Banca Intesa

IAS/IFRS First-Time Adoption, 2005 First-Quarter Results and Two Strategic Transactions

May 30th, 2005

Agenda

1 Impacts of IAS/IFRS First-Time Adoption (FTA)

2 2005 First-Quarter Results

3 Doubtful Loan Sale

4 Agreement with Crédit Agricole in Asset Management

- The impact of IAS/IFRS First-Time Adoption (FTA) was determined on the basis of all IAS/IFRS homologated by the European Union until January 2005 (including IAS 32 and IAS 39). Any variations in the current standards or new standards that should occur during 2005 could modify the quantification of the IAS/IFRS First-Time Adoption impact

- **According to the IFRS 1, value adjustments determined by the change of accounting standards have been recognised directly in the shareholders' equity**
- **The IAS 39 applied is the integral version homologated by the EU Commission**
- **Gruppo Intesa chose not to use the option to revaluate fixed assets at fair value to minimise volatility of future earnings and Shareholders' Equity**
- **As for the determination of collective measurement of performing loans, every possible synergy with Basel II – the dispositions of which will come into force starting from 2007 - has been realised**

FTA Impact on Shareholders' Equity and Regulatory Capital
Capital Ratios more than Adequate Coupled with Improved Asset Quality

(€ m)	31.12.04	31.12.04 IFRS	Δ
Shareholders' Equity	15,564	13,969	(1,595)
Tier 1 capital	15,564	13,900	(1,664)
Tier 2 capital	6,714	6,773	59
Total capital	21,161	20,053	(1,108)
RWA	182,486	182,042	(444)

As at 31.03.05 after the doubtful loan sale and Nextra: 8.2-8.3%

As at 31.03.05 after the doubtful loan sale and Nextra: 7.3-7.4%

Core Tier 1 ratio	7.59%	6.69%	(90b.p.)
Tier 1 ratio	8.53%	7.64%	(89b.p.)
Tier Total ratio	11.60%	11.02%	(58b.p.)

Note: *The impact of first time adoption on the consolidated regulatory capital and ratios has been determined taking into account the "prudential filters" given by Basel Committee on the treatment of IFRS values*

FTA Impact on Asset Quality

Doubtful Loan Coverage up to 76%

(€ m)	31.12.04	31.12.04 IFRS	Δ
Doubtful Loans (Sofferenze)			
Gross Value	12,710	12,710	
Adjustments	(8,494)	(9,683)	1,189
Net Value	4,216	3,027	
Coverage	67%	76%	+9p.p.
Net Doubtful Loans / Loans	2.7%	1.9%	(0.8p.p.)
Substandard & Under Restructuring			
Gross Value	5,006	5,006	
Adjustments	(1,144)	(1,283)	139
Net Value	3,862	3,723	
Coverage	23%	26%	+3p.p.
Performing			
Gross Value	150,713	153,764	
Adjustments	(848) (1)	(1,067)	219
Net Value	149,865	152,697	
Coverage	0.56% (1)	0.69%	+13b.p.

0.6%
Post Sale

(1) *Reduced by the amount facing Fiat convertible loan (€245 million) to be consistent with FTA value*

FTA Impact on Shareholders' Equity (1/2)

No Revaluation of Fixed Assets

(€ m)	31.12.04 Italian GAAP Shareholders' Equity	15,564
LOANS	Analytical measurement of non performing loans (1):	(1,328)
	Collective measurement of performing loans	(212)
	Other impacts (depreciation of overdue interests, ...)	(110)
FINANCIAL ASSETS HELD FOR TRADING	Measurement of trading securities and related derivatives	17
	Measurement of derivatives (including "FIAT convertible")	(179)
	Separation of embedded derivatives from structured bonds issued by Banca Intesa	(349)
	Measurement of equity investments classified as held for trading	(117)
HEDGING DERIVATIVES	Activities to make hedging operations compliant with IAS39	(219)
	Fair value measurement of hedging derivatives and hedged items	6
FIXED ASSETS AND INTANGIBLES	Derecognition of land depreciation	195
	Items that do not qualify for recognition as intangibles	(14)
	Goodwill impairment	(62)

(1) *Non performing loans include "Sofferenze, Incagli, ristrutturati e in corso di ristrutturazione"*

FTA Impact on Shareholders' Equity (2/2)
No Revaluation of Fixed Assets

(€ m)

ALLOWANCES	Collective measurement of guarantees given	(74)
	Unrecognised allowances for risks and charges and discounting of provisions	79
	Actuarial valuation of employee termination indemnities and allowances for pensions	12
FINANCIAL ASSETS AVAILABLE FOR SALE	Measurement of debt securities	44
	Measurement of equities	92
CASH FLOW HEDGES	Fair value measurements of derivatives hedging cash flows	(53)
OTHER IMPACTS		(10)
TAX IMPACT		687
Total Adjustments		**(1,595)**
01.01.05 IFRS Shareholders' Equity		**13,969**

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- **1Q05 data are IAS/IFRS compliant**
- **For comparison purposes, 2004 data have been restated utilising all IAS/IFRS standards, including the estimated effects of the application of IAS 39**
- **Estimates have also been utilised, when necessary, to restate 2Q04, 3Q04 and 4Q04 for comparison purposes**

Strong Operating Performance

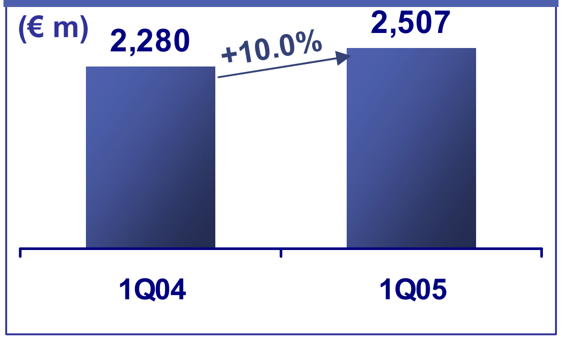
- 1Q05 Net Income at €620m (+46% vs 1Q04), consistent with FY05 EPS target
- Substantial growth in the retail business (1Q05 Operating Income up 13% vs 1Q04)
- 1Q05 Operating Margin up 31% vs 1Q04 due to Operating Income growth (+10%) and Operating Cost reduction (-4%)
- 1Q05 EVA® up to €260m (€88m in 1Q04)
- 1Q05 Cost / Income down to 52.5%
- Net Doubtful loans[(1)]/loans at 1.9% (down to 0.6% post-sale) coupled with coverage up to 76%
- Annualised ROE at 18% (vs 13% FY04)

(1) *Sofferenze*

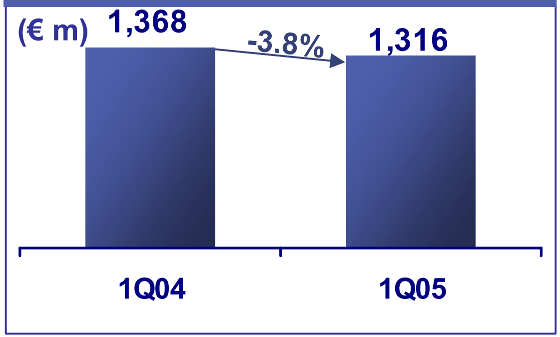
Results at a Glance: 1Q05 vs 1Q04

Substantial Improvement in Profitability and Efficiency

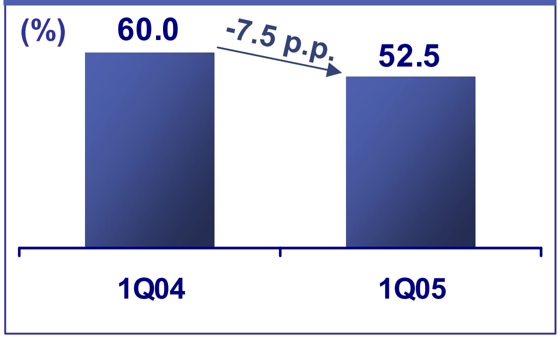
Operating Income



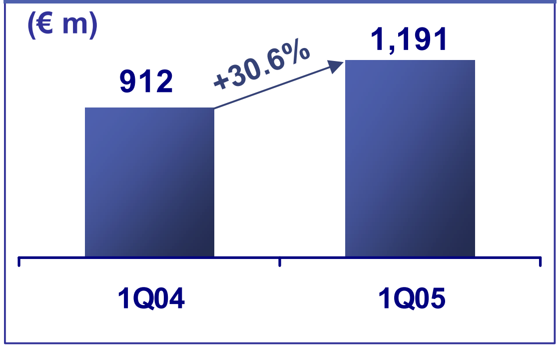
Operating Costs



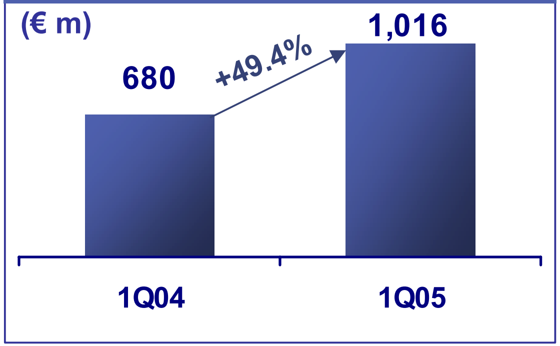
Cost / Income Ratio



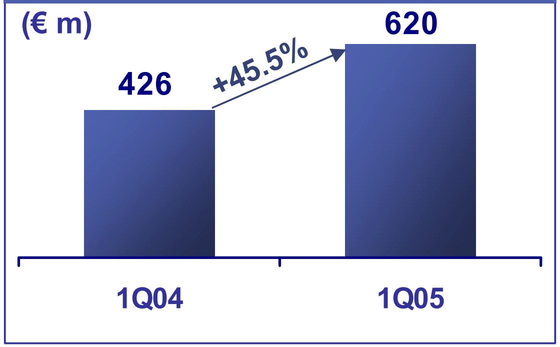
Operating Margin



Pre-Tax Income[1]



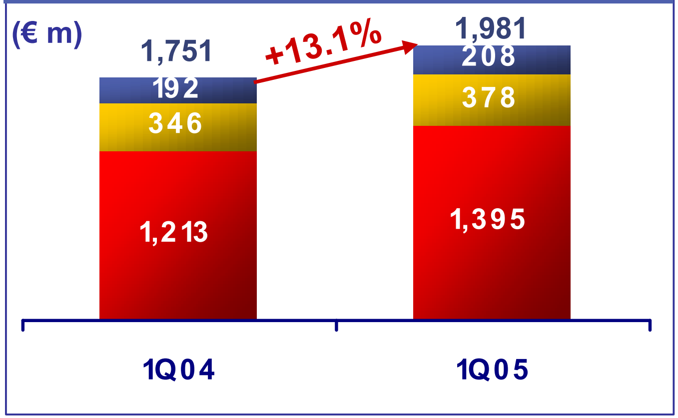
Net Income



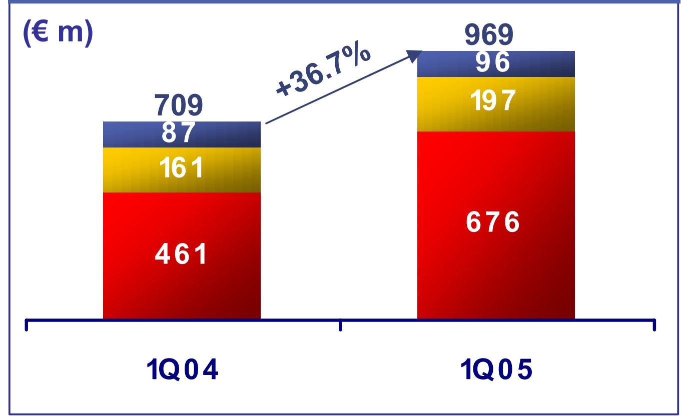
Note: *1Q04 restated figures to reflect the IAS/IFRS application (including IAS 39 estimates)*
(1) *Income before Tax from Continuing Operations*

Retail Business in 1Q05
Strong Growth Confirmed: Operating Margin +37% vs 1Q04

Operating Income

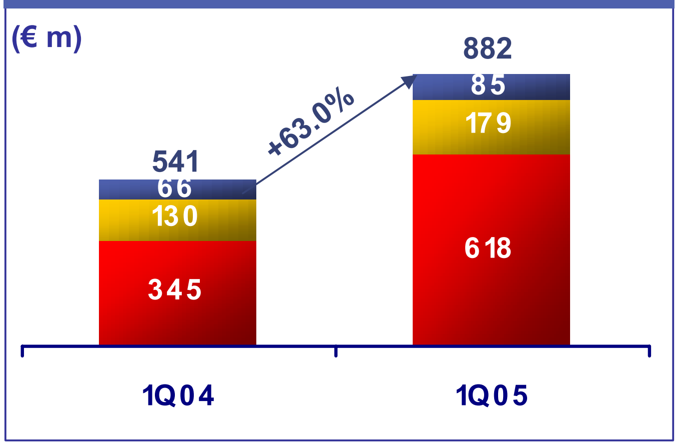


Operating Margin

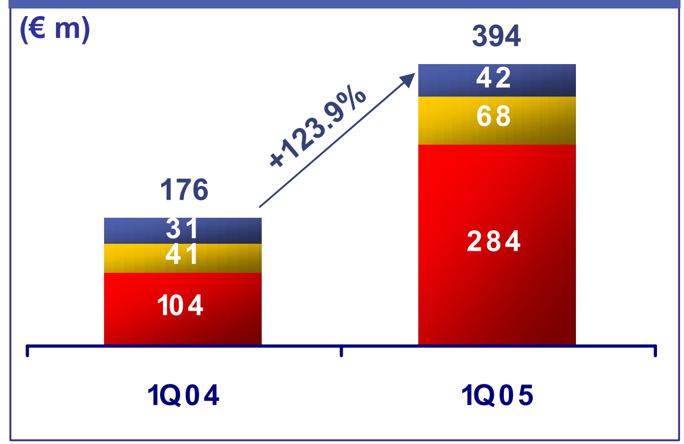


- Central-Eastern Europe
- Italian Subsidiary Banks
- Retail & Wealth Management

Pre-Tax Income(1)



EVA ®



Note: *1Q04 restated figures to reflect the IAS/IFRS application (including IAS 39 estimates)*
(1) *Income before Tax from Continuing Operations*

