



## Consolidated financial statements

## Consolidated balance sheet

Assets	31.12.2015	31.12.2014	(millions of euro)	
			CHANGES amount	%
10. Cash and cash equivalents	9,344	6,631	2,713	40.9
20. Financial assets held for trading	51,597	53,741	-2,144	-4.0
30. Financial assets designated at fair value through profit and loss	53,663	43,863	9,800	22.3
40. Financial assets available for sale	131,402	124,150	7,252	5.8
50. Investments held to maturity	1,386	1,471	-85	-5.8
60. Due from banks	34,445	31,372	3,073	9.8
70. Loans to customers	350,010	339,105	10,905	3.2
80. Hedging derivatives	7,059	9,210	-2,151	-23.4
90. Fair value change of financial assets in hedged portfolios (+/-)	110	59	51	86.4
100. Investments in associates and companies subject to joint control	1,727	1,944	-217	-11.2
110. Technical insurance reserves reassured with third parties	22	27	-5	-18.5
120. Property and equipment	5,367	4,884	483	9.9
130. Intangible assets	7,195	7,243	-48	-0.7
<i>of which</i>				
- goodwill	3,914	3,899	15	0.4
140. Tax assets	15,021	14,431	590	4.1
<i>a) current</i>	3,626	3,021	605	20.0
<i>b) deferred</i>	11,395	11,410	-15	-0.1
- of which convertible into tax credit (Law no. 214/2011)	8,749	8,824	-75	-0.8
150. Non-current assets held for sale and discontinued operations	27	229	-202	-88.2
160. Other assets	8,121	8,067	54	0.7
<b>Total Assets</b>	<b>676,496</b>	<b>646,427</b>	<b>30,069</b>	<b>4.7</b>

## Consolidated balance sheet

(millions of euro)

Liabilities and Shareholders' Equity	31.12.2015	31.12.2014	CHANGES	
			amount	%
10. Due to banks	59,327	51,495	7,832	15.2
20. Due to customers	255,258	230,738	24,520	10.6
30. Securities issued	110,144	123,768	-13,624	-11.0
40. Financial liabilities held for trading	43,522	46,376	-2,854	-6.2
50. Financial liabilities designated at fair value through profit and loss	47,022	37,622	9,400	25.0
60. Hedging derivatives	8,234	10,300	-2,066	-20.1
70. Fair value change of financial liabilities in hedged portfolios (+/-)	1,014	1,449	-435	-30.0
80. Tax liabilities	2,367	2,323	44	1.9
<i>a) current</i>	508	662	-154	-23.3
<i>b) deferred</i>	1,859	1,661	198	11.9
90. Liabilities associated with non-current assets held for sale and discontinued operations	-	201	-201	
100. Other liabilities	11,566	12,119	-553	-4.6
110. Employee termination indemnities	1,353	1,480	-127	-8.6
120. Allowances for risks and charges	3,480	3,793	-313	-8.3
<i>a) post employment benefits</i>	859	1,167	-308	-26.4
<i>b) other allowances</i>	2,621	2,626	-5	-0.2
130. Technical reserves	84,616	79,701	4,915	6.2
140. Valuation reserves	-1,018	-1,622	-604	-37.2
150. Redeemable shares	-	-	-	
160. Equity instruments	877	-	877	
170. Reserves	9,167	9,054	113	1.2
180. Share premium reserve	27,349	27,349	-	-
190. Share capital	8,732	8,725	7	0.1
200. Treasury shares (-)	-70	-74	-4	-5.4
210. Minority interests (+/-)	817	379	438	
220. Net income (loss)	2,739	1,251	1,488	
<b>Total Liabilities and Shareholders' Equity</b>	<b>676,496</b>	<b>646,427</b>	<b>30,069</b>	<b>4.7</b>

## Consolidated income statement

(millions of euro)

	2015	2014	CHANGES	
			amount	%
10. Interest and similar income	14,148	15,951	-1,803	-11.3
20. Interest and similar expense	-4,910	-6,136	-1,226	-20.0
<b>30. Interest margin</b>	<b>9,238</b>	<b>9,815</b>	<b>-577</b>	<b>-5.9</b>
40. Fee and commission income	8,735	8,069	666	8.3
50. Fee and commission expense	-1,686	-1,592	94	5.9
<b>60. Net fee and commission income</b>	<b>7,049</b>	<b>6,477</b>	<b>572</b>	<b>8.8</b>
70. Dividend and similar income	378	315	63	20.0
80. Profits (Losses) on trading	285	201	84	41.8
90. Fair value adjustments in hedge accounting	-68	-139	-71	-51.1
100. Profits (Losses) on disposal or repurchase of	1,205	1,074	131	12.2
<i>a) loans</i>	-44	86	-130	
<i>b) financial assets available for sale</i>	1,452	1,271	181	14.2
<i>c) investments held to maturity</i>	-	-	-	
<i>d) financial liabilities</i>	-203	-283	-80	-28.3
110. Profits (Losses) on financial assets and liabilities designated at fair value	977	971	6	0.6
<b>120. Net interest and other banking income</b>	<b>19,064</b>	<b>18,714</b>	<b>350</b>	<b>1.9</b>
130. Net losses / recoveries on impairment	-2,824	-4,329	-1,505	-34.8
<i>a) loans</i>	-2,751	-4,117	-1,366	-33.2
<i>b) financial assets available for sale</i>	-203	-187	16	8.6
<i>c) investments held to maturity</i>	-	1	-1	
<i>d) other financial activities</i>	130	-26	156	
<b>140. Net income from banking activities</b>	<b>16,240</b>	<b>14,385</b>	<b>1,855</b>	<b>12.9</b>
150. Net insurance premiums	12,418	16,600	-4,182	-25.2
160. Other net insurance income (expense)	-14,680	-18,805	-4,125	-21.9
<b>170. Net income from banking and insurance activities</b>	<b>13,978</b>	<b>12,180</b>	<b>1,798</b>	<b>14.8</b>
180. Administrative expenses	-9,506	-8,869	637	7.2
<i>a) personnel expenses</i>	-5,394	-5,284	110	2.1
<i>b) other administrative expenses</i>	-4,112	-3,585	527	14.7
190. Net provisions for risks and charges	-536	-546	-10	-1.8
200. Net adjustments to / recoveries on property and equipment	-360	-344	16	4.7
210. Net adjustments to / recoveries on intangible assets	-557	-634	-77	-12.1
220. Other operating expenses (income)	934	720	214	29.7
<b>230. Operating expenses</b>	<b>-10,025</b>	<b>-9,673</b>	<b>352</b>	<b>3.6</b>
240. Profits (Losses) on investments in associates and companies subject to joint control	111	340	-229	-67.4
250. Valuation differences on property, equipment and intangible assets measured at fair value	-	-	-	
260. Goodwill impairment	-	-	-	
270. Profits (Losses) on disposal of investments	103	114	-11	-9.6
<b>280. Income (Loss) before tax from continuing operations</b>	<b>4,167</b>	<b>2,961</b>	<b>1,206</b>	<b>40.7</b>
290. Taxes on income from continuing operations	-1,359	-1,651	-292	-17.7
<b>300. Income (Loss) after tax from continuing operations</b>	<b>2,808</b>	<b>1,310</b>	<b>1,498</b>	
310. Income (Loss) after tax from discontinued operations	-2	-	2	
<b>320. Net income (loss)</b>	<b>2,806</b>	<b>1,310</b>	<b>1,496</b>	
330. Minority interests	-67	-59	8	13.6
<b>340. Parent Company's net income (loss)</b>	<b>2,739</b>	<b>1,251</b>	<b>1,488</b>	
<b>Basic EPS - Euro</b>	<b>0.16</b>	<b>0.08</b>		
<b>Diluted EPS - Euro</b>	<b>0.16</b>	<b>0.08</b>		

## Statement of consolidated comprehensive income

	(millions of euro)			
	2015	2014	Changes amount	%
<b>10. NET INCOME (LOSS)</b>	<b>2,806</b>	<b>1,310</b>	<b>1,496</b>	
<b>Other comprehensive income (net of tax) that may not be reclassified to the income statement</b>	<b>297</b>	<b>-398</b>	<b>695</b>	
20. Property and equipment	-	-	-	
30. Intangible assets	-	-	-	
40. Defined benefit plans	297	-398	695	
50. Non-current assets held for sale	-	-	-	
60. Share of valuation reserves connected with investments carried at equity	-	-	-	
<b>Other comprehensive income (net of tax) that may be reclassified to the income statement</b>	<b>381</b>	<b>-132</b>	<b>513</b>	
70. Hedges of foreign investments	-	-	-	
80. Foreign exchange differences	-5	-177	-172	-97.2
90. Cash flow hedges	226	-492	718	
100. Financial assets available for sale	140	465	-325	-69.9
110. Non-current assets held for sale	-	-	-	
120. Share of valuation reserves connected with investments carried at equity	20	72	-52	-72.2
<b>130. Total other comprehensive income (net of tax)</b>	<b>678</b>	<b>-530</b>	<b>1,208</b>	
<b>140. TOTAL COMPREHENSIVE INCOME (CAPTIONS 10 + 110)</b>	<b>3,484</b>	<b>780</b>	<b>2,704</b>	
<b>150. Total consolidated comprehensive income pertaining to minority interests</b>	<b>144</b>	<b>67</b>	<b>77</b>	
<b>160. Total consolidated comprehensive income pertaining to the Parent Company</b>	<b>3,340</b>	<b>713</b>	<b>2,627</b>	

## Statement of changes in consolidated shareholders' equity as at 31 December 2015

(millions of euro)

	31.12.2015											
	Share capital		Share premium reserve	Reserves		Valuation reserves	Equity instruments	Treasury shares	Net income (loss)	Shareholders' equity	Group shareholders' equity	Minority interests
	ordinary shares	savings shares		retained earnings	other							
<b>AMOUNTS AS AT 1.1.2015</b>	<b>8,510</b>	<b>488</b>	<b>27,369</b>	<b>8,528</b>	<b>565</b>	<b>-1,631</b>	<b>-</b>	<b>-77</b>	<b>1,310</b>	<b>45,062</b>	<b>44,683</b>	<b>379</b>
<b>ALLOCATION OF NET INCOME OF THE PREVIOUS YEAR <sup>(a)</sup></b>												
Reserves				76					-76	-	-	-
Dividends and other allocations									-1,234	-1,234	-1,195	-39
<b>CHANGES IN THE PERIOD</b>												
Changes in reserves				-13	13	3				3	3	-
<b>Operations on shareholders' equity</b>												
Issue of new shares	7							8		15	14	1
Purchase of treasury shares								-3		-3	-3	-
Extraordinary dividends										-	-	-
Changes in equity instruments							877			877	877	-
Derivatives on treasury shares										-	-	-
Stock options										-	-	-
Changes in equity investments	88		157	-20						225	-	225
Other <sup>(b)</sup>	199	-3	-5	-27						164	57	107
<b>Total comprehensive income for the period</b>						<b>678</b>			<b>2,806</b>	<b>3,484</b>	<b>3,340</b>	<b>144</b>
<b>SHAREHOLDERS' EQUITY AS AT 31.12.2015</b>	<b>8,804</b>	<b>485</b>	<b>27,521</b>	<b>8,544</b>	<b>578</b>	<b>-950</b>	<b>877</b>	<b>-72</b>	<b>2,806</b>	<b>48,593</b>	<b>47,776</b>	<b>817</b>
- Group	8,247	485	27,349	8,589	578	-1,018	877	-70	2,739	47,776		
- minority interests	557	-	172	-45	-	68	-	-2	67	817		

<sup>(a)</sup> Includes dividends and amounts allocated to the charity fund of the Parent Company, as well as those relating to consolidated companies, pertaining to minorities.

<sup>(b)</sup> The caption mainly includes the effects of the first full consolidation of the investment in Risanamento S.p.A.

## Statement of changes in consolidated shareholders' equity as at 31 December 2014

(millions of euro)

	31.12.2014											
	Share capital		Share premium reserve	Reserves		Valuation reserves	Equity instruments	Treasury shares	Net income (loss)	Shareholders' equity	Group shareholders' equity	Minority interests
	ordinary shares	savings shares		retained earnings	other							
<b>AMOUNTS AS AT 1.1.2014</b>	<b>8,427</b>	<b>488</b>	<b>30,989</b>	<b>10,302</b>	<b>565</b>	<b>-1,091</b>	<b>-</b>	<b>-60</b>	<b>-4,557</b>	<b>45,063</b>	<b>44,520</b>	<b>543</b>
<b>ALLOCATION OF NET INCOME OF THE PREVIOUS YEAR <sup>(a)</sup></b>												
Reserves			-3,913	-680					4,593	-	-	-
Dividends and other allocations									-36	-36	-	-36
<b>CHANGES IN THE PERIOD</b>												
Changes in reserves <sup>(b)</sup>			-37							-37	-37	-
<b>Operations on shareholders' equity</b>												
Issue of new shares <sup>(c)</sup>	179		365					106		650	650	-
Purchase of treasury shares								-123		-123	-123	-
Extraordinary dividends				-822						-822	-822	-
Changes in equity instruments										-	-	-
Derivatives on treasury shares										-	-	-
Stock options										-	-	-
Changes in equity investments	-96		-27	-94						-217	-46	-171
Other			-8	-178		-10				-196	-172	-24
<b>Total comprehensive income for the period</b>						<b>-530</b>			<b>1,310</b>	<b>780</b>	<b>713</b>	<b>67</b>
<b>SHAREHOLDERS' EQUITY AS AT 31.12.2014</b>	<b>8,510</b>	<b>488</b>	<b>27,369</b>	<b>8,528</b>	<b>565</b>	<b>-1,631</b>	<b>-</b>	<b>-77</b>	<b>1,310</b>	<b>45,062</b>	<b>44,683</b>	<b>379</b>
- Group	8,240	485	27,349	8,489	565	-1,622	-	-74	1,251	44,683		
- minority interests	270	3	20	39	-	-9	-	-3	59	379		

<sup>(a)</sup> Includes dividends and amounts allocated to the charity fund of the Parent Company, as well as those relating to consolidated companies, pertaining to minorities.

<sup>(b)</sup> Includes effects of the free capital increase linked to the Lecoip.

<sup>(c)</sup> Includes mainly effects of the capital increase linked to the Lecoip and the assignment of shares to employees.

## Consolidated statement of cash flows

(millions of euro)

	31.12.2015	31.12.2014
<b>A. OPERATING ACTIVITIES</b>		
<b>1. Cash flow from operations</b>	<b>10,248</b>	<b>16,256</b>
- net income (loss) (+/-)	2,806	1,310
- gains/losses on financial assets held for trading and on assets/liabilities designated at fair value through profit and loss (-/+)	1,270	54
- gains/losses on hedging activities (-/+)	68	139
- net losses/recoveries on impairment (+/-)	3,393	5,140
- adjustments to/net recoveries on property, equipment and intangible assets (+/-)	917	978
- net provisions for risks and charges and other costs/revenues (+/-)	638	748
- net insurance premiums to be collected (-)	11	2
- other insurance revenues/charges to be collected (-/+)	5,272	11,708
- taxes, duties and tax credits to be paid/collected(+/-)	-126	-604
- net adjustments to/recoveries on discontinued operations net of tax effect (-/+)	-	-
- other adjustments (+/-)	-4,001	-3,219
<b>2. Cash flow from / used in financial assets</b>	<b>-26,491</b>	<b>-21,889</b>
- financial assets held for trading	2,478	-4,475
- financial assets designated at fair value through profit and loss	-8,709	-5,145
- financial assets available for sale	-5,365	-6,658
- due from banks: repayable on demand	2,277	-4,735
- due from banks: other	-5,117	-155
- loans to customers	-14,347	-179
- other assets	2,292	-542
<b>3. Cash flow from / used in financial liabilities</b>	<b>20,817</b>	<b>5,866</b>
- due to banks: repayable on demand	-344	1,111
- due to banks: other	7,997	-1,888
- due to customers	24,577	1,934
- securities issued	-13,826	-14,713
- financial liabilities held for trading	-2,908	7,092
- financial liabilities designated at fair value through profit and loss	9,286	4,903
- other liabilities	-3,965	7,427
<b>Net cash flow from (used in) operating activities</b>	<b>4,574</b>	<b>233</b>
<b>B. INVESTING ACTIVITIES</b>		
<b>1. Cash flow from</b>	<b>100</b>	<b>1,005</b>
- sales of investments in associates and companies subject to joint control	-	424
- dividends collected on investments in associates and companies subject to joint control	-	-
- sales/reimbursements of investments held to maturity	85	581
- sales of property and equipment	-	-
- sales of intangible assets	-	-
- sales of subsidiaries and business branches	15	-
<b>2. Cash flow used in</b>	<b>-1,601</b>	<b>-676</b>
- purchases of investments in associates and companies subject to joint control	-23	-
- purchases of investments held to maturity	-	-
- purchases of property and equipment	-508	-82
- purchases of intangible assets	-484	-426
- purchases of subsidiaries and business branches	-586	-168
<b>Net cash flow from (used in) investing activities</b>	<b>-1,501</b>	<b>329</b>
<b>C. FINANCING ACTIVITIES</b>		
- issues/purchases of treasury shares	5	-64
- share capital increases	877	503
- dividend distribution and other	-1,234	-858
<b>Net cash flow from (used in) financing activities</b>	<b>-352</b>	<b>-419</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>2,721</b>	<b>143</b>
<b>RECONCILIATION</b>		
Cash and cash equivalents at beginning of period	6,631	6,525
Net increase (decrease) in cash and cash equivalents	2,721	143
Cash and cash equivalents: foreign exchange effect	-8	-37
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>9,344</b>	<b>6,631</b>

LEGEND: (+) from (-) used in



## Part B – Information on the consolidated balance sheet

### ASSETS

#### SECTION 1 - CASH AND CASH EQUIVALENTS - CAPTION 10

##### 1.1 Cash and cash equivalents: breakdown

(millions of euro)

	31.12.2015	31.12.2014
a) Cash	3,324	3,814
b) On demand deposits with Central Banks	6,020	2,817
<b>TOTAL</b>	<b>9,344</b>	<b>6,631</b>

#### SECTION 2 - FINANCIAL ASSETS HELD FOR TRADING - CAPTION 20

##### 2.1 Financial assets held for trading: breakdown

(millions of euro)

	31.12.2015			31.12.2014		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>A. Cash assets</b>						
1. Debt securities	15,106	2,691	311	11,669	2,514	395
1.1 structured securities	649	149	6	423	247	129
1.2 other debt securities	14,457	2,542	305	11,246	2,267	266
2. Equities	900	-	-	793	-	-
3. Quotas of UCI	1,299	140	256	1,349	179	113
4. Loans	-	-	-	-	-	-
4.1 reverse repurchase agreements	-	-	-	-	-	-
4.2 other	-	-	-	-	-	-
<b>Total A</b>	<b>17,305</b>	<b>2,831</b>	<b>567</b>	<b>13,811</b>	<b>2,693</b>	<b>508</b>
<b>B. Derivatives</b>						
1. Financial derivatives	689	28,848	475	622	34,235	710
1.1 trading	689	28,439	475	622	33,747	710
1.2 fair value option	-	-	-	-	-	-
1.3 other	-	409	-	-	488	-
2. Credit derivatives	-	867	15	-	1,127	35
2.1 trading	-	867	2	-	1,127	22
2.2 fair value option	-	-	-	-	-	-
2.3 other	-	-	13	-	-	13
<b>Total B</b>	<b>689</b>	<b>29,715</b>	<b>490</b>	<b>622</b>	<b>35,362</b>	<b>745</b>
<b>TOTAL (A+B)</b>	<b>17,994</b>	<b>32,546</b>	<b>1,057</b>	<b>14,433</b>	<b>38,055</b>	<b>1,253</b>

The caption above includes the securities connected with securitisation transactions for a total amount of approximately 1,395 million euro, of which 1,042 million euro is senior, 327 million euro is mezzanine and 26 million euro is junior.

**2.1 Of which: Banking group**

(millions of euro)

	31.12.2015			31.12.2014		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>A. Cash assets</b>						
1. Debt securities	14,892	2,629	302	11,444	2,396	371
1.1 structured securities	649	149	6	423	247	129
1.2 other debt securities	14,243	2,480	296	11,021	2,149	242
2. Equities	900	-	-	793	-	-
3. Quotas of UCI	908	140	209	939	179	113
4. Loans	-	-	-	-	-	-
4.1 reverse repurchase agreements	-	-	-	-	-	-
4.2 other	-	-	-	-	-	-
<b>Total A</b>	<b>16,700</b>	<b>2,769</b>	<b>511</b>	<b>13,176</b>	<b>2,575</b>	<b>484</b>
<b>B. Derivatives</b>						
1. Financial derivatives	689	28,846	475	622	34,234	710
1.1 trading	689	28,437	475	622	33,746	710
1.2 fair value option	-	-	-	-	-	-
1.3 other	-	409	-	-	488	-
2. Credit derivatives	-	864	15	-	1,120	35
2.1 trading	-	864	2	-	1,120	22
2.2 fair value option	-	-	-	-	-	-
2.3 other	-	-	13	-	-	13
<b>Total B</b>	<b>689</b>	<b>29,710</b>	<b>490</b>	<b>622</b>	<b>35,354</b>	<b>745</b>
<b>TOTAL (A+B)</b>	<b>17,389</b>	<b>32,479</b>	<b>1,001</b>	<b>13,798</b>	<b>37,929</b>	<b>1,229</b>

**2.1 Of which: Insurance companies**

(millions of euro)

	31.12.2015			31.12.2014		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>A. Cash assets</b>						
1. Debt securities	214	62	9	225	118	24
1.1 structured securities	-	-	-	-	-	-
1.2 other debt securities	214	62	9	225	118	24
2. Equities	-	-	-	-	-	-
3. Quotas of UCI	391	-	47	410	-	-
4. Loans	-	-	-	-	-	-
4.1 reverse repurchase agreements	-	-	-	-	-	-
4.2 other	-	-	-	-	-	-
<b>Total A</b>	<b>605</b>	<b>62</b>	<b>56</b>	<b>635</b>	<b>118</b>	<b>24</b>
<b>B. Derivatives</b>						
1. Financial derivatives	-	2	-	-	1	-
1.1 trading	-	2	-	-	1	-
1.2 fair value option	-	-	-	-	-	-
1.3 other	-	-	-	-	-	-
2. Credit derivatives	-	3	-	-	7	-
2.1 trading	-	3	-	-	7	-
2.2 fair value option	-	-	-	-	-	-
2.3 other	-	-	-	-	-	-
<b>Total B</b>	<b>-</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>8</b>	<b>-</b>
<b>TOTAL (A+B)</b>	<b>605</b>	<b>67</b>	<b>56</b>	<b>635</b>	<b>126</b>	<b>24</b>

## 2.2 Financial assets held for trading: borrower/issuer breakdown

(millions of euro)

	31.12.2015	Of which:			31.12.2014
		Banking group	Insurance companies	Other companies	
<b>A) CASH ASSETS</b>					
<b>1. Debt securities</b>	<b>18,108</b>	<b>17,823</b>	<b>285</b>	-	<b>14,578</b>
a) Governments and Central Banks	10,616	10,382	234	-	5,511
b) Other public entities	384	384	-	-	370
c) Banks	3,730	3,682	48	-	4,854
d) Other issuers	3,378	3,375	3	-	3,843
<b>2. Equities</b>	<b>900</b>	<b>900</b>	-	-	<b>793</b>
a) Banks	36	36	-	-	46
b) Other issuers	864	864	-	-	747
- insurance companies	83	83	-	-	75
- financial institutions	55	55	-	-	29
- non-financial companies	726	726	-	-	643
- other	-	-	-	-	-
<b>3. Quotas of UCI</b>	<b>1,695</b>	<b>1,257</b>	<b>438</b>	-	<b>1,641</b>
<b>4. Loans</b>	-	-	-	-	-
a) Governments and Central Banks	-	-	-	-	-
b) Other public entities	-	-	-	-	-
c) Banks	-	-	-	-	-
d) Other counterparties	-	-	-	-	-
<b>Total A</b>	<b>20,703</b>	<b>19,980</b>	<b>723</b>	-	<b>17,012</b>
<b>B) DERIVATIVES</b>					
a) Banks	17,358	17,353	5	-	21,775
b) Customers	13,536	13,536	-	-	14,954
<b>Total B</b>	<b>30,894</b>	<b>30,889</b>	<b>5</b>	-	<b>36,729</b>
<b>TOTAL (A+B)</b>	<b>51,597</b>	<b>50,869</b>	<b>728</b>	-	<b>53,741</b>

## SECTION 3 - FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT AND LOSS - CAPTION 30

## 3.1 Financial assets designated at fair value through profit and loss: breakdown

(millions of euro)

	31.12.2015			31.12.2014		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Debt securities	3,513	1,191	113	2,460	1,806	250
1.1 structured securities	-	-	-	-	-	-
1.2 other debt securities	3,513	1,191	113	2,460	1,806	250
2. Equities	1,024	-	-	873	-	-
3. Quotas of UCI	47,030	-	121	38,211	-	102
4. Loans	280	8	383	35	-	126
4.1 structured	-	8	-	-	-	-
4.2 other	280	-	383	35	-	126
<b>Total</b>	<b>51,847</b>	<b>1,199</b>	<b>617</b>	<b>41,579</b>	<b>1,806</b>	<b>478</b>
<b>Cost</b>	<b>50,211</b>	<b>1,172</b>	<b>615</b>	<b>39,028</b>	<b>1,778</b>	<b>461</b>

**3.1 Of which: Banking group**

(millions of euro)

	31.12.2015			31.12.2014		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Debt securities	-	953	69	-	1,078	13
1.1 structured securities	-	-	-	-	-	-
1.2 other debt securities	-	953	69	-	1,078	13
2. Equities	-	-	-	-	-	-
3. Quotas of UCI	12	-	102	13	-	102
4. Loans	-	8	-	-	-	-
4.1 structured	-	8	-	-	-	-
4.2 other	-	-	-	-	-	-
<b>Total</b>	<b>12</b>	<b>961</b>	<b>171</b>	<b>13</b>	<b>1,078</b>	<b>115</b>
<b>Cost</b>	<b>25</b>	<b>953</b>	<b>167</b>	<b>23</b>	<b>1,067</b>	<b>119</b>

In this category the Group has classified some debt securities with embedded derivatives, debt securities subject to financial hedging, equity investments held, directly or through funds, in companies involved in the venture capital business and loans connected to the LECOIP for the employment agreements, terminated early, of its employees and those of Group companies, managed based on fair value.

