on losses carried forward, the expected distribution of 1H18 Net income of insurance companies, the capital increase to serve the Long-term Incentive Plan finalised in July 2018 and the savings shares conversion)

Contents

Non-performing Loans: Sizeable and Increased Coverage

Cash coverage; %



(1) Bad Loans (*Sofferenze*), Unlikely to pay (*Inadempienze probabili*) and Past Due (*Scaduti e sconfinanti*)
(2) Management data including the contribution of the two former Venetian banks and the Morval Group consolidation

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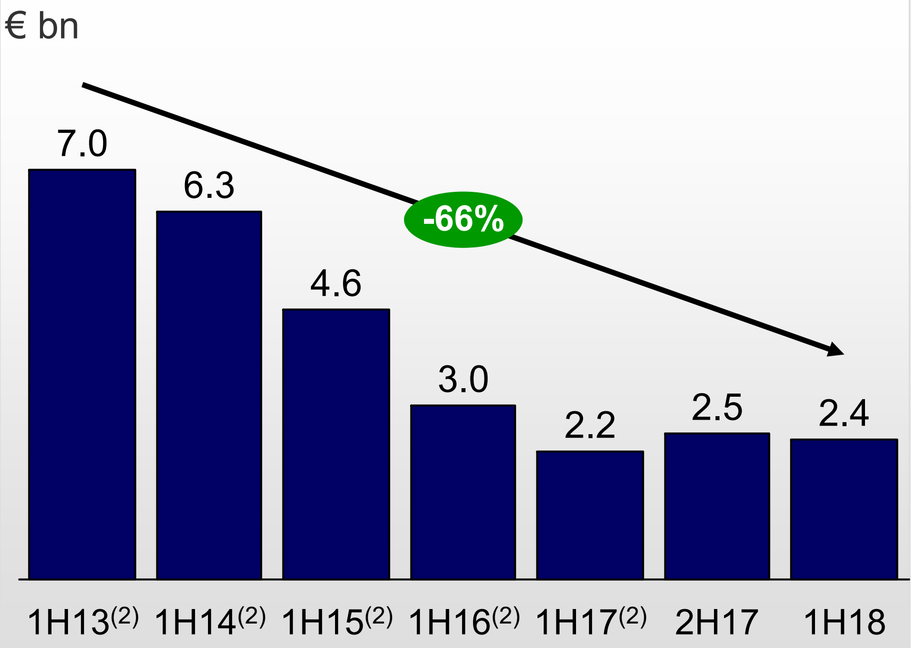
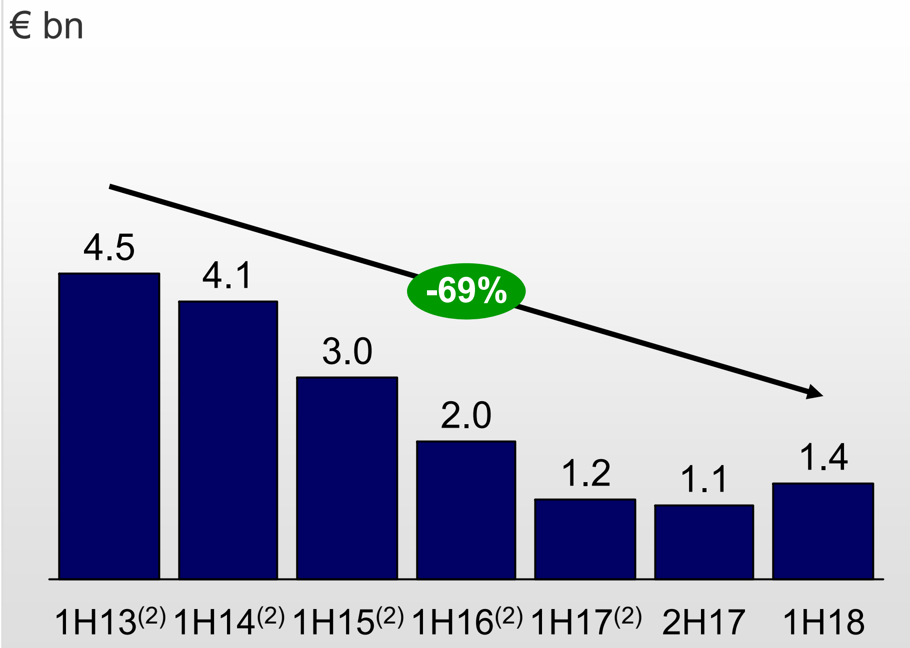
Non-performing Loans: Inflow Close to Historical Low

Gross inflow of new NPL(1) from Performing Loans



Net inflow of new NPL(1) from Performing Loans



(1) Bad Loans (Sofferenze), Unlikely to pay (Inadempienze probabili) and Past Due (Scaduti e sconfinanti)
(2) Excluding the two former Venetian banks

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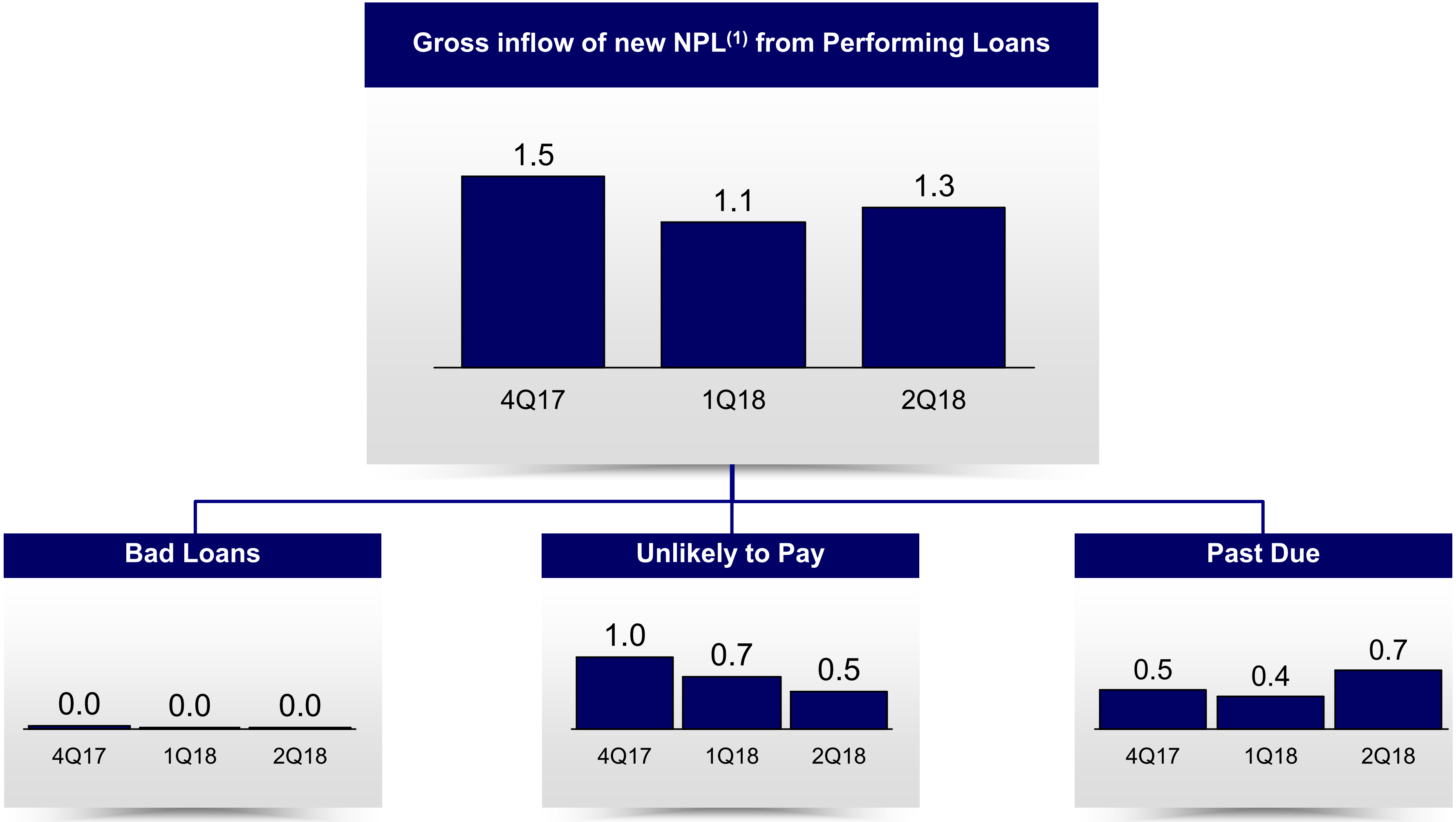
Non-performing Loans: Gross Inflow Close to Historical Low

