



# 2004 Half-Yearly Results

September 6<sup>th</sup>, 2004

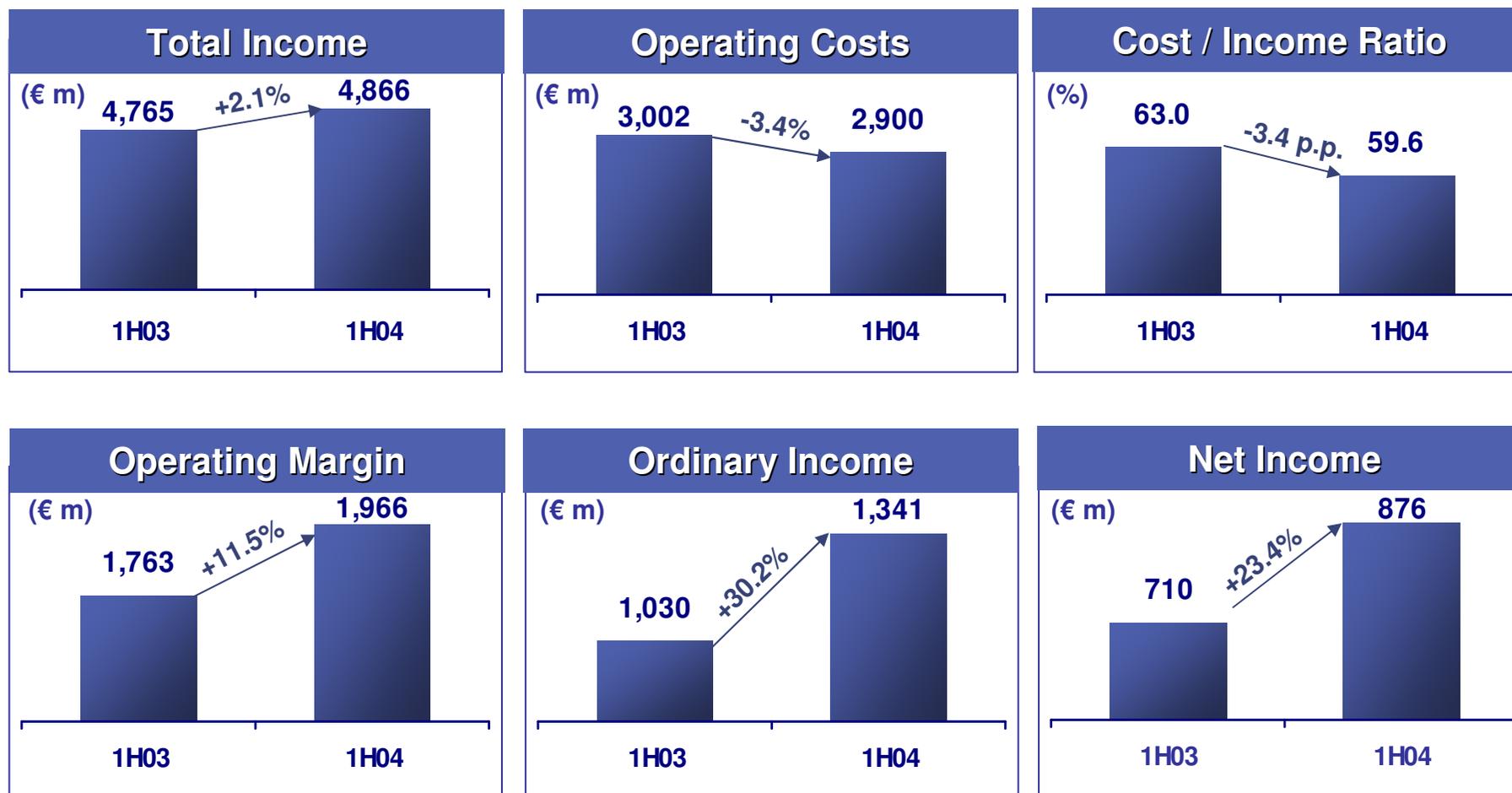
# 2Q04 and 1H04 Confirm the Trends of Growth

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- 2Q04 Net Income (€458m) and Operating Margin (€986m) are the highest of the last nine quarters
- 1H04 Operating Margin, the highest of the last four semesters, up 11.5% vs 1H03 due to revenue growth and cost reduction
- 1H04 Ordinary Income up 30% vs 1H03
- 1H04 Net Income at €876m (+23% vs 1H03); 1H04 EPS €13 cents (not annualised) consistent with FY target
- 1H04 EVA<sup>®</sup> up to €165m (-€0.7m in 1H03)
- 1H04 Cost / Income down to 59.6% (63.9% FY03)
- Further strengthening of Capital Base: Tier1 ratio up to 8.3%
- Coverage of NPLs up to 67% (2005 BP Target achieved)
- Positive commercial signs confirmed (bancassurance, consumer credit, ...)
- Profitability targets pursued while keeping a low risk profile

# 2004 First Half at a Glance

## Strong Growth in Ordinary Income and Net Income



Note: 2003 pro-forma figures to reflect 1H04 consolidation area (excluding Bankhaus Loebbecke, Sudameris Colombia, Sudameris Brasil, Sudameris Paraguay, Carinord 1&2 and Intesa Bank Canada) and the new discipline of tax credit mechanism on dividends

# Half-Yearly Analysis

## Strong Growth in Ordinary Income and Net Income

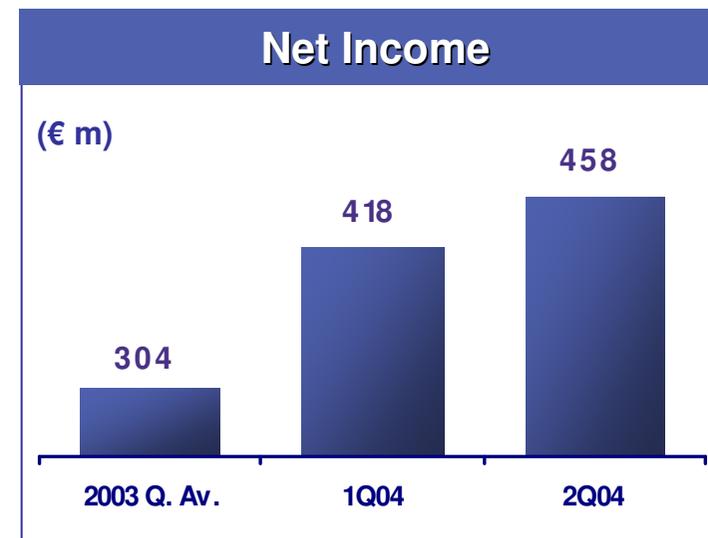
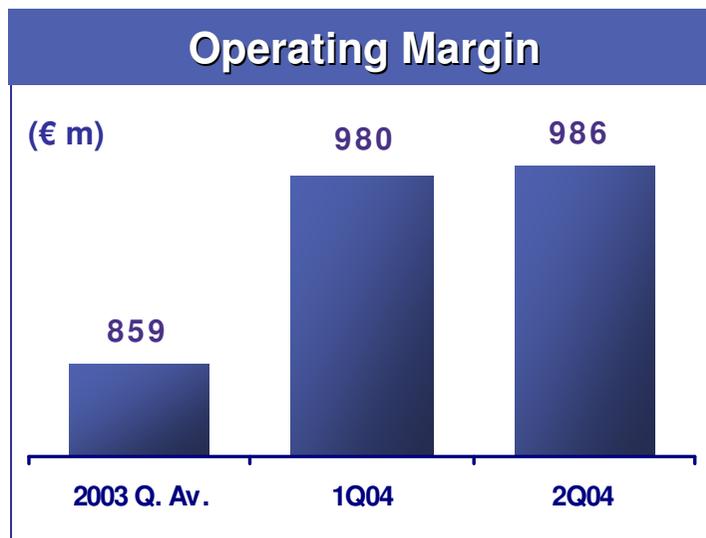
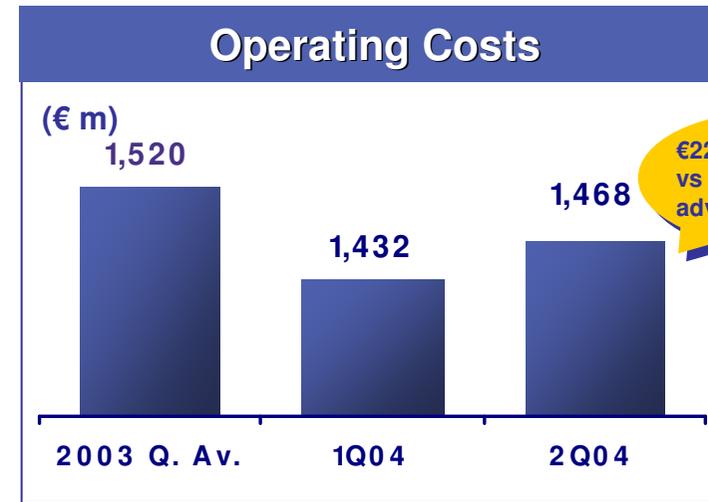
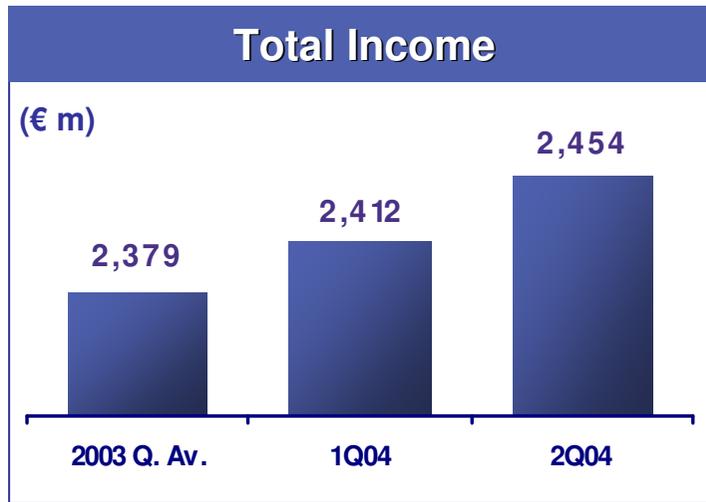
	1H03	1H04	Δ%
(€ m)	Pro-forma		
Net Interest Income	2,491	2,450	(1.6)
Dividends & Eq. Profits	136	120	(11.8)
Net Commissions	1,603	1,676	4.6
Other Non-Interest Income	535	620	15.9
<b>Total Income</b>	<b>4,765</b>	<b>4,866</b>	<b>2.1</b> ←
Operating Costs	(3,002)	(2,900)	(3.4)
<b>Operating Margin</b>	<b>1,763</b>	<b>1,966</b>	<b>11.5</b> ←
Goodwill Amortisation	(64)	(64)	0.0
Net Provisions	(669)	(561)	(16.1)
<b>Ordinary Income</b>	<b>1,030</b>	<b>1,341</b>	<b>30.2</b> ←
Extraordinary Items	97	(9)	n.m.
Taxes, Minorities, ΔRGBR <sup>(1)</sup>	(417)	(456)	9.4
<b>Net Income</b>	<b>710</b>	<b>876</b>	<b>23.4</b> ←

Note: 2003 pro-forma figures to reflect 1H04 consolidation area (excluding Bankhaus Loebbecke, Sudameris Colombia, Sudameris Brasil, Sudameris Paraguay, Carinord 1&2 and Intesa Bank Canada) and the new discipline of tax credit mechanism on dividends

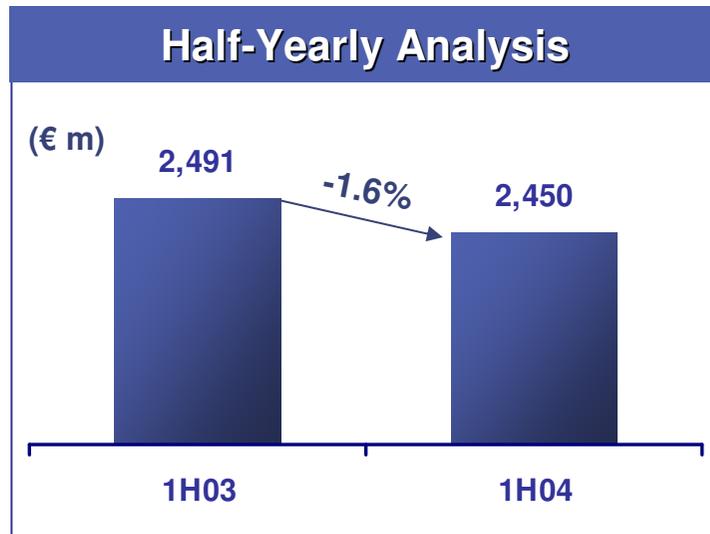
(1) Δ RGBR = Change in Reserve for General Banking Risks