On the basis of the loans included in the aggregate, no hedges were arranged and no credit derivatives or similar instruments exist to mitigate the relevant credit risk. The amount of relevant annual and total fair value change attributable to the credit risk changes occurred in the period is immaterial.

**3.1 Of which: Insurance companies**

(millions of euro)

	31.12.2015			31.12.2014		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Debt securities	3,513	238	44	2,460	728	237
1.1 structured securities	-	-	-	-	-	-
1.2 other debt securities	3,513	238	44	2,460	728	237
2. Equities	1,024	-	-	873	-	-
3. Quotas of UCI	47,018	-	19	38,198	-	-
4. Loans	280	-	383	35	-	126
4.1 structured	-	-	-	-	-	-
4.2 other	280	-	383	35	-	126
<b>Total</b>	<b>51,835</b>	<b>238</b>	<b>446</b>	<b>41,566</b>	<b>728</b>	<b>363</b>
<b>Cost</b>	<b>50,186</b>	<b>219</b>	<b>448</b>	<b>39,005</b>	<b>711</b>	<b>342</b>

Assets designated at fair value essentially included assets with respect to insurance policies where the total risk is borne by the policyholders (so-called Class D).

**3.2 Financial assets designated at fair value through profit and loss: borrower/issuer breakdown**

(millions of euro)

	31.12.2015	Of which:			31.12.2014
		Banking group	Insurance companies	Other companies	
<b>1. Debt securities</b>	<b>4,817</b>	<b>1,022</b>	<b>3,795</b>	-	<b>4,516</b>
a) Governments and Central Banks	4,071	751	3,320	-	2,504
b) Other public entities	12	4	8	-	6
c) Banks	496	245	251	-	996
d) Other issuers	238	22	216	-	1,010
<b>2. Equities</b>	<b>1,024</b>	-	<b>1,024</b>	-	<b>873</b>
a) Banks	562	-	562	-	95
b) Other issuers	462	-	462	-	778
- insurance companies	26	-	26	-	23
- financial institutions	10	-	10	-	7
- non-financial companies	-	-	-	-	-
- other	426	-	426	-	748
<b>3. Quotas of UCI</b>	<b>47,151</b>	<b>114</b>	<b>47,037</b>	-	<b>38,313</b>
<b>4. Loans</b>	<b>671</b>	<b>8</b>	<b>663</b>	-	<b>161</b>
a) Governments and Central Banks	-	-	-	-	-
b) Other public entities	-	-	-	-	-
c) Banks	671	8	663	-	161
d) Other counterparties	-	-	-	-	-
<b>TOTAL</b>	<b>53,663</b>	<b>1,144</b>	<b>52,519</b>	-	<b>43,863</b>

**SECTION 4 - FINANCIAL ASSETS AVAILABLE FOR SALE - CAPTION 40****4.1 Financial assets available for sale: breakdown**

(millions of euro)

	31.12.2015			31.12.2014		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Debt securities	112,200	4,956	200	108,194	4,373	338
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	112,200	4,956	200	108,194	4,373	338
2. Equities	1,540	3,163	966	1,049	531	4,186
2.1 Measured at fair value	1,540	3,163	952	1,049	531	4,171
2.2 Measured at cost	-	-	14	-	-	15
3. Quotas of UCI	7,136	48	1,149	4,812	120	535
4. Loans	-	41	3	-	8	4
<b>TOTAL</b>	<b>120,876</b>	<b>8,208</b>	<b>2,318</b>	<b>114,055</b>	<b>5,032</b>	<b>5,063</b>

Loans, as illustrated in Part A – Accounting policies, refer to portions of syndicated loans underwritten and destined to be subsequently sold.

Financial assets available for sale (equities measured at fair value – level 2) include the stakes issued by the Bank of Italy in application of Law Decree 133 of 30 November 2013, converted into Law 5 of 29 January 2014, and as a consequence of the amendments to the articles of association approved by the Bank of Italy's general meeting on 23 December 2013 and entered into force on 31 December 2013.

During 2015 Intesa Sanpaolo sold - at nominal value, equal to the book value - a total stake of approximately 5.7% in the capital of the Bank of Italy, for an equivalent value of approximately 430 million euro. The number of shares held dropped from 127,266 to 110,014 (36.7% of capital), for a carrying value of 2,750 million euro.

For the 2015 Financial Statements, in order to check the stake in the Bank of Italy's capital, in compliance with the provisions of IFRS 13, reference was made to the value expressed by the market transactions performed throughout 2015 and regarding these stakes, recorded during 2015 in line with IFRS 13, which establishes that the fair value must be determined according to a hierarchy of criteria that assigns top priority to market input and less importance to inputs unobservable on the market. These transactions, also performed by other holders of the supervisory authority's capital, were deemed significant as they involved various market operators and implied the transfer of a considerable component of the Bank of Italy's capital. The transactions in question were all performed at the nominal value of the stakes, equal to 25,000 euro each. The fair value of the stakes consequently equalled the one recognised in Intesa Sanpaolo financial statements, i.e. 2,750 million.

Finally, the valuation of the stakes in the Bank of Italy based on the direct transaction method implies the classification of the investment in the category of the instruments with level 2 fair value, unlike in previous years, when the stakes in the Bank of

Italy were classified in level 3 as their fair value was determined by using a valuation method that used parameters that were not observable on the market.

#### 4.1 Of which: Banking group

(millions of euro)

	31.12.2015			31.12.2014		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Debt securities	46,256	3,893	156	43,103	3,524	156
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	46,256	3,893	156	43,103	3,524	156
2. Equities	68	3,046	861	187	531	4,025
2.1 Measured at fair value	68	3,046	847	187	531	4,010
2.2 Measured at cost	-	-	14	-	-	15
3. Quotas of UCI	478	17	715	471	9	528
4. Loans	-	41	3	-	8	4
<b>TOTAL</b>	<b>46,802</b>	<b>6,997</b>	<b>1,735</b>	<b>43,761</b>	<b>4,072</b>	<b>4,713</b>

#### 4.1 Of which: Insurance companies

(millions of euro)

	31.12.2015			31.12.2014		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Debt securities	65,944	1,063	44	65,091	849	182
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	65,944	1,063	44	65,091	849	182
2. Equities	1,472	-	-	862	-	161
2.1 Measured at fair value	1,472	-	-	862	-	161
2.2 Measured at cost	-	-	-	-	-	-
3. Quotas of UCI	6,658	31	434	4,341	111	7
4. Loans	-	-	-	-	-	-
<b>TOTAL</b>	<b>74,074</b>	<b>1,094</b>	<b>478</b>	<b>70,294</b>	<b>960</b>	<b>350</b>

#### 4.1 Of which: Other companies

As at 31 December 2015, 222 million euro were attributable to other companies, of which 117 million euro referred to equities with level 2 fair value and the remainder 105 million euro to equities with level 3 fair value. At the end of 2014, there were no assets attributable to other companies.

## 4.2 Financial assets available for sale: borrower/issuer breakdown

	31.12.2015	Of which:			(millions of euro) 31.12.2014
		Banking group	Insurance companies	Other companies	
<b>1. Debt securities</b>	<b>117,356</b>	<b>50,305</b>	<b>67,051</b>	-	<b>112,905</b>
a) Governments and Central Banks	102,045	46,645	55,400	-	100,877
b) Other public entities	389	31	358	-	394
c) Banks	5,871	1,690	4,181	-	5,897
d) Other issuers	9,051	1,939	7,112	-	5,737
<b>2. Equities</b>	<b>5,669</b>	<b>3,975</b>	<b>1,472</b>	<b>222</b>	<b>5,766</b>
a) Banks	2,909	2,842	67	-	3,321
b) Other issuers	2,760	1,133	1,405	222	2,445
- insurance companies	81	-	81	-	215
- financial institutions	405	402	3	-	319
- non-financial companies	2,274	731	1,321	222	1,910
- other	-	-	-	-	1
<b>3. Quotas of UCI</b>	<b>8,333</b>	<b>1,210</b>	<b>7,123</b>	-	<b>5,467</b>
<b>4. Loans</b>	<b>44</b>	<b>44</b>	-	-	<b>12</b>
a) Governments and Central Banks	-	-	-	-	-
b) Other public entities	-	-	-	-	-
c) Banks	3	3	-	-	4
d) Other counterparties	41	41	-	-	8
<b>TOTAL</b>	<b>131,402</b>	<b>55,534</b>	<b>75,646</b>	<b>222</b>	<b>124,150</b>

Equities include instruments issued by non-financial companies for 129 million euro, resulting from the conversion of loans.

## 4.3 Financial assets available for sale with specific hedges

	31.12.2015	Of which:			(millions of euro) 31.12.2014
		Banking group	Insurance companies	Other companies	
<b>1. Financial assets with specific fair value hedges</b>	<b>33,444</b>	<b>33,222</b>	-	<b>222</b>	<b>35,373</b>
a) Interest rate risk	32,875	32,875	-	-	35,317
b) Price risk	222	-	-	222	-
c) Foreign exchange risk	-	-	-	-	-
d) Credit risk	-	-	-	-	-
e) Various risks	347	347	-	-	56
<b>2. Financial assets with specific cash flow hedges</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
a) Interest rate risk	-	-	-	-	-
b) Foreign exchange risk	-	-	-	-	-
c) Other	-	-	-	-	-
<b>TOTAL</b>	<b>33,444</b>	<b>33,222</b>	<b>-</b>	<b>222</b>	<b>35,373</b>

**Impairment tests for financial assets available for sale**

As required under IFRS, financial assets available for sale are subjected to impairment testing to assess whether there is objective evidence to consider that the carrying value of such assets is not fully recoverable.

The Intesa Sanpaolo Group's policy for managing impairment testing calls for the verification of the presence of impairment indicators and the determination of any losses.

The impairment indicators are essentially divided into two categories: indicators deriving from internal factors relating to the company being valued, and therefore qualitative, and - for equities - external quantitative indicators deriving from the market values of the company.

Within the first category, the following indicators, for example, are considered significant: the generation of negative economic results or in any case a significant variance with respect to the targets budgeted or established in the multi-year plans disclosed to the market, the announcement/start up of insolvency proceedings or restructuring plans, and the downgrading by more than two categories of the rating. With respect to the second category, a significant or prolonged reduction in fair value below the initial recognition value is particularly important. Specifically, in relation to the initial recognition value, a fair value reduction of over 30% is considered "significant", and a continuous reduction of over 24 months is considered a "prolonged" reduction. If one of these thresholds is exceeded, impairment of the security is carried out. If these thresholds are not exceeded but other impairment indicators are present, recognition of the impairment loss must also be corroborated by the result of specific analyses of the security and the investment.

The amount of the impairment loss is calculated with reference to the fair value of the financial asset.

The analyses performed have resulted in the need to make some value adjustments with reference to some equity investments; the main value adjustments concerned Cassa di Risparmio della Provincia di Chieti (17 million euro), Carlo Tassara (16 million euro regarding the equity instruments) and Fondo Atlante Private Equity (13 million euro).

**SECTION 5 - INVESTMENTS HELD TO MATURITY - CAPTION 50****5.1 Investments held to maturity: breakdown**

(millions of euro)

	31.12.2015				31.12.2014			
	Book value	Fair value			Book value	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
1. Debt securities	1,386	555	898	-	1,471	602	917	-
<i>Structured securities</i>	-	-	-	-	-	-	-	-
<i>Other</i>	1,386	555	898	-	1,471	602	917	-
2. Loans	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>1,386</b>	<b>555</b>	<b>898</b>	<b>-</b>	<b>1,471</b>	<b>602</b>	<b>917</b>	<b>-</b>

For the illustration of the criteria for the determination of the fair value reference should be made to Part A – Accounting policies.

**5.1 Of which: Banking group**

(millions of euro)

	31.12.2015				31.12.2014			
	Book value	Fair value			Book value	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
1. Debt securities	1,386	555	898	-	1,471	602	917	-
<i>Structured securities</i>	-	-	-	-	-	-	-	-
<i>Other</i>	1,386	555	898	-	1,471	602	917	-
2. Loans	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>1,386</b>	<b>555</b>	<b>898</b>	<b>-</b>	<b>1,471</b>	<b>602</b>	<b>917</b>	<b>-</b>



## 5.2 Investments held to maturity: borrowers/issuers

(millions of euro)

	31.12.2015	Of which:			31.12.2014
		Banking group	Insurance companies	Other companies	
<b>1. Debt securities</b>	<b>1,386</b>	<b>1,386</b>	-	-	<b>1,471</b>
a) Governments and Central Banks	1,243	1,243	-	-	1,326
b) Other public entities	-	-	-	-	-
c) Banks	103	103	-	-	104
d) Other issuers	40	40	-	-	41
<b>2. Loans</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
a) Governments and Central Banks	-	-	-	-	-
b) Other public entities	-	-	-	-	-
c) Banks	-	-	-	-	-
d) Other counterparties	-	-	-	-	-
<b>TOTAL</b>	<b>1,386</b>	<b>1,386</b>	<b>-</b>	<b>-</b>	<b>1,471</b>
<b>TOTAL FAIR VALUE</b>	<b>1,453</b>	<b>1,453</b>	<b>-</b>	<b>-</b>	<b>1,519</b>

## 5.3 Investments held to maturity with specific hedges

As at 31 December 2015, no investments held to maturity with specific hedges were recorded.

## SECTION 6 – DUE FROM BANKS – CAPTION 60

## 6.1 Due from banks: breakdown

(millions of euro)

	Book value	31.12.2015			Book value	31.12.2014		
		Fair value				Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
<b>A. Due from Central Banks</b>	<b>7,898</b>	-	<b>2,555</b>	<b>5,343</b>	<b>5,459</b>	-	<b>2,095</b>	<b>3,364</b>
1. Time deposits	1,348				1,516			
2. Compulsory reserve	6,229				3,894			
3. Repurchase agreements	82				-			
4. Other	239				49			
<b>B. Due from banks</b>	<b>26,547</b>	<b>58</b>	<b>18,422</b>	<b>7,996</b>	<b>25,913</b>	<b>58</b>	<b>18,966</b>	<b>6,836</b>
1. Loans	25,775	-	18,039	7,725	25,171	-	18,298	6,836
1.1 Current accounts and deposits	9,202				10,278			
1.2 Time deposits	1,332				1,823			
1.3 Other loans	15,241				13,070			
- Reverse repurchase agreements	5,655				3,602			
- Financial leases	3				6			
- Other	9,583				9,462			
2. Debt securities	772	58	383	271	742	58	668	-
2.1 Structured	-				-			
2.2 Other	772				742			
<b>TOTAL</b>	<b>34,445</b>	<b>58</b>	<b>20,977</b>	<b>13,339</b>	<b>31,372</b>	<b>58</b>	<b>21,061</b>	<b>10,200</b>

The fair value is indicated only where required by specific instructions from the Bank of Italy.

Non-performing loans due from banks amounted to 3 million euro as at 31 December 2015 and 26 million euro as at 31 December 2014.

**6.1 Of which: Banking group**

(millions of euro)

	Book value	31.12.2015			31.12.2014			
		Level 1	Level 2	Level 3	Book value	Level 1	Level 2	Level 3
<b>A. Due from Central Banks</b>	<b>7,898</b>	-	<b>2,555</b>	<b>5,343</b>	<b>5,459</b>	-	<b>2,095</b>	<b>3,364</b>
1. Time deposits	1,348				1,516			
2. Compulsory reserve	6,229				3,894			
3. Repurchase agreements	82				-			
4. Other	239				49			
<b>B. Due from banks</b>	<b>25,734</b>	<b>58</b>	<b>18,197</b>	<b>7,408</b>	<b>24,887</b>	<b>58</b>	<b>18,072</b>	<b>6,704</b>
1. Loans	24,982	-	17,834	7,137	24,199	-	17,458	6,704
1.1 Current accounts and deposits	8,415				9,306			
1.2 Time deposits	1,326				1,823			
1.3 Other loans	15,241				13,070			
- Reverse repurchase agreements	5,655				3,602			
- Financial leases	3				6			
- Other	9,583				9,462			
2. Debt securities	752	58	363	271	688	58	614	-
2.1 Structured	-				-			
2.2 Other	752				688			
<b>TOTAL</b>	<b>33,632</b>	<b>58</b>	<b>20,752</b>	<b>12,751</b>	<b>30,346</b>	<b>58</b>	<b>20,167</b>	<b>10,068</b>

The fair value is indicated only where required by specific instructions from the Bank of Italy.

**6.1 Of which: Insurance companies**

(millions of euro)

	Book value	31.12.2015			31.12.2014			
		Level 1	Level 2	Level 3	Book value	Level 1	Level 2	Level 3
<b>A. Due from Central Banks</b>	-	-	-	-	-	-	-	-
1. Time deposits	-				-			
2. Compulsory reserve	-				-			
3. Repurchase agreements	-				-			
4. Other	-				-			
<b>B. Due from banks</b>	<b>776</b>	-	<b>225</b>	<b>551</b>	<b>1,026</b>	-	<b>894</b>	<b>132</b>
1. Loans	756	-	205	551	972	-	840	132
1.1 Current accounts and deposits	756				972			
1.2 Time deposits	-				-			
1.3 Other loans	-				-			
- Reverse repurchase agreements	-				-			
- Financial leases	-				-			
- Other	-				-			
2. Debt securities	20	-	20	-	54	-	54	-
2.1 Structured	-				-			
2.2 Other	20				54			
<b>TOTAL</b>	<b>776</b>	-	<b>225</b>	<b>551</b>	<b>1,026</b>	-	<b>894</b>	<b>132</b>

The fair value is indicated only where required by specific instructions from the Bank of Italy.

**6.1 Of which: Other companies**

As at 31 December 2015 amounts due from banks referring to other companies amount to 37 million euro and consist of current accounts and deposits for 31 million euro and term deposits for 6 million euro, (total fair value equalling 37 million euro). As at 31 December 2014 there were no receivables attributable to this category.

**6.2 Due from banks with specific hedges**

(millions of euro)

	31.12.2015	31.12.2014
<b>1. Due from banks with specific fair value hedges</b>	<b>463</b>	<b>399</b>
a) Interest rate risk	424	364
b) Foreign exchange risk	-	-
c) Credit risk	-	-
d) Various risks	39	35
<b>2. Due from banks with specific cash flow hedges</b>	<b>-</b>	<b>-</b>
a) Interest rate risk	-	-
b) Foreign exchange risk	-	-
c) Other	-	-
<b>TOTAL</b>	<b>463</b>	<b>399</b>

**6.3 Financial leases**

Financial lease receivables included under Due from banks were immaterial as at 31 December 2015.

**SECTION 7 – LOANS TO CUSTOMERS – CAPTION 70****7.1 Loans to customers: breakdown**

(millions of euro)

	31.12.2015						31.12.2014					
	Book value			Fair value			Book value			Fair value		
	Performing	Non-performing purchased	other	Level 1	Level 2	Level 3	Performing	Non-performing purchased	other	Level 1	Level 2	Level 3
<b>Loans</b>	<b>303,539</b>	<b>9</b>	<b>33,021</b>	<b>-</b>	<b>229,370</b>	<b>119,197</b>	<b>291,807</b>	<b>17</b>	<b>33,406</b>	<b>-</b>	<b>191,388</b>	<b>148,588</b>
1. Current accounts	24,535	-	4,156	-	-	-	27,025	-	4,247	-	-	-
2. Reverse repurchase agreements	21,449	-	-	-	-	-	16,927	-	-	-	-	-
3. Mortgages	138,036	5	18,059	-	-	-	135,834	7	17,520	-	-	-
4. Credit card loans, personal loans and transfer of one fifth of salaries	17,531	-	712	-	-	-	16,085	-	699	-	-	-
5. Finance leases	14,298	-	3,916	-	-	-	15,557	7	3,848	-	-	-
6. Factoring	9,733	-	246	-	-	-	11,053	-	340	-	-	-
7. Other loans	77,957	4	5,932	-	-	-	69,326	3	6,752	-	-	-
<b>Debt securities</b>	<b>13,385</b>	<b>-</b>	<b>56</b>	<b>1,064</b>	<b>9,163</b>	<b>1,632</b>	<b>13,837</b>	<b>-</b>	<b>38</b>	<b>1,310</b>	<b>9,422</b>	<b>802</b>
8. Structured securities	10	-	10	-	-	-	9	-	1	-	-	-
9. Other debt securities	13,375	-	46	-	-	-	13,828	-	37	-	-	-
<b>TOTAL</b>	<b>316,924</b>	<b>9</b>	<b>33,077</b>	<b>1,064</b>	<b>238,533</b>	<b>120,829</b>	<b>305,644</b>	<b>17</b>	<b>33,444</b>	<b>1,310</b>	<b>200,810</b>	<b>149,390</b>

The fair value is indicated only where required by specific instructions from the Bank of Italy.

Loans to customers include loans disbursed on public funds under administration for which Group banks hold the risk in the amount of 81 million euro.

The illustration of the criteria used to determine fair value is contained in Part A – Accounting policies.

The caption above includes the securities connected with securitisation transactions for a total amount of approximately 4,054 million euro, of which 3,947 million euro is senior, 85 million euro is mezzanine and 22 million euro is junior.