Banca Intesa

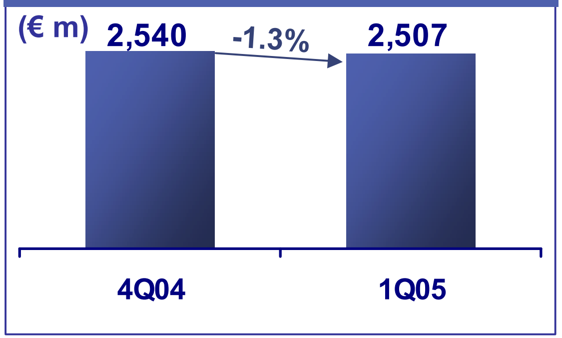
1Q05 Statement of Income Analysis
Revenue Growth Coupled with Cost Reduction

(€ m)	1Q04 Restated	1Q05	Δ%
Net interest income	1,282	1,334	4.1
Dividends and equity investments	33	33	0.0
Net fee and commission income	830	955	15.1
Profits on trading	112	185	65.2
Other operating income	23[1]	0[1]	(100.0)
Operating income	**2,280**	**2,507**	**10.0**
Personnel expenses	(809)	(787)	(2.7)
Other administrative expenses	(432)[1]	(411)[1]	(4.9)
Adjustments to fixed assets and intangibles	(127)	(118)	(7.1)
Operating costs	**(1,368)**	**(1,316)**	**(3.8)**
Operating margin	**912**	**1,191**	**30.6**
Net provisions for risks and charges	(18)	(46)	155.6
Net adjustments to loans and receivables	(194)	(193)	(0.5)
Net impairment losses on assets	(17)	3	n.m.
Profits (Losses) on HTM and other investments	(3)	61	n.m.
Income before tax from continuing operations	**680**	**1,016**	**49.4**
Taxes on income from continuing operations	(235)	(372)	58.3
Income after tax from discontinued operations	0	0	n.m.
Minority interests	(19)	(24)	26.3
Net income	**426**	**620**	**45.5**

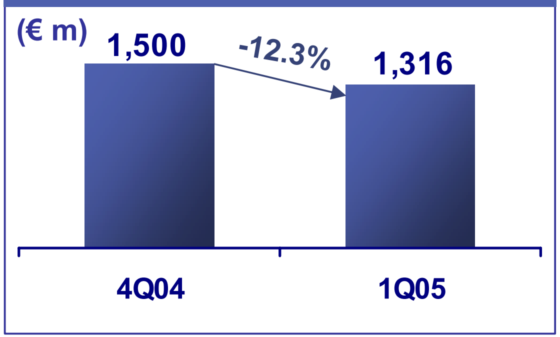
Note: *1Q04 restated figures to reflect the IAS/IFRS application (including IAS 39 estimates)*
(1) *Other Administrative Expenses are net of expenses recovery , previously booked as Other Operating Income (€84m in 1Q05 vs €60m in 1Q04)*

Results at a Glance: 1Q05 vs 4Q04

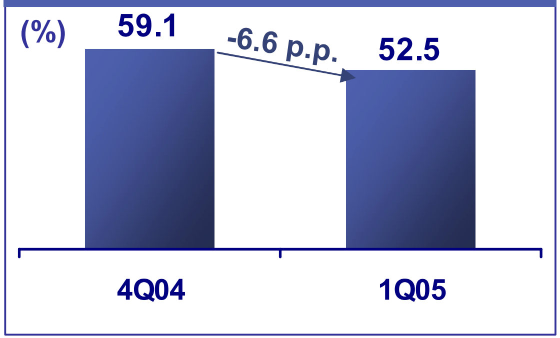
Operating Income



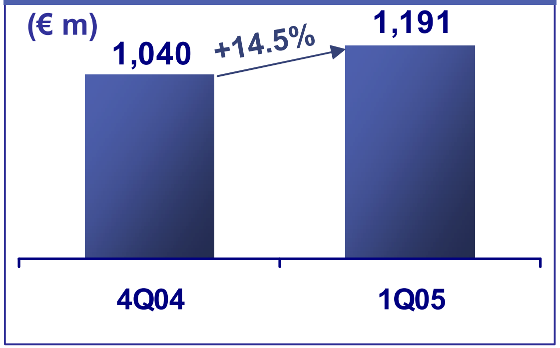
Operating Costs



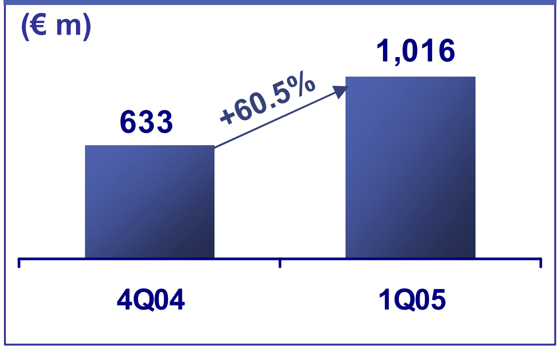
Cost / Income Ratio



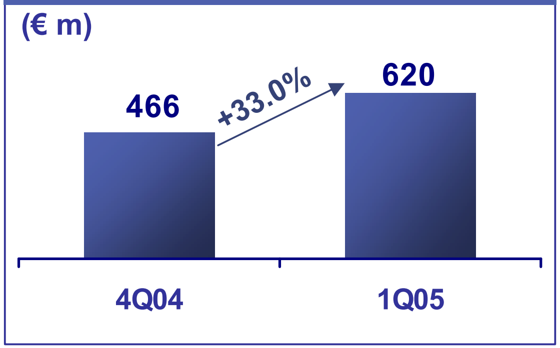
Operating Margin



Pre-Tax Income(1)



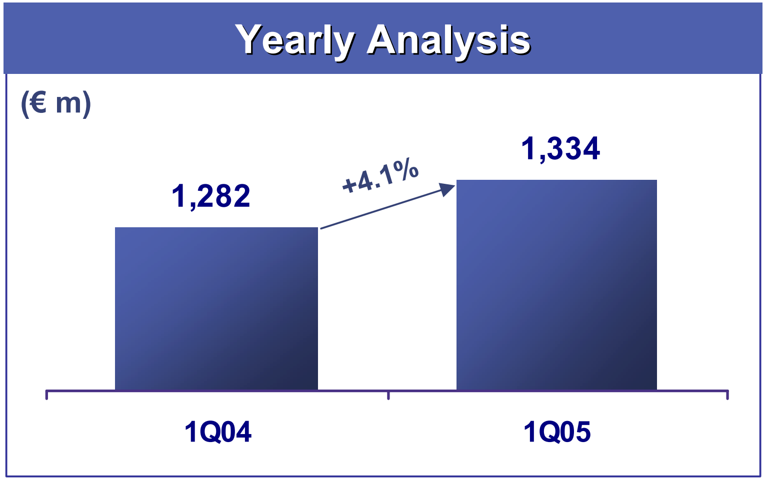
Net Income

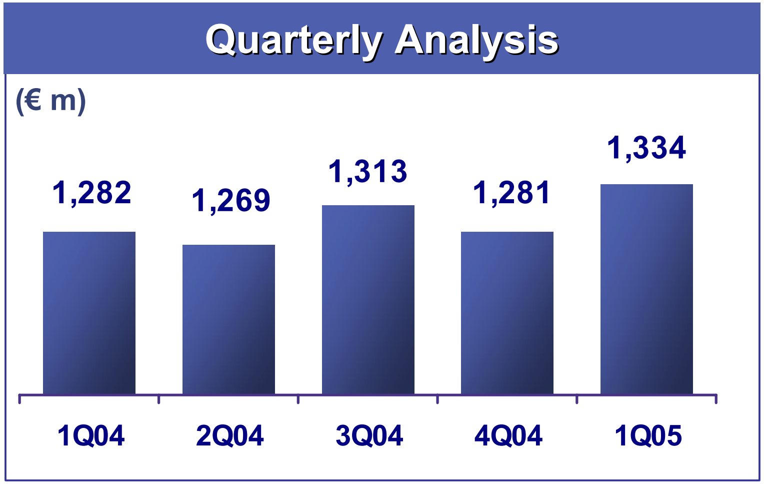


Note: *4Q04 restated figures to reflect the IAS/IFRS application (including IAS 39 estimates)*

(1) *Income before Tax from Continuing Operations*

Net Interest Income
Year on Year Increase due to Business Growth





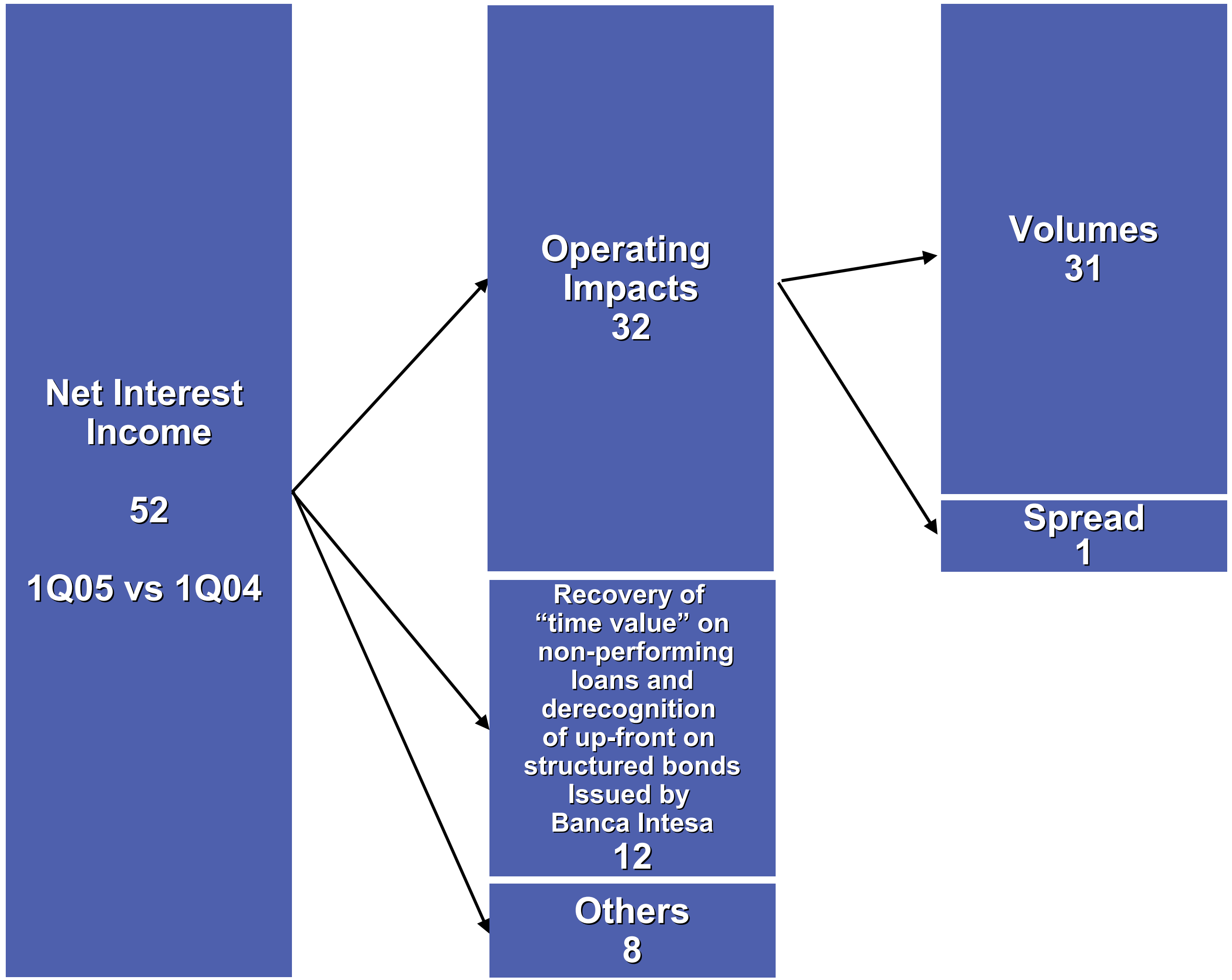
- Increase mainly due to volumes growth in retail
- Decrease in Large Corporate exposure
- +3.3% excluding the recovery of time value on non-performing loans[1] and the recovery of the derecognition of up-front revenues on structured bonds issued by Banca Intesa in 2003 and 2004
- Increased market share[2] in M/L term lending: 13.6% vs 13.1% as of 31.03.04

- 1Q05 +4.1% vs 4Q04
- 1Q05 +3.6% vs 4Q04 excluding the recovery of time value on non-performing loans[1] and the recovery of the derecognition of up-front revenues on structured bonds issued by Banca Intesa in 2003 and 2004

(1) *Sofferenze + Incagli + Ristrutturati e In Corso di Ristrutturazione*
(2) *In Italy*

Net Interest Income
Contribution to 1Q05 vs 1Q04 Variation: Positive Operating Trend

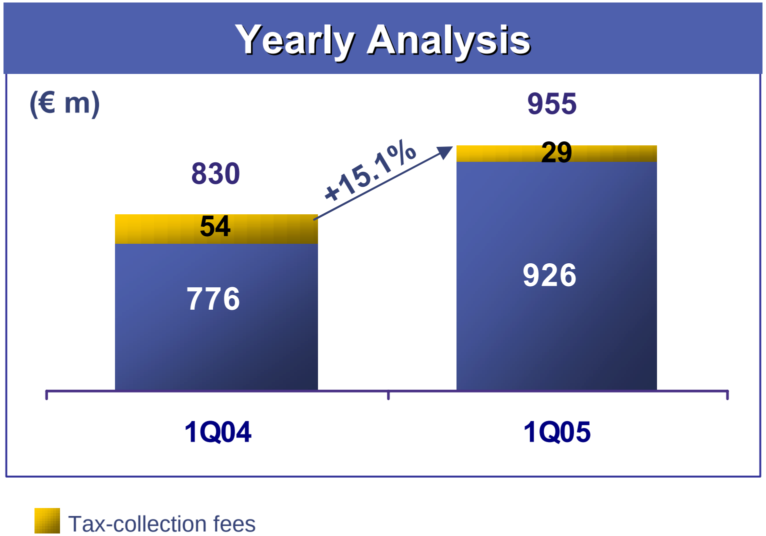
(€ m)