# Quarterly Analysis

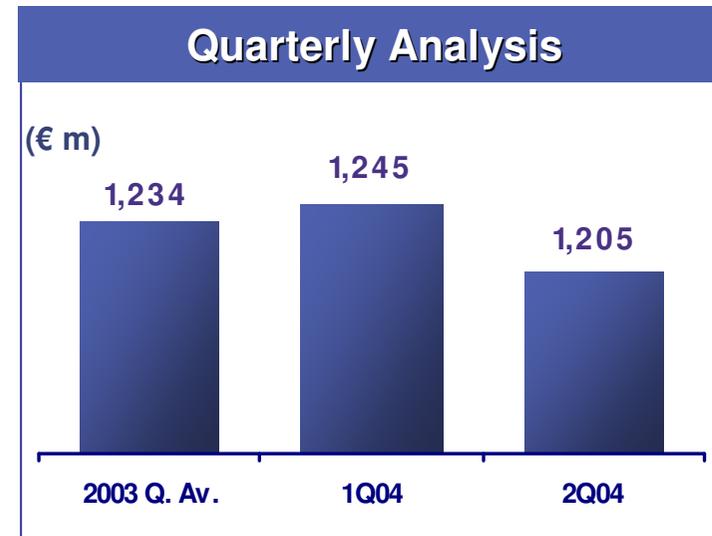
## Steady Increase in Net Income



# Net Interest Income



- The trend is still affected by the decline in market interest rates and the drop in Large Corporate exposure (-€7bn RWA)

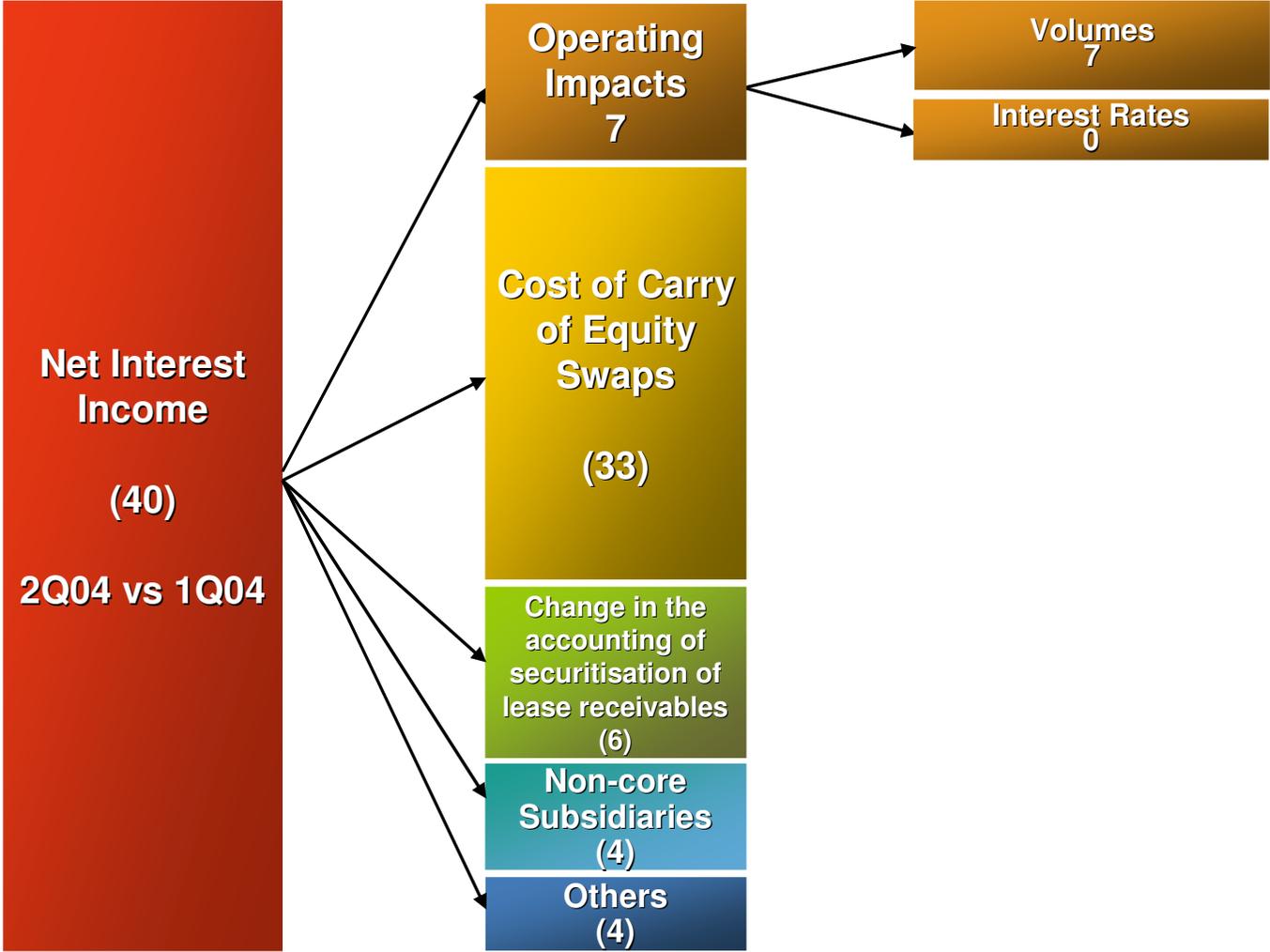


- 2Q04 ongoing Net Interest Income in line with 1Q04. Decrease due to the seasonal impact of the cost of carry of equity swaps

# Net Interest Income

## Contribution to 2Q04 vs 1Q04 Variation

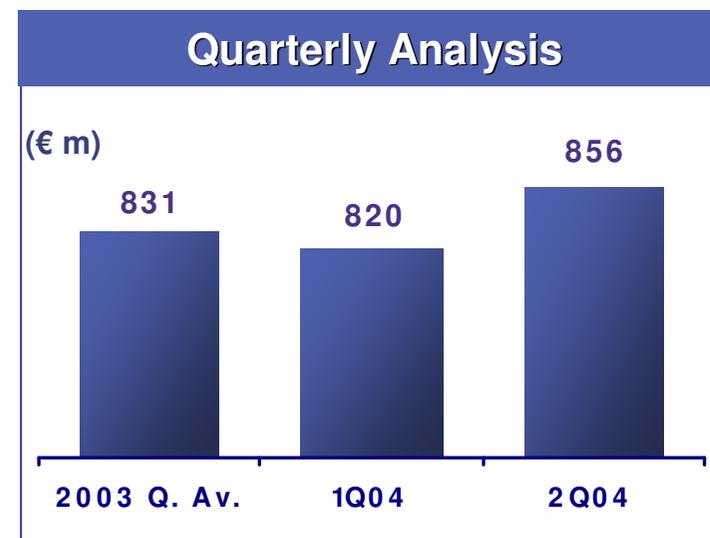
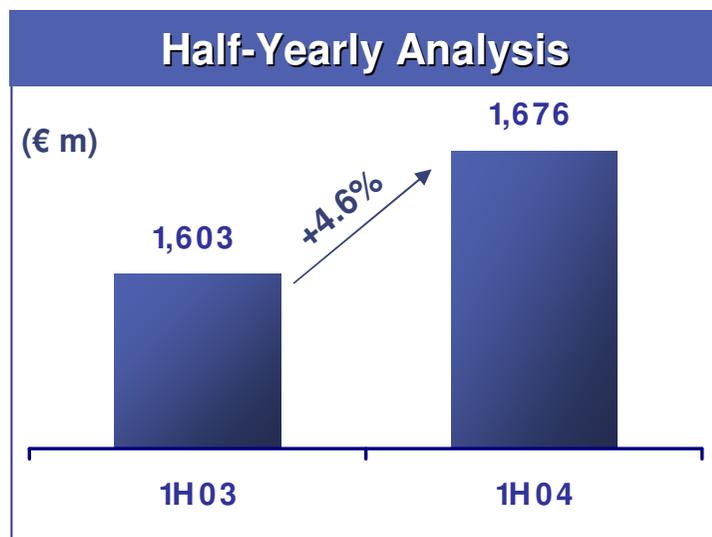
(€ m)



Figures may not add up due to rounding differences

# Net Commissions

## Strong Growth in Bancassurance



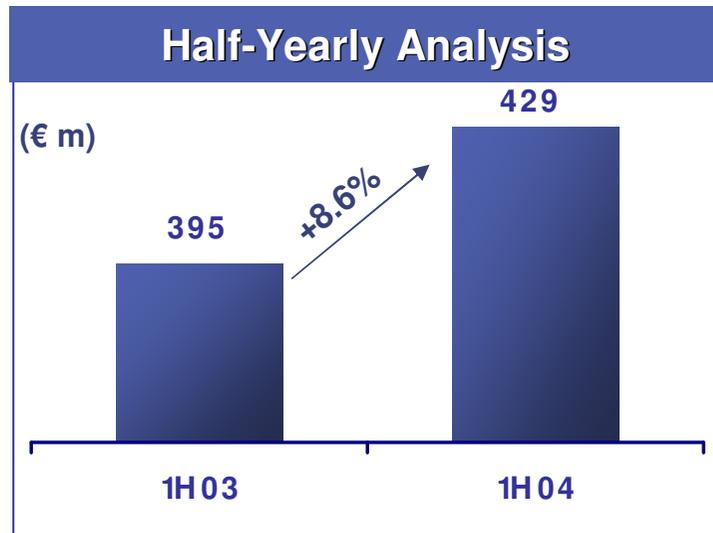
### ■ Main drivers for growth

- Dealing & Placement of Securities +40%
- Bancassurance +29%
- Credit & Debit Cards +9%
- Current Accounts +6%
- Portfolio Management +5%

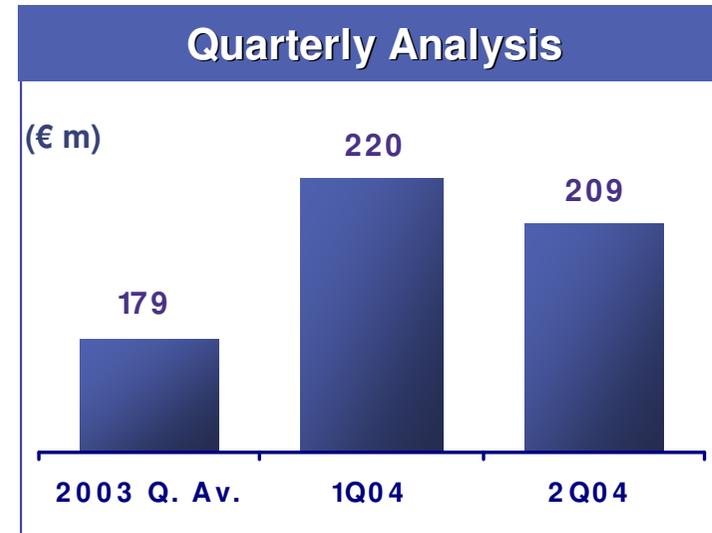
### ■ 2Q04 vs 1Q04 growth mainly due to

- Bancassurance +63%
- Tax Collection +38%
- Credit & Debit Cards +4%
- Current Accounts +2%