**7.1 Of which: Banking group**

(millions of euro)

	31.12.2015						31.12.2014					
	Book value		Fair value			Book value		Fair value				
	Performing	Non-performing purchased other	Level 1	Level 2	Level 3	Performing	Non-performing purchased other	Level 1	Level 2	Level 3		
<b>Loans</b>	<b>303,536</b>	<b>9 33,021</b>	-	<b>229,367</b>	<b>119,197</b>	<b>291,800</b>	<b>17 33,406</b>	-	<b>191,384</b>	<b>148,586</b>		
1. Current accounts	24,535	- 4,156				27,025	- 4,247					
2. Reverse repurchase agreements	21,449	- -				16,927	- -					
3. Mortgages	138,036	5 18,059				135,834	7 17,520					
4. Credit card loans, personal loans and transfer of one fifth of salaries	17,531	- 712				16,085	- 699					
5. Finance leases	14,298	- 3,916				15,557	7 3,848					
6. Factoring	9,733	- 246				11,053	- 340					
7. Other loans	77,954	4 5,932				69,319	3 6,752					
<b>Debt securities</b>	<b>11,948</b>	<b>- 56</b>	<b>1,064</b>	<b>7,743</b>	<b>1,615</b>	<b>13,068</b>	<b>- 38</b>	<b>1,310</b>	<b>8,655</b>	<b>800</b>		
8. Structured securities	10	- 10				9	- 1					
9. Other debt securities	11,938	- 46				13,059	- 37					
<b>TOTAL</b>	<b>315,484</b>	<b>9 33,077</b>	<b>1,064</b>	<b>237,110</b>	<b>120,812</b>	<b>304,868</b>	<b>17 33,444</b>	<b>1,310</b>	<b>200,039</b>	<b>149,386</b>		

The fair value is indicated only where required by specific instructions from the Bank of Italy.

**7.1 Of which: Insurance companies**

As at 31 December 2015, 20 million euro was attributable to insurance companies, of which 3 million euro was attributable to other performing loans and 17 million euro to other performing debt securities (total fair value of 20 million euro). As at 31 December 2014, loans due from customers were related to insurance companies in the amount of 9 million euro, of which 7 million euro was attributable to other performing loans and 2 million euro to other performing debt securities (total fair value of 8 million euro).

**7.1 Of which: Other companies**

As at 31 December 2015, loans to customers relating to other companies amounted to 1,420 million euro and consisted entirely of performing debt securities (total fair value of 1,420 million euro). As at 31 December 2014 they amounted to 767 million euro, also attributable to other performing debt securities (total fair value of 767 million euro).

**7.2 Loans to customers: borrower/issuer breakdown**

(millions of euro)

	31.12.2015			31.12.2014		
	Performing	Non-performing		Performing	Non-performing	
		purchased	other		purchased	other
<b>1. Debt securities</b>	<b>13,385</b>	-	<b>56</b>	<b>13,837</b>	-	<b>38</b>
a) Governments	4,036	-	-	4,467	-	-
b) Other public entities	4,792	-	28	5,231	-	31
c) Other issuers	4,557	-	28	4,139	-	7
- non-financial companies	1,463	-	28	1,421	-	7
- financial institutions	2,978	-	-	2,657	-	-
- insurance companies	51	-	-	-	-	-
- other	65	-	-	61	-	-
<b>2. Loans</b>	<b>303,539</b>	<b>9</b>	<b>33,021</b>	<b>291,807</b>	<b>17</b>	<b>33,406</b>
a) Governments	7,999	-	9	9,019	-	6
b) Other public entities	11,307	-	279	11,104	-	312
c) Other counterparties	284,233	9	32,733	271,684	17	33,088
- non-financial companies	156,830	9	27,671	156,417	10	28,044
- financial institutions	39,651	-	802	30,788	-	941
- insurance companies	46	-	-	48	-	-
- other	87,706	-	4,260	84,431	7	4,103
<b>TOTAL</b>	<b>316,924</b>	<b>9</b>	<b>33,077</b>	<b>305,644</b>	<b>17</b>	<b>33,444</b>

**7.2 Of which: Banking group**

(millions of euro)

	31.12.2015			31.12.2014		
	Performing	Non-performing		Performing	Non-performing	
		purchased	other		purchased	other
<b>1. Debt securities</b>	<b>11,948</b>	-	<b>56</b>	<b>13,068</b>	-	<b>38</b>
a) Governments	4,036	-	-	4,467	-	-
b) Other public entities	4,792	-	28	5,231	-	31
c) Other issuers	3,120	-	28	3,370	-	7
- non-financial companies	1,463	-	28	1,421	-	7
- financial institutions	1,558	-	-	1,890	-	-
- insurance companies	51	-	-	-	-	-
- other	48	-	-	59	-	-
<b>2. Loans</b>	<b>303,536</b>	<b>9</b>	<b>33,021</b>	<b>291,800</b>	<b>17</b>	<b>33,406</b>
a) Governments	7,999	-	9	9,019	-	6
b) Other public entities	11,307	-	279	11,104	-	312
c) Other counterparties	284,230	9	32,733	271,677	17	33,088
- non-financial companies	156,830	9	27,671	156,417	10	28,044
- financial institutions	39,649	-	802	30,782	-	941
- insurance companies	46	-	-	48	-	-
- other	87,705	-	4,260	84,430	7	4,103
<b>TOTAL</b>	<b>315,484</b>	<b>9</b>	<b>33,077</b>	<b>304,868</b>	<b>17</b>	<b>33,444</b>

**7.2 Of which: Insurance companies**

As at 31 December 2015 there was 20 million euro attributable to insurance companies, of which 2 million euro relating to loans to financial institutions, 17 million euro to debt securities of other issuers and 1 million euro to loans to other parties, whereas as at 31 December 2014 there was 9 million euro, of which 6 million euro relating to loans to financial institutions, 2 million euro to debt securities of other issuers and 1 million euro to loans to other parties.

**7.2 Of which: Other companies**

As at 31 December 2015, 1,420 million euro was attributable to other companies, consisting entirely of debt securities issued by financial institutions, whereas as at 31 December 2014 there was 767 million euro, also consisting of debt securities issued by financial institutions.

**7.3 Loans to customers with specific hedges**

(millions of euro)

	31.12.2015	31.12.2014
<b>1. Loans to customers with specific fair value hedges</b>	<b>18,627</b>	<b>30,878</b>
a) Interest rate risk	18,014	30,298
b) Foreign exchange risk	-	-
c) Credit risk	-	-
d) Various risks	613	580
<b>2. Loans to customers with specific cash flow hedges</b>	<b>-</b>	<b>-</b>
a) Interest rate risk	-	-
b) Foreign exchange risk	-	-
c) Other	-	-
<b>TOTAL</b>	<b>18,627</b>	<b>30,878</b>

As illustrated in Part A – Accounting policies and Part E – Information on risks and relative hedging policies, loans to customers are hedged via specific fair value hedges of the interest rate risk as well as via the stabilisation of the interest flows (cash flow hedges) of floating rate funding, to the extent that this is used to finance fixed rate loans, and via macro fair value hedges.

## 7.4 Financial leases

(millions of euro)

Time bands	31.12.2015					
	Non-performing loans	Minimum lease payments			Gross investment	
		Capital	of which guaranteed residual value	Interest		of which unguaranteed residual value
Up to 3 months	425	533	1	149	1,107	6
Between 3 and 12 months	1,014	1,379	4	421	2,814	17
Between 1 and 5 years	2,073	4,905	8	1,635	8,613	45
Over 5 years	213	7,042	2	1,424	8,679	13
Unspecified maturity	-	-	-	-	-	-
<b>Total, gross</b>	<b>3,725</b>	<b>13,859</b>	<b>15</b>	<b>3,629</b>	<b>21,213</b>	<b>81</b>
Loans for assets to be leased	191	599	-	-	790	-
Adjustments	-	-160	-	-	-160	-
- collective	-	-160	-	-	-	-
<b>Total, net</b>	<b>3,916</b>	<b>14,298</b>	<b>15</b>	<b>3,629</b>	<b>21,843</b>	<b>81</b>

## SECTION 8 – HEDGING DERIVATIVES – CAPTION 80 OF ASSETS

Concerning the objectives and the strategies underlying hedging transactions see the information provided in Part E – Information on risks and relative hedging policies, Section 2 – Market risks.

Derivatives are considered listed only if traded on regulated markets.

## 8.1 Hedging derivatives: breakdown by type of hedge and level

(millions of euro)

	Fair value 31.12.2015			Notional value 31.12.2015	Fair value 31.12.2014			Notional value 31.12.2014
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
<b>A) Financial derivatives</b>	-	<b>7,039</b>	<b>20</b>	<b>150,890</b>	-	<b>9,206</b>	<b>4</b>	<b>150,065</b>
1) fair value	-	7,027	20	146,527	-	9,152	4	145,407
2) cash flows	-	12	-	4,363	-	54	-	4,658
3) foreign investments	-	-	-	-	-	-	-	-
<b>B) Credit derivatives</b>	-	-	-	-	-	-	-	-
1) fair value	-	-	-	-	-	-	-	-
2) cash flows	-	-	-	-	-	-	-	-
<b>Total</b>	-	<b>7,039</b>	<b>20</b>	<b>150,890</b>	-	<b>9,206</b>	<b>4</b>	<b>150,065</b>

## 8.1 Of which: Banking group

(millions of euro)

	Fair value 31.12.2015			Notional value 31.12.2015	Fair value 31.12.2014			Notional value 31.12.2014
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
<b>A) Financial derivatives</b>	-	<b>7,038</b>	<b>20</b>	<b>150,877</b>	-	<b>9,204</b>	<b>4</b>	<b>149,877</b>
1) fair value	-	7,027	20	146,527	-	9,152	4	145,407
2) cash flows	-	11	-	4,350	-	52	-	4,470
3) foreign investments	-	-	-	-	-	-	-	-
<b>B) Credit derivatives</b>	-	-	-	-	-	-	-	-
1) fair value	-	-	-	-	-	-	-	-
2) cash flows	-	-	-	-	-	-	-	-
<b>Total</b>	-	<b>7,038</b>	<b>20</b>	<b>150,877</b>	-	<b>9,204</b>	<b>4</b>	<b>149,877</b>

**8.1 Of which: Other companies**

As at 31 December 2015, 1 million euro was attributable to other companies, referring entirely to cash flow hedges through level 2 financial derivatives (notional value of 13 million euro).

**8.2 Hedging derivatives: breakdown by hedged portfolio and type of hedge**

(millions of euro)

Operations/Type of hedge	FAIR VALUE					Generic	CASH FLOWS		FOREIGN INVESTM.
	Specific			Generic			Specific	Generic	
	interest rate risk	foreign exchange risk	credit risk	price risk	various risks				
1. Financial assets available for sale	108	-	-	-	-	X	-	X	X
2. Loans	107	-	-	X	-	X	-	X	X
3. Investments held to maturity	X	-	-	X	-	X	-	X	X
4. Portfolio	X	X	X	X	X	34	X	11	X
5. Other transactions	-	-	-	-	-	X	-	X	-
<b>Total assets</b>	<b>215</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34</b>	<b>-</b>	<b>11</b>	<b>-</b>
1. Financial liabilities	5,448	-	-	X	518	X	-	X	X
2. Portfolio	X	X	X	X	X	833	X	-	X
<b>Total liabilities</b>	<b>5,448</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>518</b>	<b>833</b>	<b>-</b>	<b>-</b>	<b>-</b>
1. Forecast transactions	X	X	X	X	X	X	-	X	X
2. Financial assets and liabilities portfolio	X	X	X	X	X	-	X	-	-

**8.2 Of which: Banking group**

(millions of euro)

Operations/Type of hedge	FAIR VALUE					Generic	CASH FLOWS		FOREIGN INVESTM.
	Specific			Generic			Specific	Generic	
	interest rate risk	foreign exchange risk	credit risk	price risk	various risks				
1. Financial assets available for sale	108	-	-	-	-	X	-	X	X
2. Loans	107	-	-	X	-	X	-	X	X
3. Investments held to maturity	X	-	-	X	-	X	-	X	X
4. Portfolio	X	X	X	X	X	34	X	11	X
5. Other transactions	-	-	-	-	-	X	-	X	-
<b>Total assets</b>	<b>215</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34</b>	<b>-</b>	<b>11</b>	<b>-</b>
1. Financial liabilities	5,447	-	-	X	518	X	-	X	X
2. Portfolio	X	X	X	X	X	833	X	-	X
<b>Total liabilities</b>	<b>5,447</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>518</b>	<b>833</b>	<b>-</b>	<b>-</b>	<b>-</b>
1. Forecast transactions	X	X	X	X	X	X	-	X	X
2. Financial assets and liabilities portfolio	X	X	X	X	X	-	X	-	-

The table indicates positive fair values of hedging derivatives, broken down in relation to asset or liability hedged and type of hedge.

These mainly refer to specific fair value hedges of loans disbursed and liabilities issued, as well as generic fair value hedges of core deposits.

**8.2 Of which: Other companies**

As at 31 December 2015, 1 million euro was attributable to other companies, relating entirely to the hedging of interest rate risk on financial liabilities.

## SECTION 9 – FAIR VALUE CHANGE OF FINANCIAL ASSETS IN HEDGED PORTFOLIOS – CAPTION 90

## 9.1 Fair value change of financial assets in hedged portfolios: breakdown by hedged portfolios

(millions of euro)

	31.12.2015	Of which:			31.12.2014
		Banking group	Insurance companies	Other companies	
<b>1. Positive fair value change</b>	<b>110</b>	<b>110</b>	-	-	<b>59</b>
1.1. of specific portfolios	110	110	-	-	59
a) loans	110	110	-	-	59
b) financial assets available for sale	-	-	-	-	-
1.2. overall	-	-	-	-	-
<b>2. Negative fair value change</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
2.1. of specific portfolios	-	-	-	-	-
a) loans	-	-	-	-	-
b) financial assets available for sale	-	-	-	-	-
2.2. overall	-	-	-	-	-
<b>TOTAL</b>	<b>110</b>	<b>110</b>	<b>-</b>	<b>-</b>	<b>59</b>

## 9.2 Assets hedged by macrohedging of interest rate risk

(millions of euro)

Hedged assets	31.12.2015	31.12.2014
1. Loans	22,681	10,839
2. Assets available for sale	-	-
3. Portfolio	-	-
<b>TOTAL</b>	<b>22,681</b>	<b>10,839</b>

The table shows assets hedged by macrohedging of interest rate risk. The increase is attributable to the activation, in 2015, of macro hedges of the interest rate risk on the loans. Additional information on fair value hedging is available in Part E – Information on risks and relative hedging policies of the Notes to the consolidated financial statements.



## LIABILITIES

### SECTION 1 – DUE TO BANKS – CAPTION 10

#### 1.1 Due to banks: breakdown

	31.12.2015	Of which:			(millions of euro) 31.12.2014
		Banking group	Insurance companies	Other companies	
<b>1. Due to Central Banks</b>	<b>32,659</b>	<b>32,659</b>	-	-	<b>26,090</b>
<b>2. Due to banks</b>	<b>26,668</b>	<b>26,218</b>	<b>3</b>	<b>447</b>	<b>25,405</b>
2.1 Current accounts and deposits	5,564	5,559	1	4	5,887
2.2 Time deposits	3,786	3,786	-	-	5,083
2.3 Loans	17,061	16,618	-	443	13,776
2.3.1 Repurchase agreements	8,555	8,555	-	-	4,994
2.3.2 Other	8,506	8,063	-	443	8,782
2.4 Debts for commitments to repurchase own equity instruments	181	181	-	-	447
2.5 Other debts	76	74	2	-	212
<b>TOTAL (Book value)</b>	<b>59,327</b>	<b>58,877</b>	<b>3</b>	<b>447</b>	<b>51,495</b>
Fair value - Level 1	-	-	-	-	4
Fair value - Level 2	44,537	44,075	-	462	35,852
Fair value - Level 3	14,603	14,600	3	-	15,606
<b>TOTAL (fair value)</b>	<b>59,140</b>	<b>58,675</b>	<b>3</b>	<b>462</b>	<b>51,462</b>

The illustration of the criteria, used to determine the fair value is contained in Part A – Accounting policies.

Repurchase agreements related to assets sold not derecognised are detailed in Part E - Section C.2.

The amount under Debts for commitments to repurchase own equity instruments refers to put options sold with minority stakes of fully consolidated equity investments as underlying asset, attributable to the Put & Call Agreement to purchase 9.75% of Bank of Alexandria for a total of approximately 181 million euro.

The repurchase agreements presented in the table include long-term repurchase transactions with a total carrying amount of 1,227 million euro, of which 582 million euro is attributable to the Parent Company, relating to the various cases described below.

The first case involves de-risking transactions finalised in previous years with the twofold aim of both funding the Group's operations (through repurchase transactions) and reducing the credit risks associated with the portfolio of securities issued (through the acquisition of financial guarantees).

The repurchase transactions, with a carrying amount of 682 million euro (of which 227 million euro attributable to the Parent Company) have a non-replaceable underlying portfolio of Italian government securities (with maturities from 2019 to 2033). In addition, with reference to the Parent Company, securities issued by local and public corporate entities of Eurozone nations (with maturities from 2016 to 2018), hedged against interest rate risk through IRS (asset swap) contracts. These contracts already recorded in the financial statements at the time of execution of the repurchase transactions and recognised under financial assets available for sale and, in the case of the Parent Company, as loans to customers. Their maturity and nominal value coincide with those of the securities; the financial guarantees have a duration shorter than the maturity of the underlying securities.

The second case regards transactions with a book value of 270 million euro (of which 80 million euro attributable to the Parent Company), with total duration of approximately 4 years and, in some cases, amortisation of the notional amount over time. These transactions were finalised in previous years in the context of public finance activity and consist of medium-/long-term repurchase agreements aimed at funding the purchase of securities issued by Italy and by Italian regions. These transactions have been carried out with various counterparties and, only in some cases, have maturities that correspond to those of the securities purchased. In addition, an IRS has also been entered into between the parties to hedge interest rate risk. Lastly, the Group has provided additional collateral for the counterparty.

Being collateralised, this form of medium-/long-term funding has allowed the Bank to obtain a better net return on its investments in securities than it would have obtained by raising funds through other forms of financing with the same time horizon but not collateralised by the same guarantee structure.

For the sake of completeness, a third case is reported: it consists of long-term repurchase agreements with a book value of 275 million euro (entirely attributable to the Parent Company), entered into with the sole purpose of raising new funding using securities already outstanding in the Bank's portfolio, mainly classified as loans to customers (already hedged against

interest-rate risk with IRS contracts). The maturities of the repurchase agreements (to 2017 and in one case to 2039) are in some cases equal to the maturities of the underlying securities. It is possible to substitute securities, which are sold but not derecognised.

For recognition purposes, an assessment was conducted aimed at understanding the purpose underlying the contractual agreements, taking into account the instructions provided by the supervisory authorities in Bank of Italy/Consob/IVASS Document No. 6 of 8 March 2013, "Accounting treatment of 'long-term structured repurchase agreements'."

The analysis focused on the structure, cash flows and risks associated with the transactions and was aimed at verifying whether the cases described above were similar to the long-term structured repurchase agreements described in the above Document, and, in order to be compliant with the principle of the prevalence of substance over form, whether the indicators illustrated in IAS 39, the Guidance on Implementing, paragraph B.6, according to which the transaction may be considered substantially similar to a credit derivative contract, and, in particular, a credit default swap, were present.

With respect to the first case, the repurchase agreements were not concurrent with the purchases of the securities and execution of the interest rate swaps, inasmuch as the securities and derivative instruments were already present in the portfolio. In addition, buying securities and entering into derivatives occurred with market counterparties other than those with which the repurchase agreements were entered into.

With respect to the second case, although the repurchase agreements were concurrent with the purchases of the securities and execution of the interest rate swaps, those agreements were entered into with different counterparties and, in some cases, for nominal values and maturities less than those of the securities.

Lastly, with respect to the third case, the specific purpose for which they were undertaken, demonstrated by the substitutability of the securities underlying the repurchase agreements, excludes a correlation between the various phases and differentiates the transactions from those described in the above-mentioned Document. The securities had already been recognised and the counterparties with which the transactions were undertaken were different.

Consequently, in all cases the analysis shows elements of differentiation from the long-term structured repurchase agreements described in the aforementioned Document and grounds supporting the inapplicability of the guidelines envisaged in IAS 39, Guidance on Implementing, paragraph B.6. All of the transactions pertaining to the cases described above have therefore been recognised, considering the individual contractual components separately.

#### **1.2 Breakdown of caption 10 Due to banks: subordinated debts**

There are no subordinated debts as at 31 December 2015.

#### **1.3 Breakdown of caption 10 Due to banks: structured debts**

There are no structured debts as at 31 December 2015.

#### **1.4 Due to banks with specific hedges**

As at 31 December 2015, debts with fair value hedges against interest rate risk amounted to 23,955 million euro.

#### **1.5 Financial lease payables**

There are no financial lease payables due to banks as at 31 December 2015.

## SECTION 2 – DUE TO CUSTOMERS – CAPTION 20

## 2.1 Due to customers: breakdown

(millions of euro)

	31.12.2015	Banking group	Of which: Insurance companies	Other companies	31.12.2014
1. Current accounts and deposits	182,062	182,062	-	-	162,825
2. Time deposits	43,278	43,278	-	-	36,797
3. Loans	24,573	24,573	-	-	25,559
3.1 Repurchase agreements	20,416	20,416	-	-	20,572
3.2 Other	4,157	4,157	-	-	4,987
4. Debts for commitments to repurchase own equity instruments	130	130	-	-	367
5. Other debts	5,215	5,154	61	-	5,190
<b>TOTAL (Book value)</b>	<b>255,258</b>	<b>255,197</b>	<b>61</b>	<b>-</b>	<b>230,738</b>
Fair value - Level 1	183	122	61	-	110
Fair value - Level 2	216,446	216,446	-	-	194,236
Fair value - Level 3	39,183	39,183	-	-	36,932
<b>TOTAL (fair value)</b>	<b>255,812</b>	<b>255,751</b>	<b>61</b>	<b>-</b>	<b>231,278</b>

The illustration of the criteria, used to determine the fair value is contained in Part A – Accounting policies.

Repurchase agreements related to assets sold not derecognised are detailed in Part E - Section C.2.

The amount under Debts for commitments to repurchase own equity instruments refers to put options sold with minority stakes of fully consolidated equity investments as underlying asset, mainly attributable to the Put & Call Agreement to purchase 16.52% of Cassa di Risparmio di Pistoia for a total of approximately 85 million euro.

## 2.2 Breakdown of caption 20 Due to customers: subordinated debts

There are no subordinated debts as at 31 December 2015.

## 2.3 Breakdown of caption 20 Due to customers: structured debts

As at 31 December 2015, the amount under Due to customers included structured debts of 36 million euro.

## 2.4 Due to customers with specific hedges

As at 31 December 2015, debts with specific hedges included under Due to customers are immaterial.

## 2.5 Financial lease payables

As at 31 December 2015, financial lease payables included under Due to customers are immaterial.

## SECTION 3 – SECURITIES ISSUED - CAPTION 30

## 3.1 Securities issued: breakdown

(millions of euro)

	Book value	31.12.2015			31.12.2014			Level 3
		Fair value			Fair value			
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	
<b>Securities</b>								
1. bonds	101,727	49,110	51,954	2,648	114,617	63,636	52,830	-
1.1 structured	7,596	514	7,070	15	13,962	3,736	9,975	-
1.2 other	94,131	48,596	44,884	2,633	100,655	59,900	42,855	-
2. other	8,417	-	8,395	21	9,151	-	6,237	3,332
2.1 structured	-	-	-	-	-	-	-	-
2.2 other	8,417	-	8,395	21	9,151	-	6,237	3,332
<b>TOTAL</b>	<b>110,144</b>	<b>49,110</b>	<b>60,349</b>	<b>2,669</b>	<b>123,768</b>	<b>63,636</b>	<b>59,067</b>	<b>3,332</b>

Embedded derivatives that have satisfied the conditions set forth by IAS 39 as at their issue date for separation from the host contract as at 31 December 2015 have a negative fair value of 440 million euro.