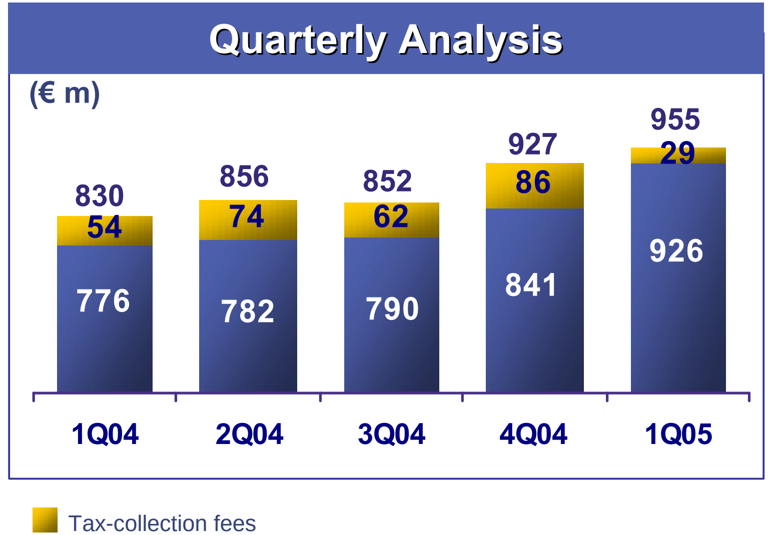
Figures may not add up exactly due to rounding differences

Net Fee and Commission Income
Substantial Growth due to a Strong Commercial Effectiveness of Our Network

Yearly Analysis



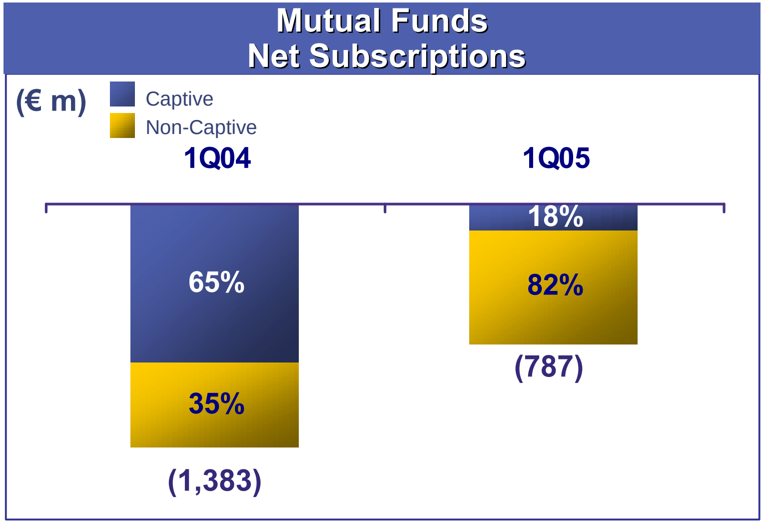
Quarterly Analysis

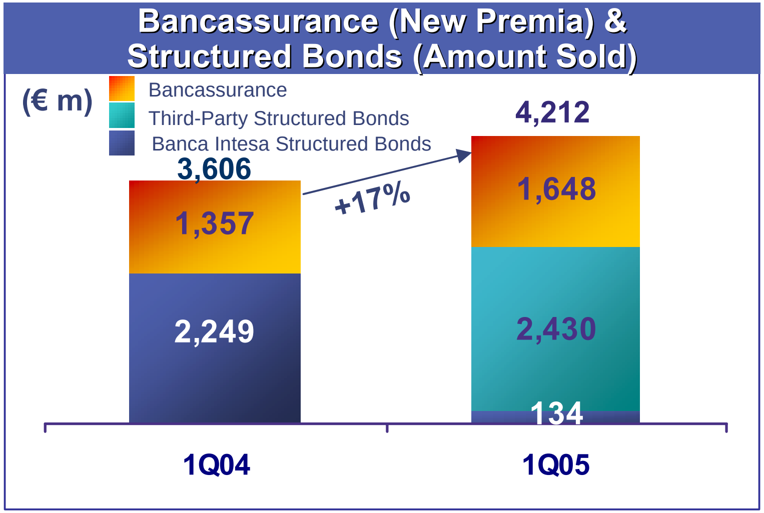


- +19% excluding Tax-collection fees (expected to increase in the next quarters)
- Main drivers for growth
  - Dealing & Placement of Securities 3.2x
  - Bancassurance 2.5x
- 1Q05 commissions on Dealing & Placement of Securities includes ~€110m from the placement of third-party structured bonds, absent in 1Q04
- Positive performance in commissions from current accounts (+4%)

- 1Q05 vs 4Q04 +10% excluding the seasonal decrease in Tax-collection fees
- Main drivers for growth
  - Dealing & Placement of Securities +102%
  - Bancassurance +17%
  - Current Accounts +9%
- The weight of up- front revenues from third-party structured bonds on Operating Income (4.6% in 1Q05) will decline in the next quarters

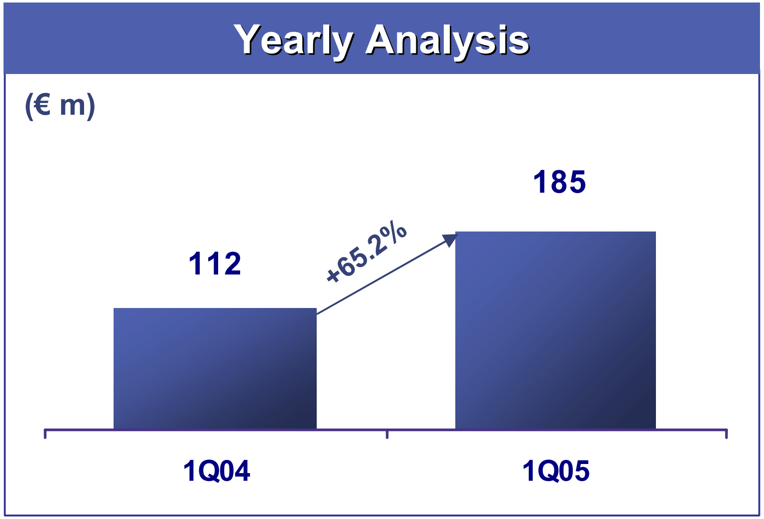
Placing Power of Value-Added Products
Strong Growth and Asset Mix Actively Improved

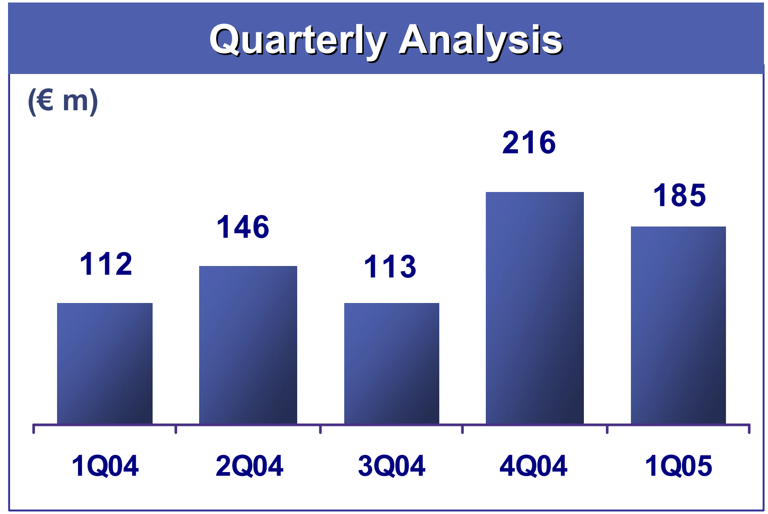




- 1Q05 sales of Bancassurance and Structured Bonds have largely exceeded (+€3.4bn) the net outflow in Mutual Funds, which was mainly due to monetary and short-term bonds (~80%) and non-captive distributors (82%)
- 1Q05 sales of Bancassurance and Structured Bonds +17% vs 1Q04
- 1Q05 sales of value-added products highest of last seven quarters

Profits on Trading
Substantial Increase





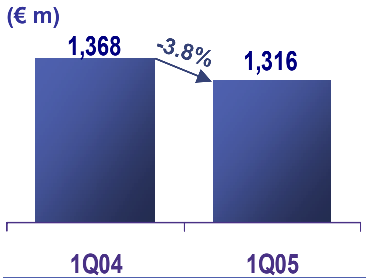
- **Profitability pursued while keeping a low VAR level of the trading portfolio (€15m for Banca Intesa and €2m for Banca Caboto)**
- **1Q05 profits include the capital gain on HVB and Commerzbank stake disposal (€9m)**
- **1Q05 profits include dividends from trading activity for €32m vs €5m in 1Q04**
- **+26% 1Q05 vs 2004 quarterly average**

Operating Costs

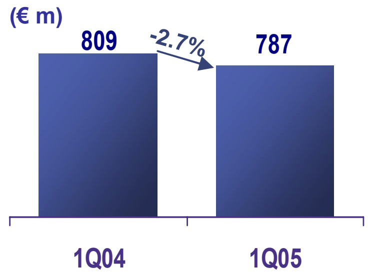
Cost/Income down to 52.5% (vs 60% in 1Q04)

Yearly Analysis

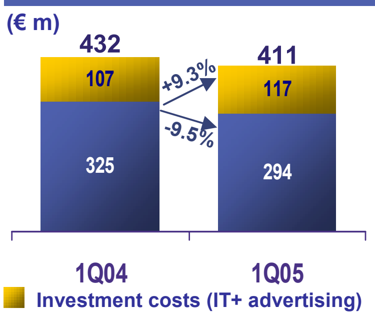
Total Costs



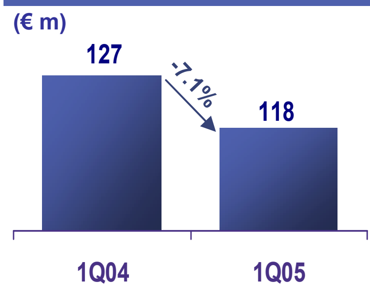
Personnel Expenses



Other Administrative Expenses

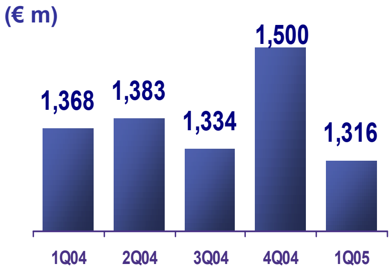


Depreciation

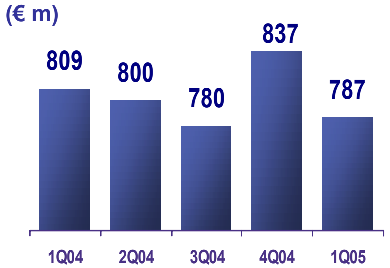


Quarterly Analysis

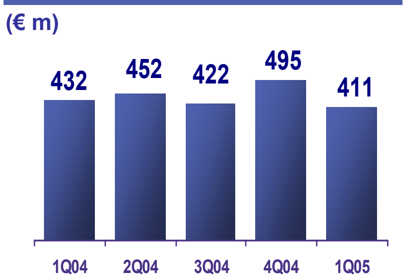
Total Costs



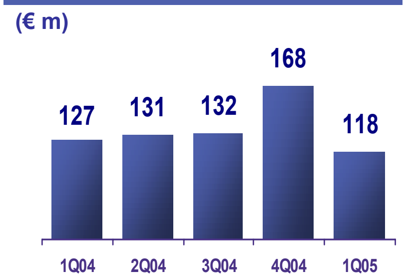
Personnel Expenses



Other Administrative Expenses



Depreciation



- **Decline in Personnel Expenses (-2.7%) despite pay increases after labour national contract**
- **Other Administrative Expenses decrease (-5%) despite investments in Advertising (+50%) and IT (+2%)**
- **Other Administrative Expenses are net of expenses recovery, previously booked as other operating income (€84m in 1Q05 vs €60m in 1Q04)**
- **Drop in depreciation (-7%) due to rationalisation of Real Estate Assets and expiration of some deferred charges (mainly IT)**

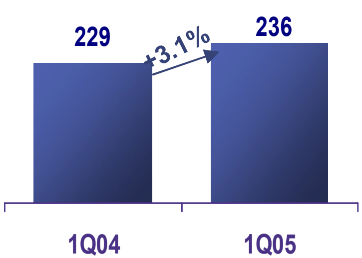
- **1Q05 vs 4Q04 decline in Total Costs (-12.3%) also due to seasonal trend**

Provisions
Net Provisions for Loan Losses Stable vs 1Q04

Yearly Analysis

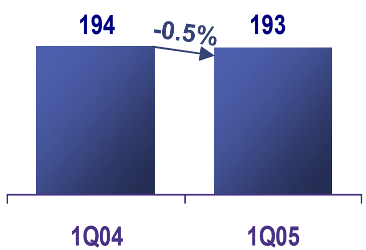
Total Net Provisions(1)

(€ m)



Net Provisions for Loan Losses

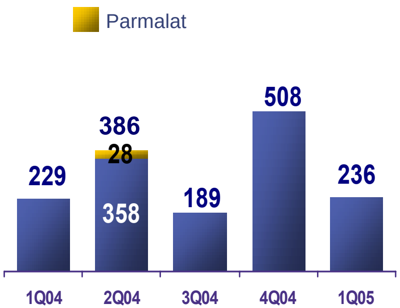
(€ m)



Quarterly Analysis

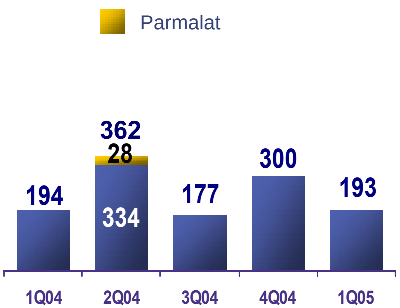
Total Net Provisions(1)

(€ m)



Net Provisions for Loan Losses

(€ m)



- **1Q05 Net Provisions for Loan Losses within our FY05 target**

(1) *Includes Net Provisions for Risk and Charges, Net Adjustments to Loans and Receivables and Net Impairment Losses on Other Assets*