# Profits on Financial Transactions

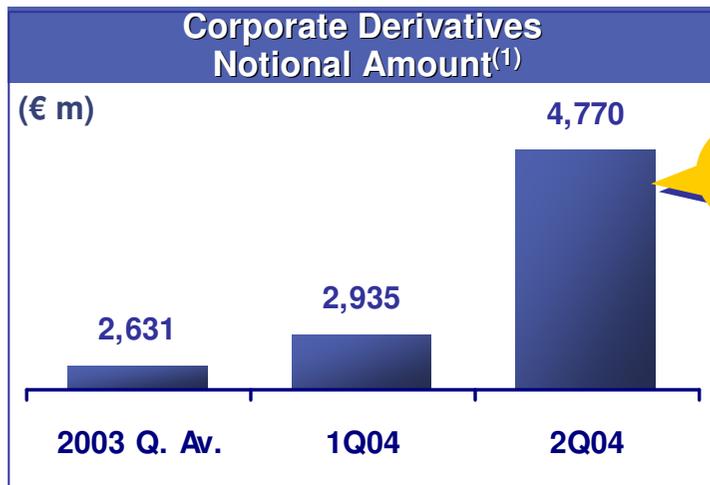
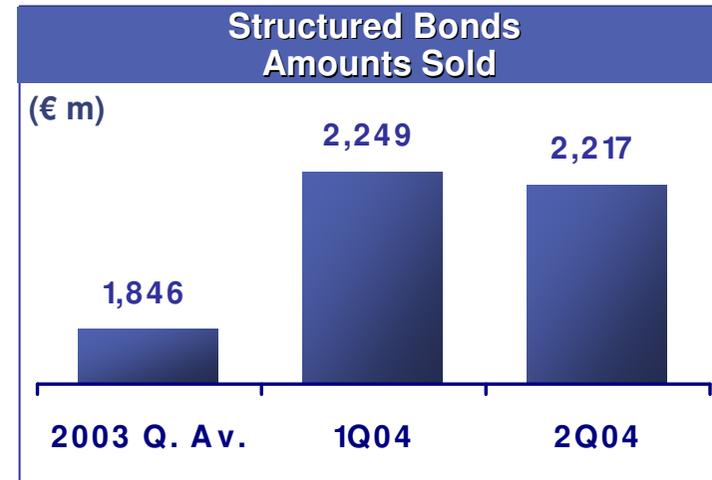
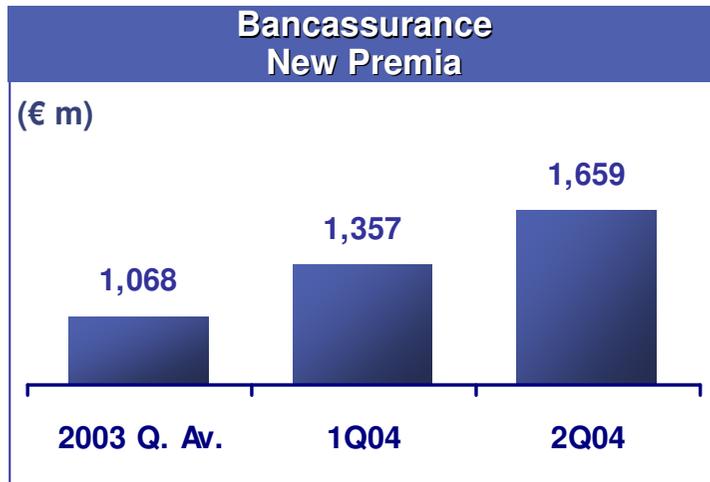


- Growth driven by structured bonds and corporate derivatives
- Structural improvement in Capital Market operations and Securities Portfolio Management combined with a still very low VAR level of the trading portfolio (€17m for Banca Intesa Parent Company and €2m for Banca Caboto)

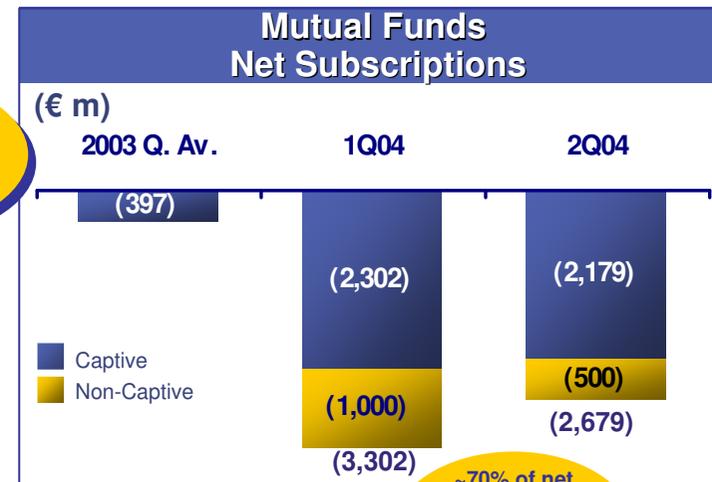


- 2Q04 in line with 1Q04 results - despite less favourable financial markets - due to structured bonds, corporate derivatives and equity swaps

# Increasing Placing Power of Value-Added Products



Despite the strong growth, our estimated market share is only 5%

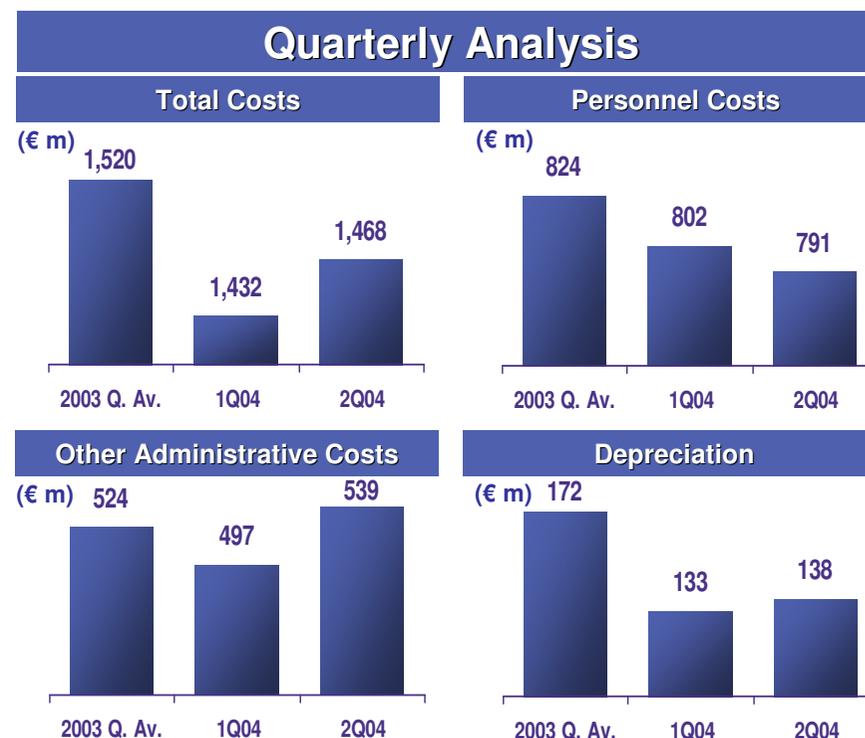
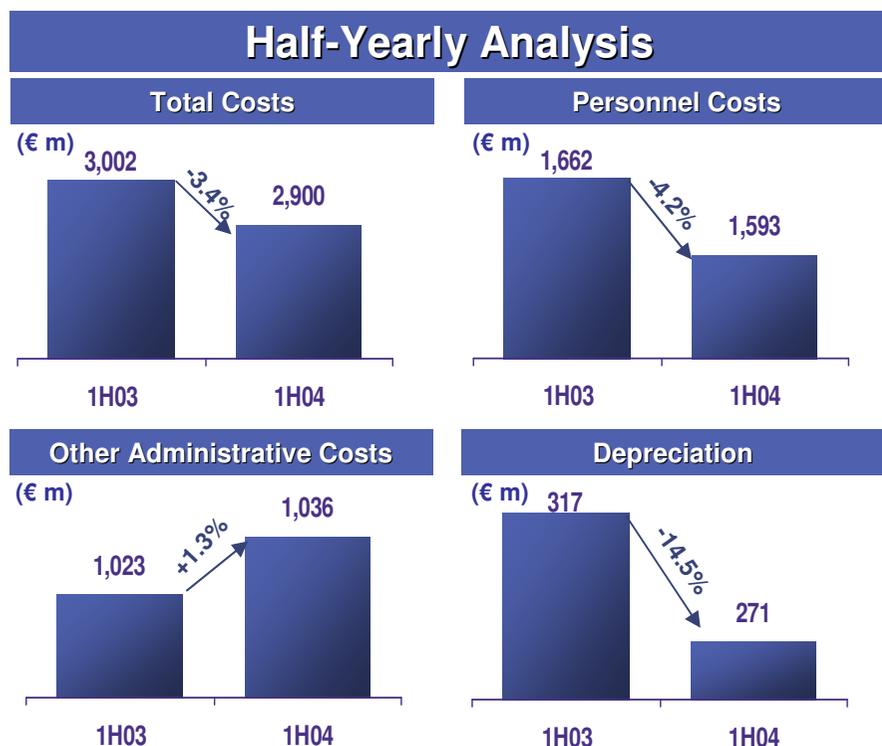


~70% of net outflows in 1H04 due to monetary and short-term bonds funds

(1) Sold to customers other than Large Corporates

# Operating Costs

Cost / Income Ratio down to 59.6% in 1H04 vs 63.0% in 1H03

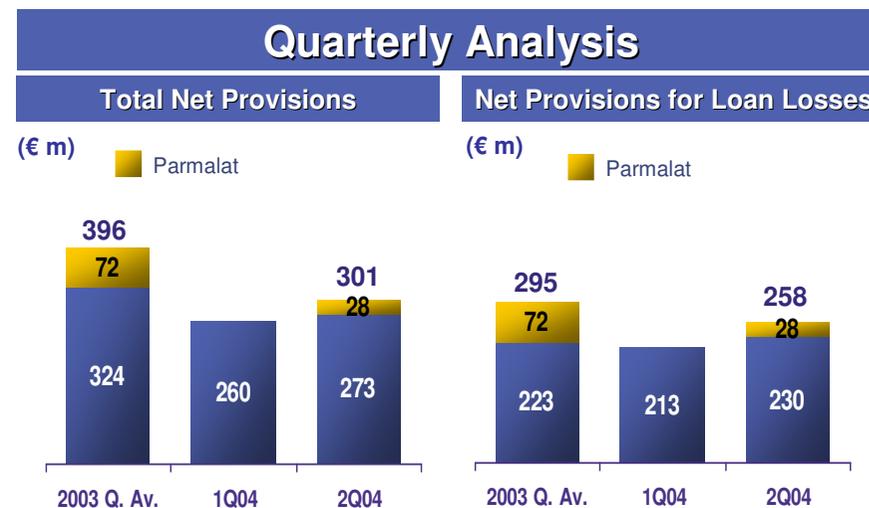
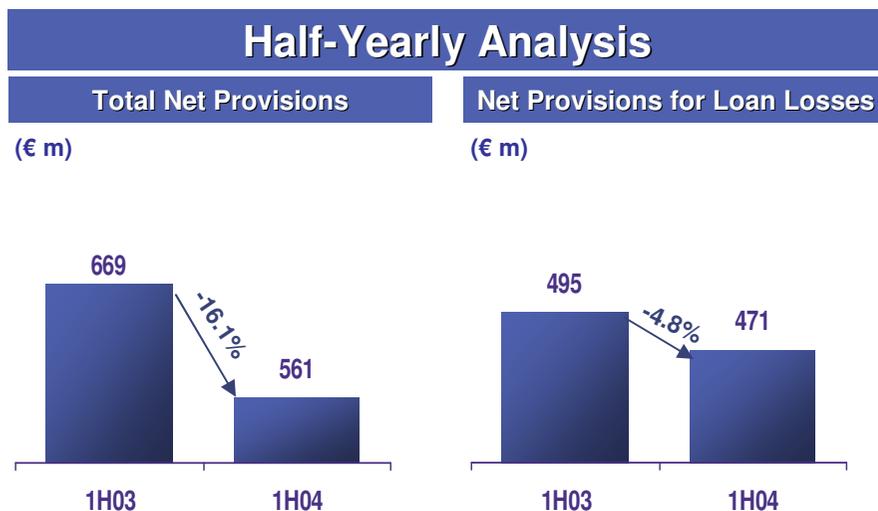


- Other Administrative Costs increase due to re-launching projects (Advertising expenses +80%, Training costs +42%). Decrease in Real Estate Facility management costs (-11%)
- Drop in depreciation due to rationalisation of Real Estate Assets and expiration of some deferred charges (mainly IT)

- 2Q04 vs 1Q04 increase in Other Administrative Costs largely due to Advertising expenses (+€22m)

# Provisions

## 1H04 Net Provisions for Loan Losses in Line with our FY targets



- Decrease in Total Net Provisions due to lower Provisions for Risks & Charges stemming from LatAm and Equity Investments Write-downs
- 1H04 Provisions for Loan Losses include further €28m on Parmalat exposure (coverage up to 88%)

- Excluding Parmalat, 2Q04 Net Provisions for Loan Losses in line with 2003 quarterly average, as planned