The illustration of the criteria used to determine fair value is contained in Part A – Accounting policies.

## 3.1 Of which Banking group

(millions of euro)

	Book value	31.12.2015			31.12.2014			Level 3
		Fair value			Fair value			
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	
<b>Securities</b>								
1. bonds	100,477	49,110	50,704	2,648	113,369	63,636	51,582	-
1.1 structured	7,596	514	7,070	15	13,962	3,736	9,975	-
1.2 other	92,881	48,596	43,634	2,633	99,407	59,900	41,607	-
2. other	8,299	-	8,277	21	8,999	-	6,085	3,332
2.1 structured	-	-	-	-	-	-	-	-
2.2 other	8,299	-	8,277	21	8,999	-	6,085	3,332
<b>TOTAL</b>	<b>108,776</b>	<b>49,110</b>	<b>58,981</b>	<b>2,669</b>	<b>122,368</b>	<b>63,636</b>	<b>57,667</b>	<b>3,332</b>

## 3.1 Of which Insurance companies

As at 31 December 2015, a total of 1,250 million euro related to insurance companies, fully attributable to level-2 other bonds (fair value 1,250 million euro), which at the end of 2014 amounted to 1,248 million euro.

## 3.1 Of which Other companies

(millions of euro)

	Book value	31.12.2015			31.12.2014			Level 3
		Fair value			Fair value			
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	
<b>Securities</b>								
1. bonds	-	-	-	-	-	-	-	-
1.1 structured	-	-	-	-	-	-	-	-
1.2 other	-	-	-	-	-	-	-	-
2. other	118	-	118	-	152	-	152	-
2.1 structured	-	-	-	-	-	-	-	-
2.2 other	118	-	118	-	152	-	152	-
<b>TOTAL</b>	<b>118</b>	<b>-</b>	<b>118</b>	<b>-</b>	<b>152</b>	<b>-</b>	<b>152</b>	<b>-</b>

## 3.2 Breakdown of caption 30 Securities issued: subordinated securities

The complete list of subordinated securities eligible for regulatory purposes is presented in Part F – Information on capital. The amount of subordinated securities included under Securities issued totalled 14,585 million euro.

## 3.3 Breakdown of caption 30 Securities issued: securities with specific hedges

(millions of euro)

	31.12.2015	31.12.2014
<b>1. Securities with specific fair value hedges</b>	<b>80,463</b>	<b>95,796</b>
a) Interest rate risk	78,518	93,063
b) Foreign exchange risk	-	-
c) Various risks	1,945	2,733
<b>2. Securities with specific cash flow hedges</b>	<b>180</b>	<b>180</b>
a) Interest rate risk	180	180
b) Foreign exchange risk	-	-
c) Other	-	-
<b>TOTAL</b>	<b>80,643</b>	<b>95,976</b>

## SECTION 4 – FINANCIAL LIABILITIES HELD FOR TRADING – CAPTION 40

## 4.1 Financial liabilities held for trading: breakdown

(millions of euro)

	31.12.2015					31.12.2014				
	Nominal or notional value	Fair value			Fair value (*)	Nominal or notional value	Fair value			Fair value (*)
		Level 1	Level 2	Level 3			Level 1	Level 2	Level 3	
<b>A. CASH LIABILITIES</b>										
<b>1. Due to banks</b>	<b>2,879</b>	<b>3,032</b>	<b>141</b>	-	<b>3,173</b>	<b>1,720</b>	<b>1,930</b>	<b>31</b>	-	<b>1,961</b>
<b>2. Due to customers</b>	<b>545</b>	<b>542</b>	-	-	<b>542</b>	<b>227</b>	<b>229</b>	-	-	<b>229</b>
<b>3. Debt securities</b>	<b>5,245</b>	<b>4,533</b>	<b>528</b>	-	<b>X</b>	<b>4,625</b>	<b>354</b>	<b>4,260</b>	-	<b>X</b>
3.1 Bonds	-	-	-	-	X	-	-	-	-	X
3.1.1 structured	-	-	-	-	X	-	-	-	-	X
3.1.2 other bonds	-	-	-	-	X	-	-	-	-	X
3.2 Other	5,245	4,533	528	-	X	4,625	354	4,260	-	X
3.2.1 structured	5,245	4,533	528	-	X	4,625	354	4,260	-	X
3.2.2 other	-	-	-	-	X	-	-	-	-	X
<b>Total A</b>	<b>8,669</b>	<b>8,107</b>	<b>669</b>	-	<b>3,715</b>	<b>6,572</b>	<b>2,513</b>	<b>4,291</b>	-	<b>2,190</b>
<b>B. DERIVATIVES</b>										
<b>1. Financial derivatives</b>	<b>X</b>	<b>3,100</b>	<b>30,379</b>	<b>315</b>	<b>X</b>	<b>X</b>	<b>1,640</b>	<b>36,276</b>	<b>255</b>	<b>X</b>
1.1 Trading	X	3,100	30,071	181	X	X	1,639	35,690	216	X
1.2 Fair value option	X	-	-	-	X	X	1	-	-	X
1.3 Other	X	-	308	134	X	X	-	586	39	X
<b>2. Credit derivatives</b>	<b>X</b>	<b>10</b>	<b>924</b>	<b>18</b>	<b>X</b>	<b>X</b>	<b>36</b>	<b>1,347</b>	<b>18</b>	<b>X</b>
2.1 Trading	X	10	924	18	X	X	36	1,347	18	X
2.2 Fair value option	X	-	-	-	X	X	-	-	-	X
2.3 Other	X	-	-	-	X	X	-	-	-	X
<b>Total B</b>	<b>X</b>	<b>3,110</b>	<b>31,303</b>	<b>333</b>	<b>X</b>	<b>X</b>	<b>1,676</b>	<b>37,623</b>	<b>273</b>	<b>X</b>
<b>TOTAL (A+B)</b>	<b>X</b>	<b>11,217</b>	<b>31,972</b>	<b>333</b>	<b>X</b>	<b>X</b>	<b>4,189</b>	<b>41,914</b>	<b>273</b>	<b>X</b>

(\*) Fair value calculated excluding changes in creditworthiness of the issuer after issue date.

## 4.1 Of which Banking group

(millions of euro)

	Nominal or notional value	31.12.2015				Fair value (*)	Nominal or notional value	31.12.2014			Fair value (*)
		Level 1	Level 2	Level 3	Fair value			Level 1	Level 2	Level 3	
<b>A. CASH LIABILITIES</b>											
1. Due to banks	2,879	3,032	141	-	3,173	1,720	1,930	31	-	1,961	
2. Due to customers	545	542	-	-	542	227	229	-	-	229	
3. Debt securities	5,245	4,533	528	-	X	4,625	354	4,260	-	X	
3.1 Bonds	-	-	-	-	X	-	-	-	-	X	
3.1.1 structured	-	-	-	-	X	-	-	-	-	X	
3.1.2 other bonds	-	-	-	-	X	-	-	-	-	X	
3.2 Other	5,245	4,533	528	-	X	4,625	354	4,260	-	X	
3.2.1 structured	5,245	4,533	528	-	X	4,625	354	4,260	-	X	
3.2.2 other	-	-	-	-	X	-	-	-	-	X	
<b>Total A</b>	<b>8,669</b>	<b>8,107</b>	<b>669</b>	<b>-</b>	<b>3,715</b>	<b>6,572</b>	<b>2,513</b>	<b>4,291</b>	<b>-</b>	<b>2,190</b>	
<b>B. DERIVATIVES</b>											
1. Financial derivatives	X	3,100	30,249	314	X	X	1,631	35,994	255	X	
1.1 Trading	X	3,100	29,941	180	X	X	1,631	35,408	216	X	
1.2 Fair value option	X	-	-	-	X	X	-	-	-	X	
1.3 Other	X	-	308	134	X	X	-	586	39	X	
2. Credit derivatives	X	10	911	18	X	X	-	1,340	18	X	
2.1 Trading	X	10	911	18	X	X	-	1,340	18	X	
2.2 Fair value option	X	-	-	-	X	X	-	-	-	X	
2.3 Other	X	-	-	-	X	X	-	-	-	X	
<b>Total B</b>	<b>X</b>	<b>3,110</b>	<b>31,160</b>	<b>332</b>	<b>X</b>	<b>X</b>	<b>1,631</b>	<b>37,334</b>	<b>273</b>	<b>X</b>	
<b>TOTAL (A+B)</b>	<b>X</b>	<b>11,217</b>	<b>31,829</b>	<b>332</b>	<b>X</b>	<b>X</b>	<b>4,144</b>	<b>41,625</b>	<b>273</b>	<b>X</b>	

(\*) Fair value calculated excluding changes in creditworthiness of the issuer after issue date.

A.1 Due to banks and A.2 Due to customers include short selling.

A.3.2.1 Other structured debt securities includes capital protected certificates for 5,060 million euro, which amounted to 4,614 million euro at the end of 2014.

## 4.1 Of which Insurance companies

(millions of euro)

	Nominal or notional value	31.12.2015				Fair value (*)	Nominal or notional value	31.12.2014			Fair value (*)
		Level 1	Level 2	Level 3	Fair value			Level 1	Level 2	Level 3	
<b>A. CASH LIABILITIES</b>											
1. Due to banks	-	-	-	-	-	-	-	-	-	-	
2. Due to customers	-	-	-	-	-	-	-	-	-	-	
3. Debt securities	-	-	-	-	X	-	-	-	-	X	
3.1 Bonds	-	-	-	-	X	-	-	-	-	X	
3.1.1 structured	-	-	-	-	X	-	-	-	-	X	
3.1.2 other bonds	-	-	-	-	X	-	-	-	-	X	
3.2 Other	-	-	-	-	X	-	-	-	-	X	
3.2.1 structured	-	-	-	-	X	-	-	-	-	X	
3.2.2 other	-	-	-	-	X	-	-	-	-	X	
<b>Total A</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>B. DERIVATIVES</b>											
1. Financial derivatives	X	-	130	1	X	X	9	282	-	X	
1.1 Trading	X	-	130	1	X	X	8	282	-	X	
1.2 Fair value option	X	-	-	-	X	X	1	-	-	X	
1.3 Other	X	-	-	-	X	X	-	-	-	X	
2. Credit derivatives	X	-	13	-	X	X	36	7	-	X	
2.1 Trading	X	-	13	-	X	X	36	7	-	X	
2.2 Fair value option	X	-	-	-	X	X	-	-	-	X	
2.3 Other	X	-	-	-	X	X	-	-	-	X	
<b>Total B</b>	<b>X</b>	<b>-</b>	<b>143</b>	<b>1</b>	<b>X</b>	<b>X</b>	<b>45</b>	<b>289</b>	<b>-</b>	<b>X</b>	
<b>TOTAL (A+B)</b>	<b>X</b>	<b>-</b>	<b>143</b>	<b>1</b>	<b>X</b>	<b>X</b>	<b>45</b>	<b>289</b>	<b>-</b>	<b>X</b>	

(\*) Fair value calculated excluding changes in creditworthiness of the issuer after issue date.

**4.2 Breakdown of caption 40 Financial liabilities held for trading: subordinated liabilities**

As at 31 December 2015 there are no subordinated liabilities classified under Financial liabilities held for trading.

**4.3 Breakdown of caption 40 Financial liabilities held for trading: structured debts**

The Group has structured debts of 5,201 million euro classified under Financial liabilities held for trading as at 31 December 2015.

**SECTION 5 – FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT AND LOSS – CAPTION 50****5.1 Financial liabilities designated at fair value: breakdown**

(millions of euro)

	31.12.2015					31.12.2014				
	Nominal value	Fair value			Fair value (*)	Nominal value	Fair value			Fair value (*)
		Level 1	Level 2	Level 3			Level 1	Level 2	Level 3	
1. Due to banks	-	-	-	-	-	-	-	-	-	-
1.1 structured	-	-	-	-	X	-	-	-	-	X
1.2 other	-	-	-	-	X	-	-	-	-	X
2. Due to customers	47,022	-	47,022	-	47,022	37,622	-	37,622	-	37,622
2.1 structured	-	-	-	-	X	-	-	-	-	X
2.2 other	47,022	-	47,022	-	X	37,622	-	37,622	-	X
3. Debt securities	-	-	-	-	-	-	-	-	-	-
3.1 structured	-	-	-	-	X	-	-	-	-	X
3.2 other	-	-	-	-	X	-	-	-	-	X
<b>TOTAL</b>	<b>47,022</b>	<b>-</b>	<b>47,022</b>	<b>-</b>	<b>47,022</b>	<b>37,622</b>	<b>-</b>	<b>37,622</b>	<b>-</b>	<b>37,622</b>

(\*) Fair value calculated excluding changes in creditworthiness of the issuer after issue date.

**5.1 Of which Insurance companies**

(millions of euro)

	31.12.2015					31.12.2014				
	Nominal value	Fair value			Fair value (*)	Nominal value	Fair value			Fair value (*)
		Level 1	Level 2	Level 3			Level 1	Level 2	Level 3	
1. Due to banks	-	-	-	-	-	-	-	-	-	-
1.1 structured	-	-	-	-	X	-	-	-	-	X
1.2 other	-	-	-	-	X	-	-	-	-	X
2. Due to customers	47,022	-	47,022	-	47,022	37,622	-	37,622	-	37,622
2.1 structured	-	-	-	-	X	-	-	-	-	X
2.2 other	47,022	-	47,022	-	X	37,622	-	37,622	-	X
3. Debt securities	-	-	-	-	-	-	-	-	-	-
3.1 structured	-	-	-	-	X	-	-	-	-	X
3.2 other	-	-	-	-	X	-	-	-	-	X
<b>TOTAL</b>	<b>47,022</b>	<b>-</b>	<b>47,022</b>	<b>-</b>	<b>47,022</b>	<b>37,622</b>	<b>-</b>	<b>37,622</b>	<b>-</b>	<b>37,622</b>

(\*) Fair value calculated excluding changes in creditworthiness of the issuer after issue date.

Liabilities designated at fair value through profit and loss as at 31 December 2015 essentially included amounts owed to policyholders who have taken out mainly financial policies for which insurance risk is not deemed significant.

**5.2 Breakdown of caption 50 Financial liabilities designated at fair value: subordinated liabilities**

There are no subordinated liabilities classified under Financial liabilities designated at fair value as at 31 December 2015.

## SECTION 6 – HEDGING DERIVATIVES – CAPTION 60

## 6.1. Hedging derivatives: breakdown by type of hedge and level

(millions of euro)

	Fair value 31.12.2015			Notional value	Fair value 31.12.2014			Notional value
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
<b>A. Financial derivatives</b>	-	<b>8,224</b>	<b>10</b>	<b>78,566</b>	-	<b>10,291</b>	<b>9</b>	<b>97,587</b>
1. Fair value	-	6,180	6	70,769	-	7,887	5	88,844
2. Cash flows	-	2,044	4	7,797	-	2,404	4	8,743
3. Foreign investments	-	-	-	-	-	-	-	-
<b>B. Credit derivatives</b>	-	-	-	-	-	-	-	-
1. Fair value	-	-	-	-	-	-	-	-
2. Cash flows	-	-	-	-	-	-	-	-
<b>TOTAL</b>	-	<b>8,224</b>	<b>10</b>	<b>78,566</b>	-	<b>10,291</b>	<b>9</b>	<b>97,587</b>

## 6.1 Of which Banking group

(millions of euro)

	Fair value 31.12.2015			Notional value	Fair value 31.12.2014			Notional value
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
<b>A. Financial derivatives</b>	-	<b>8,224</b>	<b>6</b>	<b>78,336</b>	-	<b>10,242</b>	<b>5</b>	<b>95,500</b>
1. Fair value	-	6,180	6	70,769	-	7,838	5	86,923
2. Cash flows	-	2,044	-	7,567	-	2,404	-	8,577
3. Foreign investments	-	-	-	-	-	-	-	-
<b>B. Credit derivatives</b>	-	-	-	-	-	-	-	-
1. Fair value	-	-	-	-	-	-	-	-
2. Cash flows	-	-	-	-	-	-	-	-
<b>TOTAL</b>	-	<b>8,224</b>	<b>6</b>	<b>78,336</b>	-	<b>10,242</b>	<b>5</b>	<b>95,500</b>

## 6.1 Of which Insurance companies

As at 31 December 2015, there were no hedging derivatives attributable to insurance companies, at the end of 2014 there were financial derivatives hedging against fair value amounting to 49 million euro on level 2 (nominal value 1,921 million).

## 6.1 Of which Other companies

As at 31 December 2015, there are 4 million euro attributable to other companies, referring to cash flow hedge through level 3 financial derivatives (nominal value 230 million), at the end of 2014 there are 4 million under the same caption (nominal value 166 million).

## 6.2. Hedging derivatives: breakdown by hedged portfolio and type of hedge

(millions of euro)

Operations/Type of hedge	FAIR VALUE						CASH FLOWS		FOREIGN INVESTM.
	Specific					Generic	Specific	Generic	
	interest rate risk	foreign exchange risk	credit risk	price risk	various risks				
1. Financial assets available for sale	630	-	-	-	85	X	-	X	X
2. Loans	3,569	-	-	X	291	X	-	X	X
3. Investments held to maturity	X	-	-	X	-	X	-	X	X
4. Portfolio	X	X	X	X	X	997	X	-	X
5. Other transactions	-	-	-	-	-	X	-	X	-
<b>Total assets</b>	<b>4,199</b>	-	-	-	<b>376</b>	<b>997</b>	-	-	-
1. Financial liabilities	568	-	-	X	42	X	14	X	X
2. Portfolio	X	X	X	X	X	4	X	2,034	X
<b>Total liabilities</b>	<b>568</b>	-	-	-	<b>42</b>	<b>4</b>	<b>14</b>	<b>2,034</b>	-
1. Forecast transactions	X	X	X	X	X	X	-	X	X
2. Financial assets and liabilities portfolio	X	X	X	X	X	-	X	-	-



**6.2 Of which Banking group**

(millions of euro)

Operations/Type of hedge	FAIR VALUE					Generic	CASH FLOWS		FOREIGN INVESTM.
	interest rate risk	foreign exchange risk	Specific	price risk	various risks		Specific	Generic	
1. Financial assets available for sale	630	-	-	-	85	X	-	X	X
2. Loans	3,569	-	-	X	291	X	-	X	X
3. Investments held to maturity	X	-	-	X	-	X	-	X	X
4. Portfolio	X	X	X	X	X	997	X	-	X
5. Other transactions	-	-	-	-	-	X	-	X	-
<b>Total assets</b>	<b>4,199</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>376</b>	<b>997</b>	<b>-</b>	<b>-</b>	<b>-</b>
1. Financial liabilities	568	-	-	X	42	X	10	X	X
2. Portfolio	X	X	X	X	X	4	X	2,034	X
<b>Total liabilities</b>	<b>568</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>42</b>	<b>4</b>	<b>10</b>	<b>2,034</b>	<b>-</b>
1. Forecast transactions	X	X	X	X	X	X	-	X	X
2. Financial assets and liabilities portfolio	X	X	X	X	X	-	X	-	-

The table indicates negative fair values of hedging derivatives, broken down in relation to asset or liability hedged and type of hedge.

These mainly refer to specific fair value hedges of loans disbursed and liabilities issued and generic cash flow hedge derivatives of portfolios of liabilities. These cash flow hedges refer to floating rate securities used to fund fixed rate investments.

There are also generic fair value hedges of core deposits.

**6.2 Of which Other companies**

As at 31 December 2015, the amounts pertaining to other companies and referring entirely to specific hedges of financial liabilities totalled 4 million euro.

## SECTION 7 - FAIR VALUE CHANGE OF FINANCIAL LIABILITIES IN HEDGED PORTFOLIOS - CAPTION 70

### 7.1 Fair value change of financial liabilities in hedged portfolios

	31.12.2015	Of which:			(millions of euro)
		Banking group	Insurance companies	Other companies	31.12.2014
1. Positive fair value change of financial liabilities	1,017	1,017	-	-	1,455
2. Negative fair value change of financial liabilities	-3	-3	-	-	-6
<b>TOTAL</b>	<b>1,014</b>	<b>1,014</b>	<b>-</b>	<b>-</b>	<b>1,449</b>

The balance of the changes in value of liabilities subject to macrohedging (MCH) against interest rate risk is recorded in this caption. For the above macrohedging, the Group took advantage of the option emerged after the definition of the IAS 39 carve out.

### 7.2 Financial liabilities hedged by macrohedging of interest rate risk: breakdown

	(millions of euro)	
	31.12.2015	31.12.2014
1. Debts	-	-
2. Portfolio	20,839	36,149
<b>TOTAL</b>	<b>20,839</b>	<b>36,149</b>

The table shows liabilities hedged by macrohedging of interest risk. The group adopts the macrohedging, limited to coverage of core deposits.

## SECTION 8 – TAX LIABILITIES – CAPTION 80

For information on this section, see Section 14 of Assets.

## SECTION 9 - LIABILITIES ASSOCIATED WITH NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS – CAPTION 90

For information on this section, see Section 15 of Assets.

**SECTION 10 – OTHER LIABILITIES – CAPTION 100****10.1 Other liabilities: breakdown**

(millions of euro)

	31.12.2015	Of which:		
		Banking group	Insurance companies	Other companies
Due to suppliers	1,275	1,176	66	33
Amounts due to third parties	285	285	-	-
Transit items	68	68	-	-
Adjustments for portfolio items to be settled	611	611	-	-
Amounts to be credited and items under processing	1,133	1,133	-	-
Personnel charges	366	361	5	-
Due to social security entities	127	125	2	-
Guarantees given and commitments	458	458	-	-
Due to tax authorities	1,668	1,038	627	3
Other	5,575	4,900	660	15
<b>TOTAL 31.12.2015</b>	<b>11,566</b>	<b>10,155</b>	<b>1,360</b>	<b>51</b>
<b>TOTAL 31.12.2014</b>	<b>12,119</b>	<b>10,459</b>	<b>1,645</b>	<b>15</b>

**SECTION 11 – EMPLOYEE TERMINATION INDEMNITIES – CAPTION 110****11.1 Employee termination indemnities: annual changes**

(millions of euro)

	31.12.2015	Of which:			31.12.2014
		Banking group	Insurance companies	Other companies	
<b>A. Initial amount</b>	<b>1,480</b>	<b>1,474</b>	<b>6</b>	<b>-</b>	<b>1,341</b>
<b>B. Increases</b>	<b>117</b>	<b>115</b>	<b>-</b>	<b>2</b>	<b>287</b>
B.1 Provisions in the year	21	21	-	-	41
B.2 Other	96	94	-	2	246
<i>of which business combinations</i>	2	-	-	2	-
<b>C. Decreases</b>	<b>-244</b>	<b>-243</b>	<b>-1</b>	<b>-</b>	<b>-148</b>
C.1 Benefits paid	-64	-64	-	-	-51
C.2 Other	-180	-179	-1	-	-97
<i>of which business combinations</i>	-	-	-	-	-
<b>D. Final amount</b>	<b>1,353</b>	<b>1,346</b>	<b>5</b>	<b>2</b>	<b>1,480</b>

C.1 refers to benefits paid as at 31 December 2015.

For greater detail on actuarial calculations, see Section 12.3 – Post employment defined benefit plans.

**11.2 Other information**

The value of employee termination indemnities qualifying as unfunded defined benefit plans totalled 1,353 million euro as at December 2015, while at the end of 2014 it amounted to 1,480 million euro.