Improved Asset Quality

	Ratios					
	2001	2002	2003	2004	2004 IAS	1Q05
Net Loan Provisions/Op. Margin	76%	77%	34%	23%	24%	16%
Net Loan Provisions/Loans	1.3%	1.4%	0.8%	0.56%	0.60%	0.12%[(2)]
Net Doubtful Loans[(1)]/Loans	3.0%	3.2%	3.0%	2.7%	1.9%	1.9%
Doubtful Loans[(1)] Coverage	59%	62%	65%	67%	76%	76%

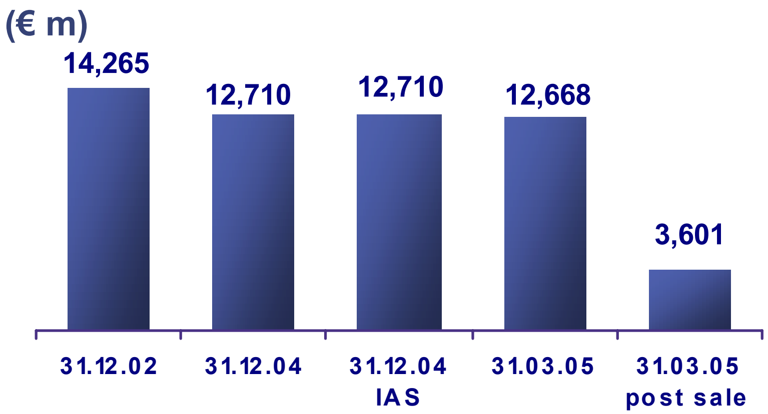
- **Net Doubtful Loans[(1)] / Loans down to 0.6% after the sale without recourse, in line with European best practice**

(1) *Sofferenze*
(2) *Not annualised*

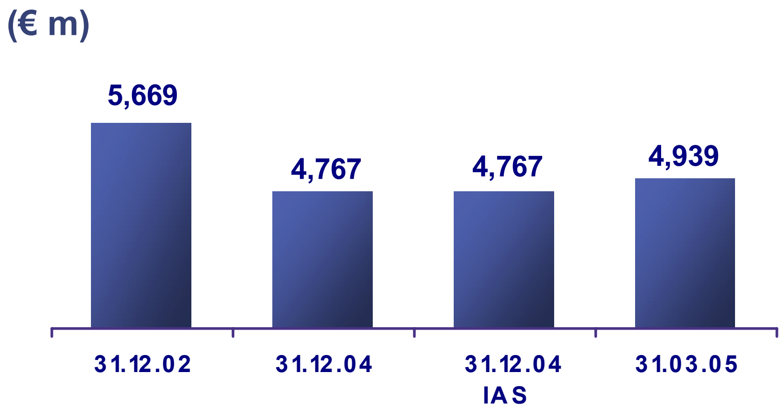
Doubtful & Substandard Loans

Impressive Reduction since 2002

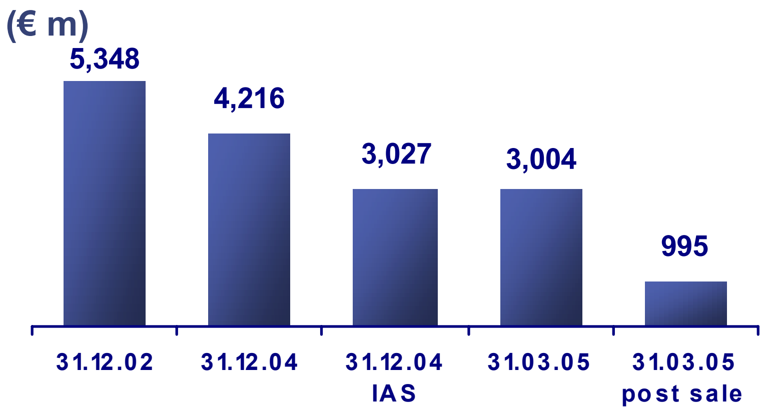
Gross Doubtful Loans (Sofferenze)



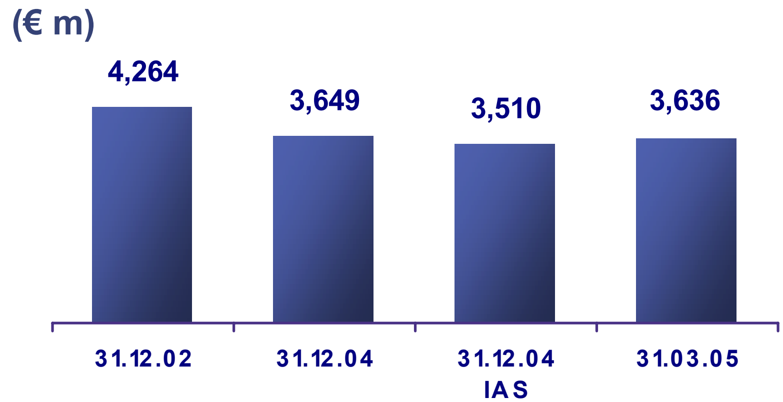
Gross Substandard (Incagli)



Net Doubtful Loans (Sofferenze)



Net Substandard (Incagli)



- **Since 2002 the overall reduction in Net Doubtful Loans and Net Substandard reached nearly €3bn (€5bn after the sale)**

Strengthening of Capital Base

Adequate Capital Ratios Coupled with Strongly Improved Asset Quality

	Ratios			
	2001	2004	2004 IAS	1Q05
Core Tier 1	5.3%	7.6%	6.7%	6.9%
Tier 1	6.0%	8.5%	7.6%	7.8%
Total Capital	9.3%	11.6%	11.0%	11.0%

- Further strengthen of Tier1 and Core Tier1 (+40/50 b.p.) from doubtful loans sale and Nextra transaction
- Net Doubtful Loans / Shareholders' Equity down to 7% after the sale ("AA" Bank Target)

Divisional Financial Highlights as at 31.03.05

	Retail & WM[1]	Italian Subsidiary Banks	International Subsidiary Banks	Corporate[2]	Central Functions/ Other	Total
Operating Income (€ m)	1,395	378	252	435	47	2,507
Operating Margin (€ m)	676	197	110	244	(36)	1,191
Cost/Income (%)	51.5	47.9	56.2	44.0	n.m.	52.5
RWA (€ bn)	77.8	24.0	14.3	49.9	18.5	184.5
Allocated Capital[3] (€ bn)	5.0	1.4	0.9	3.0	1.1	11.4
Pre-tax ROE[4] (%)	50.3	50.3	39.7	27.0	(23.8)	36.2
Customer Deposits[5] (€ bn)	75	23	13	27	25	163
Loans to Customers (€ bn)	78	23	11	41	5	157
EVA® (€ m)	284	68	33	47	(104) (68)	260

Treasury and Finance	33
Central Costs	(99)
Others	(38)

Cost of Excess Capital

- **1Q05 €260m EVA® vs €88m in 1Q04**

Figures may not add up exactly due to rounding differences

(1) *Includes Individuals (Households, Affluent, Private), SOHO (Small Businesses and Micro Enterprises with turnover <€2.5m), SMEs (turnover between €2.5m and €50m), Non-Profit Entities and Subsidiary Companies operating in Wealth Management, Industrial Credit and Leasing*

(2) *Includes Corporates (turnover over €50m), Public Administrations, Financial Institutions, Factoring and Tax Collection*

(3) *Allocated Capital = 6% RWA*

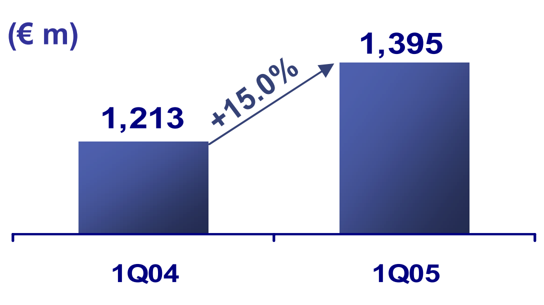
(4) *Income before Taxes from Continuing Operations / Allocated Capital*

(5) *Excluding subordinated liabilities*

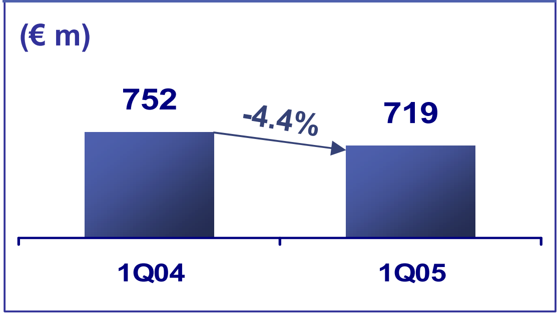
Retail Division and Wealth Management: 1Q05 vs 1Q04

Significant Improvement in Profitability

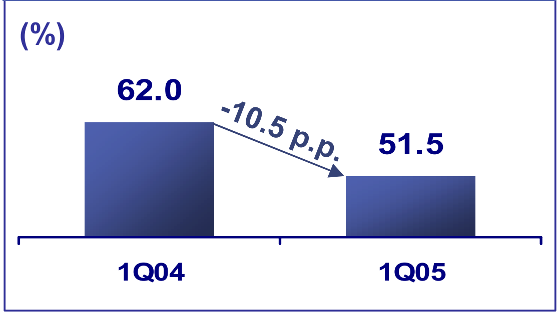
Operating Income



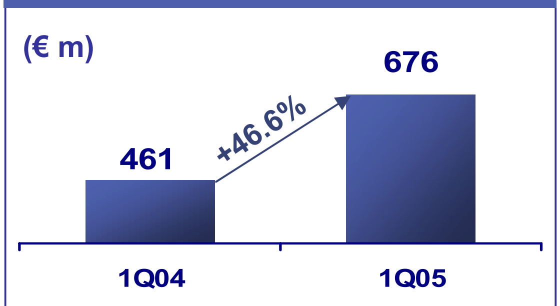
Operating Costs



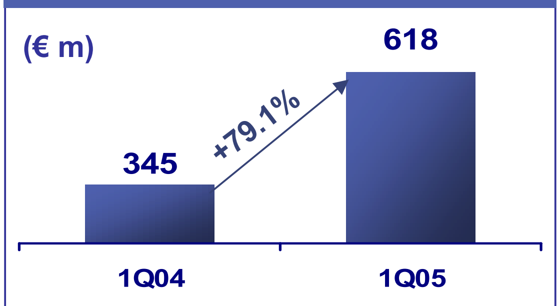
Cost / Income Ratio



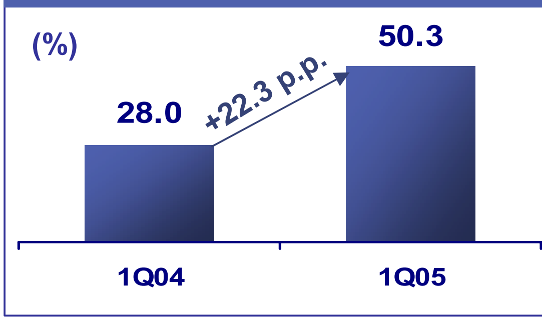
Operating Margin



Pre-Tax Income(1)



Pre-Tax ROE(2)



- **1Q05 €284m EVA® (vs €104m in 1Q04)**

Note: *Includes Individuals (Households, Affluent, Private), SOHO (Small Businesses & Micro Enterprises with turnover <€2.5m), SMEs (turnover between €2.5m and €50m), Non-Profit Entities and Subsidiary Companies operating in Wealth Management, Industrial Credit and Leasing*

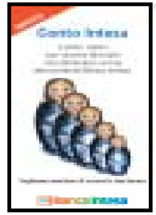
Figures may not add up exactly due to rounding differences

(1) *Income before Tax from Continuing Operations*

(2) *Income before Tax from Continuing Operations / Allocated Capital*

Retail Division and Wealth Management

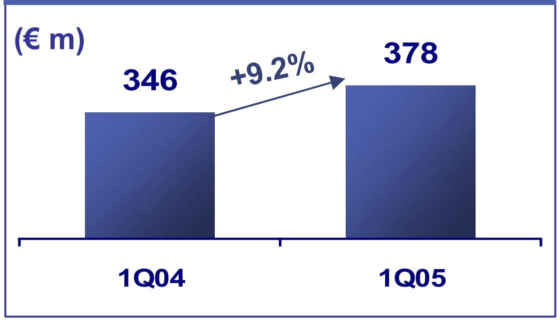
Strong Commercial Effectiveness: New Products (Examples)

Description	Product	Achievements
Current account for Households	Conto Intesa 	■ Over 405,000 accounts opened as at 31st March 2005, ~40% of which are new accounts ■ Average number of products held by customers who have switched to Conto Intesa: +33%, from 1.5 to 2.0
Current account for Affluent	Conto Intesa Personal 	■ Over 54,000 accounts opened in 9 months, ~15% new accounts ■ Average increase in Total Administered Funds from each switched account: +€31,000 in 9 months
Current account for Small Businesses	Conto Intesa Business 	■ 38,000 accounts opened in 9 months, ~37% of which are new accounts ■ Average business volumes (investments + borrowing) for each switched account: +15% in 9 months
Personal Loan	PrestIntesa   	■ €1,445m loans granted in 2004 (+121%) ■ ~€400m loans granted in 1Q05 (+38% vs 1Q04)

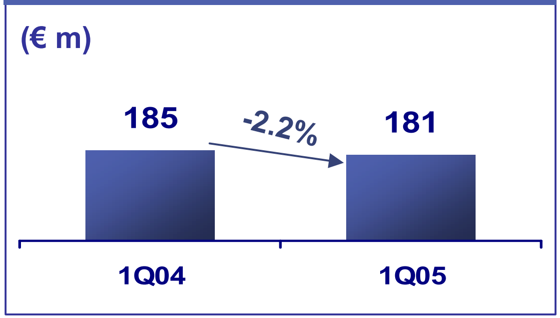
Italian Subsidiary Banks Division: 1Q05 vs 1Q04