# Asset Quality

## 2005 NPL Coverage Target Already Achieved

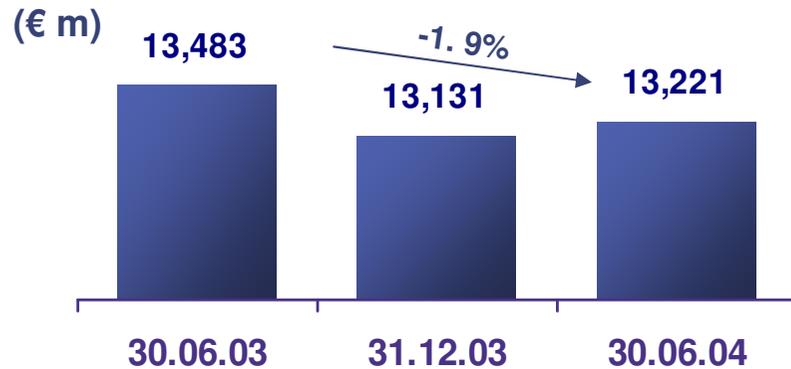
	Ratios				
	2001	2002	2003	30.06.04	2005
Net Loan Provisions/Op. Margin	76%	77%	34%	24%	18%
Net Loan Provisions/Loans	1.3%	1.4%	0.8%	0.31% <sup>(1)</sup>	0.6%
Net NPLs <sup>(2)</sup> /Loans	3.0%	3.2%	3.0%	2.8%	2.0%
NPL <sup>(2)</sup> Coverage	59%	62%	65%	67%	67% ←

(1) Not Annualised

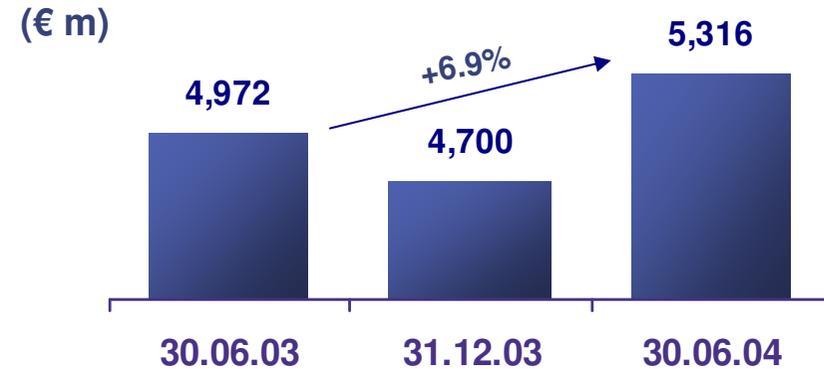
(2) Sofferenze

# NPLs & Substandard Loans

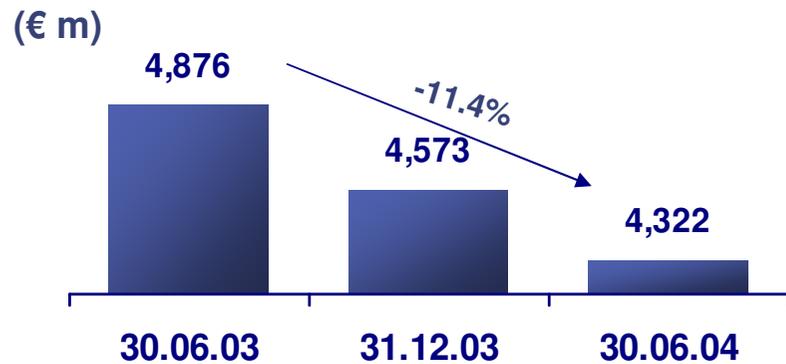
## Gross NPLs (Sofferenze)



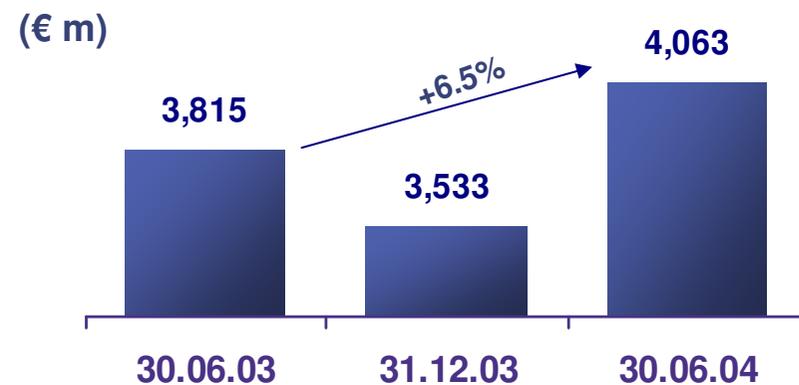
## Gross Substandard (Incagli)



## Net NPLs (Sofferenze)



## Net Substandard (Incagli)



- Substandard loans increased vs 31.12.03 due to a few mid-large companies under restructuring that we believe should recover

Note: 2003 pro-forma figures to reflect 30.06.04 consolidation area (excluding Bankhaus Loebbecke, Sudameris Colombia, Sudameris Brasil, Sudameris Paraguay, Carinord 1&2 and Intesa Bank Canada)

# Further Strengthening of Capital Base

	Ratios				
	2001	2002	2003	30.06.04	2005
<b>Core Tier 1</b>	<b>5.3%</b>	<b>5.9%</b>	<b>6.9%</b>	<b>7.3%</b>	<b>7.7%</b>
<b>Tier 1</b>	<b>6.0%</b>	<b>6.8%</b>	<b>7.8%</b>	<b>8.3%</b>	<b>8.6%</b>
<b>Total Capital</b>	<b>9.3%</b>	<b>11.1%</b>	<b>11.7%</b>	<b>11.7%</b>	<b>11.0%</b>

- **Improvements in the Group's ratings**

- S&P: "A" Long Term Rating with Stable Outlook (rating upgraded on July 12th)

- Moody's: "A1" Long Term Rating with Positive Outlook (outlook upgraded on June 23th)

- **Further 20 b.p. improvement in Tier 1 in 2Q04 vs 1Q04**

# Divisional Analysis as of 30.06.04

	Retail <sup>(1)</sup>	Italian Banks	Product Co's	Foreign Banks	Corporate	Central Functions /Other	Total
Total Income (€ m)	2,490	716	351	493	729	87	4,866
Operating Margin (€ m)	921	327	197	190	425	(94)	1,966
Cost/Income (%)	63.0	54.4	43.8	61.5	41.7	n.m.	59.6
RWA (€ bn)	56.9	22.7	25.1	14.0	47.7	15.5	181.9
Allocated Capital <sup>(2)</sup> (€ bn)	3.7	1.4	1.5	0.8	2.9	0.9	11.2
Pretax ROE <sup>(3)</sup> (%)	42.7	38.8	17.0	35.4	22.4	n.m.	24.0
EVA <sup>®</sup> (€ m)	340	81	(3)	53	54	(359)	165

■ 1H04 €165m EVA<sup>®</sup> vs -€0.7m in 1H03

Treasury and Finance 92  
 Central Costs (118)  
 Excess Capital (133)  
 Others (200)

Figures may not add up due to rounding differences

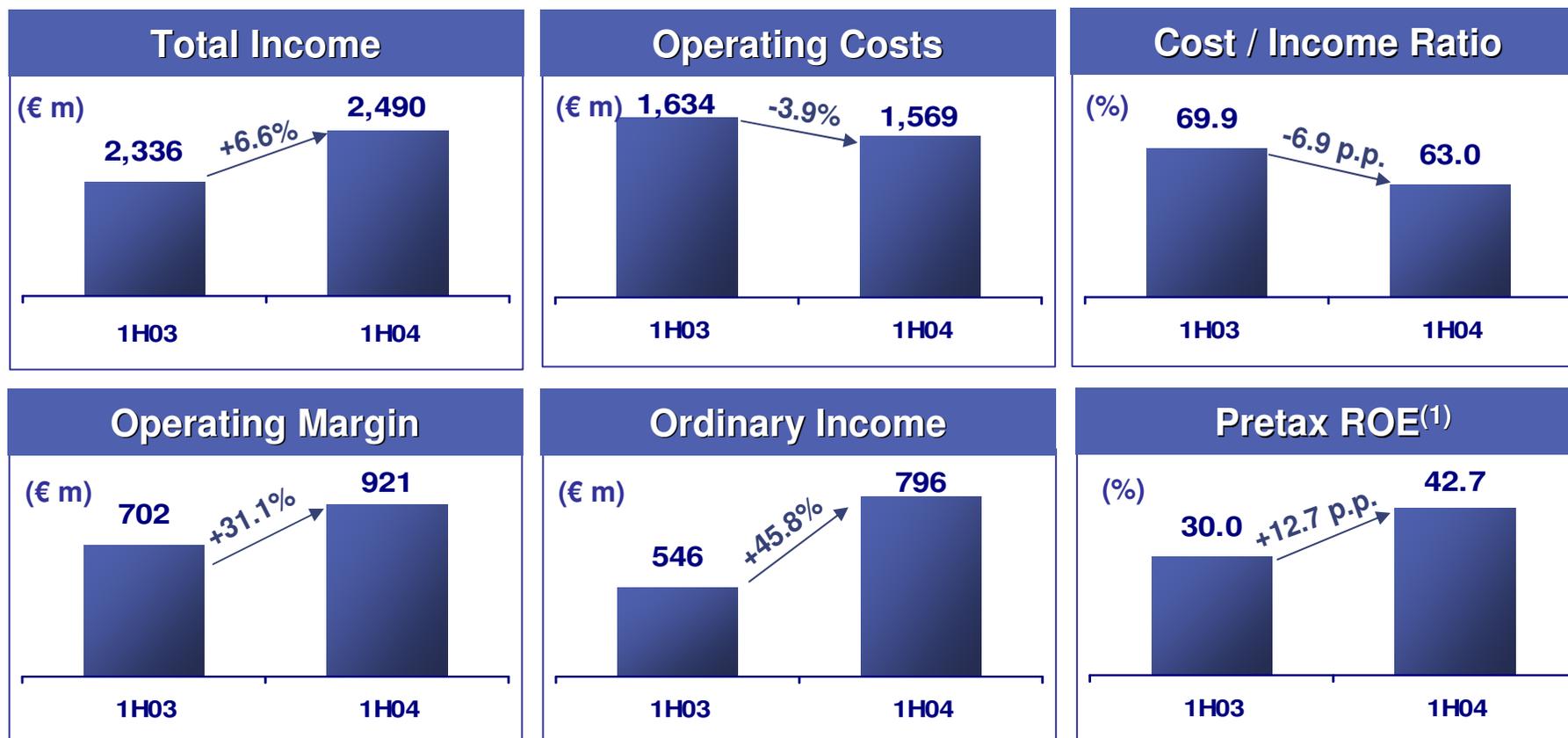
(1) Includes Individuals (Households, Affluent, Private), SOHO (turnover <€2.5m), SMEs (turnover between €2.5m and €50m), Local Public Administration, Non-Profit Entities and Wealth Management

(2) Allocated Capital = 6% RWA

(3) Ordinary Income (before Extraordinary Items and Income Taxes) / Allocated Capital; annualised

# Divisional Analysis: 1H04 vs 1H03

## Retail Division & Wealth Management



### ■ 1H04 €340m EVA<sup>®</sup> (vs €192m in 1H03)

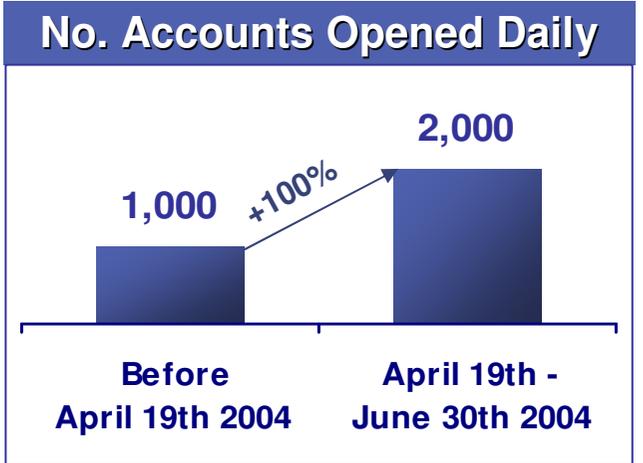
Note: Includes Individuals (Households, Affluent, Private), SOHO (turnover <€2.5m), SMEs (turnover between €2.5m and €50m), Local Public Administration, Non-Profit Entities and Wealth Management

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(1) Ordinary Income (before Extraordinary Items and Income Taxes) / Allocated Capital; annualised