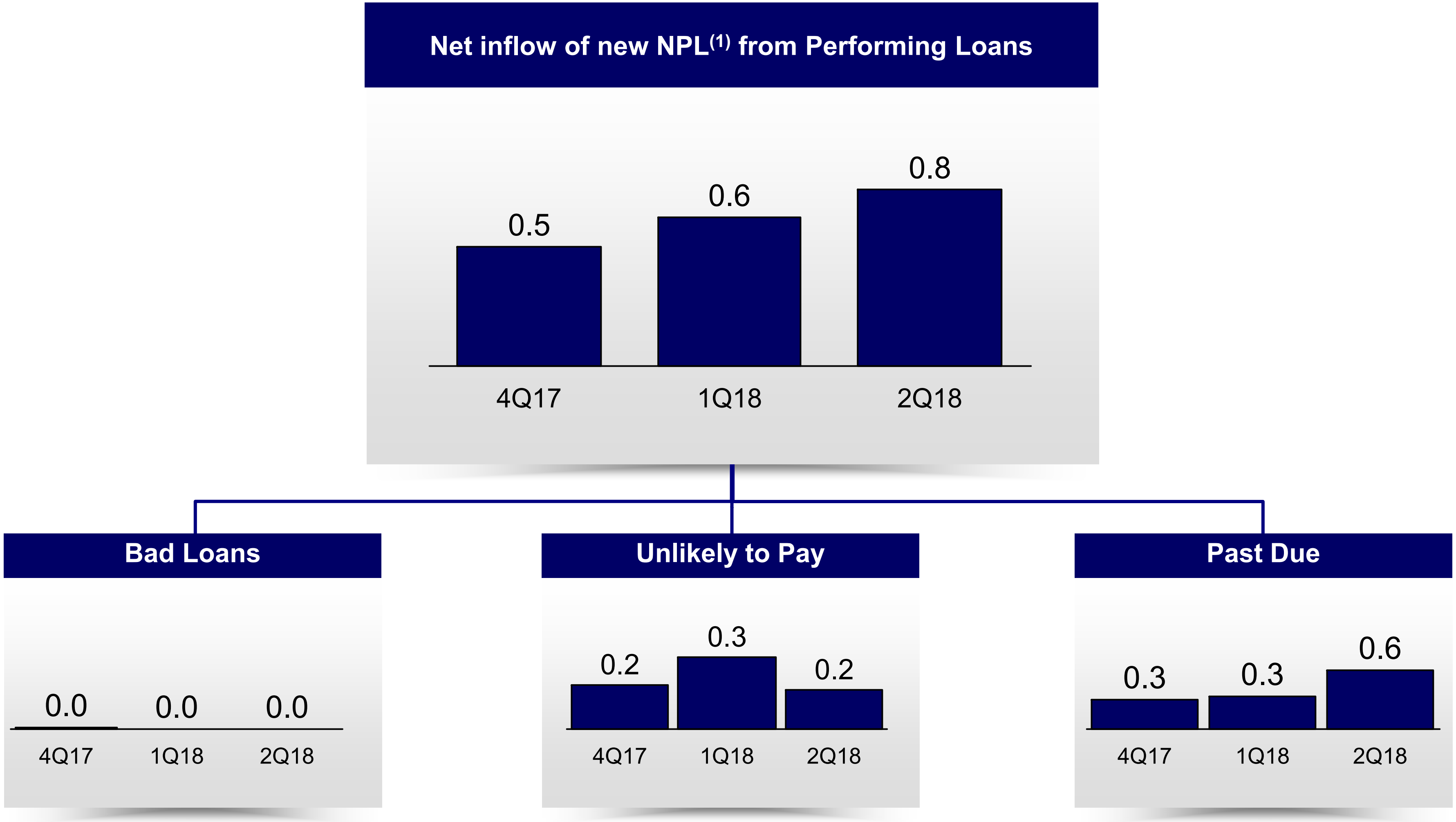
€ bn



Note: figures may not add up exactly due to rounding
(1) Bad Loans (*Sofferenze*), Unlikely to pay (*Inadempienze probabili*) and Past Due (*Scaduti e sconfinanti*)

Non-performing Loans: Net Inflow Close to Historical Low

€ bn

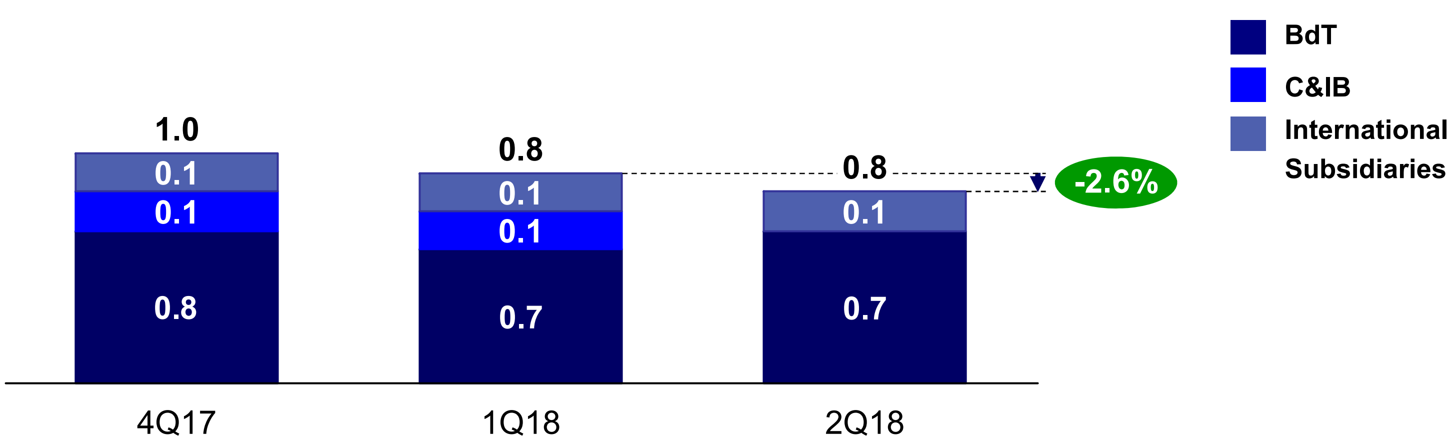


Note: figures may not add up exactly due to rounding
(1) Bad Loans (*Sofferenze*), Unlikely to pay (*Inadempienze probabili*) and Past Due (*Scaduti e sconfinanti*)

New Bad Loans: Decrease in Gross Inflow

€ bn

Group's new Bad Loans[1] gross inflow



BdT's new Bad Loans[1] gross inflow

	4Q17	1Q18	2Q18
Total	**0.8**	**0.7**	**0.7**
Mediocredito Italiano[2]	0.1	0.1	0.1
Households	0.1	0.2	0.2
SMEs	0.6	0.4	0.4

C&IB's new Bad Loans[1] gross inflow

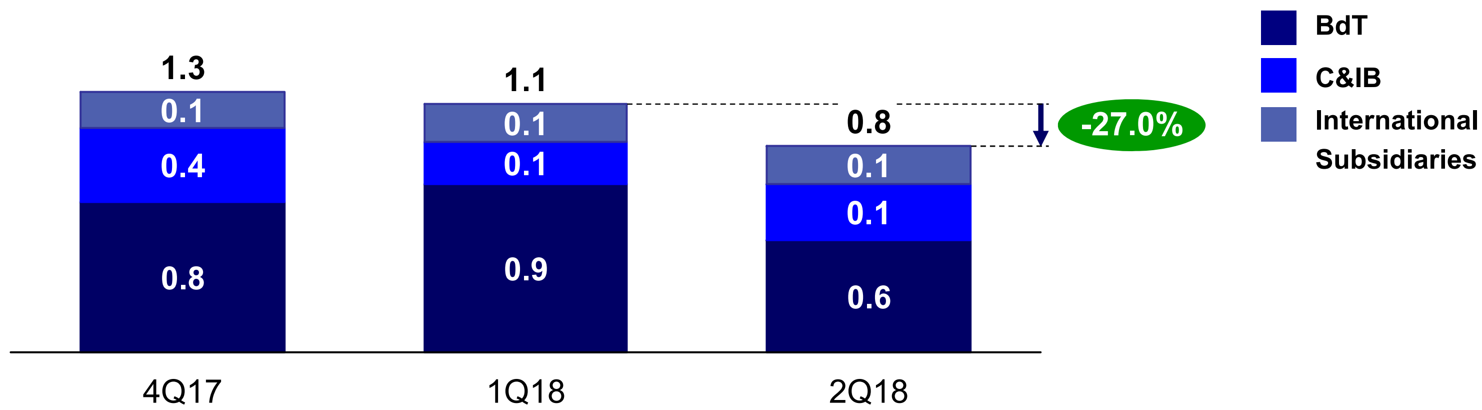
	4Q17	1Q18	2Q18
Total	**0.1**	**0.1**	**-**
Banca IMI[3]	-	-	-
Global Corporate	0.1	0.1	-
International	-	-	-
Financial Institutions	-	-	-