Further Improvement in Efficiency and Profitability

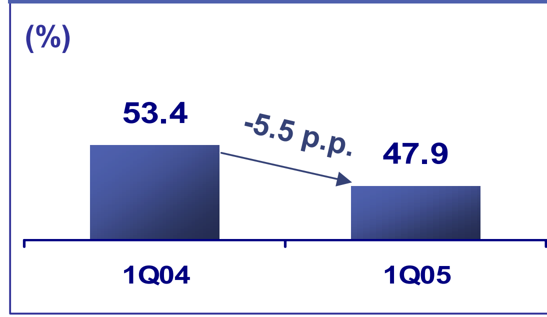
Operating Income



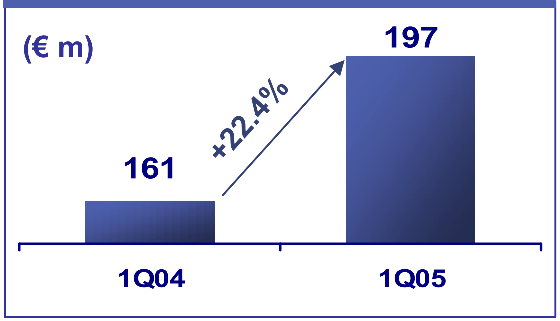
Operating Costs



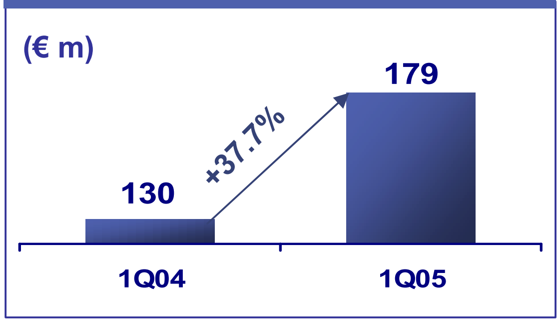
Cost / Income Ratio



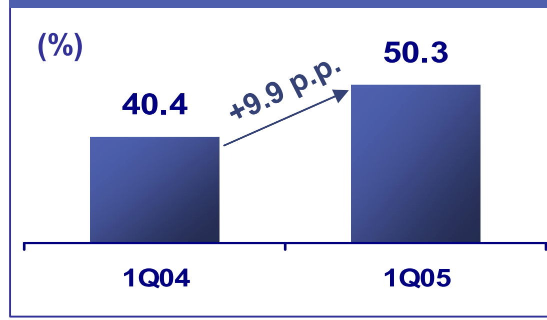
Operating Margin



Pre-Tax Income[1]



Pre-Tax ROE[2]



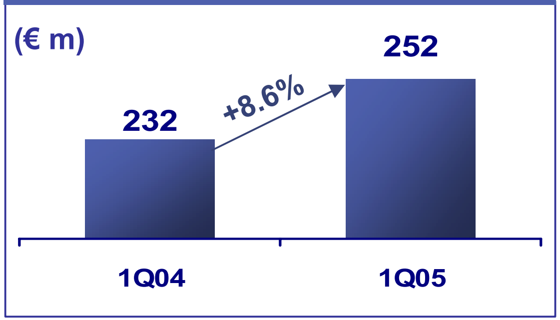
- **1Q05 €68m EVA® (vs €41m in 1Q04)**

Figures may not add up exactly due to rounding differences
(1) *Income before Tax from Continuing Operations*
(2) *Income before Tax from Continuing Operations / Allocated Capital*

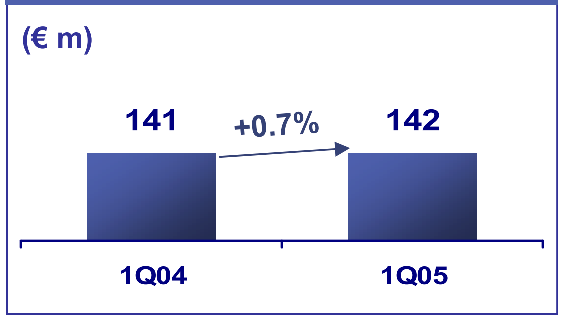
International Subsidiary Banks Division: 1Q05 vs 1Q04

Strong Rise due to Central-Eastern Europe

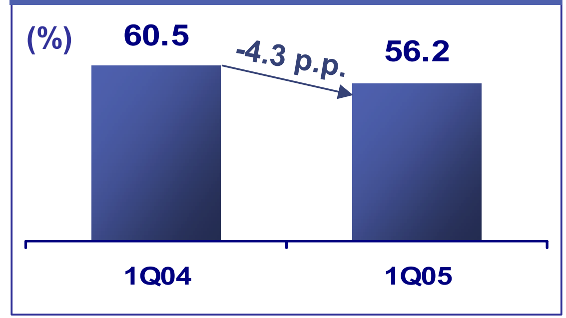
Operating Income



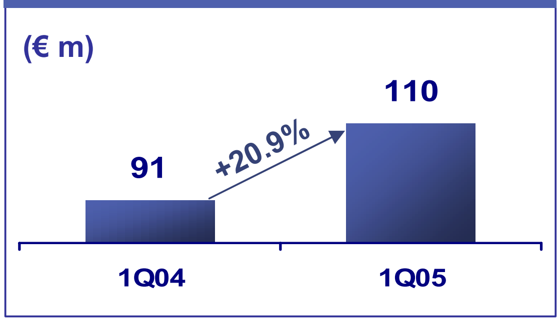
Operating Costs



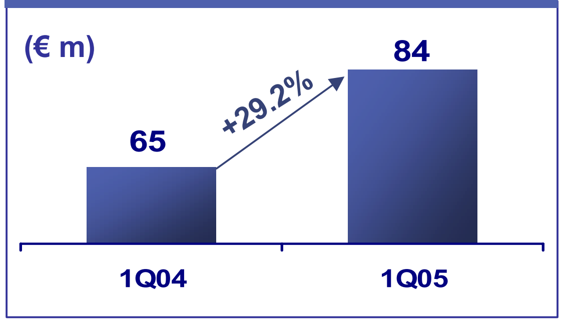
Cost / Income Ratio



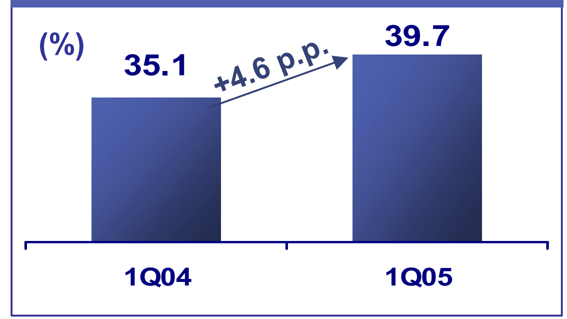
Operating Margin



Pre-Tax Income(1)



Pre-Tax ROE(2)



- **1Q05 €33m EVA® (vs €26m in 1Q04)**

Figures may not add up exactly due to rounding differences
(1) *Income before Tax from Continuing Operations*
(2) *Income before Tax from Continuing Operations / Allocated Capital*

Central-Eastern Europe Highlights: 1Q05 vs 1Q04

Positive Performance in all the Banks: CEE Operating Margin +10%

(€ m)	CIB (Hungary) 1Q04	CIB (Hungary) 1Q05	PBZ (Croatia) 1Q04	PBZ (Croatia) 1Q05	VUB (Slovakia) 1Q04	VUB (Slovakia) 1Q05	TOTAL CEE 1Q04	TOTAL CEE 1Q05
Operating Income	60	70	79	79	53	59	193	208
Operating Costs	(32)	(35)	(43)	(42)	(31)	(35)	(105)	(112)
Operating Margin	28	35	37	37	22	24	87	96
Net Provisions(1)	(10)	(7)	(5)	(6)	(6)	(2)	(21)	(15)
Pre-Tax Income(2)	18	28	32	33	16	24	66	85
Net Income	15	20	24	26	12	20	51	66
	31.12. 04	1Q05	31.12.04	1Q05	31.12.04	1Q05	31.12.04	1Q05
Customer Deposits	2,396	2,461	3,965	4,070	4,315	3,776	10,676	10,307
Customer Loans	4,031	4,165	3,170	3,361	1,837	1,626	9,038	9,152
Total Assets	4,916	5,033	5,745	5,802	5,648	5,576	16,309	16,411

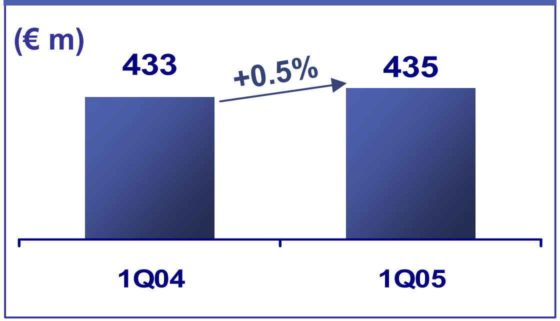
- Operating Costs increase due to investments (branch opening, ...)
- 1Q05 €42m EVA® (vs €31m in 1Q04)

Figures may not add up exactly due to rounding differences.
(1) *Including Net Provisions for Risks and Charges, Net Adjustments to Loans and Receivables and Net Impairment Losses on Assets*
(2) *Income before Tax from Continuing Operations*

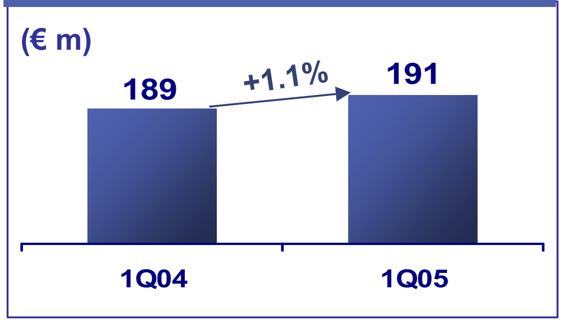
Corporate Division: 1Q05 vs 1Q04

Increase in Pre-Tax Income

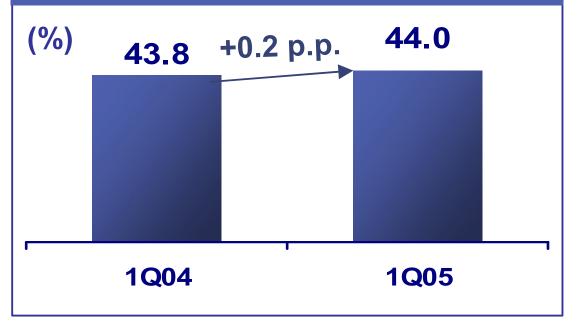
Operating Income



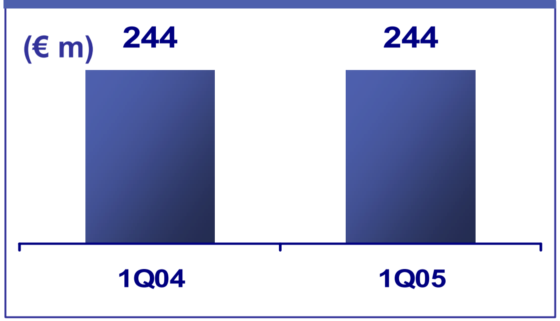
Operating Costs



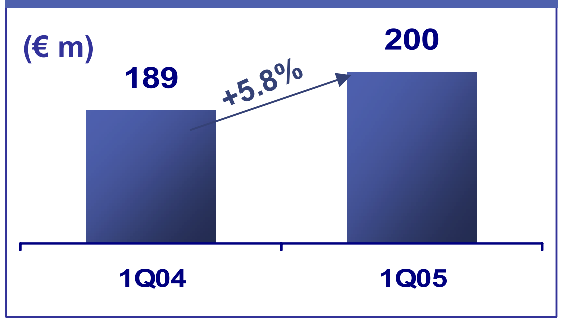
Cost / Income Ratio



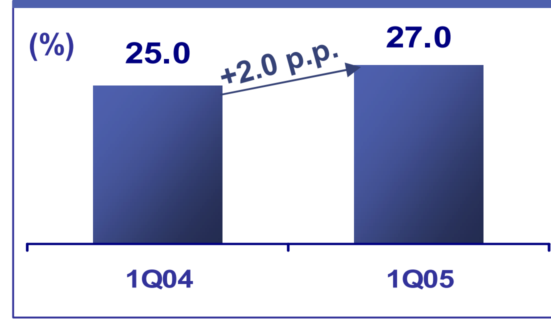
Operating Margin



Pre-Tax Income(1)



Pre-Tax ROE(2)



- **Year on year reduction of loans to Large Corporates (-€3bn RWA vs 1Q04) despite the growth registered with Italian clients 31.03.05 vs 31.12.04 (+€1bn RWA)**
- **1Q05 €47m EVA® (vs €42m in 1Q04)**

Figures may not add up exactly due to rounding differences
(1) *Income before Tax from Continuing Operations*
(2) *Income before Tax from Continuing Operations / Allocated Capital*

Outlook

- Good overall quarterly performance, in line with 2005 EPS Target
- Two important strategic transactions realised earlier than expected
  - Doubtful loan sale
  - Nextra
- Strong improvement in the asset quality - in line with European best practice - and financial profile of the Group
- The 2005-2007 Business Plan’s will be presented in July

Agenda

1 Impacts of IAS/IFRS First-time Adoption (FTA)

2 2005 First-Quarter Results

3 **Doubtful Loan Sale**

4 Agreement with Crédit Agricole in Asset Management

The Transaction

- Sale -without recourse- of ~70% of the Group's doubtful loans(1)
- No more risks for Banca Intesa

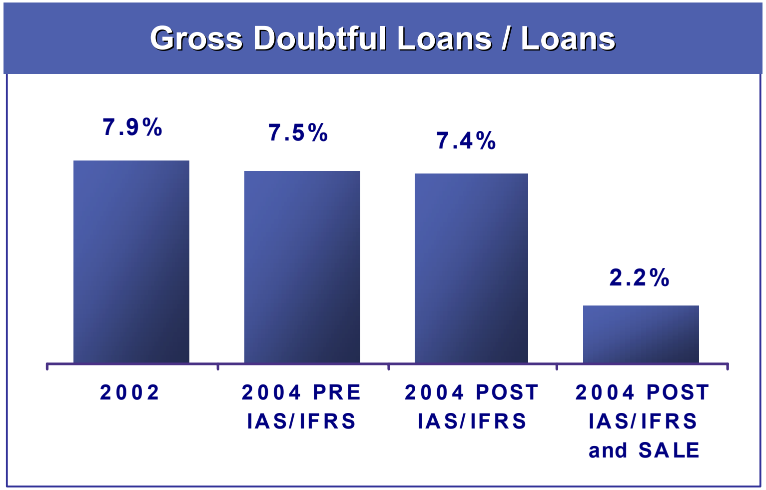
- Sale of 81% of the loan servicing business of Intesa Gestione Crediti (IGC) which manages doubtful loans(1)