# Retail Division & Wealth Management

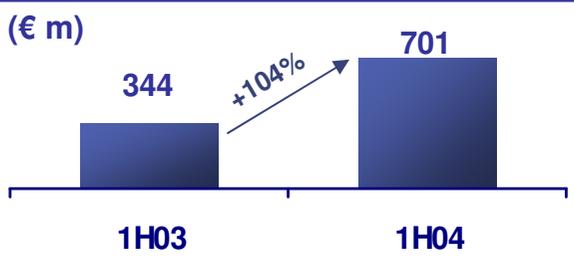
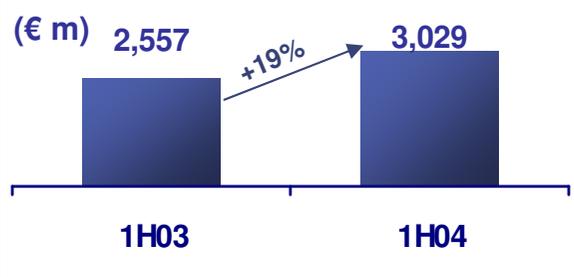
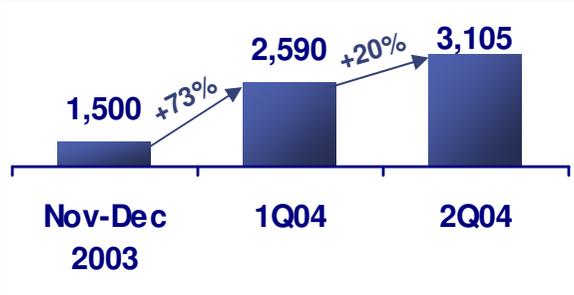
## New Households Products Launched in 4Q03: Conto Intesa

Description	Product	Achievements						
<b>New Current Account</b> New current account with decreasing fees in relation to cross selling	<b>Conto Intesa</b> 	<b>No. Accounts Opened Daily</b>  <table border="1"><thead><tr><th>Period</th><th>No. Accounts Opened Daily</th></tr></thead><tbody><tr><td>Before April 19th 2004</td><td>1,000</td></tr><tr><td>April 19th - June 30th 2004</td><td>2,000</td></tr></tbody></table>	Period	No. Accounts Opened Daily	Before April 19th 2004	1,000	April 19th - June 30th 2004	2,000
Period	No. Accounts Opened Daily							
Before April 19th 2004	1,000							
April 19th - June 30th 2004	2,000							

- Advertising campaign launched on April 19<sup>th</sup>, 2004
- Over 170,000 accounts opened in 1H04: ~40% are new accounts
- Products held by customers who switched to Conto Intesa: +27%
- Fees from switched current accounts: +20%
- New Current Accounts for SOHO and Affluent launched in July.  
Advertising campaign for SOHO to be launched in the mid of September

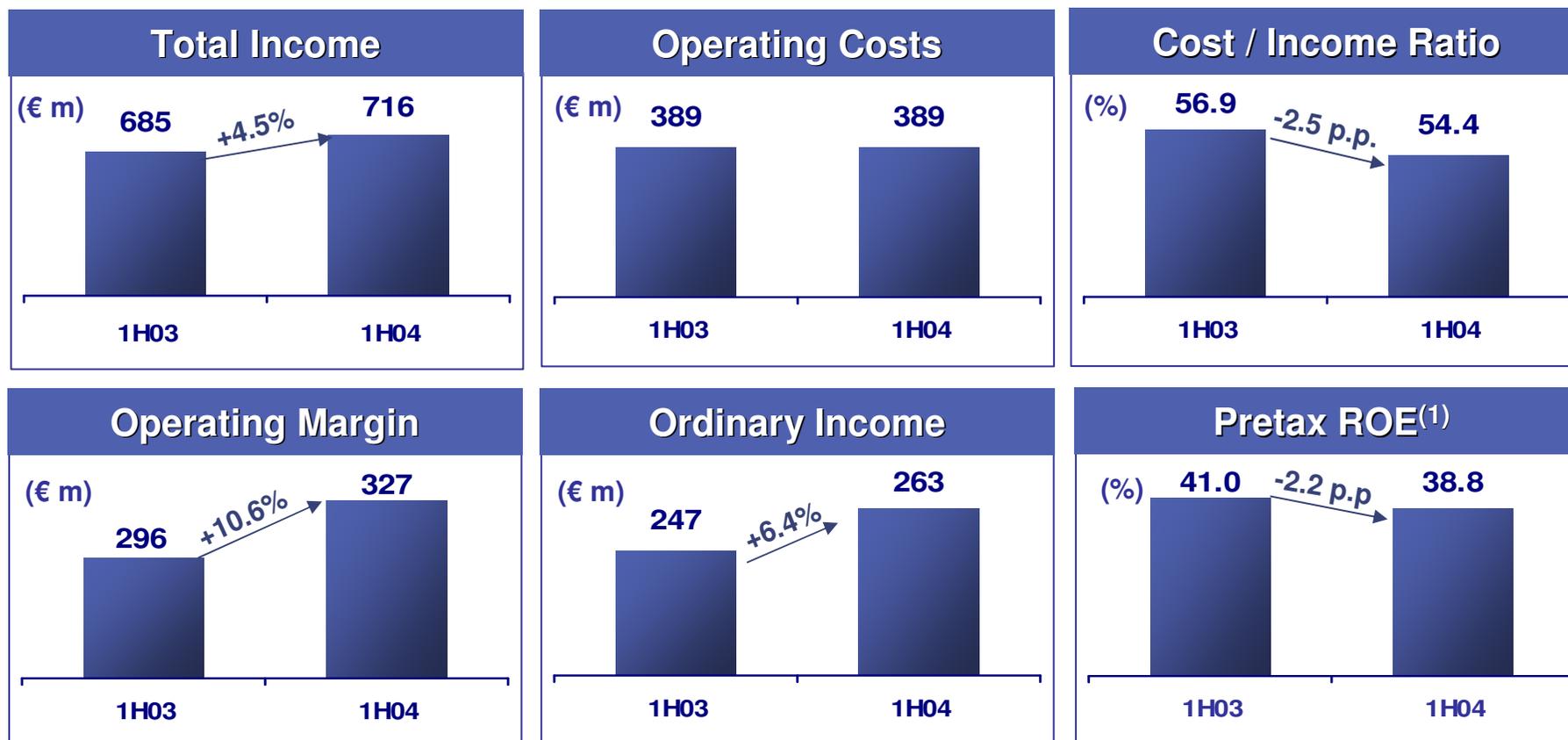
# Retail Division & Wealth Management

## Other New Households Products Launched in 4Q03

Description	Product	Achievements								
<p><b>New Personal Loan</b></p> <p>New personal loan available within 48 hours.                      Max. amount: 30,000 euro (date of launch: October 2003).                      Advertising campaign launched on May 16th 2004</p>		<p><b>Total Personal Loans Granted in the Period</b></p> <p>(€ m)</p>  <table border="1"> <tr> <th>Period</th> <th>Value (€ m)</th> </tr> <tr> <td>1H03</td> <td>344</td> </tr> <tr> <td>1H04</td> <td>701</td> </tr> </table>	Period	Value (€ m)	1H03	344	1H04	701		
Period	Value (€ m)									
1H03	344									
1H04	701									
<p><b>New Mortgage</b></p> <p>New “Capped” floating rate mortgage (date of launch: November 2003)</p>	<p><b>Mutuo Protetto</b></p>	<p><b>Total Residential Mortgages Granted in the Period</b></p> <p>(€ m)</p>  <table border="1"> <tr> <th>Period</th> <th>Value (€ m)</th> </tr> <tr> <td>1H03</td> <td>2,557</td> </tr> <tr> <td>1H04</td> <td>3,029</td> </tr> </table>	Period	Value (€ m)	1H03	2,557	1H04	3,029		
Period	Value (€ m)									
1H03	2,557									
1H04	3,029									
<p><b>New Debit Card</b></p> <p>The only online bank debit card in the market (date of launch: beginning of November 2003)</p>		<p><b>No. Cards Sold a Day</b></p>  <table border="1"> <tr> <th>Period</th> <th>Value</th> </tr> <tr> <td>Nov-Dec 2003</td> <td>1,500</td> </tr> <tr> <td>1Q04</td> <td>2,590</td> </tr> <tr> <td>2Q04</td> <td>3,105</td> </tr> </table>	Period	Value	Nov-Dec 2003	1,500	1Q04	2,590	2Q04	3,105
Period	Value									
Nov-Dec 2003	1,500									
1Q04	2,590									
2Q04	3,105									

# Divisional Analysis: 1H04 vs 1H03

## Italian Banks Division



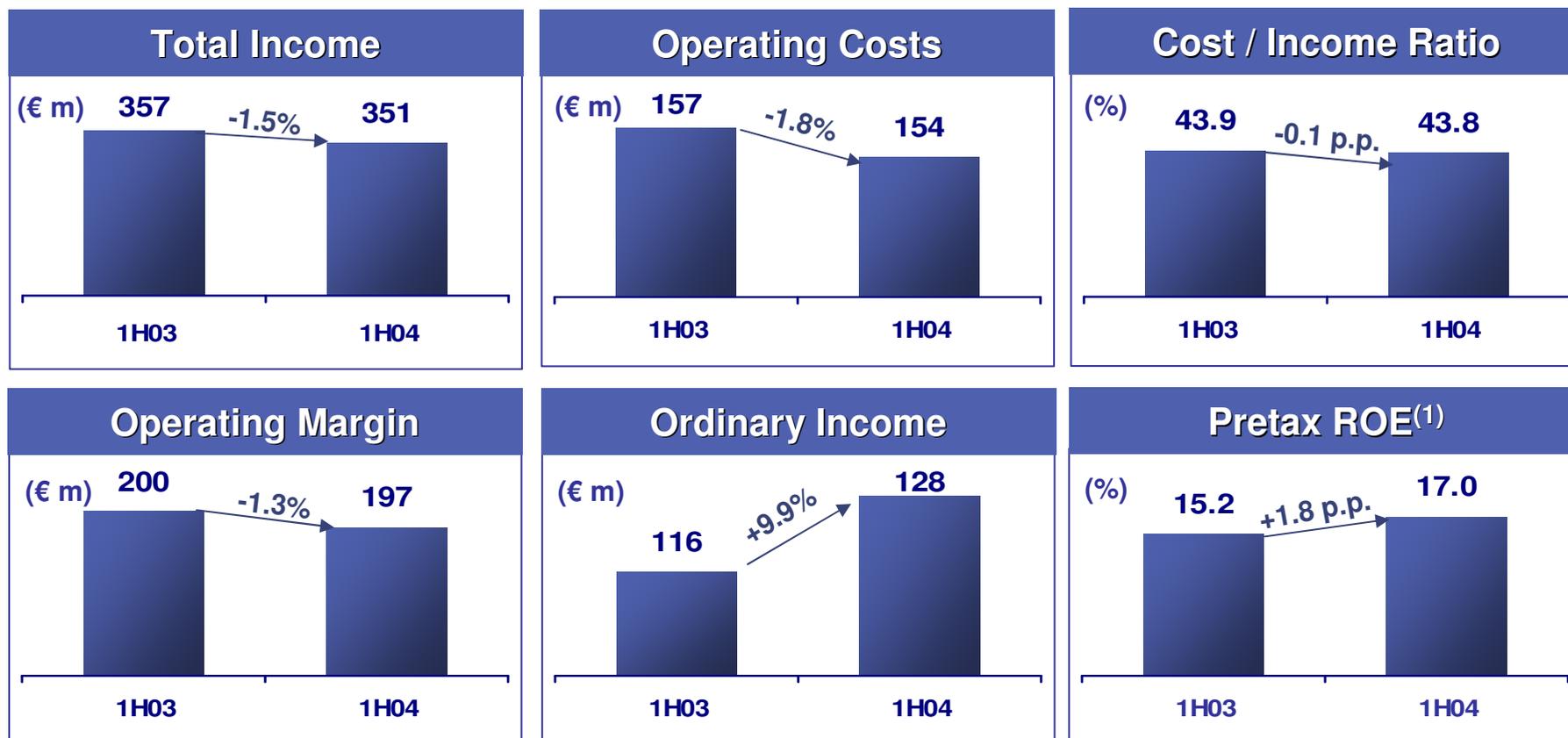
■ 1H04 €81m EVA<sup>®</sup> (vs €86m in 1H03)