## SECTION 12 – ALLOWANCES FOR RISKS AND CHARGES – CAPTION 120

## 12.1 Allowances for risks and charges: breakdown

(millions of euro)

	31.12.2015	Of which:			31.12.2014
		Banking group	Insurance companies	Other companies	
<b>1. Post employment benefits</b>	<b>859</b>	<b>858</b>	<b>1</b>	<b>-</b>	<b>1,167</b>
<b>2. Other allowances for risks and charges</b>	<b>2,621</b>	<b>2,491</b>	<b>18</b>	<b>112</b>	<b>2,626</b>
2.1 Legal disputes	823	817	4	2	839
2.2 Personnel charges	630	622	8	-	681
2.3 Other	1,168	1,052	6	110	1,106
<b>TOTAL</b>	<b>3,480</b>	<b>3,349</b>	<b>19</b>	<b>112</b>	<b>3,793</b>

1 – Post employment benefits include allowances for defined benefit plans, illustrated in point 12.3 below.  
The contents of 2 – Other allowances for risks and charges are illustrated in point 12.4 below.

## 12.2 Allowances for risks and charges: annual changes

(millions of euro)

	TOTAL		Of which:					
	Post employment benefits	Other allowances	Banking group		Insurance companies		Other companies	
			Post employment benefits	Other allowances	Post employment benefits	Other allowances	Post employment benefits	Other allowances
<b>A. Initial amount</b>	<b>1,167</b>	<b>2,626</b>	<b>1,166</b>	<b>2,609</b>	<b>1</b>	<b>16</b>	<b>-</b>	<b>1</b>
<b>B. Increases</b>	<b>169</b>	<b>1,070</b>	<b>169</b>	<b>951</b>	<b>-</b>	<b>8</b>	<b>-</b>	<b>111</b>
B.1 Provisions in the year	27	920	27	915	-	5	-	-
B.2 Time value changes	18	13	18	13	-	-	-	-
B.3 Changes due to discount rate variations	-	3	-	3	-	-	-	-
B.4 Other	124	134	124	20	-	3	-	111
<i>of which business combinations</i>	-	111	-	-	-	-	-	111
<b>C. Decreases</b>	<b>-477</b>	<b>-1,075</b>	<b>-477</b>	<b>-1,069</b>	<b>-</b>	<b>-6</b>	<b>-</b>	<b>-</b>
C.1 Uses in the year	-69	-592	-69	-588	-	-4	-	-
C.2 Changes due to discount rate variations	-	-	-	-	-	-	-	-
C.3 Other	-408	-483	-408	-481	-	-2	-	-
<i>of which business combinations</i>	-	-	-	-	-	-	-	-
<b>D. Final amount</b>	<b>859</b>	<b>2,621</b>	<b>858</b>	<b>2,491</b>	<b>1</b>	<b>18</b>	<b>-</b>	<b>112</b>

As at 31 December 2015 the variations due to changes in the discounting rate totalled 3 million euro and were attributable to the Parent Company and network banks.

## 12.3 Post employment defined benefit plans

## 1. Illustration of the characteristics of the funds and related risks

As already illustrated in Part A – Accounting policies, for defined benefit plans, the liability of the Bank, according to IAS 19 “Employee Benefits”, is determined via the “projected unit credit method” by an independent actuary.

The defined benefit plans, in which the companies of the Intesa Sanpaolo Group are co-obliged, can be distinguished in:

- internal supplementary pension funds;
- external supplementary pension funds.

Internal funds include:

- Three defined benefit plans in force for the London branch, relating to the former Cariplo, Banca Commerciale Italiana and Banco Ambrosiano Veneto branches. The private pension funds have been set up by the UK employers to integrate the levels of the local state pension, which has always been very low. The London branches of Banca Commerciale Italiana, Cariplo and Banco Ambrosiano Veneto set up defined benefit plans for their employees at the time of their opening, under the form of Trusts incorporated under English law and managed by Boards of Trustees, appointed partly by the employers and partly by beneficiaries. Such funds are operational for employees hired until the end of 1999 for Banco Ambrosiano Veneto and Cariplo and until the end of 2000 for Banca Commerciale Italiana. In general, all funds guarantee a pension payable when the beneficiary turns 65 and the benefit is determined, with different rules for the various funds, on the basis of the annual gross wage received in the last year of service;
- Supplementary pension fund of Cassa di Risparmio di Mirandola: the fund is recognised by Cassa di Risparmio di Firenze and is a result of the incorporation of Cassa di Risparmio di Mirandola, which took place in 2006;
- Supplementary pension fund for the personnel of Banca Monte Parma: this is a corporate pension fund for the company’s personnel and it is addressed towards all employees of the lending unit, Banks and Pledge sections, in service as at 31 October 1991;

- Post-retirement medical plan and other benefits for employees of Bank of Alexandria (Egypt): defined benefit plans providing health coverage and other benefits to employees, even after retirement. The bank is responsible for the costs and risks related to the disbursement of said benefits;
- Defined benefit plans in effect within Banca Intesa Beograd: these are long-term benefits established by the Collective Contract (which refers to provisions of law in the Republic of Serbia) for employees in service to be paid upon termination of employment.

External funds include:

- Supplementary pension fund for employees of Istituto Bancario San Paolo di Torino “Cassa di Previdenza Integrativa per il Personale dell’Istituto Bancario San Paolo di Torino”, a fund with legal status, full economic independence and independent asset management;
- Complementary pension fund for the Employees of Banco di Napoli “Fondo di Previdenza Complementare per il Personale del Banco di Napoli – Sezione A”, an entity with legal status and independent asset management. The fund includes the following: employees enrolled in the plan and other beneficiaries from former Banco di Napoli; retired employees receiving Supplementary Pension Cheques, formerly the SANPAOLO IMI internal fund; current and retired employees of the Cassa di Risparmio di Bologna, formerly enrolled in the Complementary pension fund for the Employees of said Cassa, transferred to the Complementary pension fund for the employees of the Banco di Napoli in 2004; retired employees of the Complementary pension fund former Fin.Opi, transferred to the Fund in question on 1 June 2005; current and retired employees of the Banca Popolare dell’Adriatico, formerly enrolled in the Company pension fund for the employees of the former Banca Popolare dell’Adriatico, transferred to the Fund in question on 30 June 2006; retired employees of Cassa di Risparmio di Udine e Pordenone, formerly enrolled in the Complementary pension fund for the Employees of said Cassa, transferred to the Fund in 2006; retired employees of the Cassa di Risparmio di Forlì, formerly enrolled in the Complementary pension fund for the Employees of said Cassa, transferred to the Fund in question on 1 January 2007; retired employees of the former Carive internal Fund, transferred to that fund on 1 January 2008; retired employees of the former CR Firenze FIP internal fund, transferred to the mentioned Fund on 1 January 2010; retired employees of the Cassa di Risparmio di Terni e Narni internal fund, transferred to the mentioned Fund on 1 January 2010; retired employees of the Cassa di Risparmio di Pistoia e Pescia internal fund, transferred to that fund on 1 September 2012; retired tax-collection personnel of the Supplementary pension fund for tax-collection personnel formerly employed by Cariplo, transferred to the fund in question on 1 January 2015; retired employees formerly enrolled in the supplementary pension fund for employees of Mediocredito Lombardo S.p.A., transferred to the Fund in question on 1 January 2015; retired employees formerly enrolled in the Pension Fund for key Managers, former Key Managers and entitled parties of former Comit, transferred to the Fund in question on 1 January 2015; retired employees formerly enrolled in the “Casse del Centro” Pension Funds, in particular those enrolled in the Supplementary INPS benefits fund for the compulsory insurance for invalidity, old-age and survivors for personnel of Cassa di Risparmio di Città di Castello, Supplementary INPS benefits fund for the compulsory insurance for invalidity, old-age and survivors for personnel of Cassa di Risparmio di Foligno, Company supplementary pension AGO fund for employees of Cassa di Risparmio di Spoleto, Supplementary/complementary pension fund for the mandatory pension for employees of Cassa di Risparmio di Rieti, Pension fund for the Employees of Cassa di Risparmio della Provincia di Viterbo and Company supplementary pension fund for employees of Cassa di Risparmio di Ascoli Piceno, transferred to the Fund in question on 1 January 2015; retired employees already formerly enrolled in the Company Supplementary pension of INPS benefits for employees of Cassa di Risparmio di Civitavecchia, transferred to the Fund in question on 1 January 2015; retired employees formerly enrolled in the supplementary fund of SIL – Società Italiana Leasing S.p.A., transferred to the Fund in question on 1 January 2015.

It is necessary to specify that if the Fund, after approval of the financial statements, shows a technical imbalance according to the statutory method, the Articles of Association envisage immediate settlement by the Banks jointly responsible;

- Pension fund for employees of the former Crediop hired before 30 September 1989, a fund with legal status and full economic independence; Intesa Sanpaolo and Dexia (which are the two banks jointly responsible) must, in the event of an imbalance, proceed to pay the capital necessary to cover the imbalance and, in the event of an insufficient yield, integrate it in an amount commensurate with the difference between actual return and the TUS (official discounting rate);
- Pension fund for the employees of Cariplo, a fund with legal status and full economic independence, whose aim is to guarantee supplementary pension treatment in addition to AGO cheques to former Cariplo employees already retired on 30 June 1998;
- A defined benefit plan at the New York branch: the fund was established in 1977 by the branch of Banca Commerciale Italiana and guarantees a pension treatment to all the employees resident in the United States who have been in service at the Bank for at least 5 years. The benefit is considered to be matured even if the employment relationship ceases in advance. The benefit is calculated based on the highest average wage considering three consecutive years out of the last 10 years of service, or, if the employment relationship ceases before, based on the average wage in the last three years of service. The fund is no longer managed by the New York branch, but has been fully transferred to the Prudential Fund (a defined benefit plan that manages the positions of members);
- Pension fund for employees of the Cassa di Risparmio di Padova e Rovigo – retired employee section. This fund has legal status, full economic independence pursuant to article 12 of the Italian Civil Code and is independently managed;
- Pension fund of Cassa di Risparmio di Firenze: fund with legal status and full economic independence, whose aim is to guarantee supplementary pension treatment to Cassa employees in service as at 31 December 1990 and already enrolled in the former “contracted-out” fund.

With regard to the investment and integrated risk management policies, the Funds verify the level of coverage and the possible outcomes under various scenarios. For this purpose, various investment configurations and portfolio mixes and allocations are defined to satisfy the pension and profitability objectives as adequately as possible.

**2. Changes in the year of net liabilities (assets) with defined benefits and redemption rights**

As already illustrated in Part A – Accounting policies, for defined benefit plans, the liability is determined by the “projected unit credit method” and is recorded in the balance sheet net of any plan assets. Moreover, with application of the new revised IAS 19 from 1 January 2013, actuarial profits and losses calculated in the valuation process for the plans are immediately recognised in the statement of comprehensive income and, therefore, in shareholders’ equity.

(millions of euro)

Pension plan liabilities defined benefit obligations	31.12.2015			31.12.2014		
	Employee termination indemnities	Internal plans	External plans	Employee termination indemnities	Internal plans	External plans
<b>Initial amount</b>	<b>1,480</b>	<b>318</b>	<b>3,758</b>	<b>1,341</b>	<b>275</b>	<b>3,237</b>
Current service costs	6	3	28	5	3	35
Recognised past service costs	-	-	-	-	-	-
Interest expense	15	15	55	36	15	97
Actuarial losses due to changes in financial assumptions	-	6	-	173	26	617
Actuarial losses due to changes in demographic assumptions	15	-	25	-	10	331
Actuarial losses based on past experience	-	1	132	-	-	-
Positive exchange differences	-	10	3	-	14	3
Increases - business combinations	-	-	-	-	-	-
Participants’ contributions	X	-	-	X	-	-
Actuarial profits due to changes in financial assumptions	-91	-8	-351	-	-	-
Actuarial profits due to changes in demographic assumptions	-	-	-55	-	-	-14
Actuarial profits based on past experience	-11	-1	-68	-28	-10	-354
Negative exchange differences	-	-	-	-	-	-
Benefits paid	-64	-7	-216	-50	-15	-194
Decreases - business combinations	-	-	-	-	-	-
Curtailments of the fund	X	-	-	X	-	-
Settlements of the fund	X	-96	-	X	-	-
Other increases	81	-	96	80	-	-
Other decreases	-77	-	-	-77	-	-
<b>Final amount</b>	<b>1,354</b>	<b>241</b>	<b>3,407</b>	<b>1,480</b>	<b>318</b>	<b>3,758</b>

Liabilities of the defined benefit obligations pension plan	31.12.2015			31.12.2014		
	Employee termination indemnities	Internal plans	External plans	Employee termination indemnities	Internal plans	External plans
Unfunded plans	1,354	4	-	1,480	48	-
Partly funded plans	-	-	-	-	-	-
Wholly funded plans	-	237	3,407	-	270	3,758

The high increase in actuarial gains recorded for variations in financial assumptions is due to the rate performance. The trend of the Eur Composite AA curve used for calculating the current value of defined benefit obligations, showed, compared to the previous year, an average increase ranging between 0.5% and 1% for the various deadlines, resulting in a considerable decrease in liabilities.

**3. Information on the fair value of plan assets**

The following tables show the changes in plan assets for certain defined benefit plans and their composition.

(millions of euro)

Plan assets	31.12.2015		31.12.2014	
	Internal plans	External plans	Internal plans	External plans
<b>Initial amount</b>	<b>131</b>	<b>2,759</b>	<b>110</b>	<b>2,739</b>
Return on assets net of interest	-1	55	13	147
Interest income	4	39	4	65
Positive exchange differences	6	2	6	2
Increases - business combinations	-	-	-	-
Employer contributions	3	-	3	2
Participants’ contributions	-	-	-	-
Negative exchange differences	-	-	-	-
Decreases - business combinations	-	-	-	-
Benefits paid	-3	-216	-5	-193
Curtailments of the fund	-	-	-	-
Settlements of the fund	-28	-	-	-
Other changes	-	79	-	-3
<b>Final amount</b>	<b>112</b>	<b>2,718</b>	<b>131</b>	<b>2,759</b>

(millions of euro)

	31.12.2015				31.12.2014			
	Internal plans	%	External plans	%	Internal plans	%	External plans	%
<b>Equities</b>	<b>57</b>	<b>50.9</b>	<b>402</b>	<b>14.8</b>	<b>55</b>	<b>42.0</b>	<b>367</b>	<b>13.3</b>
- of which level-1 fair value	57		402		55		367	
<b>Mutual funds</b>	<b>-</b>	<b>-</b>	<b>197</b>	<b>7.2</b>	<b>17</b>	<b>13.0</b>	<b>141</b>	<b>5.1</b>
- of which level-1 fair value	-		196		17		141	
<b>Debt securities</b>	<b>44</b>	<b>39.3</b>	<b>1,337</b>	<b>49.2</b>	<b>22</b>	<b>16.8</b>	<b>1,496</b>	<b>54.2</b>
- of which level-1 fair value	44		1,323		22		1,486	
<b>Real estate assets and investments in real estate</b>	<b>8</b>	<b>7.1</b>	<b>609</b>	<b>22.4</b>	<b>7</b>	<b>5.3</b>	<b>642</b>	<b>23.3</b>
- of which level-1 fair value	-		-		-		-	
<b>Insurance business</b>	<b>2</b>	<b>1.8</b>	<b>16</b>	<b>0.6</b>	<b>2</b>	<b>1.5</b>	<b>15</b>	<b>0.5</b>
- of which level-1 fair value	2		16		2		15	
<b>Other assets</b>	<b>1</b>	<b>0.9</b>	<b>157</b>	<b>5.8</b>	<b>28</b>	<b>21.4</b>	<b>98</b>	<b>3.6</b>
- of which level-1 fair value	-		-		-		-	
<b>TOTAL ASSETS</b>	<b>112</b>	<b>100.0</b>	<b>2,718</b>	<b>100.0</b>	<b>131</b>	<b>100.0</b>	<b>2,759</b>	<b>100.0</b>

(millions of euro)

	31.12.2015				31.12.2014			
	Internal plans	%	External plans	%	Internal plans	%	External plans	%
<b>Equities</b>	<b>57</b>	<b>50.9</b>	<b>402</b>	<b>14.8</b>	<b>55</b>	<b>42.0</b>	<b>367</b>	<b>13.3</b>
- of which financial companies	57		75		55		65	
- of which non financial companies	-		327		-		302	
<b>Mutual funds</b>	<b>-</b>	<b>-</b>	<b>197</b>	<b>7.2</b>	<b>17</b>	<b>13.0</b>	<b>141</b>	<b>5.1</b>
<b>Debt securities</b>	<b>44</b>	<b>39.3</b>	<b>1,337</b>	<b>49.2</b>	<b>22</b>	<b>16.8</b>	<b>1,496</b>	<b>54.2</b>
<b>Government bonds</b>	<b>44</b>		<b>1,049</b>		<b>-</b>		<b>1,172</b>	
- of which investment grade	44		1,041		-		1,165	
- of which speculative grade	-		8		-		7	
Financial companies	-		157		10		181	
- of which investment grade	-		141		10		168	
- of which speculative grade	-		16		-		13	
Non Financial companies	-		131		12		143	
- of which investment grade	-		111		12		128	
- of which speculative grade	-		20		-		15	
<b>Real estate assets and investments in real estate companies</b>	<b>8</b>	<b>7.1</b>	<b>609</b>	<b>22.4</b>	<b>7</b>	<b>5.3</b>	<b>642</b>	<b>23.3</b>
<b>Insurance business</b>	<b>2</b>	<b>1.8</b>	<b>16</b>	<b>0.6</b>	<b>2</b>	<b>1.5</b>	<b>15</b>	<b>0.5</b>
<b>Other assets</b>	<b>1</b>	<b>0.9</b>	<b>157</b>	<b>5.8</b>	<b>28</b>	<b>21.4</b>	<b>98</b>	<b>3.6</b>
<b>TOTAL ASSETS</b>	<b>112</b>	<b>100.0</b>	<b>2,718</b>	<b>100.0</b>	<b>131</b>	<b>100.0</b>	<b>2,759</b>	<b>100.0</b>

The difference between net defined benefit liabilities (Table 12.3.2) and the plan assets (Table 12.3.3) is recognised in the post-employment plans and, in some cases, in other allowances for risks and charges.

#### 4. Description of the main actuarial assumptions

The table below indicates the actuarial assumptions and interest rates used by the various funds.

Actuarial assumptions	31.12.2015				31.12.2014			
	Discount rates	Expected rate of return	Expected rates of wage rises	Annual inflation rate	Discount rates	Expected rate of return	Expected rates of wage rises	Annual inflation rate
<b>EMPLOYEE TERMINATION INDEMNITIES</b>	1.6-3.2%	X	2.6-2.8%	1.5%	0.7-2.6%	X	2.5-2.7%	1.5%
<b>INTERNAL PLANS</b>								
- of which Italy	1.9%	1.2%	0.0%	1.5%	0.6-1.1%	1.7-2.7%	1.1%	1.5%
- of which Egypt	11.0%	-	8.0%	8.0%	11.0%	-	7.5%	7.5%
- of which England	3.9%	3.7%	2.2%	2.2%	3.7%	4.4%	3.2%	2.2%
- of which Serbia	6.0%	-	7.0%	-	7.0%	-	8.0%	-
<b>EXTERNAL PLANS</b>								
- of which Italy	1.5-2.7%	1-4.5%	2.5-2.6%	1.5%	1.1-1.8%	2.3-3.5%	2.1-2.5%	1.5%
- of which USA	4.3%	4.3%	-	-	4.3%	4.5%	-	-

Starting from 2013, the Intesa Sanpaolo Group primarily uses the Eur Composite AA rate as its discounting rate, weighted by the ratio of payments and advances referring to each maturity, and the total amount of payments and advances to be made for the final fulfilment of the entire obligation. In the case of defined-benefit plans in particular, the rate used is the average rate that reflects the market parameters covered by the plan. The Eur Composite AA curve is obtained daily from the Bloomberg's information provider and refers to a basket of securities issued by investment-grade corporate issuers included in the AA rating class, residing in the Eurozone and belonging to various sectors.

#### 5. Information on amount, timing and uncertainty of cash flows

Sensitivity analysis	31.12.2015					
	EMPLOYEE TERMINATION INDEMNITIES		INTERNAL PLANS		EXTERNAL PLANS	
	+50 bps	-50 bps	+50 bps	-50 bps	+50 bps	-50 bps
Discount rate	1,278	1,416	232	247	3,195	3,644
Rate of wage rises	1,345	1,345	241	241	3,490	3,331
Inflation rate	1,388	1,303	235	243	3,607	3,223

The sensitivity analysis is not conducted on the expected rate of return as it has no effect on the calculation of the liabilities.

The sensitivity analysis was carried out on the net defined benefit liabilities pursuant to Table 12.3.2. The absolute values of the data presented indicate the possible amount of net defined benefit liabilities in the event of a change in rate of +/- 50 bps.

The average duration of the defined benefit obligation is 14.66 years for pension funds and 10.34 years for employee termination indemnities.

Any outflows to be carried out over the next year (settlement of the technical imbalance envisaged by the Articles of Association of the former Banco di Napoli and former Crediop Funds) shall be determined upon preparation of the financial statements of said Funds, which will take place in the upcoming months of May/June.

#### 6. Plans regarding more than one employer

The group has a defined benefit plan regarding more than one employer. It is the Pension Fund for employees of former Crediop hired before 30 September 1989.

The commitments of Dexia – Crediop and the former Sanpaolo IMI (now Intesa Sanpaolo) with regard to the Fund are governed by the agreement stipulated between the parties on 28/05/1999.

The agreement provides that, in the event of an imbalance from an actuarial valuation, as well as in the case of an annual effective yield of the assets used lower than the official discounting rate, Dexia-Crediop and Intesa Sanpaolo will have to pay the capital necessary to cover the imbalance and, in the presence of an insufficient yield, the integration of the fund by an amount commensurate with the difference between the actual return obtained and the official discounting rate.

These payments must be made in proportion to the weight of mathematical reserves of the amounts recognised by each company over the total Fund assets.

#### 7. Defined benefit plans that share risks among entities under joint control

The Supplementary Pension Fund for Employees of Istituto Bancario San Paolo di Torino, the Complementary Pension Fund for Employees of the former Banco di Napoli – Section A, the Pension fund for employees of the former Crediop hired before 30 September 1989 and the Pension fund of Cassa di Risparmio di Firenze are defined benefit plans that share the risks



among the various Group Companies. These Companies issue a joint guarantee for their registered employees and pensioners with respect to the subject pension entities.

The liabilities of each jointly responsible Company are determined by an Independent Actuary through the “projected unit credit method” and are recorded in the financial statements net of the plan assets. Similarly, the current service cost, which represents the average present value at the measurement date of the benefits accrued by workers in service during the year, is calculated for each Company by said Actuary.

#### 12.4 Allowances for risks and charges – Other allowances

Allowances for legal disputes mainly refer to provisions for litigation and other revocatory actions.

The allowance for personnel charges includes charges for voluntary incentive-driven exit plans and charges for seniority bonuses to employees and other charges.

Other allowances mainly include provisions for tax litigation, fraud and other litigation.