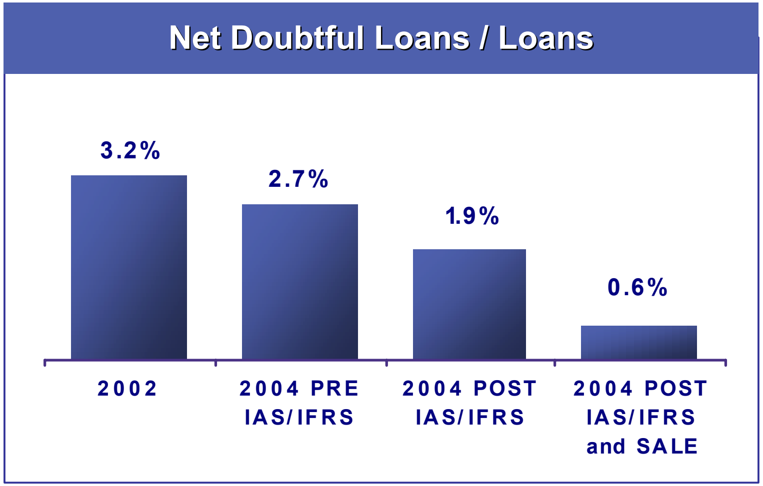
Strong improvement in the asset quality and financial profile of Gruppo Intesa

(1) *Doubtful Loans = Sofferenze*

Strong Improvement in the Asset Quality and Financial Profile of Gruppo Intesa (1/2)

- **Sale -without recourse- of ~70% of the Group's doubtful loans (~€9bn)**
- **Small capital gain in Statement of Income (~€36m[(1)])**
- **Improvement of Tier1 (~10b.p.[(1)])**



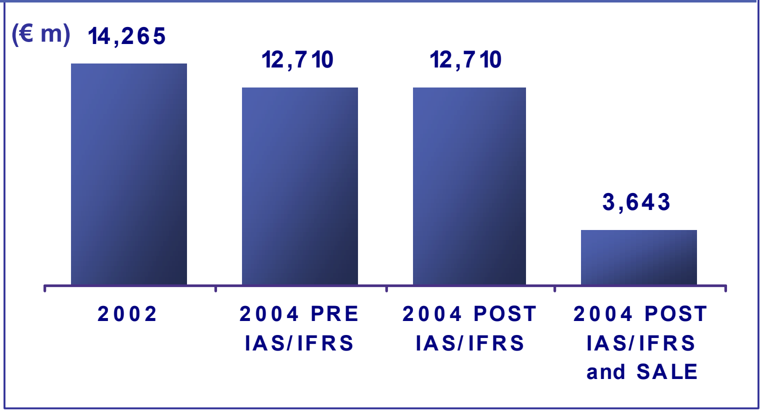


Doubtful Loans = Sofferenze

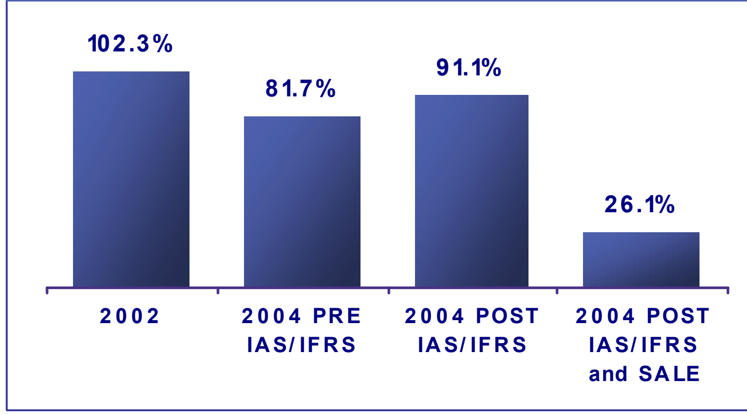
(1) *On the basis of figures as at 31.12.04 post IAS/IFRS*

Strong Improvement in the Asset Quality and Financial Profile of Gruppo Intesa (2/2)

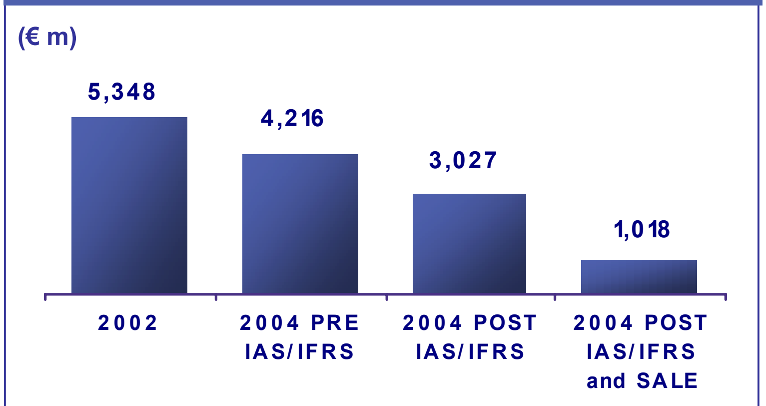
Gross Doubtful Loans



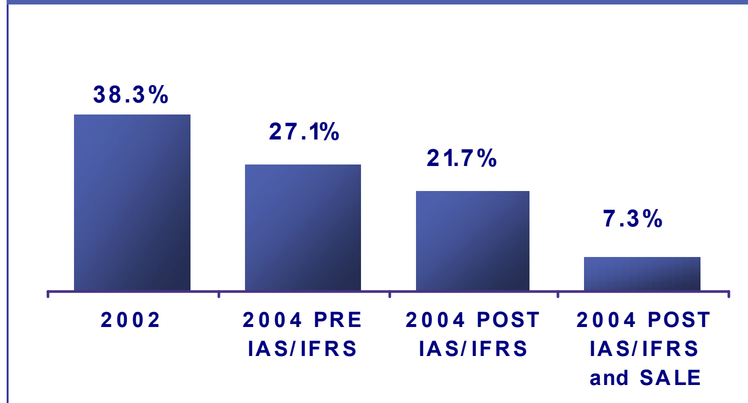
Gross Doubtful Loans / Shareholders'Equity



Net Doubtful Loans



Net Doubtful Loans / Shareholders' Equity



Doubtful Loans = Sofferenze

Doubtful Loan Portfolios Sold

(€ m)	31.12.04	
	Gross Exposure	Net Exposure Post IAS/IFRS
IGC	5,968	1,073
Banca Intesa	2,368	719
Mediocredito	543	166
Cariparma	188	51
Total Sold	**9,067**	**2,009**
Intesa Group Total	**12,710**	**3,027**
% Sold on Intesa Group Total	**71%**	**66%**

Doubtful Loans = Sofferenze

The Transaction: The Rationale

- **Significantly improving asset quality as planned in the Banca Intesa Business Plan**
- **Reducing risk of future loss inherent in doubtful loan stock (sale -without recourse- of the portfolio)**
- **Liberating resources to support growth**
- **Improving Statement of Income quality due to cash income and reduced volatility**
- **Focusing financial and managerial resources on core business**
- **Optimising future recoveries of the doubtful loan portfolio retained through a long-term partnership with Merrill Lynch and Fortress and a highly protective service level agreement**
- **Obtaining favourable terms and conditions: sale price in line with the IAS/IFRS evaluations of the Group's doubtful loans**

Doubtful Loans = Sofferenze

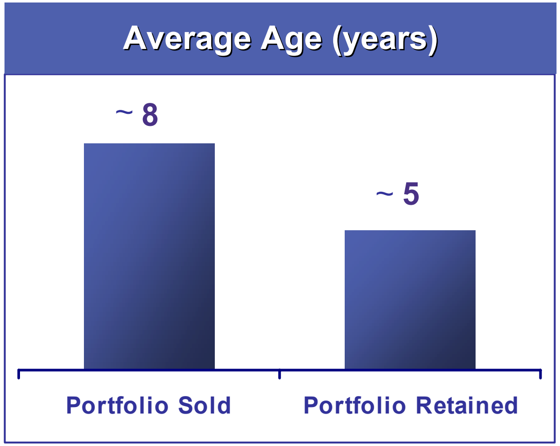
The Transaction: Key Terms

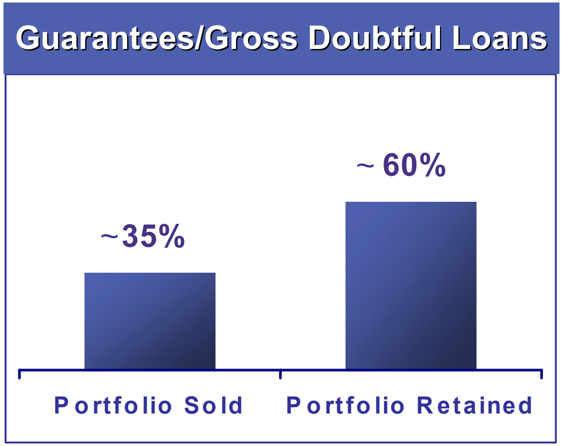
- A block sale -without recourse- of about 70% of Gruppo Intesa doubtful loan stock to Merrill Lynch/Fortress
  - €9,067m of Gross doubtful loans (equal to €2,009m Net post IAS/IFRS as at 31.12.04)
- Banca Intesa will not retain any portion of the doubtful loans sold
- On the basis of 31.12.04 data Gruppo Intesa will receive a cash consideration of €2,045m for the sale of its doubtful loan portfolio. A capital gain of €36m on the IAS/IFRS evaluation
- Sale to Merrill Lynch/Fortress of 81% of the loan servicing activities of Intesa Gestione Crediti (IGC) which manages the doubtful loans (Servicing Company) based on a valuation for 100% of the activity equal to €60m. A capital gain of about €49m
- Banca Intesa will hold a 19% stake in the Servicing Company with adequate Corporate Governance rights
- The Servicing Company will be in charge of managing the retained doubtful loans of Gruppo Intesa (~€1bn of net doubtful loans and ~€3.6bn gross doubtful loans as at 31.12.04 post IAS/IFRS) and most of the new doubtful loans through a ten-year service level agreement granting Banca Intesa maximum protection
- The closing of the transaction will take place within 2005

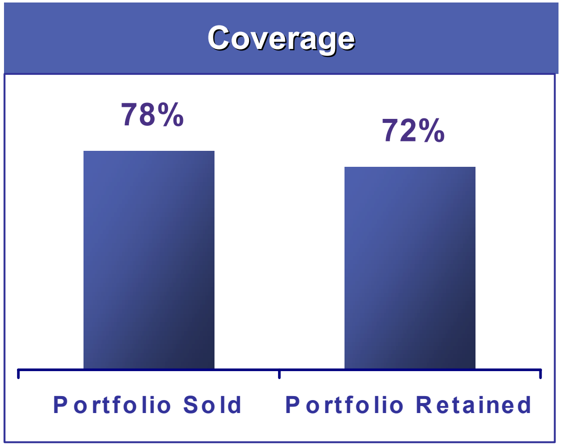
Doubtful Loans = Sofferenze

Doubtful Loan Portfolios Retained

- **The sale does not involve doubtful loans**
  - **the ownership and management of which is strategic for the Group**
  - **characterised by restrictions to the transfers (i.e. subsidies loans)**
  - **turned into doubtful loans in the fourth quarter of 2004 (these might be sold afterwards)**
- **The doubtful loans retained are**
  - **on average more recent positions**
  - **characterised by a larger guaranteed component**







Doubtful Loans = Sofferenze

Service Level Agreement (SLA) Guidelines for the Management of Gruppo Intesa Retained Doubtful Loans

- The Servicing Company will be in charge of the management of the current doubtful loans and most of the new inflows of doubtful loans generated by Gruppo Intesa

- To this end SLA guidelines have been defined so as to guarantee an optimal service to Gruppo Intesa through
  - performance and rating objectives
  - option to periodically sell further portfolios of doubtful loans on the market
  - asset managers exclusively dedicated to Gruppo Intesa's doubtful loans
  - obligation of Merrill Lynch and Fortress to be partners on a long-term basis

- Banca Intesa has the right to terminate the SLA, should some pre-defined events take place

Delivery on Promises

- **The transaction brings Gruppo Intesa to the level of best practices in Europe in terms of asset quality and significantly improves its risk profile ("AA" bank target)**
- **One more 2003-2005 Business Plan objective exceeded: Net Doubtful Loan/Loan ratio to 0.6% vs the 2005 target of 2%**
- **The transaction closed with capital gains on the sale of both doubtful loans and 81% of the loan servicing activities of IGC**
- **The cash generated by the transaction (~€2.1bn) will be utilised in the Group's core business**