Figures may not add up due to rounding differences

(1) Ordinary Income (before Extraordinary Items and Income Taxes) / Allocated Capital; annualised

# Divisional Analysis: 1H04 vs 1H03

## Product Companies



### ■ 1H04 -€3m EVA<sup>®</sup> (vs €0.6m in 1H03)

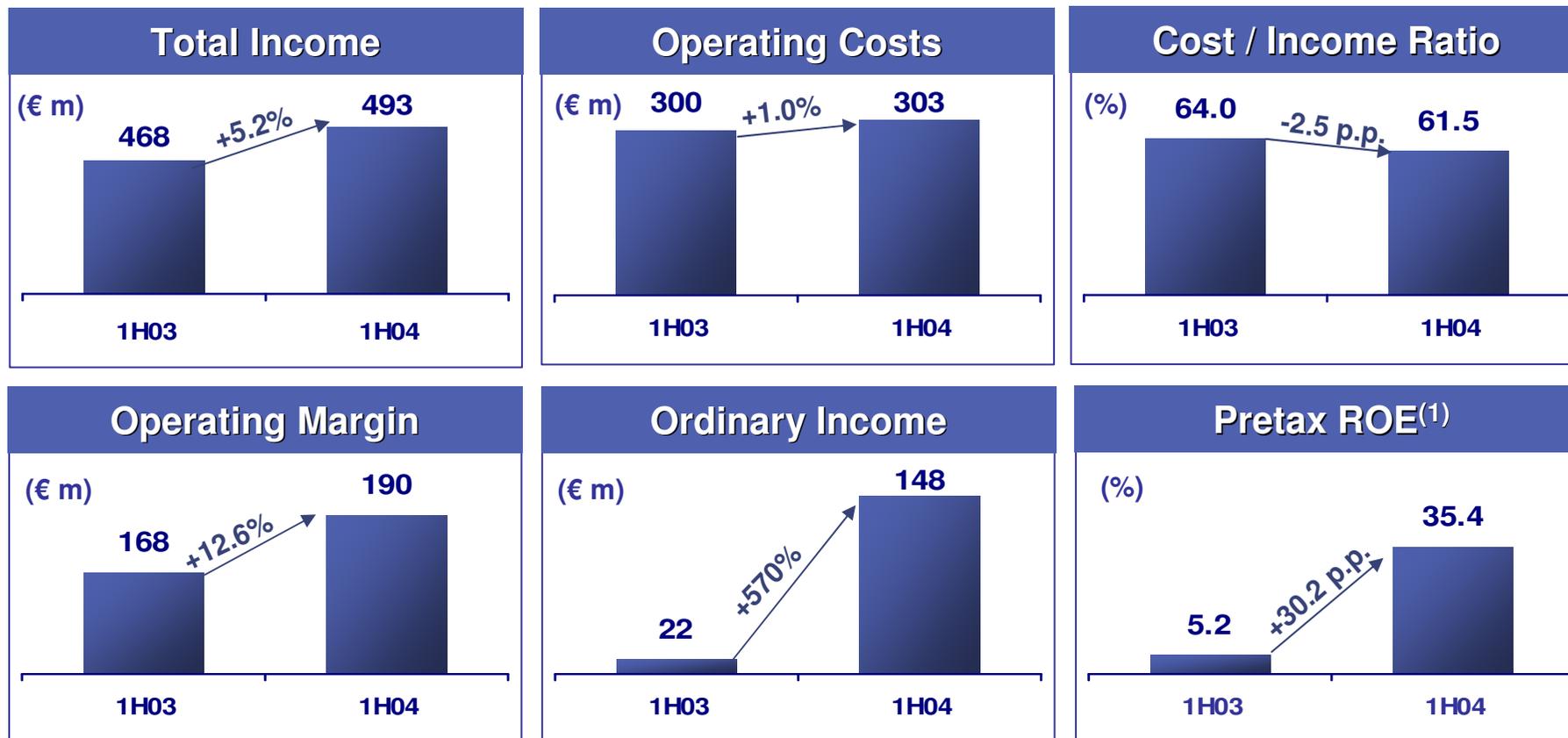
*Includes Tax Collection, Leasing, Factoring, Intesa Mediocredito and Banca CIS*

*Figures may not add up due to rounding differences*

*(1) Ordinary Income (before Extraordinary Items and Income Taxes) / Allocated Capital; annualised*

# Divisional Analysis: 1H04 vs 1H03

## Foreign Banks Division



■ **1H04 €53m EVA<sup>®</sup> (vs -€133m in 1H03)**

*Figures may not add up due to rounding differences*

*(1) Ordinary Income (before Extraordinary Items and Income Taxes) / Allocated Capital; annualised*

# Eastern Europe Highlights: 1H04 vs 1H03

(€ m)	CIB (Hungary)		PBZ (Croatia)		VUB (Slovakia)		TOTAL East Europe	
	1H03	1H04	1H03	1H04	1H03	1H04	1H03	1H04
<b>Total Income</b>	<b>83</b>	<b>121</b>	<b>147</b>	<b>160</b>	<b>93</b>	<b>112</b>	<b>324</b>	<b>393</b>
<b>Operating Costs</b>	<b>(45)</b>	<b>(64)</b>	<b>(77)</b>	<b>(85)</b>	<b>(61)</b>	<b>(63)</b>	<b>(183)</b>	<b>(213)</b>
<b>Operating Margin</b>	<b>38</b>	<b>57</b>	<b>70</b>	<b>75</b>	<b>33</b>	<b>49</b>	<b>141</b>	<b>181</b>
<b>Net Provisions <sup>(1)</sup></b>	<b>(7)</b>	<b>(21)</b>	<b>(9)</b>	<b>(12)</b>	<b>(3)</b>	<b>(11)</b>	<b>(20)</b>	<b>(44)</b>
<b>Ordinary Income</b>	<b>31</b>	<b>36</b>	<b>61</b>	<b>62</b>	<b>30</b>	<b>38</b>	<b>121</b>	<b>137</b>
<b>Net Income</b>	<b>23</b>	<b>29</b>	<b>35</b>	<b>38</b>	<b>30</b>	<b>34</b>	<b>89</b>	<b>101</b>
<b>Customer Deposits</b>	<b>2,063</b>	<b>2,288</b>	<b>3,424</b>	<b>3,873</b>	<b>3,614</b>	<b>3,784</b>	<b>9,100</b>	<b>9,944</b>
<b>Customer Loans</b>	<b>2,889</b>	<b>3,566</b>	<b>2,863</b>	<b>3,198</b>	<b>1,126</b>	<b>1,379</b>	<b>6,877</b>	<b>8,142</b>
<b>Total Assets</b>	<b>3,510</b>	<b>4,539</b>	<b>5,120</b>	<b>5,713</b>	<b>4,655</b>	<b>4,995</b>	<b>13,285</b>	<b>15,248</b>

■ **CIB and VUB Operating Margin +50% vs 1H03**

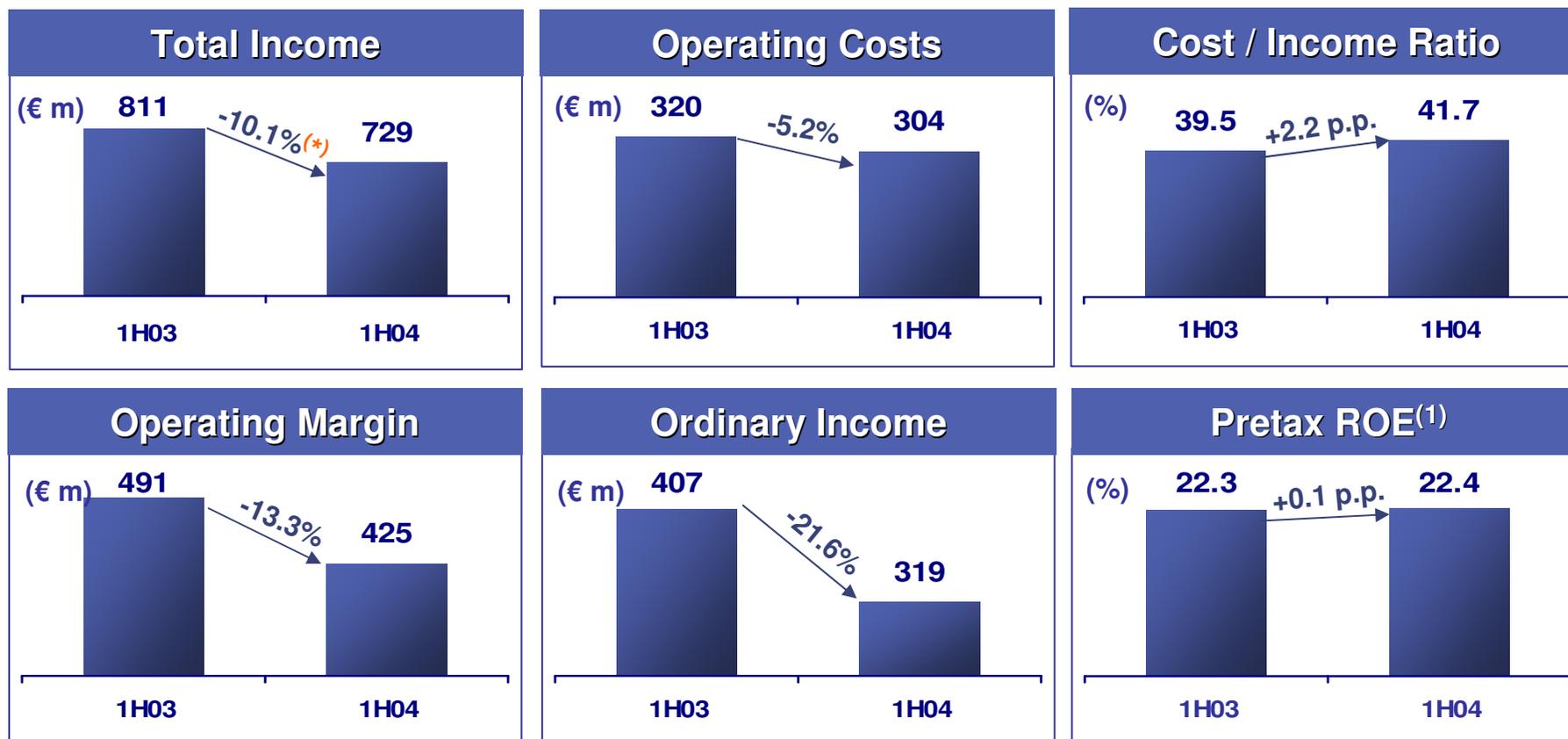
■ **1H04 €69m EVA<sup>®</sup> (vs €63m in 1H03)**

*Figures may not add up due to rounding differences – P&L data: contribution to Intesa consolidated accounts*

*(1) Excluding goodwill amortisation*

# Divisional Analysis: 1H04 vs 1H03

## Corporate Division



**(\*)** Decrease in Total Income due to the planned reduction of loans to Large Corporates (-€7bn RWA vs 1H03) and to lower revenues from Capital Market activities (-€43m vs 1H03)

■ 1H04 €54m EVA<sup>®</sup> (vs €119m in 1H03)

*Figures may not add up due to rounding differences*

*(1) Ordinary Income (before Extraordinary Items and Income Taxes) / Allocated Capital; annualised*

# Outlook

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- **Half-Yearly results in line with our targets, with a steady growth in Net Income and EVA<sup>®</sup> quarter by quarter**
- **We are on track to our targets despite a much tougher macroeconomic scenario than originally forecasted in the Business Plan disclosed 2 years ago**

# Focus on 2H04 Outlook

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- **2H04 Total Income expected in line with 1H04**
- **Some further reduction vs budget in Other Administrative Costs and in Depreciation**
- **FY04 Target for Net Provisions confirmed**
- **~€150m Net Extraordinary Income on a FY basis expected**
- **FY04 EPS expected in line with Business Plan target**