(millions of euro)

	31.12.2015	31.12.2014
<b>2. Other allowances</b>		
2.1 legal disputes	823	839
2.2 personnel charges	630	681
<i>incentive-driven exit plans</i>	142	202
<i>employee seniority bonuses</i>	160	171
<i>other personnel expenses</i>	328	308
2.3 other risks and charges	1,168	1,106
<i>other indemnities due to agents of the distribution network</i>	267	246
<i>other</i>	901	860
<b>TOTAL</b>	<b>2,621</b>	<b>2,626</b>

### SECTION 13 – TECHNICAL RESERVES – CAPTION 130

#### 13.1 Technical reserves: breakdown

(millions of euro)

	Direct work	Indirect work	31.12.2015	31.12.2014
<b>A. Non-life business</b>	<b>504</b>	-	<b>504</b>	<b>484</b>
A.1 premiums reserves	335	-	335	308
A.2 claims reserves	168	-	168	175
A.3 other reserves	1	-	1	1
<b>B. Life business</b>	<b>78,812</b>	-	<b>78,812</b>	<b>73,903</b>
B.1 mathematical reserves	71,936	-	71,936	67,097
B.2 reserves for amounts to be disbursed	479	-	479	369
B.3 other reserves	6,397	-	6,397	6,437
<b>C. Technical reserves for investment risks to be borne by the insured</b>	<b>5,300</b>	-	<b>5,300</b>	<b>5,314</b>
C.1 reserves for contracts with disbursements connected with investment funds and market indices	1,350	-	1,350	2,233
C.2 reserves from pension fund management	3,950	-	3,950	3,081
<b>D. Total insurance reserves carried by reinsurers</b>	<b>84,616</b>	-	<b>84,616</b>	<b>79,701</b>

**13.2 Technical reserves: annual changes**

(millions of euro)

	<b>31.12.2015</b>	<b>31.12.2014</b>
<b>A. Non-life business</b>	<b>504</b>	<b>484</b>
Initial amount	484	475
Business combinations	-	-
Changes in the reserve (+/-)	20	9
<b>B. Life business and other technical reserves</b>	<b>84,112</b>	<b>79,217</b>
Initial amount	79,217	61,761
Business combinations	-	-
Change in premiums	11,666	16,214
Change in payments	-8,423	-7,036
Changes due to income and other bonuses recognised to insured parties (+/-)	1,663	1,787
Changes due to exchange differences (+/-)	2	2
Changes in other technical reserves (+/-)	-13	6,489
<b>C. Total technical reserves</b>	<b>84,616</b>	<b>79,701</b>

**SECTION 14 – REDEEMABLE SHARES – CAPTION 150**

Not applicable to the Group.

**SECTION 15 – GROUP SHAREHOLDERS' EQUITY – CAPTIONS 140, 160, 170, 180, 190, 200 AND 220****15.1 Share capital and Treasury shares: breakdown**

For information of this section, see point 15.3 below.

**15.2 Share capital – Parent Company's number of shares: annual changes**

	Ordinary	Other
<b>A. Initial number of shares</b>	<b>15,846,089,783</b>	<b>932,490,561</b>
- fully paid-in	15,846,089,783	932,490,561
- not fully paid-in	-	-
<b>A.1 Treasury shares (-)</b>	<b>-8,701,239</b>	-
<b>A.2 Shares outstanding: initial number</b>	<b>15,837,388,544</b>	<b>932,490,561</b>
<b>B. Increases</b>	<b>17,503,250</b>	-
B.1 New issues	13,485,999	-
- for consideration	13,485,999	-
<i>business combinations</i>	<i>13,485,999</i>	-
<i>conversion of bonds</i>	-	-
<i>exercise of warrants</i>	-	-
<i>other</i>	-	-
- for free	-	-
<i>in favour of employees</i>	-	-
<i>in favour of directors</i>	-	-
<i>other</i>	-	-
B.2 Sale of treasury shares	-	-
B.3 Other	4,017,251	-
<b>C. Decreases</b>	<b>-2,413,605</b>	-
C.1 Annulment	-	-
C.2 Purchase of treasury shares	-2,392,970	-
C.3 Disposal of companies	-	-
C.4 Other	-20,635	-
<b>D. Shares outstanding: final number</b>	<b>15,852,478,189</b>	<b>932,490,561</b>
D.1 Treasury shares (+)	7,097,593	-
<b>D.2 Final number of shares</b>	<b>15,859,575,782</b>	<b>932,490,561</b>
- fully paid-in	15,859,575,782	932,490,561
- not paid-in	-	-

**15.3 Share capital: other information**

The share capital of the Bank as at 31 December 2015 amounted to 8,732 million euro, divided into 15,859,575,782 ordinary shares and 932,490,561 non-convertible savings shares, with a nominal value of 0.52 euro per share. Each ordinary share gives the right to one vote in the Shareholders' Meeting.

Savings shares, which may be in bearer form, entitle the holder to attend and vote at the Special Meeting of savings shareholders.

Savings shares must be attributed a preferred dividend up to 5% of the nominal value of the share. If in one year the dividend is less than 5% of the nominal value of the non-convertible savings shares, the difference will be added to the preferred dividend paid in the following two accounting periods. Furthermore, retained earnings made available for distribution by the Shareholders' Meeting, net of the above dividend, will be allocated to all shares so that the dividend per non-convertible savings share will be 2% of nominal value higher than for ordinary shares.

In case of distribution of reserves the savings shares have the same rights as other shares. In the case of liquidation of the Company, savings shares shall have pre-emptive rights with regard to the reimbursement of the entire nominal value of the shares.

At the date of this document, the share capital was fully paid-in and liberated.

**15.4 Reserves: other information**

Reserves amounted to 9,167 million euro and included legal reserve, extraordinary reserve, concentration reserves (Law 218 of 30 July 1990, art. 7, par. 3 and Law 218 of 30 July 1990, art. 7) and other reserves for a total of 3,576 million euro, as well as the consolidation reserve equal to 5,591 million euro.

The legal reserve, set up as provided for by law, must be at least one fifth of share capital; in the past it was set up by allocating each year at least one twentieth of net income for the year. Should the reserve decrease, it must be reintegrated by allocating at least one twentieth of net income for the year.

Concentration reserves ex Law 218 of 30 July 1990 were set up at the time of reorganisations or concentrations carried out pursuant to the aforementioned law.

Other reserves included reserves pertaining to branches abroad and other reserves set up in the past following specific legal provisions.

Consolidation reserves were generated following the elimination of the book value of equity investments against the corresponding portion of the shareholders' equity of each investment.

The valuation reserves amounted to negative 950 million euro and included valuation reserves of financial assets available for sale for 974 million euro, reserves of cash flow hedge derivatives for -1,365 million euro, exchange rate valuation reserves (relating to fully consolidated investments) for -766 million euro and legally-required revaluation reserves for 352 million euro, as well as the negative reserve on actuarial profits (losses) from defined benefit pension plans for -484 million euro, in addition to approximately 112 million euro in valuation reserves connected to minority equity investments.

## SECTION 16 - MINORITY INTERESTS – CAPTION 210

For details regarding the breakdown of minority interests, see section F, "Part B.1. Consolidated shareholders' equity: breakdown by type of company".

### 16.1 Breakdown of caption 210 Minority interests

(millions of euro)

	31.12.2015
<b>Investments in consolidated companies with significant minority interests</b>	<b>631</b>
1 Manzoni S.r.l.	200
2 Risanamento S.p.A.	146
3 Bank Of Alexandria S.A.E	127
4 Equiter S.p.A.	96
5 Compagnia Italiana Finanziaria -CIF S.r.l.	62
<b>Other investments</b>	<b>186</b>
<b>TOTAL 2015</b>	<b>817</b>
<b>TOTAL 2014</b>	<b>379</b>

### 16.2 Equity instruments: breakdown and annual changes

No equity instruments are recorded.

## Other information

### 1. Guarantees and commitments

	(millions of euro)			
	31.12.2015	Of which:		31.12.2014
		<i>Banking group</i>	<i>Insurance companies</i>	<i>Other companies</i>
<b>1) Financial guarantees given</b>	<b>10,730</b>	<b>10,679</b>	-	<b>51</b>
a) Banks	2,267	2,267	-	-
b) Customers	8,463	8,412	-	51
<b>2) Commercial guarantees given</b>	<b>31,199</b>	<b>30,823</b>	-	<b>376</b>
a) Banks	5,554	5,379	-	175
b) Customers	25,645	25,444	-	201
<b>3) Irrevocable commitments to lend funds</b>	<b>54,482</b>	<b>54,482</b>	-	<b>45,235</b>
a) Banks	3,664	3,664	-	-
- of certain use	2,530	2,530	-	-
- of uncertain use	1,134	1,134	-	-
b) Customers	50,818	50,818	-	-
- of certain use	8,216	8,216	-	-
- of uncertain use	42,602	42,602	-	-
<b>4) Underlying commitments on credit derivatives: protection sales</b>	<b>49,052</b>	<b>49,052</b>	-	<b>60,231</b>
<b>5) Assets pledged as collateral of third party commitments</b>	<b>80</b>	<b>80</b>	-	<b>78</b>
<b>6) Other commitments</b>	<b>2,149</b>	<b>2,142</b>	<b>7</b>	<b>-</b>
<b>TOTAL</b>	<b>147,692</b>	<b>147,258</b>	<b>7</b>	<b>427</b>

### 2. Assets pledged as collateral of liabilities and commitments

	(millions of euro)			
	31.12.2015	Of which:		31.12.2014
		<i>Banking group</i>	<i>Insurance companies</i>	<i>Other companies</i>
1. Financial assets held for trading	6,977	6,977	-	-
2. Financial assets designated at fair value through profit and loss	-	-	-	-
3. Financial assets available for sale	20,090	20,090	-	-
4. Investments held to maturity	259	259	-	-
5. Due from banks	11,038	11,038	-	-
6. Loans to customers	86,240	86,240	-	-
7. Property and equipment	-	-	-	-
<b>TOTAL</b>	<b>124,604</b>	<b>124,604</b>	<b>-</b>	<b>-</b>

Intragroup deposits of 2,516 million euro, established to serve securities lending with subjects outside the Group, were netted.

### 3. Information on operating leases

The costs recorded in the year referred to motor vehicles, office equipment and central and peripheral software, and are allocated to the various captions according to the nature of the asset. The amounts included as potential lease payments are immaterial.

### 4. Breakdown of investments related to unit-linked and index-linked policies

	(millions of euro)		
	Disbursements connected with pension funds and market indices	Disbursements in connection with pension fund management	31.12.2015
Assets in the balance sheet	47,681	3,952	51,633
Intra-group assets	956	1	957
<b>Total Assets</b>	<b>48,637</b>	<b>3,953</b>	<b>52,590</b>
Financial liabilities in the balance sheet	47,022	-	47,022
Technical reserves in the balance sheet	1,350	3,950	5,300
Intra-group liabilities	161	-	161
<b>Total Liabilities</b>	<b>48,533</b>	<b>3,950</b>	<b>52,483</b>

## 5. Management and dealing on behalf of third parties

(millions of euro)

	31.12.2015	31.12.2014
<b>1. Trading on behalf of customers</b>		
a) Purchases	769,552	1,574,953
1. settled	756,160	1,560,717
2. to be settled	13,392	14,236
b) Sales	768,206	1,505,499
1. settled	768,113	1,505,439
2. to be settled	93	60
<b>2. Portfolio management</b>		
a) individual	84,894	81,867
b) collective	110,134	101,451
<b>3. Custody and administration of securities</b>		
a) third party securities held in deposit: related to depositary bank activities (excluding portfolio management)	53,582	49,060
1. securities issued by companies included in the consolidation area	96	255
2. other securities	53,486	48,805
b) third party securities held in deposit (excluding portfolio management): other	325,426	393,997
1. securities issued by companies included in the consolidation area	37,024	42,268
2. other securities	288,402	351,729
c) third party securities deposited with third parties	290,213	341,282
d) portfolio securities deposited with third parties	150,269	178,293
<b>4. Other</b>	<b>394,854</b>	<b>235,421</b>

## Note regarding to financial payables

In relation to point 3: "IFRS 7 – Contractual clauses of financial payables", of Bank of Italy/Consob/Isvap document no. 4 of March 2010, the following is specified:

- there were no cases of non-compliance by companies of the Intesa Sanpaolo Group with the relative contractual clauses set forth in bond issues, medium-/long-term loans received from financial entities and other debt contracts, which involved or which could involve the application of acceleration clauses;
- companies of the Intesa Sanpaolo Group provided, for their bond issues, for medium/long-term loans received from financial entities and for other debt contracts, negative pledges and covenants in accordance with the provisions of standard contracts and at the conditions currently in use.

Due to the nature of commitments undertaken, in line with market practices, and the remote probability of default, these clauses may be considered as immaterial.

## 6. Financial assets subject to offsetting in the financial statements or subject to netting framework arrangements or similar agreements

(millions of euro)

Types	Gross amount	Amount of	Net amount of	Amounts available to be offset		Net	Net
	of financial	financial	financial assets	but not offset in the statement		amount	amount
	assets	liabilities offset	presented in	of financial position		31.12.2015	31.12.2014
	(a)	in statement of	statement of	Financial	Cash collateral	(f = c-d-e)	
		financial	financial	instruments	(e)		
		position	position	(d)			
		(b)	(c = a-b)				
1. Derivatives	69,816	37,195	32,621	25,211	2,715	4,695	6,012
2. Repurchase agreements	25,336	-	25,336	25,147	5	184	11
3. Securities lending	-	-	-	-	-	-	-
4. Other	-	-	-	-	-	-	-
<b>TOTAL 31.12.2015</b>	<b>95,152</b>	<b>37,195</b>	<b>57,957</b>	<b>50,358</b>	<b>2,720</b>	<b>4,879</b>	<b>X</b>
<b>TOTAL 31.12.2014</b>	<b>103,093</b>	<b>43,325</b>	<b>59,768</b>	<b>50,953</b>	<b>2,792</b>	<b>X</b>	<b>6,023</b>

## 7. Financial liabilities subject to offsetting in the financial statements or subject to netting framework arrangements or similar agreements

Types	(millions of euro)						
	Gross amount of financial liabilities	Amount of financial assets offset in statement of financial position	Net amount of financial liabilities presented in statement of financial position	Amounts available to be offset but not offset in the statement of financial position		Net amount 31.12.2015	Net amount 31.12.2014
	(a)	(b)	(c = a-b)	Financial instruments (d)	Cash deposits pledged as collateral (e)	(f = c-d-e)	
1. Derivatives	73,748	37,195	36,553	24,986	9,752	1,815	1,401
2. Repurchase agreements	25,971	-	25,971	25,821	20	130	149
3. Securities lending	-	-	-	-	-	-	-
4. Other	-	-	-	-	-	-	-
<b>TOTAL 31.12.2015</b>	<b>99,719</b>	<b>37,195</b>	<b>62,524</b>	<b>50,807</b>	<b>9,772</b>	<b>1,945</b>	<b>X</b>
<b>TOTAL 31.12.2014</b>	<b>108,064</b>	<b>43,325</b>	<b>64,739</b>	<b>51,332</b>	<b>11,857</b>	<b>X</b>	<b>1,550</b>

IFRS 7 requires specific disclosure for financial instruments that have been offset in the Balance Sheet pursuant to IAS 32 or that may be potentially offset, upon occurrence of specific conditions, but are recognised in the Balance Sheet without any netting since they are regulated by “netting framework arrangements or similar” that do not respect all of the criteria set forth by IAS 32, paragraph 42.

In this respect, the Intesa Sanpaolo Group has netting arrangements that meet the requirements envisaged by IAS 32.42 for offsetting in the financial statements. In particular, these are arrangements that regulate the clearing of Over the Counter derivatives through subscription to the SwapClear service (LCH Group). This circuit, replacing the original counterparties of the OTC derivatives, mitigates credit risk by calling daily margins on all positions transferred, so that the mutual credit and debt positions are automatically offset. In Table 6, therefore, the column regarding the amount of financial assets/liabilities offset in the balance sheet represents the negative fair values on interest rate derivatives offset with the positive fair values for representation in the financial statements. The information is presented in Table 7.

In terms of instruments that may be potentially offset upon occurrence of such events and to be presented in Tables 6 and 7, it is noted that the Group uses bilateral netting arrangements that allow, in the event of counterparty default, the netting of claims and obligations in relation to financial and credit derivatives, as well as securities financing transactions (SFTs). In particular, there are ISDA agreements (for transactions in derivatives) and GMRA (for repurchase agreements).

For the purposes of preparing the tables and in compliance with the provisions of IFRS 7 and the new provisions that govern the financial statements of banks, the following are noted:

- the effects of the potential offsetting of the balance sheet values of financial assets and liabilities are indicated under column (d) “Financial instruments”, together with the fair value of financial collateral consisting of securities;
- the effects of the potential offsetting of the exposure with the relative cash collateral are included under column (e) “Cash deposits received/provided as collateral”;
- repurchase agreement transactions are recognised in the tables based on the amortised cost measurement criterion, while the relative collateral is measured at fair value. Derivatives transactions are recognised at fair value.

These effects are calculated for each individual counterparty included in a netting framework arrangement, to the extent of the exposure indicated in column (c).

Based on the preparation methods indicated above, the netting arrangements between financial instruments and the relative collateral permit a significant reduction in credit/debt exposure to the counterparty, as indicated under column (f) “Net amount”.

## 8. Securities lending transactions

It is noted that the Group carried out a securities lending transaction with a major bank, in which the collateral consists of securities for approximately 2 billion euro, with the objective of increasing the portfolio available for refinancing transactions. This operation added the banking service accessory securities lending offered mainly by Intesa Sanpaolo private Banking (ISPB) to customers (natural persons, legal entities and commercial entities). The contract involves transfer of the ownership of a certain quantity of securities of a specific type, with the obligation for ISPB to return them, paying a consideration amount as remuneration for their availability. The transaction involves government securities that ISPB in turn transfers to the Parent Company Intesa Sanpaolo for non-speculative purposes.

As at 31 December 2015, the collateral of transactions mainly referring to ISPB amounted to 2.5 billion euro.

## 9. Disclosure on joint-control assets

These are not present in the Intesa Sanpaolo Group.

# Part C – Information on the consolidated income statement

## SECTION 1 – INTEREST – CAPTIONS 10 AND 20

### 1.1. Interest and similar income: breakdown

	(millions of euro)				
	Debt securities	Loans	Other transactions	2015	2014
1. Financial assets held for trading	230	-	-	230	285
2. Financial assets designated at fair value through profit and loss	56	-	-	56	40
3. Financial assets available for sale	2,714	1	3	2,718	3,311
4. Investments held to maturity	53	-	-	53	56
5. Due from banks	20	342	8	370	438
6. Loans to customers	293	9,626	3	9,922	11,227
7. Hedging derivatives	X	X	754	754	558
8. Other assets	X	X	45	45	36
<b>TOTAL</b>	<b>3,366</b>	<b>9,969</b>	<b>813</b>	<b>14,148</b>	<b>15,951</b>

Interest and similar income also includes interest income on securities relating to repurchase agreements.

Loans to customers include interest of 154 million euro on doubtful loans, 526 million euro on exposures included in the unlikely to pay category and 54 million euro on past due non-performing loans. Added to these are 643 million euro for the reversal in time value on loans, recorded under net losses/recoveries on loan impairment.

### 1.1 Of which Banking group

	(millions of euro)				
	Debt securities	Loans	Other transactions	2015	2014
1. Financial assets held for trading	219	-	-	219	274
2. Financial assets designated at fair value through profit and loss	20	-	-	20	24
3. Financial assets available for sale	829	1	3	833	1,434
4. Investments held to maturity	53	-	-	53	56
5. Due from banks	20	342	8	370	438
6. Loans to customers	275	9,626	3	9,904	11,203
7. Hedging derivatives	X	X	754	754	558
8. Other assets	X	X	42	42	34
<b>TOTAL</b>	<b>1,416</b>	<b>9,969</b>	<b>810</b>	<b>12,195</b>	<b>14,021</b>

### 1.1 Of which Insurance companies

	(millions of euro)				
	Debt securities	Loans	Other transactions	2015	2014
1. Financial assets held for trading	11	-	-	11	11
2. Financial assets designated at fair value through profit and loss	36	-	-	36	16
3. Financial assets available for sale	1,885	-	-	1,885	1,877
4. Investments held to maturity	-	-	-	-	-
5. Due from banks	-	-	-	-	-
6. Loans to customers	3	-	-	3	3
7. Hedging derivatives	X	X	-	-	-
8. Other assets	X	X	-	-	-
<b>TOTAL</b>	<b>1,935</b>	<b>-</b>	<b>-</b>	<b>1,935</b>	<b>1,907</b>



**1.1 Of which Other companies**

As at 31 December 2015 18 million euro was attributable to other companies, of which 15 million euro to debt securities under loans to customers and 3 million euro to other transactions involving other assets. At the end of 2014, they amounted to 23 million euro, 21 million euro of which was attributed to debt securities under loans to customers and 2 million euro to other transactions involving other assets.

**1.2 Interest and similar income: differentials on hedging transactions**

	2015	Of which:			(millions of euro)
		Banking group	Insurance companies	Other companies	2014
A. Positive differentials on hedging transactions	4,356	4,356	-	-	6,096
B. Negative differentials on hedging transactions	-3,602	-3,602	-	-	-5,538
<b>BALANCE (A - B)</b>	<b>754</b>	<b>754</b>	<b>-</b>	<b>-</b>	<b>558</b>

**1.3 Interest and similar income: other information****1.3.1 Interest income on foreign currency financial assets**

The balance as at 31 December 2015 includes 2,515 million euro relating to financial assets in foreign currency.

**1.3.2 Interest income on financial lease receivables**

As at 31 December 2015, interest income on financial leases amounted to 485 million euro.

**1.4 Interest and similar expense: breakdown**

	Debts	Securities	Other transactions	(millions of euro)	
				2015	2014
1. Due to Central Banks	49	X	-	49	37
2. Due to banks	296	X	1	297	396
3. Due to customers	820	X	-	820	1,206
4. Securities issued	X	3,724	-	3,724	4,491
5. Financial liabilities held for trading	-	-	6	6	3
6. Financial liabilities designated at fair value through profit and loss	-	-	-	-	-
7. Other liabilities and allowances	X	X	14	14	3
8. Hedging derivatives	X	X	-	-	-
<b>TOTAL</b>	<b>1,165</b>	<b>3,724</b>	<b>21</b>	<b>4,910</b>	<b>6,136</b>

Due to banks and Due to customers also include interest expense on repurchase agreements, even if the transaction referred to securities recorded under assets.

**1.4 Of which Banking group**

	Debts	Securities	Other transactions	(millions of euro)	
				2015	2014
1. Due to Central Banks	49	X	-	49	37
2. Due to banks	288	X	1	289	396
3. Due to customers	820	X	-	820	1,206
4. Securities issued	X	3,658	-	3,658	4,453
5. Financial liabilities held for trading	-	-	6	6	3
6. Financial liabilities designated at fair value through profit and loss	-	-	-	-	-
7. Other liabilities and allowances	X	X	14	14	3
8. Hedging derivatives	X	X	-	-	-
<b>TOTAL</b>	<b>1,157</b>	<b>3,658</b>	<b>21</b>	<b>4,836</b>	<b>6,098</b>

**1.4 Of which Insurance companies**

As at 31 December 2015, the amount attributable to insurance companies was 64 million euro, consisting entirely of securities issued, while at the end of 2014, interest expense amounted to a total of 29 million euro.

**1.4 Of which Other companies**

As at 31 December 2015 the amount attributable to other companies was 10 million consisting of securities issued for 2 million euro and amounts due to banks for 8 million euro. At the end of 2014 interest expense amounted to a total of 9 million euro, consisting entirely of securities issued.

**1.5 Interest and similar expense: differentials on hedging transactions**

Information on differentials on hedging transactions is illustrated in table 1.2, since the balance for 2015 is included under interest income.

**1.6 Interest and similar expense: other information****1.6.1 Interest expense on foreign currency financial liabilities**

Interest and similar expense as at 31 December 2015 included 1,367 million euro relative to financial liabilities in foreign currency.

**1.6.2 Interest expense on financial lease payables**

As at 31 December 2015, interest expense on financial leases was immaterial.