Note: figures may not add up exactly due to rounding
(1) *Sofferenze*
(2) Industrial Credit, Factoring and Leasing
(3) Capital Markets and Investment Banking

New Unlikely to Pay: Decrease in Gross Inflow

€ bn

Group's gross inflow of new Unlikely to Pay



BdT's gross inflow of new Unlikely to Pay

	4Q17	1Q18	2Q18
Total	**0.8**	**0.9**	**0.6**
Mediocredito Italiano[1]	0.1	0.1	0.1
Households	0.3	0.3	0.2
SMEs	0.4	0.5	0.3

C&IB's gross inflow of new Unlikely to Pay

	4Q17	1Q18	2Q18
Total	**0.4**	**0.1**	**0.1**
Banca IMI[2]	-	-	-
Global Corporate	0.4	-	0.1
International	-	-	-
Financial Institutions	-	-	-

Note: figures may not add up exactly due to rounding
(1) Industrial Credit, Factoring and Leasing
(2) Capital Markets and Investment Banking

Non-performing Loans: Eleventh Consecutive Quarterly Decline in Stock

Gross NPL

€ bn	30.6.17	31.12.17	31.3.18	31.3.18 pro-forma after Intrum agreement	30.6.18
Bad Loans	35.4	34.2	33.6	~23	22.9
- of which forborne	*2.5*	*3.0*	*3.0*		*2.6*
Unlikely to pay	18.8	17.4	16.5	16.5	15.9
- of which forborne	*9.0*	*8.1*	*8.0*		*7.7*
Past Due	0.4	0.5	0.5	0.5	0.7
- of which forborne	-	-	-		-
Total	**54.6**	**52.1**	**50.6**	**~40**	**39.5**

Net NPL

€ bn	30.6.17	31.12.17	31.3.18	31.3.18 pro-forma after Intrum agreement	30.6.18
Bad Loans	13.9	12.6	10.6	~7.5	7.5
- of which forborne	*1.1*	*1.3*	*1.1*		*1.0*
Unlikely to pay	13.5	12.5	11.0	11.0	10.3
- of which forborne	*6.7*	*6.1*	*5.5*		*5.2*
Past Due	0.3	0.4	0.4	0.4	0.5
- of which forborne	-	-	-		-
Total	**27.8**	**25.5**	**21.9**	**~19**	**18.4**

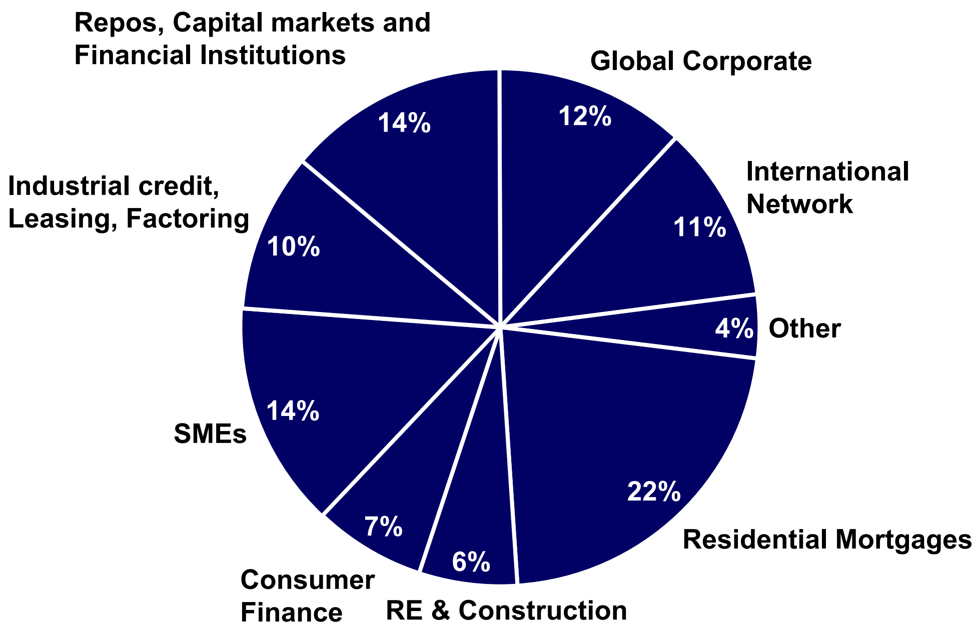
€25bn(1) deleveraging since the peak of 30.9.15, leading to the lowest Gross NPL stock since 2011 (lowest Net since 2009)

Note: figures may not add up exactly due to rounding

(1) Including the Intrum agreement

Loans to Customers: Well-diversified Portfolio

Breakdown by business area
(Data as of 30.6.18)



- **Low risk profile of residential mortgage portfolio**
  - Instalment/available income ratio at 33%
  - Average Loan-to-Value equal to 56%
  - Original average maturity equal to ~23 years
  - Residual average life equal to ~18 years

Breakdown by economic business sector

	30.6.18
Loans of the Italian banks and companies of the Group	
Households	**28.3%**
Public Administration	**1.9%**
Financial companies	**10.5%**
Non-financial companies	**33.0%**
of which:	
SERVICES	5.8%
DISTRIBUTION	5.6%
REAL ESTATE	3.7%
UTILITIES	2.6%
CONSTRUCTION	2.1%
METALS AND METAL PRODUCTS	1.8%
AGRICULTURE	1.6%
FOOD AND DRINK	1.4%
TRANSPORT	1.4%
MECHANICAL	1.0%
INTERMEDIATE INDUSTRIAL PRODUCTS	1.0%
FASHION	0.9%
ELECTROTECHNICAL AND ELECTRONIC	0.7%
TRANSPORTATION MEANS	0.5%
HOLDING AND OTHER	0.4%
INFRASTRUCTURE	0.4%
BASE AND INTERMEDIATE CHEMICALS	0.3%
MATERIALS FOR CONSTRUCTION	0.3%
ENERGY AND EXTRACTION	0.3%
PUBLISHING AND PRINTING	0.3%
FURNITURE	0.2%
PHARMACEUTICAL	0.2%
OTHER CONSUMPTION GOODS	0.2%
NON-CLASSIFIED UNITS	0.1%
MASS CONSUMPTION GOODS	0.1%
WHITE GOODS	0.1%
Rest of the world	**11.6%**
Loans of international banks and companies of the Group	**10.1%**
Non-performing loans	**4.6%**
TOTAL	**100.0%**

Note: figures may not add up exactly due to rounding

Contents

Divisional Financial Highlights

Data as of 30.6.18

	Divisions							
	Banca dei Territori	Corporate & Investment Banking	International Subsidiary Banks[1]	Private Banking[2]	Asset Management[3]	Insurance[4]	Corporate Centre / Others[5]	Total
Operating Income (€ m)	4,744	2,105	967	952	370	620	(342)	9,416
Operating Margin (€ m)	2,068	1,595	490	672	293	535	(847)	4,806
Net Income (€ m)	772	1,135	366	461	232	388	(1,175)	2,179
Cost/Income (%)	56.4	24.2	49.3	29.4	20.8	13.7	n.m.	49.0
RWA (€ bn)	96.4	80.9	30.8	10.2	0.9	0.0	63.2	282.4
Direct Deposits from Banking Business (€ bn)	194.2	103.3	37.2	33.2	0.0	0.0	63.1	431.0
Loans to Customers (€ bn)	214.1	116.9	29.7	8.9	0.3	0.0	30.0	399.9

Note: contribution from the two former Venetian banks attributed to the pertaining Divisions. Figures may not add up exactly due to rounding
(1) Excluding the Russian subsidiary Banca Intesa included in C&IB
(2) Fideuram, Intesa Sanpaolo Private Bank (Suisse), Intesa Sanpaolo Private Banking, Morval Group and Siref Fiduciaria
(3) Eurizon
(4) Fideuram Vita, Intesa Sanpaolo Assicura and Intesa Sanpaolo Vita
(5) Treasury Department, Central Structures, Capital Light Bank and consolidation adjustments

Banca dei Territori: H1 vs H1

€ m

	1H17 Pro-forma[1]	1H18	Δ%
Net interest income	2,328	2,352	1.0
Net fee and commission income	2,244	2,331	3.9
Income from insurance business	0	0	n.m.
Profits on financial assets and liabilities at fair value	34	37	8.8
Other operating income (expenses)	27	24	(11.1)
Operating income	**4,633**	**4,744**	**2.4**
Personnel expenses	(1,766)	(1,675)	(5.2)
Other administrative expenses	(1,062)	(999)	(5.9)
Adjustments to property, equipment and intangible assets	(3)	(2)	(33.3)
Operating costs	**(2,831)**	**(2,676)**	**(5.5)**
Operating margin	**1,802**	**2,068**	**14.8**
Net adjustments to loans	(548)	(803)	46.5
Net provisions and net impairment losses on other assets	(11)	(40)	263.6
Other income (expenses)	0	0	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	**1,243**	**1,225**	**(1.4)**
Taxes on income	(481)	(448)	(6.9)
Charges (net of tax) for integration and exit incentives	(23)	(4)	(82.6)
Effect of purchase price allocation (net of tax)	(2)	(1)	(50.0)
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	0	0	n.m.
Net income	**737**	**772**	**4.7**