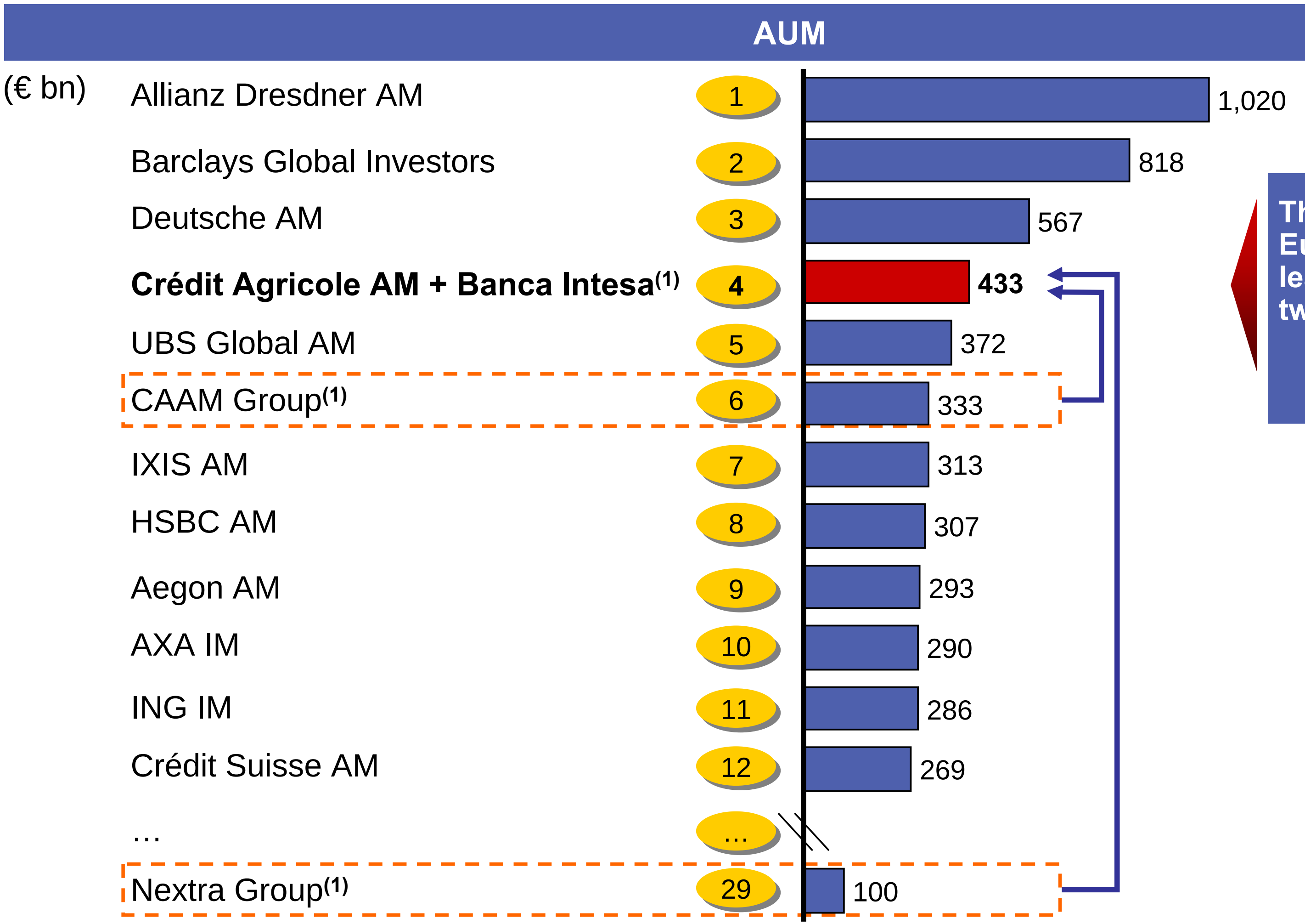
Agenda

1. Impacts of IAS/IFRS First-time Adoption (FTA)
2. 2005 First-Quarter Results
3. Doubtful Loan Sale
4. **Agreement with Crédit Agricole in Asset Management**

The Transaction: Rationale

- Creation of one of the four top European asset managers, the only player with a leading position in two key markets (France and Italy) through the sale of a 63% stake of Nextra to CAAM and the following integration of CAAM Italia and Nextra. CAAM will own a 65% stake in the new entity
- Focus on the improvement of offering to clients and, particularly, of performance with a wide access to third-party products (Open Architecture)
- 100% of Nextra has been valued at €1,340m. A capital gain for Banca Intesa of ~€750m. Positive impact on Capital Ratios: Tier 1 +30/40 b.p.
- The valuation is subject to a subsequent mechanism of adjustment related to the net inflow gathered by Gruppo Intesa during the three-year period 2005-2007
  - +€100m, if the net inflow exceeds €10bn
  - -€100m, if the net inflow is negative
- Long-term partnership between Crédit Agricole and Banca Intesa: Banca Intesa may in due course hold a stake in CAAM

Creation of a Leading European Asset Manager



The only player in Europe with a leading position in two key markets

- **No 1 in France**
- **No 2 in Italy (2)**

(1) *December 2004*
(2) *Source : Sole 24 Ore – Mutual Funds as at 30.04.2005*
Source: IPE Ranking, August 2004

A Transaction of Great Strategic Significance

The transaction

- **Anticipates the industry's structural development which will reward big global players and small specialised ones**
- **Aims at achieving a substantial improvement in the quality of offering and customer service, also providing benefits to the growth potential of Gruppo Intesa distribution networks in the asset management business**
- **Enhances Nextra growth potential as a centre of competences and opens new markets for Italian know-how and assets also outside Italy**
- **Further strengthens a long-lasting relationship between partners used to working together**

A Transaction that Anticipates the Industry's Expected Structural Developments

- **Increased customer sophistication**
  - Relevance of Open Architecture
  - Growth in specialty products (e.g. Hedge Funds, Quantitative)
  - Development of Multimanagement
- **Focus on performance**
  - Increased competition
  - Increased transparency
  - Economic cycle
- **Globalisation of financial markets**
  - Enlargement of competitive arena
  - Pressure on margins
  - Economies of scale and scope
  - Increased production sophistication

Large global players	Leaders
Small specialised players	Leaders
Medium regional players	Followers

A Transaction that Satisfies Customers' New Needs

- **Further improvement of product performance**
  - Strong focus on product performance: performance goals defined in the Distribution Agreement
  - Integration of specific know-how in the areas of excellence of the two players
  - Access to CAAM international network

- **Enlargement of product offering**
  - Integration of the two partners' product ranges
  - Achievement of critical mass in all the asset classes
  - Particular strengthening of specialty products (i.e. Hedge Funds, Quantitative …)

- **Possibility to place third-party products (Open Architecture) for a yearly amount of over €2bn (estimate based on current figures) up to a maximum of 24% of Gruppo Intesa AUM to be reached in 8 years without limits in terms of allocation among asset classes**

- **Integrated approach between factory and distributor**
  - Long-term agreement (12 years)
  - Shared goals (development of more value-added products, competitive pricing, …)
  - Experienced and confirmed cooperation mechanisms between factory and distribution

Integration of Specific Know-How

CAAM

- Strong financial credit and technical research
- Presence in 14 countries around the world
- Alternative, Quantitative and Structured
- Partnership with "Emerging Market Management"(1)
- Partnership with Watson Wyatt in Multimanagement
- Advanced Risk Management tools
- Investment process

Nextra

- Strong local market knowledge and capability to foster Italian products in foreign markets
- Hedge Funds and Quantitative
- Multimanagement

The partnership allows the clients of the Group to benefit from the expertise of the two players through the creation of a complete asset manager with specific know-how in all strategic activities

(1) *Emerging Market Management L.L.C., Washington and Arlington*

Strong Focus on Performance

High cross-selling potential of top-class products

CAAM: example of funds in 1st and 2nd quartiles 1-year and 3-year performance

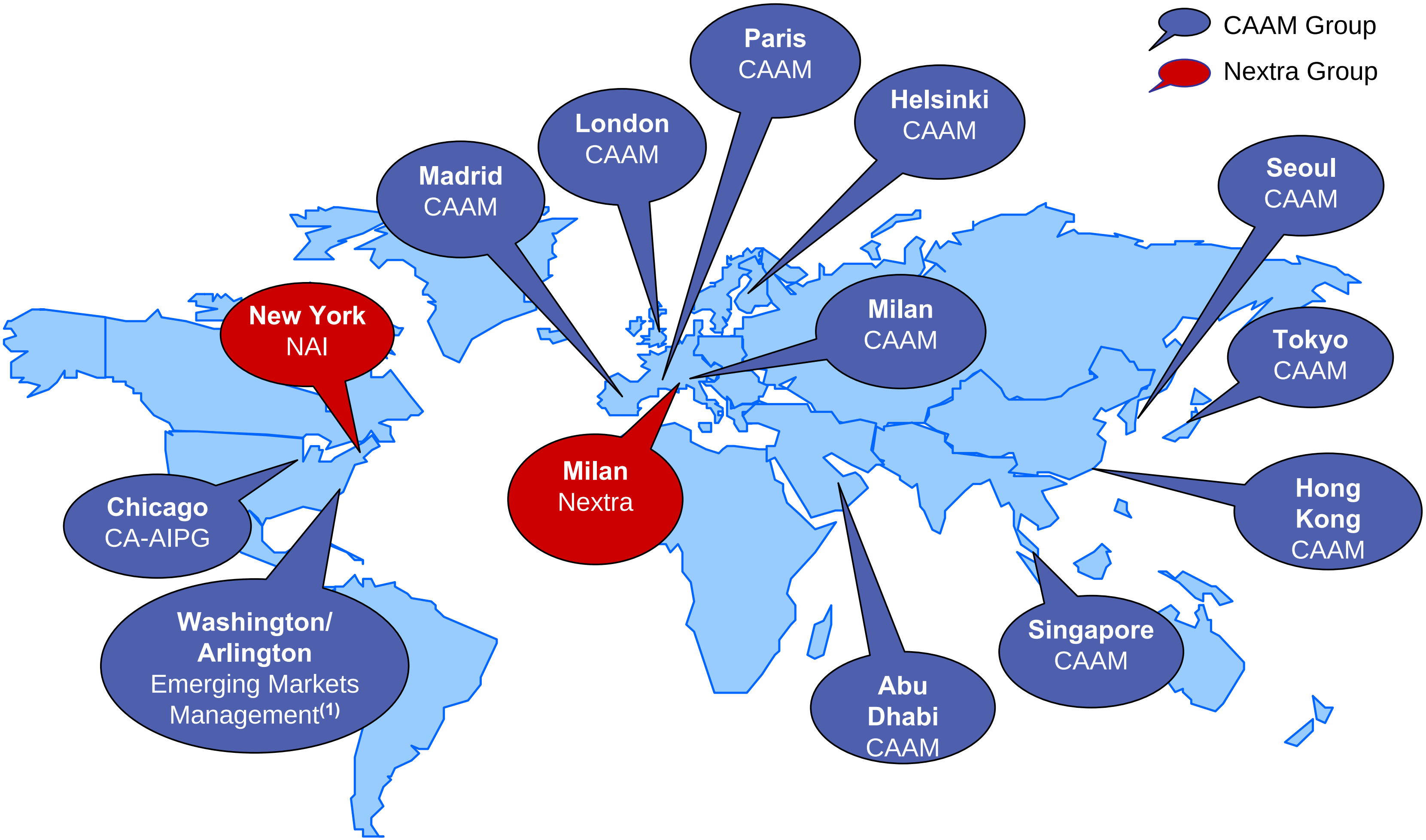
Equity	Atout Europe Monde Lion France Plus Dynalion USA (Euro)
Fixed Income	Ca Fds Global Bond Classic CAAM Oblig Europe CAAM Oblig Emergents
Money Market(1)	CAAM Tréso Monetaire CAAM Moné Cash CAAM Tréso Institution

Nextra: example of funds in 1st and 2nd quartiles 1-year and 3-year performance

Equity	Nextra Azioni Italia Dinamico Nextra Azioni PMI Europa Nextra Azioni PMI Italia
Fixed Income	Nextra Rendita Nextra Bond Dollaro EUR Nextra Long Bond Euro
Money Market	Nextra Euro Monetario(2) Nextra Cash Dollaro USD NIS Euro Short/Medium Term Bonds(3)

(1) *One year period*
(2) *3 year performance*
(3) *1 year performance*

International Presence



(1) *Emerging Market Management L.L.C., Washington and Arlington*

Enlargement of Product Range and Achievement of Critical Mass in all the Asset Classes

AUM

(€ bn)

	CAAM	Nextra[2]	CAAM + Nextra
Equity	55.2	10.6	65.8
Fixed Income	161.0	34.3	195.3
Money Market[1]	55.7	38.3	94.0
Balanced, Structured, Absolute Return and Other	52.3	15.9	68.2
Alternative	9.1	1.0	10.1
Total	**333.3**	**100.1**	**433.4**

(1) *Nextra: includes short term Fixed Income*
(2) *Private Banking in advisorship distributed among asset classes (Alternative excluded)*

Banca Intesa

A Transaction that Enhances Nextra and Creates New Opportunities

- **Profit improvement potential for the “new Nextra” (first estimates €30-40m p.a. within 2008)**
  - **Integration with CAAM Italia and rationalisation of product platforms**
  - **Operating synergies (i.e. IT, trading desk)**
  - **Know-how synergies (i.e. Research, Asset Allocation)**
  - **Increased business potential with institutional, pension funds, third-party networks**
    - **CAAM Know-how**
    - **Increased independence in the domestic market**

- **Ability to create new global opportunities for Italian know-how and assets**
  - **Enlargement of distribution network**
  - **Quality of top-class Nextra products**

Creation of New Opportunities for Italian Know-How and Assets

Nextra becomes a centre of competencies and a local product factory for CAAM	Enlargement of distribution network	Enhanced opportunities to offer top-class current Nextra products in foreign markets, also thanks to CAAM international presence ❑ France ❑ Asia ❑ Europe ❑ The Middle East
	Quality of Nextra products	Excellent performance and track record of top-class Nextra products: ❑ Nextra Azioni Italia Dinamico ❑ Nextra Azioni Italia PMI ❑ Short-term Fixed Income
	Maintenance of local production structures	Leverage on local outstanding competences and skills

Positive Economic Effects for Gruppo Intesa

- **Unchanged level of commission pay-out for the Gruppo Intesa branch network**
- **Multiples aligned with industry average evaluations**
- **Put option for Banca Intesa upon the expiration of the Distribution Agreement (12 years)**
- **Expected positive impacts on the Income Statement thanks to**
  - **Increased placement capabilities of Gruppo Intesa's distribution networks due to the expected improvement of the offering**
  - **The cash generated by the transaction will be reinvested in the Group's core business**
  - **Increase of the value of the stake in "new Nextra"**

Appendix

FTA Impact on 2004 Balance Sheet (1/2)

(€ m)	31.12.2004 Italian GAAP	IAS/IFRS impact	31.12.2004 IAS/IFRS
Assets			
Cash and deposits with central banks			
and post offices	1,488	9	1,497
Loans			
- loans to customers	157,698	(2,033)	155,665
- due from banks	28,730	(358)	28,372
Trading portfolio	33,576	(1,485)	32,091
including Own shares	*10*	*(10)*	*0*
Fixed assets			
a) investment portfolio	5,158	78	5,236
b) equity investments	4,834	53	4,887
c) tangible and intangible	4,075	221	4,296
Goodwill arising on consolidation	484	(55)	429
Goodwill arising on application of the equity method	253	(4)	249
Other assets	38,302	1,915	40,217
Total Assets	**274,598**	**(1,659)**	**272,939**

FTA Impact on 2004 Balance Sheet (2/2)