**SECTION 2 – NET FEE AND COMMISSION INCOME - CAPTIONS 40 AND 50****2.1 Fee and commission income: breakdown**

	(millions of euro)				
	2015	Of which:			2014
		Banking group	Insurance companies	Other companies	
<b>A) Guarantees given</b>	<b>379</b>	<b>379</b>	-	-	<b>371</b>
<b>B) Credit derivatives</b>	-	-	-	-	<b>36</b>
<b>C) Management, dealing and consultancy services</b>	<b>4,099</b>	<b>4,097</b>	-	<b>2</b>	<b>3,646</b>
1. trading in financial instruments	94	94	-	-	92
2. currency dealing	45	45	-	-	43
3. portfolio management	2,699	2,699	-	-	2,504
3.1. individual	737	737	-	-	515
3.2. collective	1,962	1,962	-	-	1,989
4. custody and administration of securities	62	62	-	-	58
5. depositary bank	18	18	-	-	23
6. placement of securities	552	552	-	-	264
7. reception and transmission of orders	170	170	-	-	187
8. consultancy services	157	157	-	-	130
8.1. on investments	114	114	-	-	100
8.2. on financial structure	43	43	-	-	30
9. distribution of third party services	302	300	-	2	345
9.1. portfolio management	148	148	-	-	129
9.1.1. individual	6	6	-	-	7
9.1.2. collective	142	142	-	-	122
9.2. insurance products	153	151	-	2	214
9.3. other products	1	1	-	-	2
<b>D) Collection and payment services</b>	<b>448</b>	<b>448</b>	-	-	<b>460</b>
<b>E) Servicing related to securitisations</b>	-	-	-	-	-
<b>F) Services related to factoring</b>	<b>128</b>	<b>128</b>	-	-	<b>142</b>
<b>G) Tax collection services</b>	-	-	-	-	-
<b>H) Management of multilateral trading facilities</b>	-	-	-	-	-
<b>I) Management of current accounts</b>	<b>1,032</b>	<b>1,032</b>	-	-	<b>1,106</b>
<b>J) Other services</b>	<b>2,649</b>	<b>1,804</b>	<b>845</b>	-	<b>2,308</b>
<b>TOTAL</b>	<b>8,735</b>	<b>7,888</b>	<b>845</b>	<b>2</b>	<b>8,069</b>

Other services mostly recorded fees on credit and debit cards of 890million euro as well as commissions on loans of 676 million euro.

## 2.2 Fee and commission income: distribution channels of products and services – Banking group

(millions of euro)

	2015	2014
<b>A) Group branches</b>	<b>3,030</b>	<b>2,541</b>
1. portfolio management	2,222	1,980
2. placement of securities	551	260
3. third party services and products	257	301
<b>B) "Door-to-door" sales</b>	<b>476</b>	<b>521</b>
1. portfolio management	440	482
2. placement of securities	-	3
3. third party services and products	36	36
<b>C) Other distribution channels</b>	<b>45</b>	<b>49</b>
1. portfolio management	37	42
2. placement of securities	1	1
3. third party services and products	7	6

## 2.3 Fee and commission expense: breakdown

(millions of euro)

	2015	Of which:			2014
		Banking group	Insurance companies	Other companies	
<b>A) Guarantees received</b>	<b>33</b>	<b>32</b>	<b>-</b>	<b>1</b>	<b>40</b>
<b>B) Credit derivatives</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>
<b>C) Management, dealing and consultancy services</b>	<b>911</b>	<b>902</b>	<b>9</b>	<b>-</b>	<b>859</b>
1. trading in financial instruments	55	55	-	-	52
2. currency dealing	2	2	-	-	2
3. portfolio management:	55	55	-	-	95
3.1 own portfolio	55	55	-	-	94
3.2 third party portfolio	-	-	-	-	1
4. custody and administration of securities	50	41	9	-	49
5. placement of financial instruments	112	112	-	-	93
6. "door-to-door" sale of financial instruments, products and services	637	637	-	-	568
<b>D) Collection and payment services</b>	<b>74</b>	<b>74</b>	<b>-</b>	<b>-</b>	<b>77</b>
<b>E) Other services</b>	<b>668</b>	<b>502</b>	<b>165</b>	<b>1</b>	<b>615</b>
<b>TOTAL</b>	<b>1,686</b>	<b>1,510</b>	<b>174</b>	<b>2</b>	<b>1,592</b>

E - Other services includes 357 million euro fees on credit and debit cards, 146 million euro on the placement of investment insurance products, 64 million euro on banking services to Italian branches, 90 million euro on banking services to foreign branches and 11 million euro on other minor services.

## SECTION 3 – DIVIDEND AND SIMILAR INCOME - CAPTION 70

## 3.1 Dividend and similar income: breakdown

(millions of euro)

	2015		Of which:						2014	
	Dividends	Income from quotas of UCI	Banking group		Insurance companies		Other companies		Dividends	Income from quotas of UCI
			Dividends	Income from quotas of UCI	Dividends	Income from quotas of UCI	Dividends	Income from quotas of UCI		
A. Financial assets held for trading	35	1	35	1	-	-	-	-	32	1
B. Financial assets available for sale	212	105	164	6	48	99	-	-	209	62
C. Financial assets designated at fair value through profit and loss	23	2	-	-	23	2	-	-	10	1
D. Investments in associates and companies subject to joint control	-	X	-	X	-	X	-	X	-	X
<b>TOTAL</b>	<b>270</b>	<b>108</b>	<b>199</b>	<b>7</b>	<b>71</b>	<b>101</b>	<b>-</b>	<b>-</b>	<b>251</b>	<b>64</b>

## SECTION 4 – PROFITS (LOSSES) ON TRADING - CAPTION 80

## 4.1 Profits (Losses) on trading: breakdown

	(millions of euro)				
	Revaluations	Profits on trading	Write-downs	Losses on trading	Net result
<b>1. Financial assets held for trading</b>	<b>113</b>	<b>698</b>	<b>-227</b>	<b>-738</b>	<b>-154</b>
1.1 Debt securities	52	465	-135	-531	-149
1.2 Equities	19	189	-42	-172	-6
1.3 Quotas of UCI	42	18	-50	-10	-
1.4 Loans	-	-	-	-	-
1.5 Other	-	26	-	-25	1
<b>2. Financial liabilities held for trading</b>	<b>238</b>	<b>846</b>	<b>-92</b>	<b>-1,041</b>	<b>-49</b>
2.1 Debt securities	-	-	-	-	-
2.2 Payables	-	-	-	-	-
2.3 Other	238	846	-92	-1,041	-49
<b>3. Financial assets and liabilities: foreign exchange differences</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>990</b>
<b>4. Derivatives</b>	<b>13,165</b>	<b>34,928</b>	<b>-14,324</b>	<b>-32,961</b>	<b>-502</b>
4.1 Financial derivatives	12,651	31,948	-13,764	-29,969	-444
- on debt securities and interest rates	10,759	25,515	-10,737	-24,671	866
- on equities and stock indexes	967	5,562	-2,379	-4,021	129
- on currencies and gold	X	X	X	X	-1,310
- other	925	871	-648	-1,277	-129
4.2 Credit derivatives	514	2,980	-560	-2,992	-58
<b>TOTAL</b>	<b>13,516</b>	<b>36,472</b>	<b>-14,643</b>	<b>-34,740</b>	<b>285</b>

"Net result" includes profits, losses, revaluations and write-downs on currency and gold derivatives.

For detailed information on structured financial products and their impact on the income statement, please refer to Part E of these Notes to the consolidated financial statements - Information on risks and relative hedging policies.

## 4.1 Of which Banking group

	(millions of euro)				
	Revaluations	Profits on trading	Write-downs	Losses on trading	Net result
<b>1. Financial assets held for trading</b>	<b>103</b>	<b>697</b>	<b>-217</b>	<b>-738</b>	<b>-155</b>
1.1 Debt securities	48	464	-132	-531	-151
1.2 Equities	19	189	-42	-172	-6
1.3 Quotas of UCI	36	18	-43	-10	1
1.4 Loans	-	-	-	-	-
1.5 Other	-	26	-	-25	1
<b>2. Financial liabilities held for trading</b>	<b>238</b>	<b>846</b>	<b>-92</b>	<b>-1,041</b>	<b>-49</b>
2.1 Debt securities	-	-	-	-	-
2.2 Payables	-	-	-	-	-
2.3 Other	238	846	-92	-1,041	-49
<b>3. Financial assets and liabilities: foreign exchange differences</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>913</b>
<b>4. Derivatives</b>	<b>13,138</b>	<b>34,831</b>	<b>-14,288</b>	<b>-32,796</b>	<b>-375</b>
4.1 Financial derivatives	12,632	31,852	-13,733	-29,816	-325
- on debt securities and interest rates	10,742	25,485	-10,706	-24,584	937
- on equities and stock indexes	965	5,496	-2,379	-3,955	127
- on currencies and gold	X	X	X	X	-1,260
- other	925	871	-648	-1,277	-129
4.2 Credit derivatives	506	2,979	-555	-2,980	-50
<b>TOTAL</b>	<b>13,479</b>	<b>36,374</b>	<b>-14,597</b>	<b>-34,575</b>	<b>334</b>

## 4.1 Of which: Insurance companies

	(millions of euro)				
	Revaluations	Profits on trading	Write-downs	Losses on trading	Net result
<b>1. Financial assets held for trading</b>	<b>10</b>	<b>1</b>	<b>-10</b>	<b>-</b>	<b>1</b>
1.1 Debt securities	4	1	-3	-	2
1.2 Equities	-	-	-	-	-
1.3 Quotas of UCI	6	-	-7	-	-1
1.4 Loans	-	-	-	-	-
1.5 Other	-	-	-	-	-
<b>2. Financial liabilities held for trading</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
2.1 Debt securities	-	-	-	-	-
2.2 Payables	-	-	-	-	-
2.3 Other	-	-	-	-	-
<b>3. Financial assets and liabilities: foreign exchange differences</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>77</b>
<b>4. Derivatives</b>	<b>27</b>	<b>97</b>	<b>-36</b>	<b>-165</b>	<b>-127</b>
4.1 Financial derivatives	19	96	-31	-153	-119
- on debt securities and interest rates	17	30	-31	-87	-71
- on equities and stock indexes	2	66	-	-66	2
- on currencies and gold	X	X	X	X	-50
- other	-	-	-	-	-
4.2 Credit derivatives	8	1	-5	-12	-8
<b>TOTAL</b>	<b>37</b>	<b>98</b>	<b>-46</b>	<b>-165</b>	<b>-49</b>

## SECTION 5 – FAIR VALUE ADJUSTMENTS IN HEDGE ACCOUNTING - CAPTION 90

## 5.1 Fair value adjustments in hedge accounting: breakdown

	(millions of euro)				
	2015	Of which:			2014
		Banking group	Insurance companies	Other companies	
<b>A. Income from</b>					
A.1 fair value hedge derivatives	1,999	1,999	-	-	2,073
A.2 financial assets hedged (fair value)	947	947	-	-	3,142
A.3 financial liabilities hedged (fair value)	1,770	1,770	-	-	557
A.4 cash flow hedge: derivatives	-	-	-	-	7
A.5 currency assets and liabilities	39	39	-	-	19
<b>Total income from hedging (A)</b>	<b>4,755</b>	<b>4,755</b>	<b>-</b>	<b>-</b>	<b>5,798</b>
<b>B. Expenses for</b>					
B.1 fair value hedge derivatives	-2,072	-2,072	-	-	-2,965
B.2 financial assets hedged (fair value)	-2,321	-2,319	-	-2	-105
B.3 financial liabilities hedged (fair value)	-393	-393	-	-	-2,841
B.4 cash flow hedge: derivatives	-37	-37	-	-	-
B.5 currency assets and liabilities	-	-	-	-	-26
<b>Total expense from hedging (B)</b>	<b>-4,823</b>	<b>-4,821</b>	<b>-</b>	<b>-2</b>	<b>-5,937</b>
<b>C. Fair value adjustments in hedge accounting (A - B)</b>	<b>-68</b>	<b>-66</b>	<b>-</b>	<b>-2</b>	<b>-139</b>

## SECTION 6 – PROFITS (LOSSES) ON DISPOSAL OR REPURCHASE - CAPTION 100

## 6.1 Profits (Losses) on disposal or repurchase: breakdown

(millions of euro)

	2015			2014		
	Profits	Losses	Net result	Profits	Losses	Net result
<b>Financial assets</b>						
1. Due from banks	-	-6	-6	34	-	34
2. Loans to customers	76	-114	-38	109	-57	52
3. Financial assets available for sale	2,154	-702	1,452	1,349	-78	1,271
3.1 Debt securities	1,828	-619	1,209	1,119	-34	1,085
3.2 Equities	226	-22	204	134	-19	115
3.3 Quotas of UCI	100	-61	39	96	-25	71
3.4 Loans	-	-	-	-	-	-
4. Investments held to maturity	-	-	-	-	-	-
<b>Total assets</b>	<b>2,230</b>	<b>-822</b>	<b>1,408</b>	<b>1,492</b>	<b>-135</b>	<b>1,357</b>
<b>Financial liabilities</b>						
1. Due to banks	54	-50	4	-	-	-
2. Due to customers	2	-	2	-	-	-
3. Securities issued	16	-225	-209	-	-283	-283
<b>Total liabilities</b>	<b>72</b>	<b>-275</b>	<b>-203</b>	<b>-</b>	<b>-283</b>	<b>-283</b>

## 6.1 Of which Banking group

(millions of euro)

	2015			2014		
	Profits	Losses	Net result	Profits	Losses	Net result
<b>Financial assets</b>						
1. Due from banks	-	-6	-6	34	-	34
2. Loans to customers	76	-114	-38	109	-57	52
3. Financial assets available for sale	1,225	-509	716	783	-37	746
3.1 Debt securities	1,169	-501	668	655	-11	644
3.2 Equities	54	-8	46	101	-17	84
3.3 Quotas of UCI	2	-	2	27	-9	18
3.4 Loans	-	-	-	-	-	-
4. Investments held to maturity	-	-	-	-	-	-
<b>Total assets</b>	<b>1,301</b>	<b>-629</b>	<b>672</b>	<b>926</b>	<b>-94</b>	<b>832</b>
<b>Financial liabilities</b>						
1. Due to banks	54	-50	4	-	-	-
2. Due to customers	2	-	2	-	-	-
3. Securities issued	16	-225	-209	-	-283	-283
<b>Total liabilities</b>	<b>72</b>	<b>-275</b>	<b>-203</b>	<b>-</b>	<b>-283</b>	<b>-283</b>

**6.1 Of which Insurance companies**

(millions of euro)

	2015			2014		
	Profits	Losses	Net result	Profits	Losses	Net result
<b>Financial assets</b>						
1. Due from banks	-	-	-	-	-	-
2. Loans to customers	-	-	-	-	-	-
3. Financial assets available for sale	905	-193	712	566	-41	525
3.1 Debt securities	659	-118	541	464	-23	441
3.2 Equities	148	-14	134	33	-2	31
3.3 Quotas of UCI	98	-61	37	69	-16	53
3.4 Loans	-	-	-	-	-	-
4. Investments held to maturity	-	-	-	-	-	-
<b>Total assets</b>	<b>905</b>	<b>-193</b>	<b>712</b>	<b>566</b>	<b>-41</b>	<b>525</b>
<b>Financial liabilities</b>						
1. Due to banks	-	-	-	-	-	-
2. Due to customers	-	-	-	-	-	-
3. Securities issued	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**6.1 Of which Other companies**

As at 31 December 2015 the amount attributable to other companies was 24 million euro consisting of profits on equities under financial assets available for sale. At the end of 2014 there was no profit/loss relating to other companies.

**SECTION 7 – PROFITS (LOSSES) ON FINANCIAL ASSETS AND LIABILITIES DESIGNATED AT FAIR VALUE**  
**- CAPTION 110**
**7.1 Profits (losses) on financial assets/liabilities designated at fair value: breakdown**

(millions of euro)

	Revaluations	Profits on trading	Write-downs	Losses on trading	Net result
<b>1. Financial assets</b>	<b>935</b>	<b>1,487</b>	<b>-964</b>	<b>-371</b>	<b>1,087</b>
1.1 Debt securities	24	127	-72	-29	50
1.2 Equities	96	80	-53	-29	94
1.3 Quotas of UCI	814	1,266	-834	-311	935
1.4 Loans	1	14	-5	-2	8
<b>2. Financial liabilities</b>	<b>129</b>	<b>-</b>	<b>-243</b>	<b>-</b>	<b>-114</b>
2.1 Debt securities	-	-	-	-	-
2.2 Due to banks	1	-	-	-	1
2.3 Due to customers	128	-	-243	-	-115
<b>3. Foreign currency financial assets and liabilities: foreign exchange differences</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>-</b>
<b>4. Credit and financial derivatives</b>	<b>2</b>	<b>6</b>	<b>-1</b>	<b>-3</b>	<b>4</b>
<b>TOTAL</b>	<b>1,066</b>	<b>1,493</b>	<b>-1,208</b>	<b>-374</b>	<b>977</b>

For information on the methods used to determine credit spread, reference should be made to Part A.4 of the Notes to the consolidated financial statements - Information on fair value.

## 7.1 Of which Banking group

(millions of euro)

	Revaluations	Profits on trading	Write-downs	Losses on trading	Net result
<b>1. Financial assets</b>	<b>9</b>	<b>-1</b>	<b>-4</b>	<b>-3</b>	<b>1</b>
1.1 Debt securities	9	-	-3	-3	3
1.2 Equities	-	-1	-	-	-1
1.3 Quotas of UCI	-	-	-	-	-
1.4 Loans	-	-	-1	-	-1
<b>2. Financial liabilities</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>
2.1 Debt securities	-	-	-	-	-
2.2 Due to banks	1	-	-	-	1
2.3 Due to customers	-	-	-	-	-
<b>3. Foreign currency financial assets and liabilities: foreign exchange differences</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>-</b>
<b>4. Credit and financial derivatives</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>10</b>	<b>-1</b>	<b>-4</b>	<b>-3</b>	<b>2</b>

## 7.1 Of which: Insurance companies

(millions of euro)

	Revaluations	Profits on trading	Write-downs	Losses on trading	Net result
<b>1. Financial assets</b>	<b>926</b>	<b>1,488</b>	<b>-960</b>	<b>-368</b>	<b>1,086</b>
1.1 Debt securities	15	127	-69	-26	47
1.2 Equities	96	81	-53	-29	95
1.3 Quotas of UCI	814	1,266	-834	-311	935
1.4 Loans	1	14	-4	-2	9
<b>2. Financial liabilities</b>	<b>128</b>	<b>-</b>	<b>-243</b>	<b>-</b>	<b>-115</b>
2.1 Debt securities	-	-	-	-	-
2.2 Due to banks	-	-	-	-	-
2.3 Due to customers	128	-	-243	-	-115
<b>3. Foreign currency financial assets and liabilities: foreign exchange differences</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>-</b>
<b>4. Credit and financial derivatives</b>	<b>2</b>	<b>6</b>	<b>-1</b>	<b>-3</b>	<b>4</b>
<b>TOTAL</b>	<b>1,056</b>	<b>1,494</b>	<b>-1,204</b>	<b>-371</b>	<b>975</b>

## SECTION 8 – NET LOSSES/RECOVERIES ON IMPAIRMENT – CAPTION 130

## 8.1 Net impairment losses on loans: breakdown

(millions of euro)

	IMPAIRMENT LOSSES			RECOVERIES				2015	2014
	Individual		Collective	Individual		Collective			
	write-offs	other		of interest	other	of interest	other		
<b>A. Due from banks</b>	-	-1	-27	-	6	-	10	-12	-9
- Loans	-	-1	-24	-	6	-	10	-9	-7
- Debt securities	-	-	-3	-	-	-	-	-3	-2
<b>B. Loans to customers</b>	<b>-206</b>	<b>-5,985</b>	<b>-299</b>	<b>643</b>	<b>2,513</b>	<b>-</b>	<b>595</b>	<b>-2,739</b>	<b>-4,108</b>
Non-performing loans purchased	-	-65	-	14	25	-	-	-26	-20
- Loans	-	-65	X	14	25	X	X	-26	-20
- Debt securities	-	-	X	-	-	X	X	-	-
Other	-206	-5,920	-299	629	2,488	-	595	-2,713	-4,088
- Loans	-206	-5,912	-291	629	2,484	-	575	-2,721	-4,064
- Debt securities	-	-8	-8	-	4	-	20	8	-24
<b>C. Total</b>	<b>-206</b>	<b>-5,986</b>	<b>-326</b>	<b>643</b>	<b>2,519</b>	<b>-</b>	<b>605</b>	<b>-2,751</b>	<b>-4,117</b>

The financial effects due to release of time value on discounted non-performing loans, recognised under "Recoveries - Individual - of interest", amount to a total of 643 million euro. Of this amount, 165 million euro relates to loans included in the unlikely to pay category and 478 million euro to doubtful loans.



**8.1 Of which Banking group**

	IMPAIRMENT LOSSES		RECOVERIES				(millions of euro)		
	Individual		Individual		Collective		2015	2014	
	write-offs	other	of interest	other	of interest	other			
<b>A. Due from banks</b>	-	-1	-27	-	6	-	10	-12	-9
- Loans	-	-1	-24	-	6	-	10	-9	-7
- Debt securities	-	-	-3	-	-	-	-	-3	-2
<b>B. Loans to customers</b>	-206	-5,985	-299	643	2,513	-	595	-2,739	-4,108
Non-performing loans purchased	-	-65	-	14	25	-	-	-26	-20
- Loans	-	-65	X	14	25	X	X	-26	-20
- Debt securities	-	-	X	-	-	X	X	-	-
Other	-206	-5,920	-299	629	2,488	-	595	-2,713	-4,088
- Loans	-206	-5,912	-291	629	2,484	-	575	-2,721	-4,064
- Debt securities	-	-8	-8	-	4	-	20	8	-24
<b>C. Total</b>	<b>-206</b>	<b>-5,986</b>	<b>-326</b>	<b>643</b>	<b>2,519</b>	<b>-</b>	<b>605</b>	<b>-2,751</b>	<b>-4,117</b>

**8.2 Net impairment losses on financial assets available for sale: breakdown**

	IMPAIRMENT LOSSES		RECOVERIES		(millions of euro)	
	Individual		Individual		2015	2014
	write-offs	other	of interest	other		
A. Debt securities	-	-34	-	3	-31	-2
B. Equities	-	-142	X	X	-142	-174
C. Quotas of UCI	-	-29	X	-	-29	-5
D. Due from banks	-1	-	-	-	-1	-6
E. Loans to customers	-	-	-	-	-	-
<b>F. Total</b>	<b>-1</b>	<b>-205</b>	<b>-</b>	<b>3</b>	<b>-203</b>	<b>-187</b>

**8.2 Of which Banking group**

	IMPAIRMENT LOSSES		RECOVERIES		(millions of euro)	
	Individual		Individual		2015	2014
	write-offs	other	of interest	other		
A. Debt securities	-	-	-	3	3	-2
B. Equities	-	-77	X	X	-77	-172
C. Quotas of UCI	-	-29	X	-	-29	-5
D. Due from banks	-1	-	-	-	-1	-6
E. Loans to customers	-	-	-	-	-	-
<b>F. Total</b>	<b>-1</b>	<b>-106</b>	<b>-</b>	<b>3</b>	<b>-104</b>	<b>-185</b>

**8.2 Of which: Insurance companies**

	IMPAIRMENT LOSSES		RECOVERIES		(millions of euro)	
	Individual		Individual		2015	2014
	write-offs	other	of interest	other		
A. Debt securities	-	-34	-	-	-34	-
B. Equities	-	-65	X	X	-65	-2
C. Quotas of UCI	-	-	X	-	-	-
D. Due from banks	-	-	-	-	-	-
E. Loans to customers	-	-	-	-	-	-
<b>F. Total</b>	<b>-</b>	<b>-99</b>	<b>-</b>	<b>-</b>	<b>-99</b>	<b>-2</b>

**8.3 Net impairment losses on investments held to maturity: breakdown**

In 2015, no net recoveries on impairment of investments held to maturity were recorded, at the end of 2014 adjustments entirely attributable to debt securities of the banking group amounted to 1 million euro.