Note: figures may not add up exactly due to rounding
(1) Management data including the contribution of the two former Venetian banks

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Banca dei Territori: Q2 vs Q1

€ m

	1Q18	2Q18	Δ%
Net interest income	1,188	1,164	(2.1)
Net fee and commission income	1,188	1,143	(3.8)
Income from insurance business	0	0	(57.7)
Profits on financial assets and liabilities at fair value	18	20	12.6
Other operating income (expenses)	5	19	268.9
Operating income	**2,399**	**2,345**	**(2.3)**
Personnel expenses	(829)	(846)	2.1
Other administrative expenses	(515)	(484)	(6.0)
Adjustments to property, equipment and intangible assets	(2)	(0)	(75.4)
Operating costs	**(1,346)**	**(1,331)**	**(1.1)**
Operating margin	**1,053**	**1,014**	**(3.7)**
Net adjustments to loans	(363)	(440)	21.1
Net provisions and net impairment losses on other assets	(22)	(18)	(20.7)
Other income (expenses)	0	0	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	**668**	**557**	**(16.6)**
Taxes on income	(244)	(203)	(16.8)
Charges (net of tax) for integration and exit incentives	(2)	(2)	53.8
Effect of purchase price allocation (net of tax)	(0)	(1)	58.5
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	0	0	n.m.
Net income	**422**	**350**	**(16.9)**

Note: figures may not add up exactly due to rounding

Corporate and Investment Banking: H1 vs H1

€ m

	1H17 Pro-forma(1)	1H18	Δ%
Net interest income	830	816	(1.7)
Net fee and commission income	475	436	(8.2)
Income from insurance business	0	0	n.m.
Profits on financial assets and liabilities at fair value	383	849	121.7
Other operating income (expenses)	6	4	(33.3)
Operating income	**1,694**	**2,105**	**24.3**
Personnel expenses	(196)	(201)	2.6
Other administrative expenses	(296)	(304)	2.7
Adjustments to property, equipment and intangible assets	(5)	(5)	0.0
Operating costs	**(497)**	**(510)**	**2.6**
Operating margin	**1,197**	**1,595**	**33.3**
Net adjustments to loans	(148)	(15)	(89.9)
Net provisions and net impairment losses on other assets	(23)	(4)	(82.6)
Other income (expenses)	109	0	(100.0)
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	**1,135**	**1,576**	**38.9**
Taxes on income	(319)	(439)	37.6
Charges (net of tax) for integration and exit incentives	(2)	(2)	0.0
Effect of purchase price allocation (net of tax)	0	0	n.m.
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	0	0	n.m.
Net income	**814**	**1,135**	**39.4**

Note: figures may not add up exactly due to rounding
(1) Management data including the contribution of the two former Venetian banks

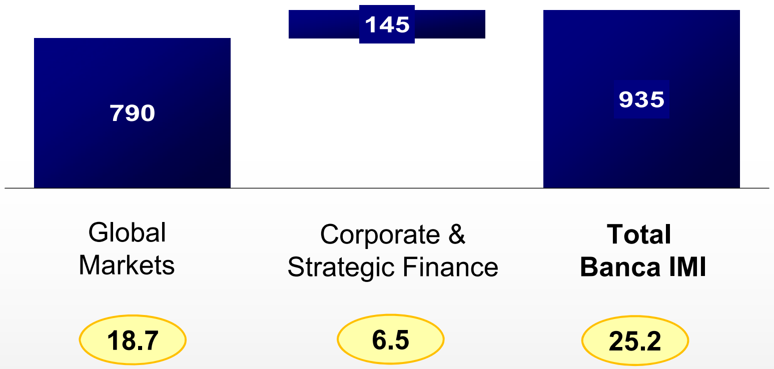
Banca IMI: A Significant Contribution to Group Results

1H18 Results

Banca IMI Operating Income[1]

€ m

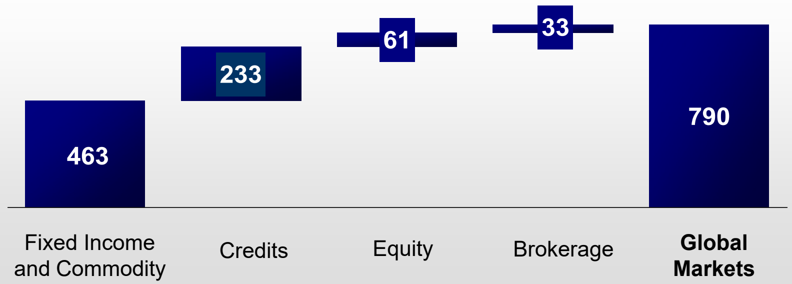
RWA (€ bn)



- **~50% of Operating income is customer driven**
- **H1 average VaR at €45m**
- **Cost/Income ratio at 24.9%**
- **H1 Net income at €433m**

of which: Global Markets

€ m



of which: Corporate & Strategic Finance

€ m

Note: figures may not add up exactly due to rounding
(1) Banca IMI S.p.A. and its subsidiaries

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Corporate and Investment Banking: Q2 vs Q1

€ m

	1Q18	2Q18	∆%
Net interest income	402	414	2.9
Net fee and commission income	213	222	4.1
Income from insurance business	0	0	n.m.
Profits on financial assets and liabilities at fair value	543	307	(43.5)
Other operating income (expenses)	2	2	14.6
Operating income	**1,160**	**945**	**(18.6)**
Personnel expenses	(101)	(100)	(0.3)
Other administrative expenses	(151)	(153)	1.4
Adjustments to property, equipment and intangible assets	(2)	(3)	33.6
Operating costs	**(254)**	**(256)**	**1.0**
Operating margin	**907**	**689**	**(24.1)**
Net adjustments to loans	(28)	13	n.m.
Net provisions and net impairment losses on other assets	(6)	1	n.m.
Other income (expenses)	0	0	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	**873**	**703**	**(19.5)**
Taxes on income	(204)	(235)	15.2
Charges (net of tax) for integration and exit incentives	(0)	(2)	n.m.
Effect of purchase price allocation (net of tax)	0	0	n.m.
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	0	0	n.m.
Net income	**669**	**466**	**(30.3)**

Note: figures may not add up exactly due to rounding

International Subsidiary Banks: H1 vs H1

€ m

	1H17 Pro-forma(1)	1H18	Δ%
Net interest income	650	642	(1.2)
Net fee and commission income	241	258	7.1
Income from insurance business	0	0	n.m.
Profits on financial assets and liabilities at fair value	79	103	30.4
Other operating income (expenses)	(26)	(36)	(38.5)
Operating income	**944**	**967**	**2.4**
Personnel expenses	(247)	(259)	4.9
Other administrative expenses	(174)	(177)	1.7
Adjustments to property, equipment and intangible assets	(39)	(41)	5.1
Operating costs	**(460)**	**(477)**	**3.7**
Operating margin	**484**	**490**	**1.2**
Net adjustments to loans	(78)	(24)	(69.2)
Net provisions and net impairment losses on other assets	6	2	(66.7)
Other income (expenses)	200	2	(99.0)
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	**612**	**470**	**(23.2)**
Taxes on income	(94)	(97)	3.2
Charges (net of tax) for integration and exit incentives	(8)	(8)	0.0
Effect of purchase price allocation (net of tax)	0	0	n.m.
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	0	1	n.m.
Net income	**510**	**366**	**(28.2)**

+11% excluding positive effect of Bank of Qingdao reclassification in 1H17

+13% excluding positive effect of Bank of Qingdao reclassification in 1H17

Note: figures may not add up exactly due to rounding. Excluding the Russian subsidiary Banca Intesa included in C&IB
(1) Management data including the contribution of the two former Venetian banks

International Subsidiary Banks: Q2 vs Q1

€ m

	1Q18	2Q18	Δ%
Net interest income	317	324	2.3
Net fee and commission income	121	138	14.0
Income from insurance business	0	0	n.m.
Profits on financial assets and liabilities at fair value	50	53	4.6
Other operating income (expenses)	(15)	(20)	(32.3)
Operating income	**473**	**494**	**4.6**
Personnel expenses	(128)	(131)	2.6
Other administrative expenses	(87)	(90)	3.3
Adjustments to property, equipment and intangible assets	(21)	(20)	(5.5)
Operating costs	**(236)**	**(241)**	**2.2**
Operating margin	**237**	**253**	**7.0**
Net adjustments to loans	13	(37)	n.m.
Net provisions and net impairment losses on other assets	(10)	12	n.m.
Other income (expenses)	1	0	(74.2)
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	**241**	**229**	**(5.0)**
Taxes on income	(55)	(42)	(23.8)
Charges (net of tax) for integration and exit incentives	(4)	(5)	28.3
Effect of purchase price allocation (net of tax)	0	0	n.m.
Levies and other charges concerning the banking industry (net of tax)	(0)	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	0	1	(86.8)
Net income	**183**	**183**	**0.3**