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# Appendix

# Quarterly Analysis

## Sizeable Increase in Net Income

	1Q03	2Q03	3Q03	4Q03	1Q04	2Q04
(€ m)	Pro-forma					
<b>Net Interest Income</b>	<b>1,266</b>	<b>1,225</b>	<b>1,235</b>	<b>1,210</b>	<b>1,245</b>	<b>1,205</b>
<b>Dividends &amp; Eq. Profits</b>	<b>42</b>	<b>94</b>	<b>9</b>	<b>22</b>	<b>38</b>	<b>82</b>
<b>Net Commissions</b>	<b>778</b>	<b>825</b>	<b>831</b>	<b>888</b>	<b>820</b>	<b>856</b>
<b>Other Non-Interest Income</b>	<b>261</b>	<b>274</b>	<b>302</b>	<b>252</b>	<b>309</b>	<b>311</b>
<b>Total Income</b>	<b>2,347</b>	<b>2,418</b>	<b>2,377</b>	<b>2,372</b>	<b>2,412</b>	<b>2,454</b>
<b>Operating Costs</b>	<b>(1,484)</b>	<b>(1,518)</b>	<b>(1,490)</b>	<b>(1,588)</b>	<b>(1,432)</b>	<b>(1,468)</b>
<b>Operating Margin</b>	<b>863</b>	<b>900</b>	<b>887</b>	<b>784</b>	<b>980</b>	<b>986</b>
<b>Goodwill Amortisation</b>	<b>(32)</b>	<b>(32)</b>	<b>(30)</b>	<b>(36)</b>	<b>(32)</b>	<b>(32)</b>
<b>Net Provisions</b>	<b>(317)</b>	<b>(352)</b>	<b>(242)</b>	<b>(672)<sup>(1)</sup></b>	<b>(260)</b>	<b>(301)<sup>(2)</sup></b>
<b>Ordinary Income</b>	<b>514</b>	<b>516</b>	<b>615</b>	<b>76</b>	<b>688</b>	<b>653</b>
<b>Extraordinary Items</b>	<b>40</b>	<b>57</b>	<b>(19)</b>	<b>53</b>	<b>4</b>	<b>(13)</b>
<b>Taxes, Minorities, ΔRGBR<sup>(3)</sup></b>	<b>(241)</b>	<b>(176)</b>	<b>(268)</b>	<b>47</b>	<b>(274)</b>	<b>(182)</b>
<b>Net Income</b>	<b>313</b>	<b>397</b>	<b>328</b>	<b>176</b>	<b>418</b>	<b>458</b>

Note: 2003 and 1Q04 pro-forma figures to reflect 2Q04 consolidation area (excluding Bankhaus Loebbecke, Sudameris Colombia, Sudameris Brasil, Sudameris Paraguay, Carinord 1&2 and Intesa Bank Canada) and the new discipline of tax credit mechanism on dividends

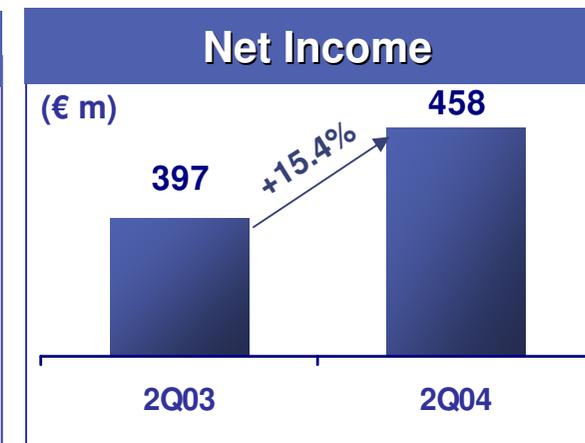
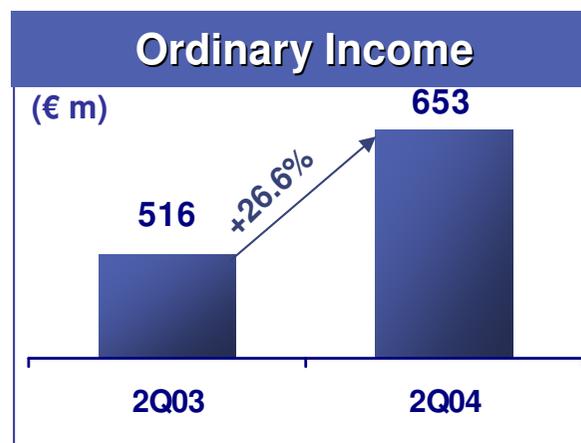
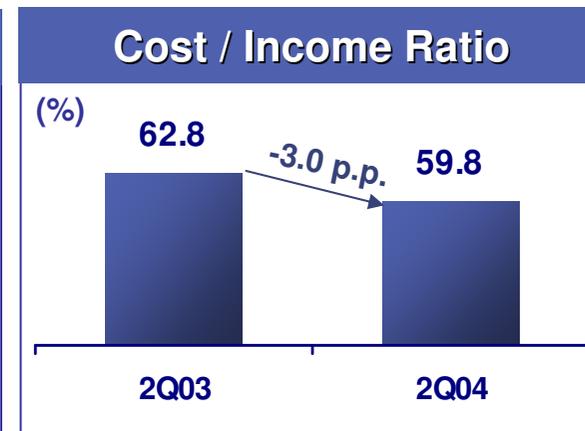
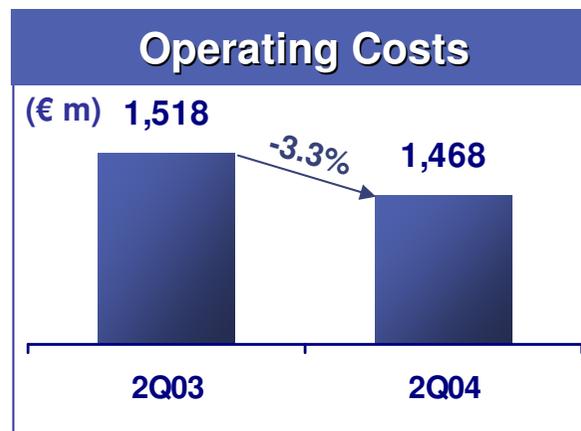
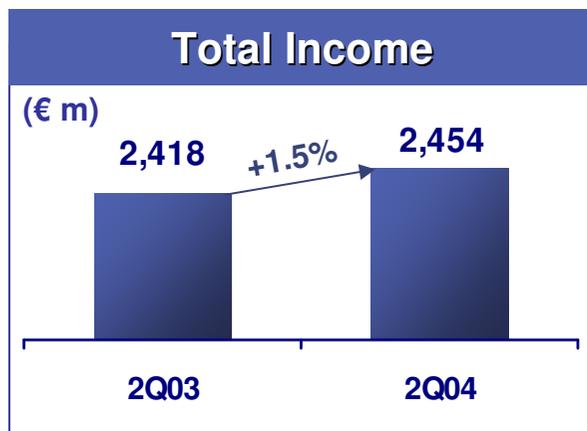
(1) Including €288m for Parmalat provisions and €152m for BCP stake write-down

(2) Including €28m for Parmalat provisions

(3) Δ RGBR = Change in Reserve for General Banking Risks

# 2004 Second Quarter at a Glance: 2Q04 vs 2Q03

## Revenue Growth and Cost Reduction



Note: 2003 pro-forma figures to reflect 2Q04 consolidation area (excluding Bankhaus Loebbecke, Sudameris Colombia, Sudameris Brasil, Sudameris Paraguay, Carinord 1&2 and Intesa Bank Canada) and the new discipline of tax credit mechanism on dividends

# Quarterly Analysis: 2Q04 vs 2Q03

## Revenue Growth and Cost Reduction

	2Q03	2Q04	Δ%
(€ m)	Pro-forma		
Net Interest Income	1,225	1,205	(1.6)
Dividends & Eq. Profits	94	82	(12.8)
Net Commissions	825	856	3.8
Other Non-Interest Income	274	311	13.5
<b>Total Income</b>	<b>2,418</b>	<b>2,454</b>	<b>1.5</b> ←
Operating Costs	(1,518)	(1,468)	(3.3) ←
<b>Operating Margin</b>	<b>900</b>	<b>986</b>	<b>9.6</b> ←
Goodwill Amortisation	(32)	(32)	0.0
Net Provisions	(352)	(301)	(14.5)
<b>Ordinary Income</b>	<b>516</b>	<b>653</b>	<b>26.6</b> ←
Extraordinary Items	57	(13)	n.m.
Taxes, Minorities, ΔRGBR <sup>(1)</sup>	(176)	(182)	3.4
<b>Net Income</b>	<b>397</b>	<b>458</b>	<b>15.4</b> ←

Of which  
€28m  
related to  
Parmalat

Note: 2003 pro-forma figures to reflect 2Q04 consolidation area (excluding Bankhaus Loebecke, Sudameris Colombia, Sudameris Brasil, Sudameris Paraguay, Carinord 1&2 and Intesa Bank Canada) and the new discipline of tax credit mechanism on dividends

(1) Δ RGBR = Change in Reserve for General Banking Risks

# Quarterly Analysis: 2Q04 vs 1Q04

## Record Net Income in the Last Nine Quarters

	1Q04	2Q04	Δ%
(€ m)	Pro-forma		
Net Interest Income	1,245	1,205	(3.2)
Dividends & Eq. Profits	38	82	115.8
Net Commissions	820	856	4.4
Other Non-Interest Income	309	311	0.6
<b>Total Income</b>	<b>2,412</b>	<b>2,454</b>	<b>1.7</b>
Operating Costs	(1,432)	(1,468)	2.5
<b>Operating Margin</b>	<b>980</b>	<b>986</b>	<b>0.6</b>
Goodwill Amortisation	(32)	(32)	0.0
Net Provisions	(260)	(301)	15.8
<b>Ordinary Income</b>	<b>688</b>	<b>653</b>	<b>(5.1)</b>
Extraordinary Items	4	(13)	n.m.
Taxes, Minorities, ΔRGBR <sup>(1)</sup>	(274)	(182)	(33.6)
<b>Net Income</b>	<b>418</b>	<b>458</b>	<b>9.6</b>

Decline mainly due to cost of carry of Equity Swap

Of which €28m related to Parmalat

Note: 1Q04 pro-forma figures to reflect 2Q04 consolidation area (excluding Bankhaus Loebbecke, Sudameris Colombia, Sudameris Brasil, Sudameris Paraguay, Carinord 1&2 and Intesa Bank Canada) and the new discipline of tax credit mechanism on dividends

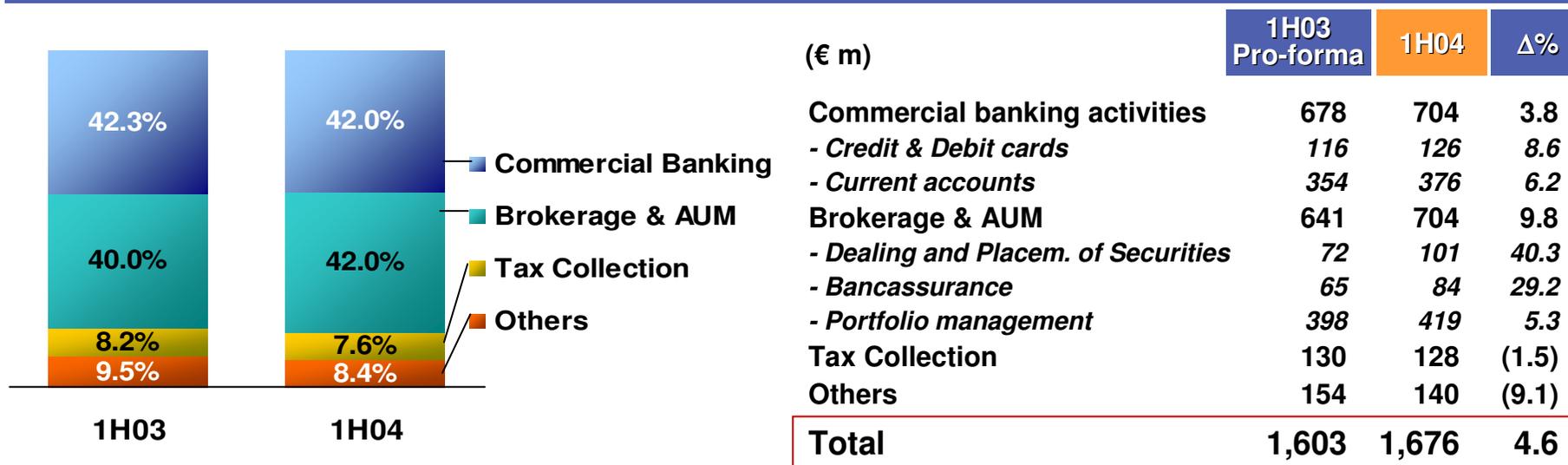
(1) Δ RGBR = Change in Reserve for General Banking Risks

# Non-Interest Income

## Sustained Growth vs 1H03

(€ m)	1Q03	2Q03	3Q03	4Q03	1Q04	2Q04	Δ%		
	Pro-forma						1H/1H	2Q/2Q	2Q/1Q
Net Commissions	778	825	831	888	820	856	4.6	3.8	4.4
P/L on Financial Transact.	191	204	186	136	220	209	8.6	2.5	(5.0)
Other Net Operat. Income	70	70	116	116	89	102	36.4	45.7	14.6
<b>Total Non-Int. Income</b>	<b>1,039</b>	<b>1,099</b>	<b>1,133</b>	<b>1,140</b>	<b>1,129</b>	<b>1,167</b>	<b>7.4</b>	<b>6.2</b>	<b>3.4</b>

### Net Commissions - Breakdown



Note: 2003 and 1Q04 pro-forma figures to reflect 2Q04 consolidation area (excluding Bankhaus Loebbecke, Sudameris Colombia, Sudameris Brasil, Sudameris Paraguay, Carinord 1&2 and Intesa Bank Canada) and the new discipline of tax credit mechanism on dividends

# Operating Costs and Total Net Provisions

## Structural Decline vs 1H03

(€ m)	1Q03	2Q03	3Q03	4Q03	1Q04	2Q04	Δ%		
	Pro-forma						1H/1H	2Q/2Q	2Q/1Q
<b>Personnel Costs</b>	840	822	813	820	802	791	(4.2)	(3.8)	(1.4)
<b>Other Administrative Costs</b>	491	532	507	566	497	539	1.3	1.3	8.5
<b>Depreciation</b>	153	164	170	202	133	138	(14.5)	(15.9)	3.8
<b>Total Costs</b>	<b>1,484</b>	<b>1,518</b>	<b>1,490</b>	<b>1,588</b>	<b>1,432</b>	<b>1,468</b>	<b>(3.4)</b>	<b>(3.3)</b>	<b>2.5</b>

(€ m)	1Q03	2Q03	3Q03	4Q03	1Q04	2Q04	Δ%		
	Pro-forma						1H/1H	2Q/2Q	2Q/1Q
<b>Net Prov. for Risks&amp;Charges</b>	33	102	21	43	39	56	(29.6)	(45.1)	43.6
<b>Net Prov. for Loan Losses</b>	252	243	233	452 <sup>(1)</sup>	213	258 <sup>(3)</sup>	(4.8)	6.2	21.1
<i>of which Gross Provisions</i>	478	476	396	674 <sup>(1)</sup>	410	478 <sup>(3)</sup>	(6.9)	0.4	16.6
<i>Recoveries</i>	(226)	(233)	(163)	(222)	(197)	(220)	(9.2)	(5.6)	11.7
<b>Equity Inv. Write-Downs</b>	32	7	(12)	177 <sup>(2)</sup>	8	(13)	n.m.	n.m.	n.m.
<b>Total Net Provisions</b>	<b>317</b>	<b>352</b>	<b>242</b>	<b>672</b>	<b>260</b>	<b>301</b>	<b>(16.1)</b>	<b>(14.5)</b>	<b>15.8</b>

Note: 2003 and 1Q04 pro-forma figures to reflect 2Q04 consolidation area (excluding Bankhaus Loebebecke, Sudameris Colombia, Sudameris Brasil, Sudameris Paraguay, Carinord 1&2 and Intesa Bank Canada)

(1) Including €288m for Parmalat provisions

(2) Including €152m for BCP stake write-down

(3) Including €28m for Parmalat provisions

# Sudameris Highlights: 1H04 vs 1H03

(€ m)	Sudameris Group		Banco Wiese Sudameris - Lima	
	1H03	1H04	1H03	1H04
	Pro-forma			
<b>Total Income</b>	<b>37</b>	<b>14</b>	<b>86</b>	<b>76</b>
<b>Operating Costs</b>	<b>(34)</b>	<b>(14)</b>	<b>(69)</b>	<b>(65)</b>
<b>Operating Margin</b>	<b>3</b>	<b>(0)</b>	<b>17</b>	<b>11</b>
<b>Net Provisions<sup>(1)</sup></b>	<b>(97)</b>	<b>11</b>	<b>(6)</b>	<b>(3)</b>
<b>Ordinary Income</b>	<b>(94)</b>	<b>11</b>	<b>6</b>	<b>2</b>
<b>Net Income</b>	<b>(155)</b>	<b>3</b>	<b>1</b>	<b>0</b>
<b>Customer Deposits</b>	<b>984</b>	<b>518</b>	<b>2,016</b>	<b>1,778</b>
<b>Customer Loans</b>	<b>728</b>	<b>83</b>	<b>1,360</b>	<b>1,183</b>
<b>Total Assets</b>	<b>2,981</b>	<b>1,281</b>	<b>2,932</b>	<b>2,511</b>

- EVA<sup>®</sup> of -€19m in 1H04 (-€190m in 1H03) Banco Wiese Sudameris included

Note: Sudameris Group does not include Banco Wiese Sudameris-Lima which is held by Banca Intesa S.p.A.

Figures may not add up due to rounding differences – P&L data: contribution to Intesa consolidated accounts

(1) Excluding goodwill amortisation

# Growth in Total Customer Administered Funds

(€ m)	31.12.03	30.06.04	Δ%
	Pro-forma		
<b>Total Assets</b>	<b>259,527</b>	<b>267,088</b>	<b>2.9</b>
<b>Customer Loans</b>	<b>154,544</b>	<b>154,124</b>	<b>(0.3)</b>
<b>Direct Customer Deposits</b>	<b>171,799</b>	<b>178,541</b>	<b>3.9</b>
<b>Indirect Customer Funds</b>	<b>286,373</b>	<b>287,867</b>	<b>0.5</b>
<i>of which Assets under Management</i>	<b>120,836</b>	<b>117,530</b>	<b>(2.7)</b>
<b>Total Customer Administered Funds</b>	<b>458,172</b>	<b>466,408</b>	<b>1.8</b>
<b>Shareholders' Equity <sup>(1)</sup></b>	<b>15,093</b>	<b>14,658</b>	<b>(2.9)</b>

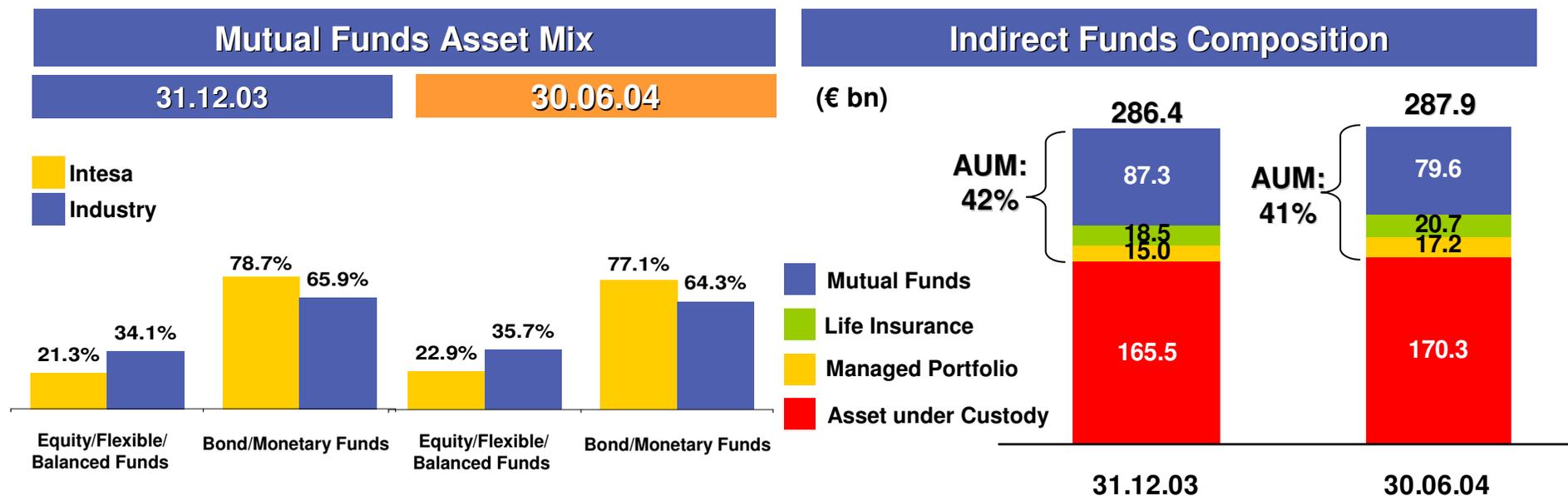
+0.7%  
excluding  
€1.5bn  
securitisation  
of lease  
receivables

Reduction due  
to €1.3bn  
dividend pay-  
out including  
treasury shares

Note: 2003 pro-forma figures to reflect 30.06.04 consolidation area (excluding Bankhaus Loebbecke, Sudameris Colombia, Sudameris Brasil, Sudameris Paraguay, Carinord 1&2 and Intesa Bank Canada)

(1) Including Net Income for the period

# Wealth Management



# Reduction in Large Corporate Loans (RWA)

(€ bn)	31.12.01	31.12.02	31.12.03	30.06.04
Large Italian Corporate RWA	19.7	15.3	15.9	14.3
→ Large Foreign Corporate RWA	33.7	23.2	11.7	9.8
<b>Total Large Corporate RWA</b>	<b>53.4</b>	<b>38.5</b>	<b>27.6</b>	<b>24.1</b>
RWA Change in the period		(14.9)	(10.9)	(3.5)
RWA Cumulated Change vs 31.12.01		(14.9)	(25.8)	(29.3) ←
<b>ALLOCATED CAPITAL<sup>(1)</sup></b>	<b>3.2</b>	<b>2.3</b>	<b>1.7</b>	<b>1.4</b>

(1) 6% of RWA

# Increase in Capital Allocated to Retail

Retail	Risk Weighted Assets <sup>(1)</sup>			
	2001	2003	30.06.04	2005 BP Target
<b>Retail</b>	29%	35%	36%	37%
<b>Italian Banks</b>	10%	13%	13%	12%
<b>Product Companies</b>	11%	15%	16%	17%
<b>Central Eastern Europe Banks</b>	3%	6%	6%	5%
<b>Other Foreign Banks</b>	10%	3%	2%	0%
<b>Large &amp; Mid Foreign Co's</b>	17%	7%	6%	6%
<b>Large Italian Co's</b>	10%	10%	9%	9%
<b>Mid Italian Co's</b>	7%	7%	7%	9%
<b>Govt. &amp; Fin. Inst's</b>	2%	2%	3%	3%
<b>Others <sup>(2)</sup></b>	1%	2%	2%	2%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

(1) Excluding Central Functions and Market Risk - 2005 excluding Banco di Chiavari and IntesaBci Bank Suisse

(2) Merchant Banking, Private Equity and Capital Markets

# Disengagement from Latin America

## Sudameris Group

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Argentina	■ Finalised the merger between Sudameris Argentina and Banco Patagonia (with Gruppo Intesa retaining a 19.95% minority stake)
Brazil	■ Finalised the sale of Sudameris Brasil to Banco ABN AMRO Real
Chile	■ Finalised the sale of Sudameris Chilean operations to Banco del Desarrollo
Colombia	■ Finalised the sale of Sudameris Colombia to Gilex Holding B.V.
Uruguay	■ Finalised the sale of Banque Sudameris S.A.'s operations in Uruguay to BANCO ACAC Crédit Agricole
Paraguay	■ Finalised the sale of Banco Sudameris Paraguay to Abbeyfield & Co. Ltd
Others <sup>(1)</sup>	■ Sales under way

(1) Panama, Cayman Islands, Miami

# Tougher Macroeconomic Scenario vs Business Plan Assumptions

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	2003 Actual	2003 BP Target	2004 Latest Forecasts	2004 BP Target
<b>Italy's GDP</b>	<b>0.4%</b>	<b>1.9%</b>	<b>1.1%</b>	<b>2.3%</b>
<b>Euro Zone's GDP</b>	<b>0.5%</b>	<b>2.2%</b>	<b>1.7%</b>	<b>2.5%</b>
<b>Investments (Italy)</b>	<b>(2.1)%</b>	<b>1.7%</b>	<b>2.1%</b>	<b>2.6%</b>
<b>Consumer Prices Index</b>	<b>2.7%</b>	<b>1.9%</b>	<b>2.3%</b>	<b>1.7%</b>
<b>ECB Main Refinancing Rate<sup>(1)</sup></b>	<b>2.0%</b>	<b>4.0%</b>	<b>2.0%</b>	<b>4.25%</b>

BP = Business Plan

(1) Year end