(€ m)	31.12.2004 Italian GAAP	IAS/IFRS impact	31.12.2004 IAS/IFRS
Liabilities and Shareholders' Equity			
Debts			
- due to customers	109,542	(800)	108,742
- securities issued	61,417	1,249	62,666
- due to banks	34,214	(36)	34,178
Allowances with specific purpose	4,715	(99)	4,616
Other liabilities	39,121	(319)	38,802
Allowances for possible loan losses	4	(4)	0
Subordinated and perpetual liabilities	9,278	(90)	9,188
Minority interests	743	35	778
Shareholders' equity			
- share capital, reserves and reserve for general banking risks	13,649	(1,552)	12,097
- negative goodwill arising on consolidation	29	0	29
- negative goodwill arising on application of the equity method	2	0	2
- net income for the period	1,884	(43)	1,841
Total Liabilities and Shareholders' Equity	**274,598**	**(1,659)**	**272,939**

IAS/IFRS Impact on 2004 P/L

On the Whole no Significant Impact on Revenues, Costs and Net Income

(€ m)

	2004 Net Income before IFRS		1,884
NET INTEREST INCOME	■ Change mainly due to		222
	❑ recovery of "time value" on non performing loans	202	
	❑ recovery of derecognition of up-front revenues on structured bonds issued	74	
	❑ recovery of "time value" on allowances for risk and charges	(17)	
	❑ measurement of loans at amortised cost	(40)	
NET COMMISSIONS	■ Change mainly due to the "pro rata temporis" accounting criteria		9
PROFITS ON FINANCIAL TRANSACTIONS	■ Change mainly due to		(234)
	❑ derecognition of up-front revenues on structured bonds issued by Banca Intesa	(199)	
OTHER OPERAT. INCOME	■ Change mainly due to		22
	❑ change in scope for consolidation	18	
OPERATING COSTS	■ Change mainly due to		7
	❑ derecognition of land amortisation	28	
	❑ change in scope for consolidation	(17)	
GOODWILL	■ Derecognition of goodwill amortisation		130
NET PROVISIONS	■ Change mainly due to		(41)
	❑ "time value" of non performing loans generated in 2004	(169)	
	❑ collective measurement of performing loans	79	
	❑ "time value" of provisions for risk and charges	26	
TAXES AND OTHER	■ Change mainly due to		(158)
	❑ derecognition of Reserve for General Banking Risks and other allowances use	(163)	
	❑ taxes	17	
	2004 IFRS Net Income		1,841

IAS/IFRS Impact on 2004 P/L

On the Whole No Significant Impact on Revenues, Costs and Net Income

(€ m)	2004 Italian GAAP	IAS/IFRS impact	2004 IFRS standards
Net Interest Income	4,962	222	5,184
Dividends and Equity Profits	220	0	220
Net Commissions	3,447	9	3,456
P/L on Financial Transactions	737	(234)	503
Other Net Operating Income	360	22	382
Total Income	**9,726**	**19**	**9,745**
Personnel Costs	(3,147)	(8)	(3,155)
Other Administrative Costs	(2,100)	(11)	(2,111)
Depreciation	(583)	26	(557)
Operating Costs	**(5,830)**	**7**	**(5,823)**
Operating Margin	**3,896**	**26**	**3,922**
Goodwill Amortisation	(130)	130	0
Net provisions for Risks and Charges	(167)	28	(139)
Net provisions for Loan Losses	(887)	(63)	(950)
Equity Investments Write-Downs	(19)	(6)	(25)
Ordinary Income	**2,693**	**115**	**2,808**
Extraordinary Items	(61)	(34)	(95)
Income Taxes	(805)	17	(788)
Δ RGBR and Other Reserves	163	(163)	0
Minority Interests	(106)	22	(84)
Net Income	**1,884**	**(43)**	**1,841**

Quarterly Analysis

(€ m)	1Q04	2Q04	3Q04	4Q04	1Q05
	Restated				
Net interest income	1,282	1,269	1,313	1,281	1,334
Dividends and equity investments	33	87	42	59	33
Net fee and commission income	830	856	852	927	955
Profits (Losses) on trading	112	146	113	216	185
Other operating income (expenses)(1)	23	24	(70)(2)	57	0
Operating income	**2,280**	**2,382**	**2,250**	**2,540**	**2,507**
Personnel expenses	(809)	(800)	(780)	(837)	(787)
Other administrative expenses (1)	(432)	(452)	(422)	(495)	(411)
Adjustments to fixed assets and intangibles	(127)	(131)	(132)	(168)	(118)
Operating costs	**(1,368)**	**(1,383)**	**(1,334)**	**(1,500)**	**(1,316)**
Operating margin	**912**	**999**	**916**	**1,040**	**1,191**
Net provisions for risks and charges	(18)	(37)	(8)	(192)	(46)
Net adjustments to loans and receivables	(194)	(362)	(177)	(300)	(193)
Net impairment losses on assets	(17)	13	(4)	(16)	3
Profits (Losses) on HTM and other investments	(3)	14	37	101	61
Profit (Loss) before tax from continuing operations	**680**	**627**	**764**	**633**	**1,016**
Taxes on income from continuing operations	(235)	(156)	(246)	(142)	(372)
Profit (Loss) after tax from discontinued operations	0	0	0	0	0
Minority interests	(19)	(17)	(23)	(25)	(24)
Net income	**426**	**454**	**495**	**466**	**620**

Note: *2004 restated figures to reflect the IAS/IFRS application (including IAS 39 estimates). Estimates have also been utilised, when necessary, to restate 2Q04, 3Q04 and 4Q04 for comparison purposes*

(1) *Other Administrative Expenses are net of expenses recovery , previously booked as Other Operating Income (€60m in 1Q04, €68m in 2Q04, €61m in 3Q04, €91m in 4Q04 and €84m in 1Q05)*

(2) *Including €160m extraordinary charges due to Nextra settlement with Parmalat*

Quarterly Analysis: 1Q05 vs 4Q04

(€ m)	4Q04 Restated	1Q05	Δ%
Net interest income	1,281	1,334	4.1
Dividends and equity investments	59	33	(44.1)
Net fee and commission income	927	955	3.0
Profits (Losses) on trading	216	185	(14.4)
Other operating income (expenses)	57	0	(100.0)
Operating income	**2,540**	**2,507**	**(1.3)**
Personnel expenses	(837)	(787)	(6.0)
Other administrative expenses	(495)	(411)	(17.0)
Adjustments to fixed assets and intangibles	(168)	(118)	(29.8)
Operating costs	**(1,500)**	**(1,316)**	**(12.3)**
Operating margin	**1,040**	**1,191**	**14.5**
Net provisions for risks and charges	(192)	(46)	(76.0)
Net adjustments to loans and receivables	(300)	(193)	(35.7)
Net impairment losses on assets	(16)	3	n.m.
Profits (Losses) on HTM and other investments	101	61	(39.6)
Profit (Loss) before tax from continuing operations	**633**	**1,016**	**60.5**
Taxes on income from continuing operations	(142)	(372)	162.0
Profit (Loss) after tax from discontinued operations	0	0	n.m.
Minority interests	(25)	(24)	(4.0)
Net income	**466**	**620**	**33.0**

Note: *4Q04 restated figures to reflect the IAS/IFRS application (including IAS 39 estimates). Estimates have also been utilised, when necessary, to restate 4Q04 for comparison purposes*

Balance Sheet

(€ m)	31.12.04 Restated	31.03.05	Δ%
Total Assets	**271,105**	**261,950**	**(3.4)**
Customer Loans	**159,447**	**156,915**	**(1.6)**
Direct Customer Deposits	**179,282**	**172,113**	**(4.0)**
Indirect Customer Funds	**293,000**	**296,862**	**1.3**
of which Assets under Management	***117,905***	***118,080***	***0.1***
Total Customer Administered Funds	**472,282**	**468,975**	**(0.7)**
Shareholders' Equity (1)	**13,969**	**13,886**	**(0.6)**

+0.4% excluding repurchase agreements

Note: *31.12.04 restated figures to reflect the IAS/IFRS application (including IAS 39 estimates)*
(1) *Including Net Income*

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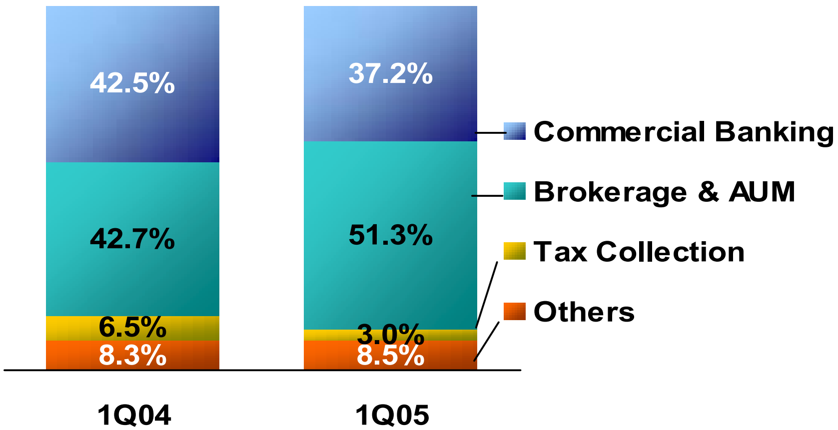
Net Fee and Commission

Breakdown



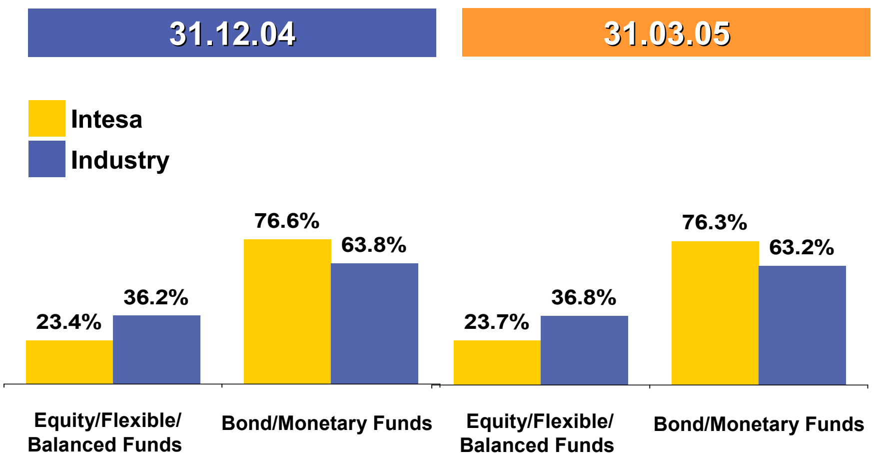
(€ m)	1Q04 Restated	1Q05	Δ%
Commercial banking activities	353	356	0.8
- Credit & Debit cards	62	62	-
- Current accounts	189	196	3.6
Brokerage & AUM	354	490	38.4
- Dealing and Placement of Securities	58	184 (1)	216.1
- Bancassurance	32	79	147.2
- Portfolio management	214	181	(15.0)
Tax Collection	54	29	(46.3)
Others	69	80	15.9
Total	**830**	**955**	**15.1**

Note: *1Q04 restated figures to reflect the IAS/IFRS application (including IAS 39 estimates)*
(1) *Including ~€110m from the placement of third-party structured bonds, absent in 1Q04*

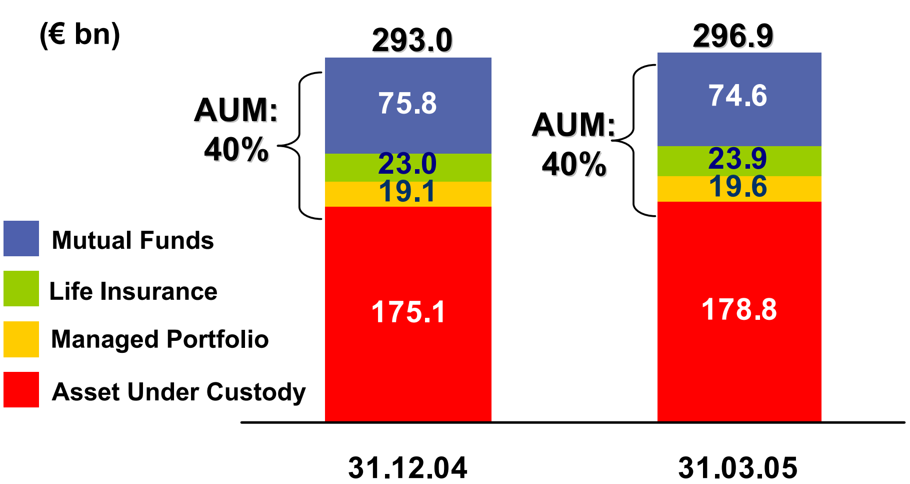
Wealth Management

Indirect Funds Increase of 1.3% 1Q05 vs FY04

Mutual Funds Asset Mix



Indirect Funds Composition



Figures may not add up exactly due to rounding differences

Reduction in Large Corporate Loans (RWA)

(€ bn)	31.12.01	31.12.02	31.12.03	31.12.04	31.03.05
Large Italian Corporate RWA	19.7	15.3	15.9	13.7	14.8
Large Foreign Corporate RWA	33.7	23.2	11.7	8.6	8.7
Total Large Corporate RWA	**53.4**	**38.5**	**27.6**	**22.3**	**23.5**
RWA Change in the period		(14.9)	(10.9)	(5.3)	1.2
RWA Cumulated Change vs 31.12.01		(14.9)	(25.8)	(31.1)	(29.9)
ALLOCATED CAPITAL[1]	**3.2**	**2.3**	**1.7**	**1.3**	**1.4**

(1) *6% of RWA*

Increase in Capital Allocated to Retail

Retail

	Risk Weighted Assets(1)				
	2001	2002	2003	2004	1Q05
Retail	51%	57%	66%	71%	70%
Retail & WM	38%	42%	48%	50%	49%
Italian Subsidiary Banks	10%	11%	13%	14%	14%
CEE Subsidiary Banks	3%	4%	5%	7%	7%
Other Int. Subsidiary Banks	10%	7%	3%	2%	2%
Large & Mid International Co's	17%	14%	7%	5%	5%
Large Italian Co's	10%	9%	10%	9%	9%
Mid Italian Co's	7%	7%	7%	7%	7%
Govt. & Fin. Inst's	2%	2%	2%	2%	3%
Others (2)	3%	4%	5%	4%	4%
Total	100%	100%	100%	100%	100%

(1) *Excluding Central Functions and Market Risk*
(2) *Merchant Banking, Private Equity and Capital Markets*

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