Note: figures may not add up exactly due to rounding. Excluding the Russian subsidiary Banca Intesa included in C&IB

Private Banking: H1 vs H1

€ m

	1H17 Pro-forma(1)	1H18	Δ%
Net interest income	90	78	(13.3)
Net fee and commission income	839	856	2.0
Income from insurance business	0	0	n.m.
Profits on financial assets and liabilities at fair value	21	15	(28.6)
Other operating income (expenses)	6	3	(50.0)
Operating income	**956**	**952**	**(0.4)**
Personnel expenses	(165)	(167)	1.2
Other administrative expenses	(113)	(109)	(3.5)
Adjustments to property, equipment and intangible assets	(8)	(4)	(50.0)
Operating costs	**(286)**	**(280)**	**(2.1)**
Operating margin	**670**	**672**	**0.3**
Net adjustments to loans	0	0	n.m.
Net provisions and net impairment losses on other assets	(17)	(12)	(29.4)
Other income (expenses)	0	9	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	**653**	**669**	**2.5**
Taxes on income	(191)	(198)	3.7
Charges (net of tax) for integration and exit incentives	(12)	(10)	(16.7)
Effect of purchase price allocation (net of tax)	0	0	n.m.
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	0	0	n.m.
Net income	**450**	**461**	**2.4**

Note: figures may not add up exactly due to rounding
(1) Management data including the contribution of the two former Venetian banks and the Morval Group consolidation

Private Banking: Q2 vs Q1

€ m

	1Q18(1)	2Q18	Δ%
Net interest income	39	38	(1.9)
Net fee and commission income	437	420	(3.9)
Income from insurance business	0	0	n.m.
Profits on financial assets and liabilities at fair value	7	8	12.0
Other operating income (expenses)	3	0	(94.6)
Operating income	**486**	**466**	**(4.1)**
Personnel expenses	(86)	(81)	(5.7)
Other administrative expenses	(55)	(53)	(3.2)
Adjustments to property, equipment and intangible assets	(2)	(2)	6.4
Operating costs	**(143)**	**(137)**	**(4.6)**
Operating margin	**343**	**329**	**(4.0)**
Net adjustments to loans	(0)	0	n.m.
Net provisions and net impairment losses on other assets	(1)	(11)	679.5
Other income (expenses)	8	1	(93.8)
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	**349**	**320**	**(8.4)**
Taxes on income	(103)	(95)	(8.1)
Charges (net of tax) for integration and exit incentives	(4)	(6)	30.6
Effect of purchase price allocation (net of tax)	0	0	n.m.
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	0	(0)	n.m.
Net income	**242**	**219**	**(9.2)**

Note: figures may not add up exactly due to rounding
(1) Data restated to reflect the Morval Group consolidation

Asset Management: H1 vs H1

€ m

	1H17	1H18	Δ%
Net interest income	0	0	n.m.
Net fee and commission income	322	360	11.8
Income from insurance business	0	0	n.m.
Profits on financial assets and liabilities at fair value	0	(6)	n.m.
Other operating income (expenses)	47	16	(66.0)
Operating income	**369**	**370**	**0.3**
Personnel expenses	(34)	(37)	8.8
Other administrative expenses	(38)	(40)	5.3
Adjustments to property, equipment and intangible assets	0	0	n.m.
Operating costs	**(72)**	**(77)**	**6.9**
Operating margin	**297**	**293**	**(1.3)**
Net adjustments to loans	0	0	n.m.
Net provisions and net impairment losses on other assets	0	0	n.m.
Other income (expenses)	0	0	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	**297**	**293**	**(1.3)**
Taxes on income	(56)	(56)	0.0
Charges (net of tax) for integration and exit incentives	0	0	n.m.
Effect of purchase price allocation (net of tax)	0	0	n.m.
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	(6)	(5)	(16.7)
Net income	**235**	**232**	**(1.3)**

Note: figures may not add up exactly due to rounding

Asset Management: Q2 vs Q1

€ m

	1Q18	2Q18	Δ%
Net interest income	0	0	(11.0)
Net fee and commission income	185	176	(5.0)
Income from insurance business	0	0	n.m.
Profits on financial assets and liabilities at fair value	(1)	(6)	(624.4)
Other operating income (expenses)	7	9	16.0
Operating income	**192**	**179**	**(6.7)**
Personnel expenses	(19)	(18)	(2.8)
Other administrative expenses	(19)	(20)	4.3
Adjustments to property, equipment and intangible assets	(0)	(0)	4.9
Operating costs	**(38)**	**(39)**	**0.8**
Operating margin	**153**	**140**	**(8.6)**
Net adjustments to loans	0	0	n.m.
Net provisions and net impairment losses on other assets	0	(0)	n.m.
Other income (expenses)	0	0	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	**153**	**140**	**(8.6)**
Taxes on income	(30)	(26)	(12.6)
Charges (net of tax) for integration and exit incentives	0	(0)	n.m.
Effect of purchase price allocation (net of tax)	0	0	n.m.
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	(3)	(2)	(5.4)
Net income	**121**	**111**	**(7.7)**

Note: figures may not add up exactly due to rounding

Insurance: H1 vs H1

€ m

	1H17	1H18	Δ%
Net interest income	0	0	n.m.
Net fee and commission income	0	0	n.m.
Income from insurance business	599	626	4.5
Profits on financial assets and liabilities at fair value	0	0	n.m.
Other operating income (expenses)	(4)	(6)	50.0
Operating income	**595**	**620**	**4.2**
Personnel expenses	(39)	(41)	5.1
Other administrative expenses	(45)	(42)	(6.7)
Adjustments to property, equipment and intangible assets	(1)	(2)	100.0
Operating costs	**(85)**	**(85)**	**0.0**
Operating margin	**510**	**535**	**4.9**
Net adjustments to loans	0	0	n.m.
Net provisions and net impairment losses on other assets	0	(2)	n.m.
Other income (expenses)	0	0	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	**510**	**533**	**4.5**
Taxes on income	(138)	(136)	(1.4)
Charges (net of tax) for integration and exit incentives	(2)	(1)	(50.0)
Effect of purchase price allocation (net of tax)	(10)	(8)	(20.0)
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	0	0	n.m.
Net income	**360**	**388**	**7.8**

Note: figures may not add up exactly due to rounding

Insurance: Q2 vs Q1

€ m

	1Q18	2Q18	Δ%
Net interest income	0	0	n.m.
Net fee and commission income	0	0	n.m.
Income from insurance business	326	299	(8.3)
Profits on financial assets and liabilities at fair value	0	0	n.m.
Other operating income (expenses)	(2)	(4)	(133.7)
Operating income	**325**	**295**	**(9.1)**
Personnel expenses	(20)	(20)	(0.4)
Other administrative expenses	(20)	(22)	8.3
Adjustments to property, equipment and intangible assets	(1)	(1)	9.5
Operating costs	**(42)**	**(43)**	**4.1**
Operating margin	**283**	**252**	**(11.1)**
Net adjustments to loans	0	0	n.m.
Net provisions and net impairment losses on other assets	(0)	(2)	766.4
Other income (expenses)	0	0	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	**283**	**250**	**(11.6)**
Taxes on income	(79)	(56)	(28.6)
Charges (net of tax) for integration and exit incentives	(0)	(1)	39.0
Effect of purchase price allocation (net of tax)	(4)	(4)	0.0
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	0	0	n.m.
Net income	**199**	**189**	**(5.3)**

Note: figures may not add up exactly due to rounding

Quarterly P&L Analysis

€ m

	1Q17(1)	2Q17(1)	3Q17(1)	4Q17(1)	1Q18(2)	2Q18
Net interest income	1,880	1,891	1,828	1,837	1,855	1,839
Net fee and commission income	1,928	1,992	1,984	2,153	2,013	1,991
Income from insurance business	283	240	227	183	294	281
Profits on financial assets and liabilities at fair value	211	349	185	538	622	472
Other operating income (expenses)	56	47	19	9	28	21
Operating income	**4,358**	**4,519**	**4,243**	**4,720**	**4,812**	**4,604**
Personnel expenses	(1,458)	(1,506)	(1,471)	(1,610)	(1,440)	(1,455)
Other administrative expenses	(675)	(729)	(694)	(836)	(660)	(651)
Adjustments to property, equipment and intangible assets	(201)	(202)	(206)	(235)	(204)	(200)
Operating costs	**(2,334)**	**(2,437)**	**(2,371)**	**(2,681)**	**(2,304)**	**(2,306)**
Operating margin	**2,024**	**2,082**	**1,872**	**2,039**	**2,508**	**2,298**
Net adjustments to loans	(696)	(738)	(648)	(1,229)	(483)	(694)
Net provisions and net impairment losses on other assets	(8)	(61)	(31)	(134)	(51)	(35)
Other income (expenses)	196	117(3)	72	861	2	8
Income (Loss) from discontinued operations	0	0	0	0	1	(1)
Gross income (loss)	**1,516**	**1,400(3)**	**1,265**	**1,537**	**1,977**	**1,576**
Taxes on income	(432)	(434)	(366)	(249)	(544)	(508)
Charges (net of tax) for integration and exit incentives	(12)	(41)	(20)	(227)	(19)	(16)
Effect of purchase price allocation (net of tax)	(6)	(5)	(26)	364	(44)	(26)
Levies and other charges concerning the banking industry (net of tax)	(296)	(193)	(192)	3	(117)	(83)
Impairment (net of tax) of goodwill and other intangible assets	0	0	0	0	0	0
Minority interests	131	110	(11)	0	(1)	(16)
Net income	**901**	**837(3)**	**650**	**1,428**	**1,252**	**927**