**8.4 Net impairment losses on other financial activities: breakdown**

	IMPAIRMENT LOSSES		RECOVERIES				(millions of euro)		
	Individual	Collective	Individual		Collective		2015	2014	
	write-offs	other	of interest	other	of interest	other			
A. Guarantees given	-	-38	-16	-	90	-	90	126	-19
B. Credit derivatives	-	-	-	-	-	-	2	2	2
C. Commitments to lend funds	-	-15	-16	-	23	-	10	2	-5
D. Other operations	-1	-2	-10	-	1	-	12	-	-4
<b>E. Total</b>	<b>-1</b>	<b>-55</b>	<b>-42</b>	<b>-</b>	<b>114</b>	<b>-</b>	<b>114</b>	<b>130</b>	<b>-26</b>

**8.4 Of which Banking group**

	IMPAIRMENT LOSSES		RECOVERIES				(millions of euro)		
	Individual	Collective	Individual		Collective		2015	2014	
	write-offs	other	of interest	other	of interest	other			
A. Guarantees given	-	-38	-16	-	90	-	90	126	-19
B. Credit derivatives	-	-	-	-	-	-	2	2	2
C. Commitments to lend funds	-	-15	-16	-	23	-	10	2	-5
D. Other operations	-1	-1	-10	-	-	-	12	-	-
<b>E. Total</b>	<b>-1</b>	<b>-54</b>	<b>-42</b>	<b>-</b>	<b>113</b>	<b>-</b>	<b>114</b>	<b>130</b>	<b>-22</b>

**8.4 Of which Other companies**

In 2015, net impairment losses on other financial activities attributable to other companies was equal to zero, due to individual adjustments on other transactions for an equal amount (+/- 1 million). At the end of 2014 these amounted to 4 million euro, entirely attributable to other financial activities.

**SECTION 9 - NET INSURANCE PREMIUMS - CAPTION 150****9.1 Net insurance premiums: breakdown**

Premiums deriving from insurance business			(millions of euro)	
	Direct work	Indirect work	2015	2014
<b>A. Life business</b>				
A.1 Gross accounted premiums (+)	12,178	-	12,178	16,394
A.2 Premiums ceded for reinsurance (-)	-1	X	-1	-1
<b>A.3 Total</b>	<b>12,177</b>	<b>-</b>	<b>12,177</b>	<b>16,393</b>
<b>B. Non-life business</b>				
B.1 Gross accounted premiums (+)	276	-	276	211
B.2 Premiums ceded for reinsurance (-)	-7	X	-7	-6
B.3 Changes in the gross amount of premium reserve (+/-)	-27	-	-27	4
B.4 Changes in premium reserves reassured with third parties (-/+)	-1	-	-1	-2
<b>B.5 Total</b>	<b>241</b>	<b>-</b>	<b>241</b>	<b>207</b>
<b>C. Total net premiums</b>	<b>12,418</b>	<b>-</b>	<b>12,418</b>	<b>16,600</b>

**SECTION 10 - OTHER NET INSURANCE INCOME (EXPENSE) - CAPTION 160****10.1 Other net insurance income (expense): breakdown**

	(millions of euro)	
	2015	2014
1. Net change in technical reserves	-4,417	-11,061
2. Claims accrued and paid during the year	-9,408	-7,097
3. Other income/expenses arising from insurance business	-855	-647
<b>TOTAL</b>	<b>-14,680</b>	<b>-18,805</b>

**10.2 Breakdown of Net change in technical reserves**

	(millions of euro)	
<b>Net change in technical reserves</b>	<b>2015</b>	<b>2014</b>
<b>1. Life business</b>		
A. Mathematical reserves	-4,404	-10,406
A.1 Gross annual amount	-4,404	-10,405
A.2 Amount reinsured with third parties (-)	-	-1
B. Other technical reserves	-65	-144
B.1 Gross annual amount	-65	-144
B.2 Amount reinsured with third parties (-)	-	-
C. Technical reserves for investment risks to be borne by the insured	52	-511
C.1 Gross annual amount	52	-511
C.2 Amount reinsured with third parties (-)	-	-
<b>Total "life business reserves"</b>	<b>-4,417</b>	<b>-11,061</b>
<b>2. Non-life business</b>	-	-
Changes in other technical reserves of non-life business other than claims fund, net of ceded reinsurance	-	-

**10.3 Breakdown of Claims accrued and paid during the year**

	(millions of euro)	
<b>Charges associated to claims</b>	<b>2015</b>	<b>2014</b>
<b>Life business: charges associated to claims, net of reinsurance ceded</b>	<b>-9,321</b>	<b>-7,005</b>
A. Amounts paid	-9,211	-7,001
A.1 Gross annual amount	-9,211	-7,001
A.2 Amount reinsured with third parties (-)	-	-
B. Change in funds for amounts to be disbursed	-110	-4
B.1 Gross annual amount	-110	-4
B.2 Amount reinsured with third parties (-)	-	-
<b>Non-life business: charges associated to claims, net of recoveries and reinsurance ceded</b>	<b>-87</b>	<b>-92</b>
C. Amounts paid	-92	-87
C.1 Gross annual amount	-100	-90
C.2 Amount reinsured with third parties (-)	8	3
D. Change in recoveries net of quotas borne by reinsurers	1	1
E. Change in damage fund	4	-6
E.1 Gross annual amount	7	-13
E.2 Amount reinsured with third parties (-)	-3	7

**10.4 Breakdown of Other income/expenses arising from insurance business**

(millions of euro)

	2015	2014
<b>Other income</b>	<b>121</b>	<b>60</b>
Life business	107	51
Non-life business	14	9
<b>Other expenses</b>	<b>-976</b>	<b>-707</b>
Life business	-914	-669
Non-life business	-62	-38

**SECTION 11 - ADMINISTRATIVE EXPENSES - CAPTION 180****11.1 Personnel expenses: breakdown**

(millions of euro)

	2015	Of which:			2014
		Banking group	Insurance companies	Other companies	
<b>1) Personnel employed</b>	<b>5,357</b>	<b>5,296</b>	<b>59</b>	<b>2</b>	<b>5,248</b>
a) wages and salaries	3,664	3,622	40	2	3,611
b) social security charges	935	926	9	-	915
c) termination indemnities	52	52	-	-	52
d) supplementary benefits	4	3	1	-	3
e) provisions for termination indemnities	21	21	-	-	41
f) provisions for post employment benefits	45	45	-	-	55
- defined contribution plans	-	-	-	-	-
- defined benefit plans	45	45	-	-	55
g) payments to external pension funds	272	269	3	-	259
- defined contribution plans	270	267	3	-	258
- defined benefit plans	2	2	-	-	1
h) costs from share based payments	149	146	3	-	25
i) other benefits in favour of employees	215	212	3	-	287
<b>2) Other non-retired personnel</b>	<b>10</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>9</b>
<b>3) Directors and statutory auditors</b>	<b>27</b>	<b>24</b>	<b>2</b>	<b>1</b>	<b>27</b>
<b>4) Early retirement costs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>5,394</b>	<b>5,330</b>	<b>61</b>	<b>3</b>	<b>5,284</b>

It should be specified that 3) Directors and Statutory Auditors includes remuneration to members of the Supervisory and Management Boards of the Parent Company and members of the Board of Directors and the Board of Statutory Auditors of the various Group companies.

**11.2 Average number of employees by categories**

	2015	Of which:			2014
		Banking group	Insurance companies	Other companies	
<b>Personnel employed</b>	<b>86,652</b>	<b>85,965</b>	<b>653</b>	<b>34</b>	<b>88,266</b>
a) managers	1,471	1,434	29	8	1,547
b) total officers	32,292	32,010	274	8	32,573
c) other employees	52,889	52,521	350	18	54,146
<b>Other personnel</b>	<b>287</b>	<b>286</b>	<b>1</b>	<b>-</b>	<b>243</b>
<b>TOTAL</b>	<b>86,939</b>	<b>86,251</b>	<b>654</b>	<b>34</b>	<b>88,509</b>

**11.3 Post employment defined benefit plans: costs and revenues**

(millions of euro)

	2015			2014		
	Employee Termination Indemnities	Internal plans	External plans	Employee Termination Indemnities	Internal plans	External plans
Current service cost	-6	-3	-28	-5	-3	-35
Interest expense	-15	-15	-55	-36	-15	-97
Interest income	-	4	39	-	4	65
Reimbursement from third parties	-	-	-	-	-	-
Past service cost	-	-	-	-	-	-
Curtailment of the fund	X	-	-	X	-	-
Settlement of the fund	X	-	-	X	-	-

This table illustrates the economic components referred to "Allowances for risks and charges - post employment benefits" recorded under liabilities line 120-a in the Consolidated balance sheet.

**11.4 Other benefits in favour of employees**

The balance as at 31 December 2015 amounted to 215 million euro, referred to contributions for health assistance, lunch vouchers, premiums of insurance policies stipulated in favour of employees and provisions for seniority bonuses, charges for incentive-driven exit plans and other charges for integration.

**11.5 Other administrative expenses: breakdown**

(millions of euro)

	2015	2014
Expenses for maintenance of information technology and electronic equipment	583	570
Telephonic, teletransmission and transmission expenses	86	87
<b>Information technology expenses</b>	<b>669</b>	<b>657</b>
Rentals and service charges - real estate	283	315
Security services	47	50
Cleaning of premises	49	46
Expenses for maintenance of real estate assets	68	70
Energy costs	119	120
Property costs	23	33
<b>Management of real estate assets</b>	<b>589</b>	<b>634</b>
Printing, stationery and consumables expenses	56	56
Transport and related services expenses (including counting of valuables)	113	107
Information expenses	159	149
Postal and telegraphic expenses	86	95
<b>General structure costs</b>	<b>414</b>	<b>407</b>
Expenses for consultancy fees	230	180
Legal and judiciary expenses	191	180
Insurance premiums - banks and customers	67	67
<b>Professional and legal expenses</b>	<b>488</b>	<b>427</b>
<b>Advertising and promotional expenses</b>	<b>145</b>	<b>162</b>
<b>Services rendered by third parties</b>	<b>244</b>	<b>210</b>
<b>Indirect personnel costs</b>	<b>98</b>	<b>97</b>
<b>Other costs</b>	<b>663</b>	<b>153</b>
<b>Indirect taxes and duties</b>	<b>919</b>	<b>953</b>
<b>Recovery of taxes and duties</b>	<b>-23</b>	<b>-24</b>
<b>Recovery of other expenses</b>	<b>-94</b>	<b>-91</b>
<b>TOTAL</b>	<b>4,112</b>	<b>3,585</b>

Other expenses include 516 million euro concerning contributions to the Single Resolution Fund for Banking Crisis and the Deposit Guarantee Fund.

\* \* \* \* \*

Administrative expenses for 2015, included in tables 11.1 "Personnel expenses: breakdown" and 11.5 "Other administrative expenses: breakdown", include charges for integration and exit incentives, gross of the tax effect detailed below, for 120 million euro.

*Charges for integration and exit incentives: breakdown*

(millions of euro)

	2015	2014
<b>Personnel expenses</b>	<b>36</b>	<b>105</b>
- charges for integration and exit incentives	36	105
<b>Other administrative expenses</b>	<b>84</b>	<b>39</b>
- information technology expenses	38	17
- management of real estate assets	-	-
- professional and legal expenses	31	19
- advertising and promotional expenses	3	-
- services rendered by third parties	9	2
- indirect personnel costs	-	-
- other costs	3	1
<b>TOTAL</b>	<b>120</b>	<b>144</b>

**SECTION 12 - NET PROVISIONS FOR RISKS AND CHARGES - CAPTION 190****12.1 Net provisions for risks and charges: breakdown**

(millions of euro)

	Provisions	Reallocations	2015
Net provisions for legal disputes	-178	42	-136
Net provisions for other personnel charges	-1	2	1
Net provisions for risks and charges	-470	69	-401
<b>TOTAL</b>	<b>-649</b>	<b>113</b>	<b>-536</b>

"Net provisions for risks and charges", which amounted to -536 million euro, recorded the provisions attributable to the year relating to:

- o litigation, including revocatory actions and other disputes;
- o guarantees issued for the sale of equity investments and other loan transactions.

The amounts listed above include a 1 million euro funds increase due to time value and provisions of the Croatian subsidiary PBZ relating to recent regulatory measures concerning the country, on the matter of loans in Swiss francs for 172 million euro.

**SECTION 13 – NET ADJUSTMENTS TO/RECOVERIES ON PROPERTY AND EQUIPMENT – CAPTION 200****13.1 Net adjustments to property and equipment: breakdown**

(millions of euro)

	Depreciation	Impairment losses	Recoveries	Net result
<b>A. Property and equipment</b>				
A.1 Owned	-338	-22	1	-359
- used in operations	-333	-21	1	-353
- investment	-5	-1	-	-6
A.2 Acquired under finance lease	-1	-	-	-1
- used in operations	-1	-	-	-1
- investment	-	-	-	-
<b>TOTAL</b>	<b>-339</b>	<b>-22</b>	<b>1</b>	<b>-360</b>

For the determination of impairment losses, see the illustration provided in Part A – Accounting policies.

**SECTION 14 – NET ADJUSTMENTS TO/RECOVERIES ON INTANGIBLE ASSETS – CAPTION 210****14.1 Net adjustments to intangible assets: breakdown**

(millions of euro)

	Amortisation	Impairment losses	Recoveries	Net result
<b>A. Intangible assets</b>				
A.1 Owned	-550	-7	-	-557
- internally generated	-293	-2	-	-295
- other	-257	-5	-	-262
A.2 Acquired under finance lease	-	-	-	-
<b>TOTAL</b>	<b>-550</b>	<b>-7</b>	<b>-</b>	<b>-557</b>

With regard to the method of the impairment testing for intangible assets and related impairment recognised to the income statement, see Part B – Section 13 – Intangible Assets in these Notes to the consolidated financial statements.

**14.1 Of which Banking group**

(millions of euro)

	Amortisation	Impairment losses	Recoveries	Net result
<b>A. Intangible assets</b>				
A.1 Owned	-505	-7	-	-512
- internally generated	-293	-2	-	-295
- other	-212	-5	-	-217
A.2 Acquired under finance lease	-	-	-	-
<b>TOTAL</b>	<b>-505</b>	<b>-7</b>	<b>-</b>	<b>-512</b>

**14.1 Of which: Insurance companies**

As at 31 December 2015 there were 45 million euro in impairment losses pertaining to insurance companies, entirely attributable to amortisation of other owned intangible assets.

**SECTION 15 – OTHER OPERATING EXPENSE (INCOME) - CAPTION 220****15.1 Other operating expenses: breakdown**

(millions of euro)

	2015	Of which:		
		Banking group	Insurance companies	Other companies
Other expenses for consumer credit and leasing transactions	37	37	-	-
Settlements for legal disputes	14	12	-	2
Amortisation of leasehold improvements	51	50	-	1
Contributions to Interbank Deposit Protection Fund	-	-	-	-
Other non-recurring expenses	80	61	3	16
Other	116	103	6	7
<b>TOTAL 2015</b>	<b>298</b>	<b>263</b>	<b>9</b>	<b>26</b>
<b>TOTAL 2014</b>	<b>322</b>	<b>285</b>	<b>9</b>	<b>28</b>

## 15.2 Other operating income: breakdown

(millions of euro)

	2015	Of which:		
		Banking group	Insurance companies	Other companies
Recovery of expenses	762	762	-	-
Income IT companies	41	41	-	-
Insurance reimbursements	-	-	-	-
Reimbursements for services rendered to third parties	12	12	-	-
Income related to consumer credit and leasing	27	27	-	-
Rentals and recovery of expenses on real estate	25	13	-	12
Other non-recurring income	311	284	3	24
Other	54	54	-	-
<b>TOTAL 2015</b>	<b>1,232</b>	<b>1,193</b>	<b>3</b>	<b>36</b>
<b>TOTAL 2014</b>	<b>1,042</b>	<b>1,018</b>	<b>10</b>	<b>14</b>

Other non-recurring income includes 211 million euro relative to the positive performance of positions for disputes. For more detailed information, reference should be made to the section on legal risks of Part E of these Notes to the consolidated financial statements.

## SECTION 16 – PROFITS (LOSSES) ON EQUITY INVESTMENTS – CAPTION 240

## 16.1 Profits (Losses) on equity investments: breakdown

(millions of euro)

	2015	Of which:			2014
		Banking group	Insurance companies	Other companies	
<b>1) Companies subject to joint control</b>					
A. Revenues	51	42	-	9	42
1. Revaluations	51	42	-	9	42
2. Profits on disposal	-	-	-	-	-
3. Write-backs	-	-	-	-	-
4. Other	-	-	-	-	-
B. Charges	-3	-3	-	-	-23
1. Write-downs	-2	-2	-	-	-21
2. Impairment losses	-1	-1	-	-	-2
3. Losses on disposal	-	-	-	-	-
4. Other	-	-	-	-	-
<b>Net result</b>	<b>48</b>	<b>39</b>	<b>-</b>	<b>9</b>	<b>19</b>
<b>2) Investments in associates</b>					
A. Revenues	193	193	-	-	478
1. Revaluations	154	154	-	-	124
2. Profits on disposal	-	-	-	-	327
3. Write-backs	39	39	-	-	27
4. Other	-	-	-	-	-
B. Charges	-130	-122	-	-8	-157
1. Write-downs	-88	-80	-	-8	-75
2. Impairment losses	-41	-41	-	-	-81
3. Losses on disposal	-1	-1	-	-	-1
4. Other	-	-	-	-	-
<b>Net result</b>	<b>63</b>	<b>71</b>	<b>-</b>	<b>-8</b>	<b>321</b>
<b>TOTAL</b>	<b>111</b>	<b>110</b>	<b>-</b>	<b>1</b>	<b>340</b>

For companies subject to joint control and significant influence, income from registration at fair value of the equity stakes is recorded under Revaluations.

Net recoveries for 39 million euro refer entirely to the investment in Telco S.p.A. and are due to the alignment of its capital, before demerger, at the Market value of Telecom S.p.A. shares assigned to Intesa Sanpaolo following the demerger.



**SECTION 17 - VALUATION DIFFERENCES ON PROPERTY, EQUIPMENT AND INTANGIBLE ASSETS MEASURED AT FAIR VALUE – CAPTION 250****17.1 Valuation differences on property, equipment and intangible assets measured at fair value: breakdown**

Not applicable to the Group.

**SECTION 18 – GOODWILL IMPAIRMENT - CAPTION 260****18.1 Goodwill impairment: breakdown**

The results of impairment testing on goodwill recorded in the financial statements did not lead to impairment losses in 2015.

See Part A – Accounting policies for details on the means of determination of goodwill impairment.

For a description of the impairment testing methods for goodwill, reference should be made to Part B – Section 13 – Intangible Assets in these Notes to the consolidated financial statements.

**SECTION 19 – PROFITS (LOSSES) ON DISPOSAL OF INVESTMENTS - CAPTION 270****19.1 Profits (Losses) on disposal of investments: breakdown**

	2015	Of which:			(millions of euro)
		Banking group	Insurance companies	Other companies	2014
A. Real estate assets	88	88	-	-	113
- profits on disposal	88	88	-	-	125
- losses on disposal	-	-	-	-	-12
B. Other assets <sup>(a)</sup>	15	15	-	-	1
- profits on disposal	16	16	-	-	1
- losses on disposal	-1	-1	-	-	-
<b>Net result</b>	<b>103</b>	<b>103</b>	<b>-</b>	<b>-</b>	<b>114</b>

<sup>(a)</sup> Included profits and losses on disposal of subsidiaries.

**SECTION 20 - TAXES ON INCOME FROM CONTINUING OPERATIONS - CAPTION 290****20.1 Taxes on income from continuing operations: breakdown**

	2015	Of which:			(millions of euro)
		Banking group	Insurance companies	Other companies	2014
1. Current taxes (-)	-1,616	-1,370	-244	-2	-2,127
2. Changes in current taxes of previous years (+/-)	76	79	-3	-	-336
3. Reduction in current taxes of the year (+)	24	24	-	-	85
3bis. Reduction in current taxes of the year for tax credits pursuant to Law no. 214/2011 (+)	31	31	-	-	869
4. Changes in deferred tax assets (+/-)	99	70	32	-3	-161
5. Changes in deferred tax liabilities (+/-)	27	16	3	8	19
<b>6. Taxes on income for the year (-) (-1+/-2+3+3bis+/-4+/-5)</b>	<b>-1,359</b>	<b>-1,150</b>	<b>-212</b>	<b>3</b>	<b>-1,651</b>

**20.2 Reconciliation of theoretical tax charge to total income tax expense for the period**

(millions of euro)

	<b>2015</b>	
Income before tax from continuing operations		4,167
Income before tax from discontinued operations		-2
<b>Theoretical taxable income</b>		<b>4,165</b>
	<b>Taxes</b>	<b>%</b>
<b>Income taxes - theoretical tax charge</b>	<b>1,378</b>	<b>33.1</b>
<b>Increase of taxes</b>	<b>259</b>	<b>-7.0</b>
Non-deductible interest expense	151	-4.0
Non-deductible costs due to goodwill impairment	-	0.0
Other non-deductible costs (personnel expenses, etc.)	107	-3.0
Other	1	0.0
<b>Decrease of taxes</b>	<b>-278</b>	<b>6.5</b>
Effects of the participation exemption	-115	3.0
Effects of international companies lower rates	-163	3.5
Capital gains on investments in associates and companies subject to joint control subject to substitute tax	-	0.0
Other	-	0.0
<b>Total changes in taxes</b>	<b>-19</b>	<b>-0.5</b>
<b>Total income tax expense for the period</b>	<b>1,359</b>	<b>32.6</b>
of which: - total income tax expense from continuing operations	1,359	32.6
- total income tax expense from discontinued operations	-	0.0

**SECTION 21 – INCOME (LOSS) AFTER TAX FROM DISCONTINUED OPERATIONS - CAPTION 310****21.1 Income (Loss) after tax from discontinued operations: breakdown**

As at 31 December 2015 there were charges for other companies for -2 million euro, at the end of 2014 there were no material amounts.

**21.2 Breakdown of taxes on discontinued operations**

As at 31 December 2015, the taxes on discontinued operations were of an immaterial amount; at the end of 2014, they were of an immaterial amount too.

**SECTION 22 – MINORITY INTERESTS - CAPTION 330****22.1 Breakdown of caption 330 Minority interests**

(millions of euro)

	<b>31.12.2015</b>
<b>Investments in consolidated companies with significant minority interests</b>	
1 Banca Intesa A.D. - Beograd	-3
2 Banca Prossima S.p.A.	-2
3 Bank of Alexandria S.A.E.	-29
4 Cassa Dei Risparmi di Forlì e Della Romagna S.p.A.	2
5 Cassa Di Risparmio Di Firenze S.p.A.	-7
6 Cassa Di Risparmio Di Pistoia e della Lucchesia S.p.A.	2
7 Equiter S.p.A.	-3
8 Manzoni S.r.l	-16
9 Privredna Banka Zagreb D.D.	-17
10 Risanamento S.p.A.	14
11 Vseobecna Uverova Banka A.S.	-5
<b>Other investments</b>	
1 Re Consult Infrastrutture S.p.A.	-3
<b>TOTAL 2015</b>	<b>-67</b>
<b>TOTAL 2014</b>	<b>-59</b>

**SECTION 23 – OTHER INFORMATION**

There is no information further to that already provided in the previous sections.

**SECTION 24 – EARNINGS PER SHARE****Earnings per share**

	<b>31.12.2015</b>		<b>31.12.2014</b>	
	<b>Ordinary shares</b>	<b>Savings shares</b>	<b>Ordinary shares</b>	<b>Savings shares</b>
Weighted average number of shares	15,832,484,936	932,490,561	15,511,213,093	932,490,561
Income attributable to the various categories of shares (millions of euro)	2,577	162	1,172	79
Basic EPS (euro)	0.16	0.17	0.08	0.08
Diluted EPS (euro)	0.16	0.17	0.08	0.08

**24.1 Weighted average number of ordinary shares (fully diluted)**

For further information on this section, see the chapter "Shareholder base, stock price performance and other information" in the Report on operations.