Note: figures may not add up exactly due to rounding
(1) Management data including the contribution of the two former Venetian banks and the Morval Group consolidation
(2) Data restated to reflect the Morval Group consolidation
(3) Excluding public cash contribution of €3.5bn to offset the impact of the acquisition of certain assets of the two former Venetian banks on ISP's capital ratios

Net Fee and Commission Income: Quarterly Development Breakdown

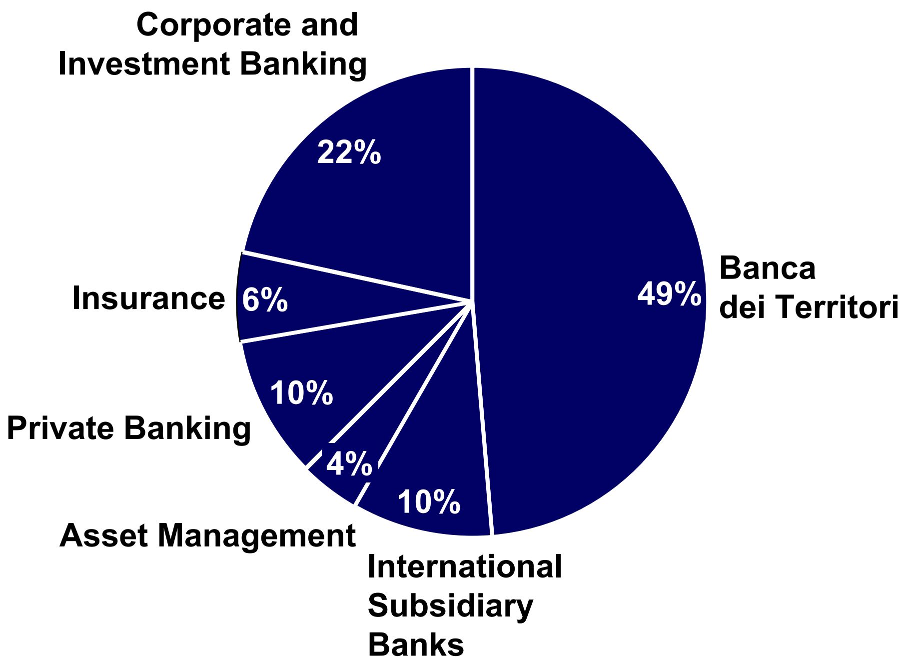
€ m

Net Fee and Commission Income	1Q17(1)	2Q17(1)	3Q17(1)	4Q17(1)	1Q18(2)	2Q18
Guarantees given / received	56	77	60	59	59	72
Collection and payment services	97	99	109	113	92	117
Current accounts	295	303	309	334	319	313
Credit and debit cards	95	104	102	103	92	109
Commercial banking activities	**543**	**583**	**581**	**609**	**562**	**611**
Dealing and placement of securities	184	190	163	225	208	191
Currency dealing	10	11	11	11	12	13
Portfolio management	559	581	573	642	596	569
Distribution of insurance products	373	366	385	385	378	378
Other	43	42	45	52	46	38
Management, dealing and consultancy activities	**1,169**	**1,189**	**1,177**	**1,315**	**1,240**	**1,189**
Other net fee and commission income	216	221	226	229	211	191
Net fee and commission income	**1,928**	**1,992**	**1,984**	**2,153**	**2,013**	**1,991**

Note: figures may not add up exactly due to rounding
(1) Management data including the contribution of the two former Venetian banks and the Morval Group consolidation
(2) Data restated to reflect the Morval Group consolidation

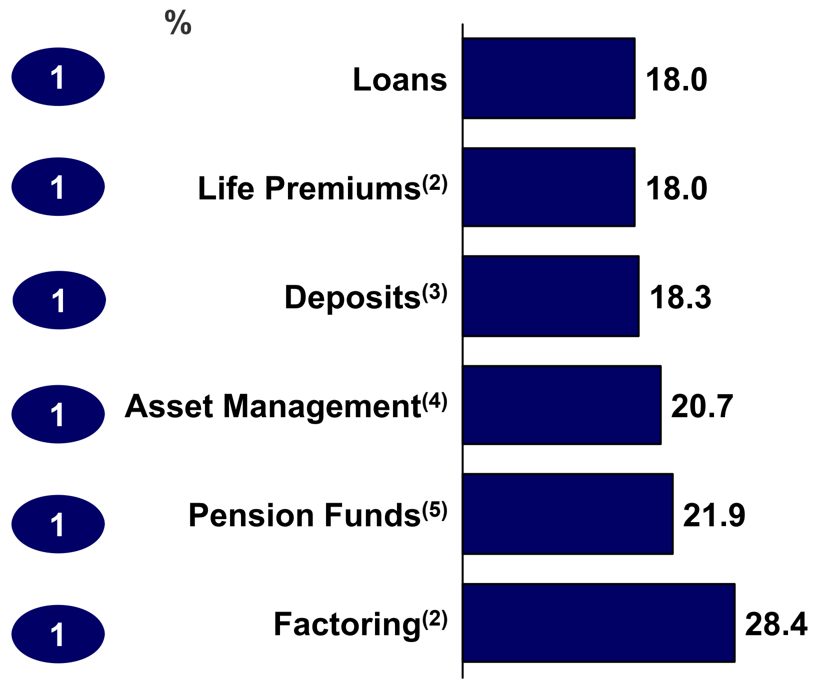
Market Leadership in Italy

1H18 Operating Income Breakdown by business area[1]



Leader in Italy
(data as of 30.6.18)

Ranking | Market share



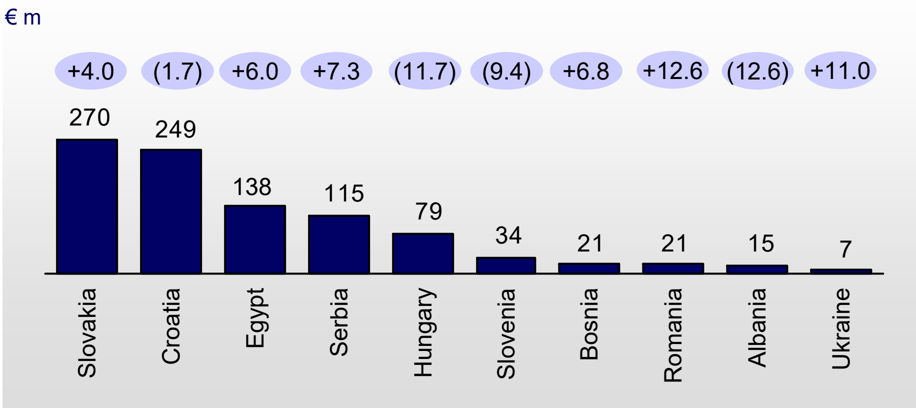
Note: figures may not add up exactly due to rounding
(1) Excluding Corporate Centre
(2) Data as of 31.3.18
(3) Including bonds
(4) Mutual funds; data as of 31.3.18
(5) Data as of 31.12.17

International Subsidiary Banks: Key P&L Data by Country

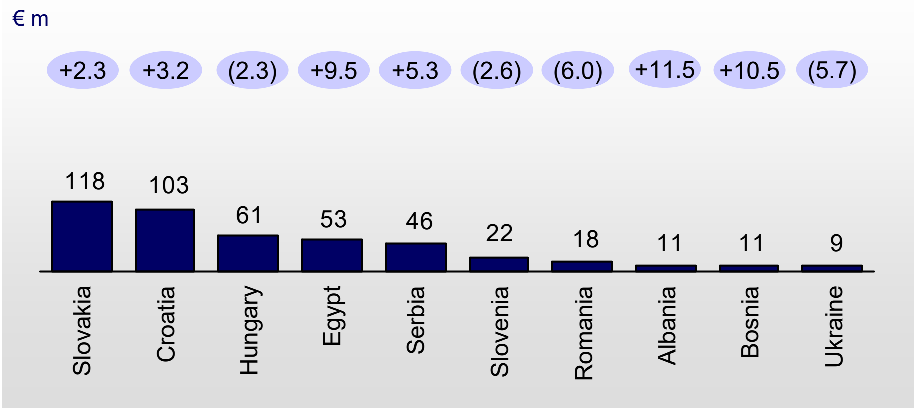
Data as of 30.6.18

(Δ% vs 1H17 pro-forma[1])

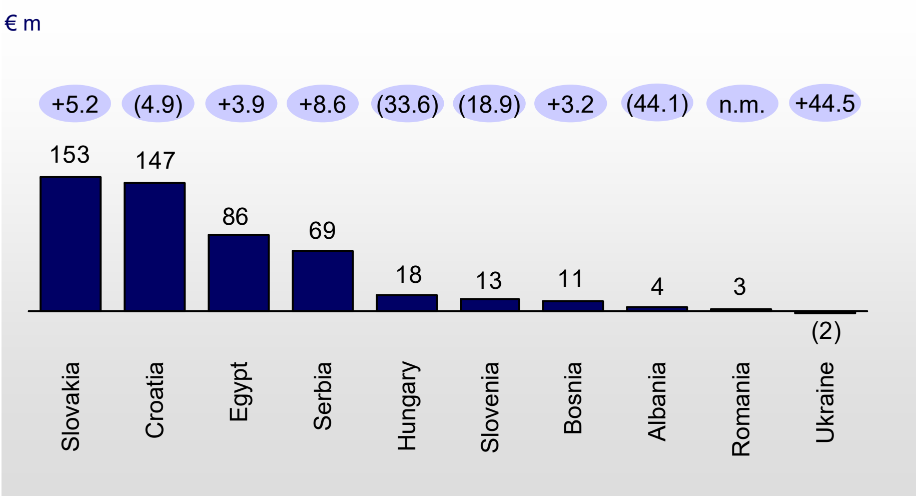
Operating Income



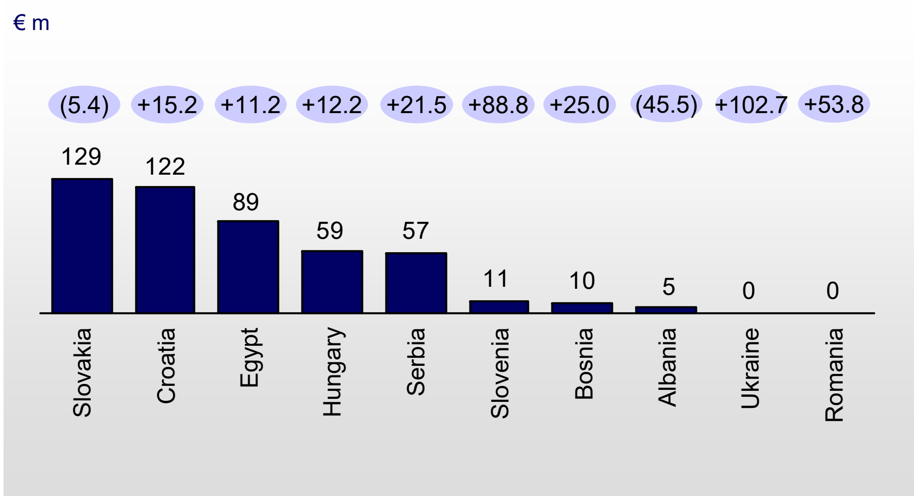
Operating Costs



Operating Margin



Gross Income



Note: excluding the Russian subsidiary Banca Intesa included in C&IB
(1) Management data including the contribution of the two former Venetian banks

INTESA SANPAOLO

International Subsidiary Banks by Country: ~7% of the Group's Total Loans

Data as of 30.6.18

	Hungary	Slovakia	Slovenia	Croatia	Serbia	Bosnia	Albania	Romania	Ukraine	CEE Total	Egypt	Total
Oper. Income (€ m)	79	270	34	249	115	21	15	21	7	812	138	951
% of Group total	***0.8%***	***2.9%***	***0.4%***	***2.6%***	***1.2%***	***0.2%***	***0.2%***	***0.2%***	***0.1%***	***8.6%***	***1.5%***	***10.1%***
Net income (€ m)	38	93	7	91	47	8	4	(1)	0	287	65	352
% of Group total	***1.7%***	***4.3%***	***0.3%***	***4.2%***	***2.2%***	***0.4%***	***0.2%***	***n.m.***	***0.0%***	***13.2%***	***3.0%***	***16.2%***
Customer Deposits (€ bn)	3.9	12.9	2.1	8.2	3.5	0.7	1.1	0.9	0.1	33.3	3.5	36.8
% of Group total	***0.9%***	***3.0%***	***0.5%***	***1.9%***	***0.8%***	***0.2%***	***0.3%***	***0.2%***	***0.0%***	***7.7%***	***0.8%***	***8.5%***
Customer Loans (€ bn)	2.5	12.6	1.6	6.6	2.8	0.7	0.3	0.8	0.0	28.1	1.6	29.7
% of Group total	***0.6%***	***3.2%***	***0.4%***	***1.7%***	***0.7%***	***0.2%***	***0.1%***	***0.2%***	***0.0%***	***7.0%***	***0.4%***	***7.4%***
Total Assets (€ bn)	5.6	15.2	2.5	10.8	4.8	1.0	1.4	1.3	0.2	42.6	4.2	46.8
% of Group total	***0.7%***	***1.9%***	***0.3%***	***1.4%***	***0.6%***	***0.1%***	***0.2%***	***0.2%***	***0.0%***	***5.4%***	***0.5%***	***5.9%***
Book value (€ m)	700	1,475	276	1,620	921	129	163	171	67	5,522	352	5,874
- goodwill/intangibles	*27*	*79*	*3*	*18*	*23*	*2*	*4*	*4*	*2*	*162*	*7*	*169*

Note: figures may not add up exactly due to rounding. Excluding the Russian subsidiary Banca Intesa included in C&IB

INTESA SANPAOLO

International Subsidiary Banks by Country: Loans Breakdown and Coverage

Data as of 30.6.18

	Hungary	Slovakia	Slovenia	Croatia	Serbia	Bosnia	Albania	Romania	Ukraine	CEE Total	Egypt	Total
Performing loans (€ bn)	2.4	12.5	1.5	6.4	2.7	0.7	0.3	0.8	0.0	**27.4**	1.5	**28.9**
of which:												
Retail local currency	38%	60%	45%	35%	24%	30%	17%	17%	14%	**45%**	54%	**45%**
Retail foreign currency	0%	0%	0%	19%	26%	18%	14%	22%	5%	**8%**	0%	**8%**
Corporate local currency	24%	36%	54%	15%	7%	10%	15%	34%	36%	**27%**	27%	**27%**
Corporate foreign currency	38%	5%	1%	30%	43%	41%	54%	27%	45%	**19%**	19%	**19%**
Bad loans(1) (€ m)	13	107	15	67	40	5	6	12	0	**265**	0	**265**
Unlikely to pay(2) (€ m)	80	67	40	184	34	2	8	8	0	**423**	88	**511**
Performing loans coverage	1.5%	1.0%	1.2%	2.3%	1.4%	2.2%	5.9%	2.0%	0.0%	**1.5%**	2.2%	**1.6%**
Bad loans(1) coverage	79%	66%	78%	74%	65%	81%	50%	65%	n.m.	**70%**	100%	**72%**
Unlikely to pay(2) coverage	37%	52%	46%	43%	61%	75%	27%	33%	n.m.	**46%**	34%	**44%**
Annualised cost of credit(3) (bps)	n.m.	38	18	73	110	42	n.m.	90	n.m.	**22**	n.m.	**17**

Note: figures may not add up exactly due to rounding. Excluding the Russian subsidiary Banca Intesa included in C&IB
(1) *Sofferenze*
(2) Including Past due
(3) Net adjustments to loans/Net customer loans

Common Equity Ratio as of 30.6.18: from Phased-in to Pro-forma Fully Loaded

	~€ bn	~bps
Transitional adjustments		
Valuation reserves (IAS 19)	(0.1)	(4)
DTA on losses carried forward(1)	1.6	54
IFRS9 transitional adjustment	(2.7)	(93)
Total	**(1.2)**	**(43)**
Deductions exceeding cap(*)		
Total	**0.5**	**24**
(*) as a memo, constituents of deductions subject to cap:		
- Other DTA(2)	1.7	
- Investments in banking and financial companies	0.8	
- Investments in insurance companies(3)	4.4	
RWA from 100% weighted DTA(4)	**(8.6)**	**39**
Capital increase under the Long-term Incentive Plan		**45**
Conversion of savings shares into ordinary shares		**17**
Total estimated impact		**82**
Pro-forma fully loaded Common Equity ratio		**13.6%**

Note: figures may not add up exactly due to rounding

(1) Considering the expected absorption of DTA on losses carried forward (€1.4bn as of 30.6.18)

(2) Other DTA: mostly related to provisions for risks and charges, considering the total absorption of €0.6bn DTA related to the non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of operations of the two former Venetian banks. DTA related to goodwill realignment and adjustments to loans are excluded due to their treatment as credits to tax authorities

(3) Considering the expected distribution of 1H18 Net income of insurance companies

(4) Considering the total absorption of DTA convertible into tax credit related to goodwill realignment (€5.3bn as of 30.6.18) and adjustments to loans (€3.4bn as of 30.6.18)

Total Exposure(1) by Main Countries

€ m

	DEBT SECURITIES						LOANS
	Banking Business				Insurance Business(2)	Total	
	AC	FVTOCI	FVTPL	Total			
EU Countries	**12,595**	**46,260**	**4,666**	**63,521**	**58,635**	**122,156**	**401,542**
Austria	45	59	188	292	4	296	848
Belgium	858	339	140	1,337	205	1,542	898
Bulgaria					79	79	31
Croatia	78	1,002	77	1,157	100	1,257	6,696
Cyprus							289
Czech Republic	19			19		19	1,698
Denmark		38	23	61	27	88	76
Estonia							1
Finland		102	27	129	32	161	276
France	330	4,589	-128	4,791	1,596	6,387	5,898
Germany	73	5,163	497	5,733	1,322	7,055	6,975
Greece	13		67	80		80	558
Hungary	6	1,026	61	1,093	32	1,125	2,504
Ireland	73	491	141	705	166	871	369
Italy	10,256	19,836	2,540	32,632	49,998	82,630	322,288
Latvia		9		9		9	43
Lithuania		5	5	10		10	12
Luxembourg	194	54	115	363	23	386	4,187
Malta							1,273
The Netherlands	63	402	607	1,072	867	1,939	3,103
Poland	17	40	-10	47	27	74	1,086
Portugal	6		-6		9	9	205
Romania		57	1	58	168	226	1,094
Slovakia		519	35	554		554	11,194
Slovenia	1	146		147	7	154	1,576
Spain	376	12,083	101	12,560	2,373	14,933	3,382
Sweden		81	137	218	2	220	195
United Kingdom	187	219	48	454	1,598	2,052	24,787
North African Countries		**1,042**		**1,042**	**4**	**1,046**	**1,929**
Algeria							8
Egypt		1,042		1,042	4	1,046	1,897
Libya							3
Morocco							12
Tunisia							9
Japan		**43**	**756**	**799**	**77**	**876**	**814**

Note: figures may not add up exactly due to rounding
(1) Exposure to sovereign risks (central and local governments), banks and other customers. Book Value of Debt Securities and Net Loans as of 30.6.18
(2) Excluding securities in which money is collected through insurance policies where the total risk is retained by the insured

Exposure to Sovereign Risks[1] by Main Countries

€ m

	DEBT SECURITIES								LOANS
	Banking Business				Insurance Business[3]	Total	AFS Reserve[4]		
	AC	FVTOCI	FVTPL[2]	Total					
EU Countries	**9,453**	**42,990**	**1,792**	**54,235**	**49,477**	**103,712**	**-529**		**14,582**
Austria		1	149	150	2	152			
Belgium		316	26	342	6	348			
Bulgaria					61	61			
Croatia		1,002	77	1,079	90	1,169			1,111
Cyprus									
Czech Republic									1,119
Denmark		23	2	25		25			
Estonia									
Finland		36	24	60	8	68			
France	305	4,051	-459	3,897	106	4,003	3		5
Germany		4,877	438	5,315	491	5,806	-2		
Greece			67	67		67			
Hungary		1,016	49	1,065	32	1,097	2		18
Ireland		204	-14	190	113	303			
Italy	8,777	18,585	1,054	28,416	46,809	75,225	-485		11,907
Latvia		9		9		9			43
Lithuania		5	5	10		10			
Luxembourg		25		25		25			
Malta									
The Netherlands		110	322	432	92	524			
Poland	17	40	-10	47	16	63			
Portugal			-60	-60		-60			
Romania		57	1	58	168	226	-7		9
Slovakia		450	35	485		485			122
Slovenia		143		143	7	150	10		196
Spain	354	11,951	-23	12,282	1,376	13,658	-49		52
Sweden			129	129		129			
United Kingdom		89	-20	69	100	169	-1		
North African Countries		**1,042**		**1,042**	**4**	**1,046**			
Algeria									
Egypt		1,042		1,042	4	1,046			
Libya									
Morocco									
Tunisia									
Japan			**723**	**723**		**723**			

Banking Business Government bond duration: 4.8 years
Adjusted duration due to hedging: 0.3 years

Note: figures may not add up exactly due to rounding
(1) Exposure to central and local governments. Book Value of Debt Securities and Net Loans as of 30.6.18
(2) Taking into account cash short positions
(3) Excluding securities in which money is collected through insurance policies where the total risk is retained by the insured
(4) Net of tax and allocation to insurance products under separate management

Exposure to Banks by Main Countries(1)

€ m

	DEBT SECURITIES						LOANS
	Banking Business				Insurance Business(2)	Total	
	AC	FVTOCI	FVTPL	Total			
EU Countries	**368**	**1,810**	**1,306**	**3,484**	**3,522**	**7,006**	**27,176**
Austria	35	38	39	112		112	345
Belgium			113	113	51	164	611
Bulgaria							
Croatia	59			59		59	27
Cyprus							
Czech Republic							
Denmark		5	17	22	2	24	58
Estonia							
Finland		41	4	45		45	
France	5	368	271	644	642	1,286	4,044
Germany		235	62	297	154	451	1,595
Greece							552
Hungary		10		10		10	160
Ireland		72	7	79		79	9
Italy	187	576	585	1,348	1,538	2,886	7,826
Latvia							
Lithuania							3
Luxembourg	60	9	91	160		160	1,392
Malta							1,238
The Netherlands	22	211	13	246	269	515	201
Poland							165
Portugal							3
Romania							89
Slovakia		69		69		69	
Slovenia		3		3		3	4
Spain		67	46	113	277	390	1,050
Sweden		38	8	46		46	93
United Kingdom		68	50	118	589	707	7,711
North African Countries							**171**
Algeria							
Egypt							154
Libya							
Morocco							11
Tunisia							6
Japan		**10**		**10**	**54**	**64**	**43**

Note: figures may not add up exactly due to rounding
(1) Book Value of Debt Securities and Net Loans as of 30.6.18
(2) Excluding securities in which money is collected through insurance policies where the total risk is retained by the insured

Exposure to Other Customers by Main Countries(1)

€ m

	DEBT SECURITIES						LOANS
	Banking Business				Insurance Business(2)	Total	
	AC	FVTOCI	FVTPL	Total			
EU Countries	**2,774**	**1,460**	**1,568**	**5,802**	**5,636**	**11,438**	**359,784**
Austria	10	20		30	2	32	503
Belgium	858	23	1	882	148	1,030	287
Bulgaria					18	18	31
Croatia	19			19	10	29	5,558
Cyprus							289
Czech Republic	19			19		19	579
Denmark		10	4	14	25	39	18
Estonia							1
Finland		25	-1	24	24	48	276
France	20	170	60	250	848	1,098	1,849
Germany	73	51	-3	121	677	798	5,380
Greece	13			13		13	6
Hungary	6		12	18		18	2,326
Ireland	73	215	148	436	53	489	360
Italy	1,292	675	901	2,868	1,651	4,519	302,555
Latvia							
Lithuania							9
Luxembourg	134	20	24	178	23	201	2,795
Malta							35
The Netherlands	41	81	272	394	506	900	2,902
Poland					11	11	921
Portugal	6		54	60	9	69	202
Romania							996
Slovakia							11,072
Slovenia	1			1		1	1,376
Spain	22	65	78	165	720	885	2,280
Sweden		43		43	2	45	102
United Kingdom	187	62	18	267	909	1,176	17,076
North African Countries							**1,758**
Algeria							8
Egypt							1,743
Libya							3
Morocco							1
Tunisia							3
Japan		**33**	**33**	**66**	**23**	**89**	**771**

Note: figures may not add up exactly due to rounding
(1) Book Value of Debt Securities and Net Loans as of 30.6.18
(2) Excluding securities in which money is collected through insurance policies where the total risk is retained by the insured

Disclaimer

“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 presentation corresponds to the document results, books and accounting records”.

* * *

This presentation includes certain forward looking statements, projections, objectives and estimates reflecting the current views of the management of the Company with respect to 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 the Company’s future financial position and results of operations, strategy, plans, objectives, goals and targets and future developments in the markets where the Company 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 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 the Company as of the date hereof. The Company undertakes no obligation to update publicly or revise any forward-looking statement, 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 the Company or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements.