2003 Half-Yearly Results

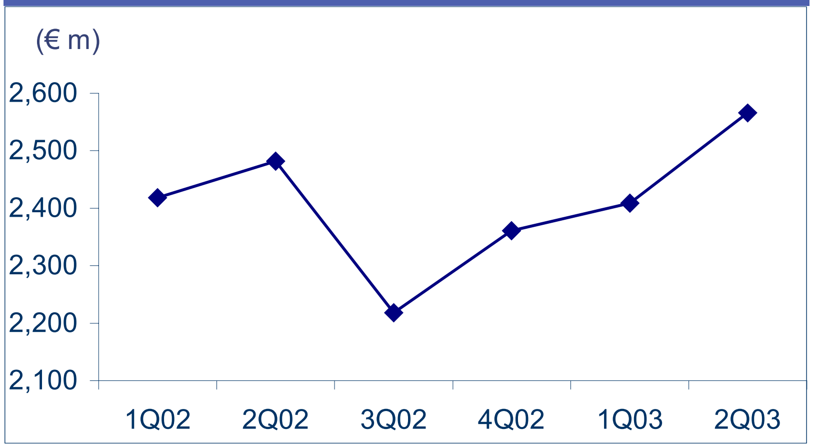
September 8th, 2003

1. 2Q and 1H 2003 Results

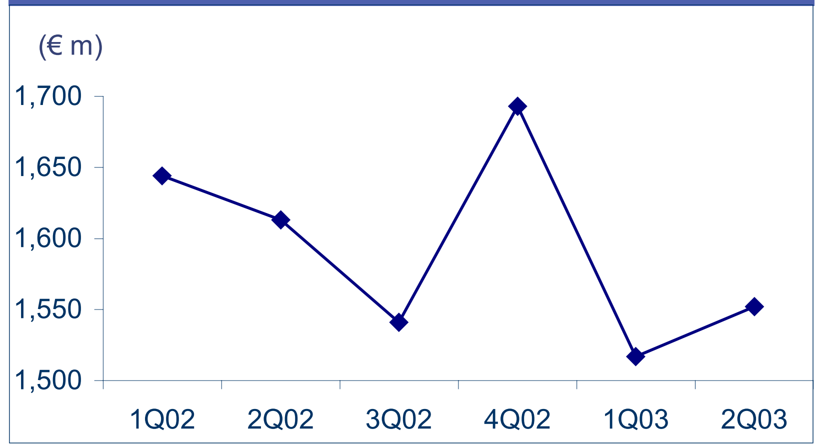
2. 2003-2005 Business Plan: First-Year Achievements

Quarterly Analysis

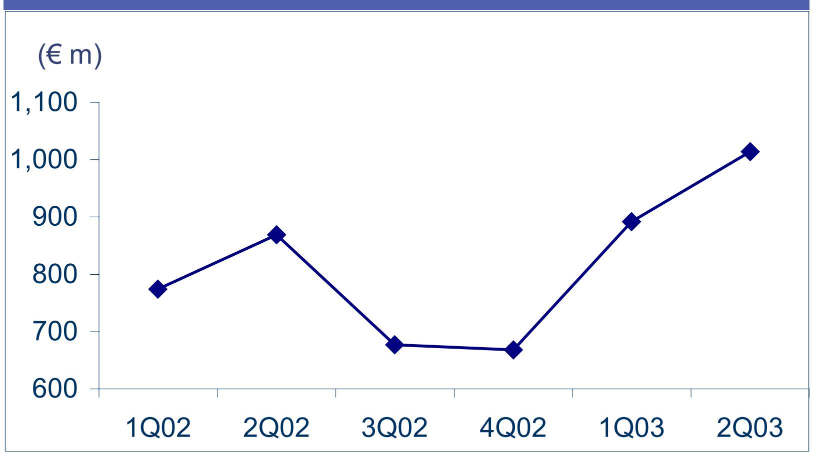
Total Income



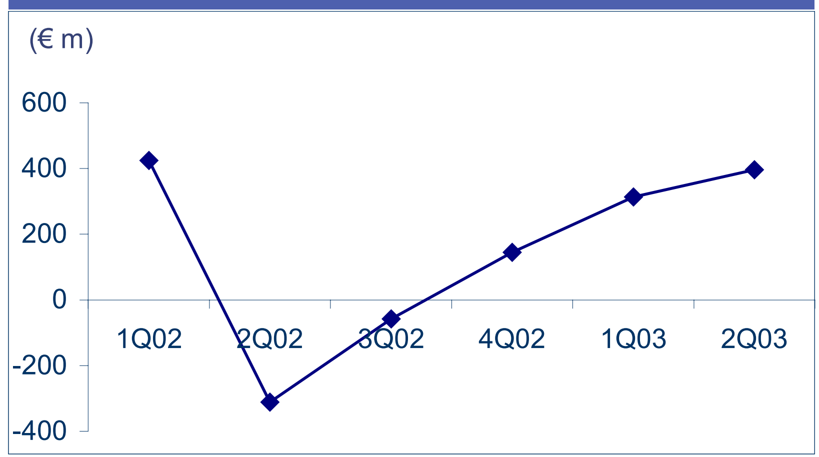
Operating Costs



Operating Margin



Net Income



Note: *2002 and 1Q03 pro-forma figures to reflect 2Q03 consolidation area (Sudameris Brasil and Carinord2 consolidated on application of the equity method)*

Sizeable Increase in Operating Margin vs 1Q03

Sudameris Brasil and Carinord2 consolidated by Equity Method

(€ m)	1Q03 Pro-forma	2Q03	Δ%
Net Interest Income	1,289	1,260	(2.2)
Dividends & Eq. Profits	67	89	32.8
Net Commissions	788	835	6.0
Other Non-Interest Income	265	382 (1)	44.2
Total Income	**2,409**	**2,566**	**6.5**
Operating Costs	(1,517)	(1,552)	2.3
Operating Margin	**892**	**1,014**	**13.7**
Goodwill Amortisation	(32)	(32)	-
Net Provisions	(336)	(358)	6.5
Ordinary Income	**524**	**624**	**19.1**
Extraordinary Items	30	84 (2)	180.0
Income Taxes & Minorities	(241)	(311)	29.0
Net Income	**313**	**397**	**26.8**

Note: *1Q03 pro-forma figures to reflect 2Q03 consolidation area (Sudameris Brasil and Carinord2 consolidated on application of the equity method)*

(1) *Including €35m for Crédit Agricole stake mark to market*

(2) *Including €223m income from treasury shares mark to market and €130m charges for disengagement from LatAm*

Sizeable Increase in Operating Margin vs 2Q02

Sudameris Brasil and Carinord2 consolidated by Equity Method (€ m)	2Q02 Pro-forma	2Q03	Δ%
Net Interest Income	1,329	1,260	(5.2)
Dividends & Eq. Profits	117	89	(23.9)
Net Commissions	836	835	(0.1)
Other Non-Interest Income	200	382 (1)	91.0
Total Income	**2,482**	**2,566**	**3.4**
Operating Costs	(1,613)	(1,552)	(3.8)
Operating Margin	**869**	**1,014**	**16.7**
Goodwill Amortisation	(24)	(32)	33.3
Net Provisions	(1,092)	(358)	(67.2)
Ordinary Income	**(247)**	**624**	**352.6**
Extraordinary Items	(191)	84 (2)	144.0
Income Taxes & Minorities	127	(311)	(344.9)
Net Income	**(311)**	**397**	**227.7**

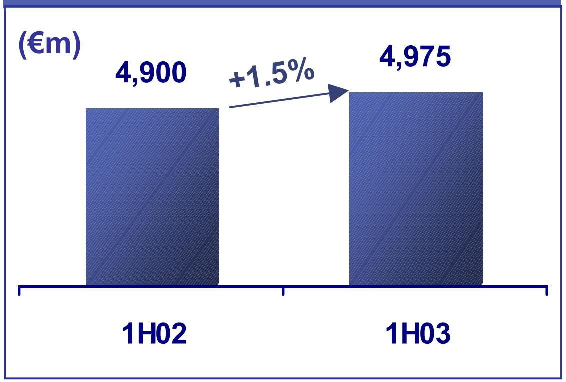
Note: *2Q02 pro-forma figures to reflect 2Q03 consolidation area (including VUB and excluding Banco di Chiavari, Sudameris Argentina and IntesaBci Bank Suisse. Sudameris Brasil and Carinord2 consolidated on application of the equity method)*

(1) Including €35m for Crédit Agricole stake mark to market

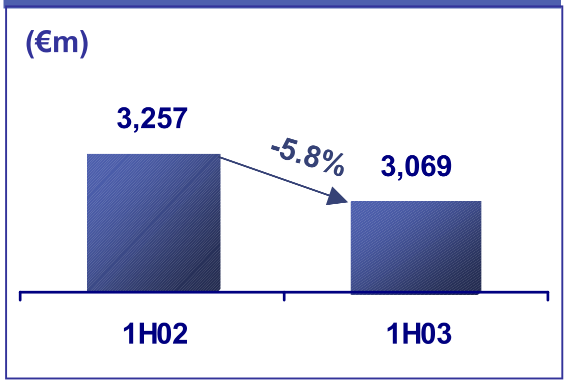
(2) Including €223m income from treasury shares mark to market and €130m charges for disengagement from LatAm

Half-Yearly Analysis

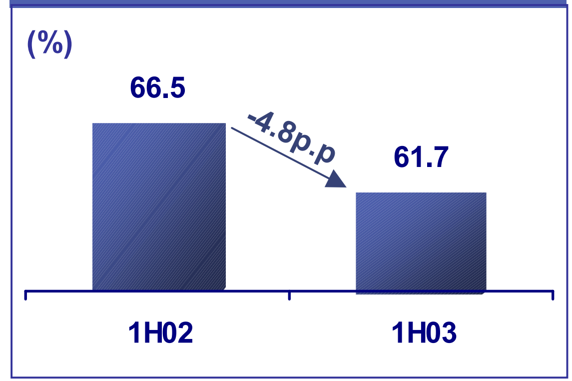
Total Income



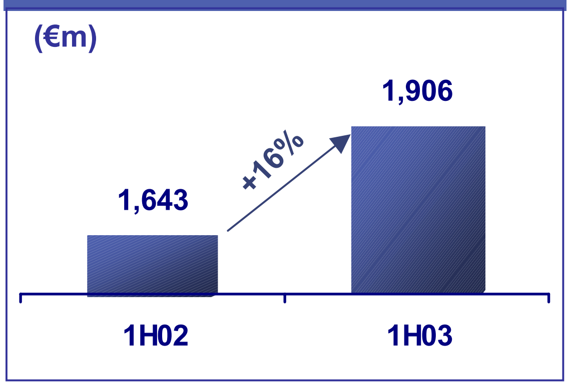
Operating Costs



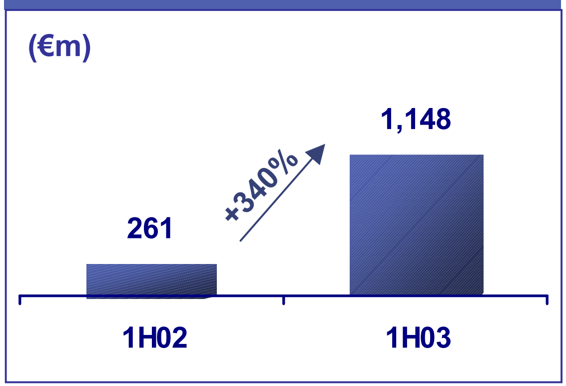
Cost / Income Ratio



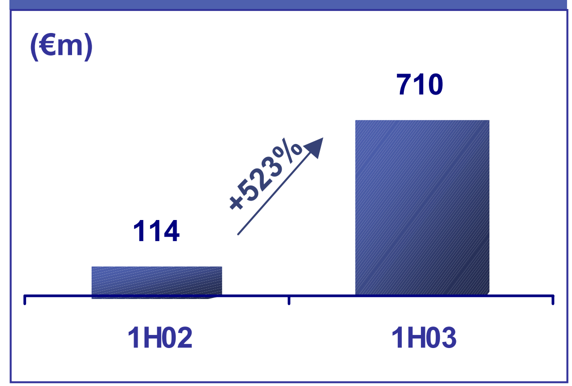
Operating Margin



Ordinary Income



Net Income



Note: *1H02 pro-forma figures to reflect 1H03 consolidation area (including VUB and excluding Banco di Chiavari, Sudameris Argentina and IntesaBci Bank Suisse. Sudameris Brasil and Carinord2 consolidated on application of the equity method)*

Strong Growth in Ordinary Income vs 1H02

Sudameris Brasil and Carinord2 consolidated by Equity Method

(€ m)	1H02 Pro-forma	1H03	Δ%
Net Interest Income	2,699	2,549	(5.6)
Dividends & Eq. Profits	162	156	(3.7)
Net Commissions	1,659	1,623	(2.2)
Other Non-Interest Income	380	647	70.3
Total Income	**4,900**	**4,975**	**1.5**
Operating Costs	(3,257)	(3,069)	(5.8)
Operating Margin	**1,643**	**1,906**	**16.0**
Goodwill Amortisation	(47)	(64)	36.2
Net Provisions	(1,335)	(694)	(48.0)
Ordinary Income	**261**	**1,148**	**339.8**
Extraordinary Items	50	114	128.0
Income Taxes & Minorities	(197)	(552)	180.2
Net Income	**114**	**710**	**522.8**

Note: *1H02 pro-forma figures to reflect 1H03 consolidation area (including VUB and excluding Banco di Chiavari, Sudameris Argentina and IntesaBci Bank Suisse. Sudameris Brasil and Carinord2 consolidated on application of the equity method)*

Increase in Direct Customer Deposits

Sudameris Brasil and Carinord2 consolidated by Equity Method

(€ m)	30.06.02 Pro-forma	30.06.03	Δ%
Total Assets	299,162	282,651	(5.5)
Customer Loans	172,975	162,300	(6.2)
Net Interbank Funds	26,904	9,284	(65.5)
Direct Customer Deposits	179,269	180,875	0.9
Indirect Customer Funds	310,487	296,106	(4.6)
of which Assets under Management	*128,338*	*126,918*	*(1.1)*
Total Customer Administered Funds	489,756	476,981	(2.6)

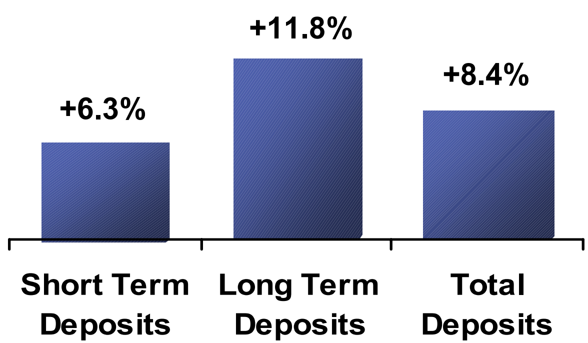
+0.6% excluding negative market performance

+3.7% vs 31.12.2002

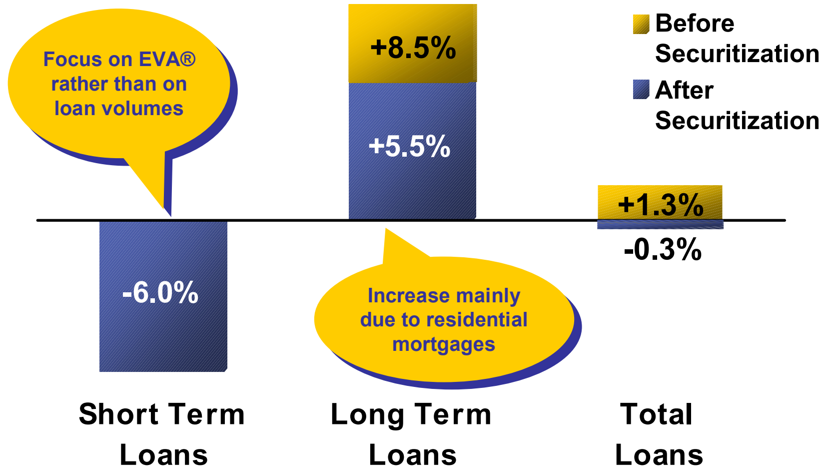
Note: *30.06.02 pro-forma figures to reflect 30.06.03 consolidation area (including VUB and excluding Banco di Chiavari, Sudameris Argentina and IntesaBci Bank Suisse. Sudameris Brasil and Carinord2 consolidated on application of the equity method)*

Net Interest Income: Funding and Lending on the Domestic Market

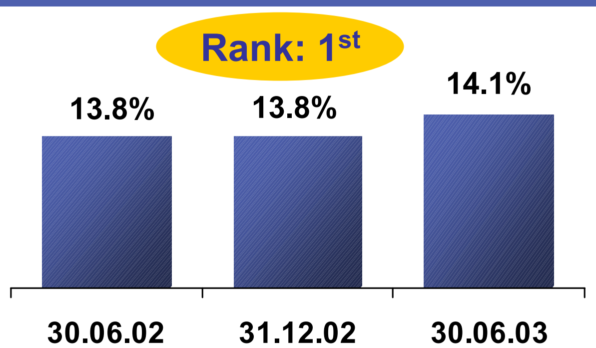
Δ% 1H03 vs 1H02 Customer Deposits[1]



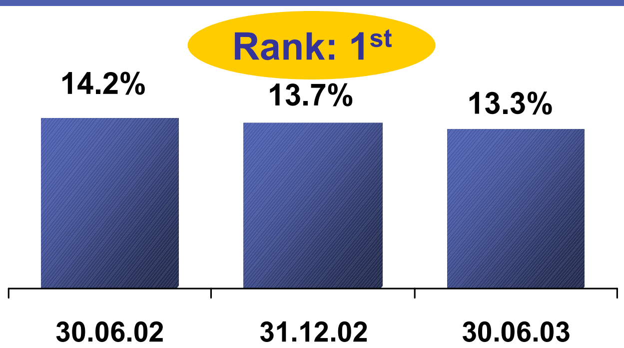
Δ% 1H03 vs1H02 Customer Loans[1]



Customer Deposits Market Share



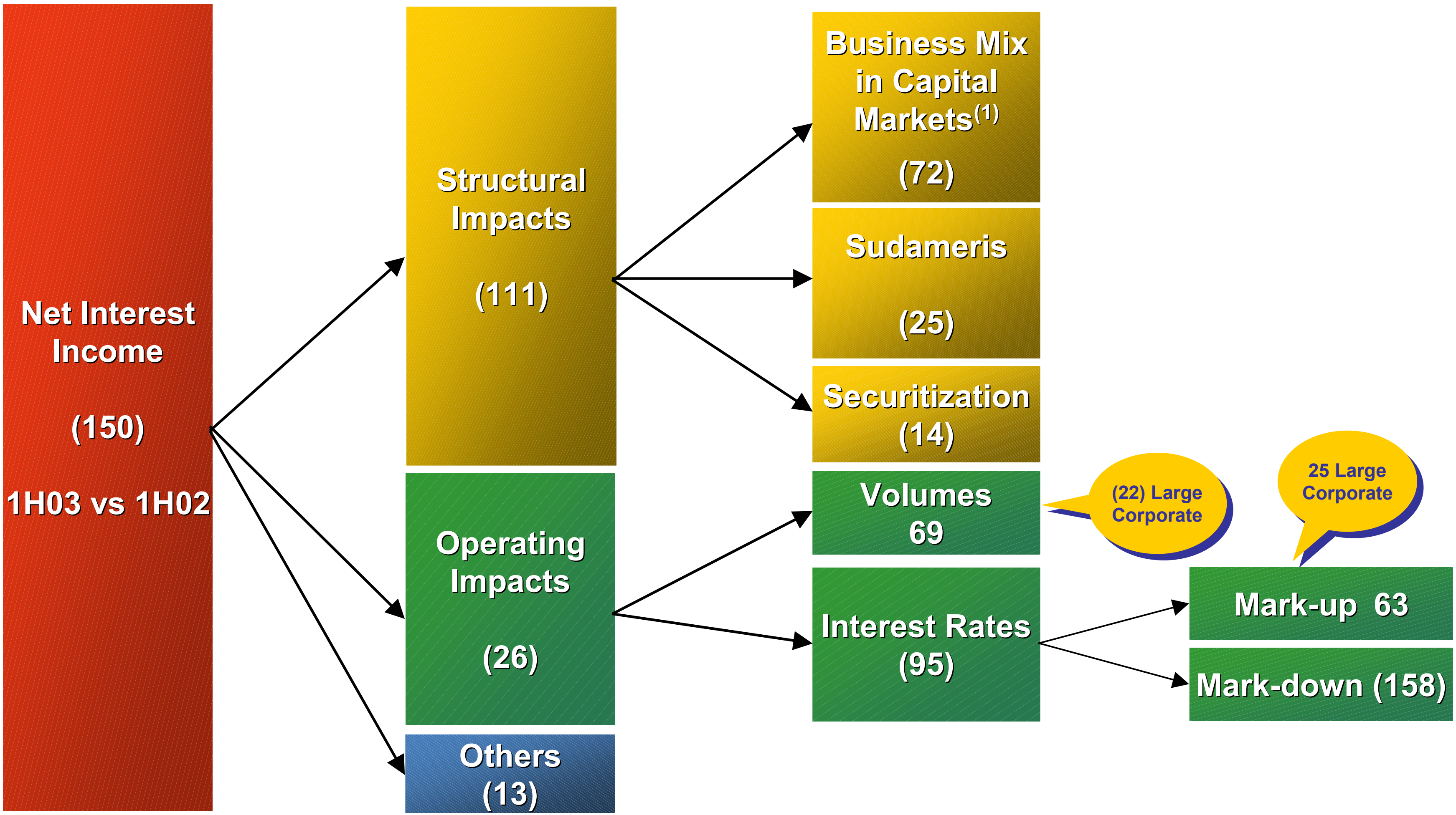
Customer Loans Market Share



(1) *Average figures*

Net Interest Income: Contribution to 1H03 vs 1H02 Variation

(€ m)



Figures may not add up due to rounding differences

(1) Structural reduction in securities portfolio, mainly due to Caboto, linked with the strategic repositioning of Capital Markets activities from interest to non-interest based business

Strong Growth in Non-Interest Income

(€ m)	1Q02	2Q02	3Q02	4Q02	1Q03	2Q03	Δ%		
	Pro-forma						1H/1H	2Q/2Q	2Q/1Q
Net Commissions	823	836	799	804	788	835	(2.2)	(0.1)	6.0
P/L on Financial Transact.	84	118	(33)	22	190	314 (1)	149.5	166.1	65.3
Other Net Operat. Income	96	82	72	170 (2)	75	68	(19.7)	(17.1)	(9.3)
Total Non-Int. Income	**1,003**	**1,036**	**838**	**996**	**1,053**	**1,217**	**11.3**	**17.5**	**15.6**

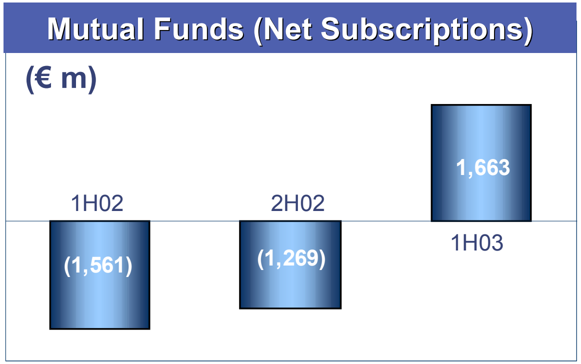
- **Net commissions +6% QoQ, +1.5% QoQ net of seasonal increase of tax collection fees (+€35m QoQ)**
- **Marked increase in commissions from Bancassurance (+71% QoQ)**
- **Strong increase in revenues from Financial Transactions due to growing volumes of structured bonds & corporate derivatives sold and the good performance in treasury and trading activities**

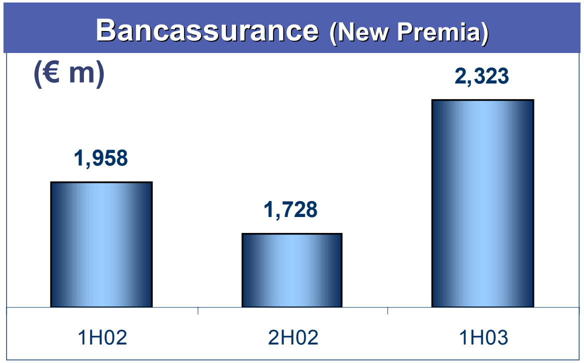
Note: *2002 and 1Q03 pro-forma figures to reflect 2Q03 consolidation area (including VUB, excluding Banco di Chiavari, Sudameris Argentina and IntesaBci Bank Suisse. Sudameris Brasil and Carinord2 consolidated on application of the equity method)*

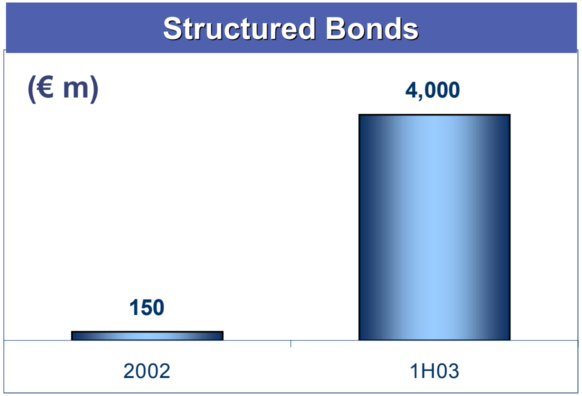
(1) *Including €35m for Crédit Agricole stake mark to market*

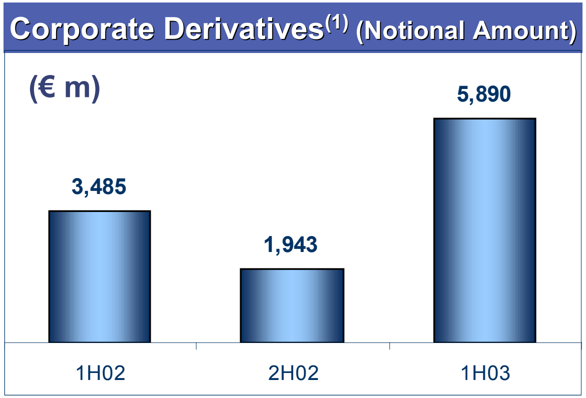
(2) *Including €73m capital gain on securitization of performing mortgage loans*

Growing Placing Power in 1H03









- **€1.7bn in net subscriptions in Mutual Funds (€2.1bn as at 31.08.03)**
- **€2.3bn new bancassurance premia (+19% vs 1H02), of which €1.4bn in 2Q03 (+43% vs 1Q03)**
- **€10.3bn of Corporate Derivatives sold, of which €5.9bn excluding Large Corporate (+69% vs 1H02)**

(1) Excluding Large Corporate

Cost Reduction

(€ m)	1Q02	2Q02	3Q02	4Q02	1Q03	2Q03	Δ%		
	Pro-forma						1H/1H	2Q/2Q	2Q/1Q
Personnel Costs	924	917	823	860	858	838	(7.9)	(8.6)	(2.3)
Other Administrative Costs	565	533	542	610	503	542	(4.8)	1.7	7.8
Depreciation	155	163	176	223	156	172	3.1	5.5	10.3
Total Costs	**1,644**	**1,613**	**1,541**	**1,693**	**1,517**	**1,552**	**(5.8)**	**(3.8)**	**2.3**

- **Total Operating Costs -5.8% in 1H03 vs 1H02**
- **Quarterly increase also due to the acceleration of restructuring and re-launching projects and of corporate development actions**
- **Further decline in Personnel Costs (-2.3% QoQ; -7.9% vs 1H02)**
- **Headcount reduction**
  - ✓ **2,800 in 1H03, of which 2,400 in 2Q03**
- **Cost / Income down to 60.5% in 2Q03 from 68.5% FY02 and 63% in 1Q03**

Note: *2002 and 1Q03 pro-forma figures to reflect 2Q03 consolidation area (including VUB and excluding Banco di Chiavari, Sudameris Argentina and IntesaBci Bank Suisse. Sudameris Brasil and Carinord2 consolidated on application of the equity method)*

Total Net Provisions

(€ m)	1Q02	2Q02	3Q02	4Q02	1Q03	2Q03	Δ%		
	Pro-forma						1H/1H	2Q/2Q	2Q/1Q
Net Prov. for Risks & Charges	55	213	13	22	36	100 (1)	(49.3)	(53.1)	177.8
Net Prov. for Loan Losses	176	820	281	1,012	267	246	(48.5)	(70.0)	(7.9)
Equity Invest. Write-Downs	12	59	15	202	33	12	(36.6)	(79.7)	(63.6)
Total Net Provisions	**243**	**1,092**	**309**	**1,236**	**336**	**358**	**(48.0)**	**(67.2)**	**6.5**

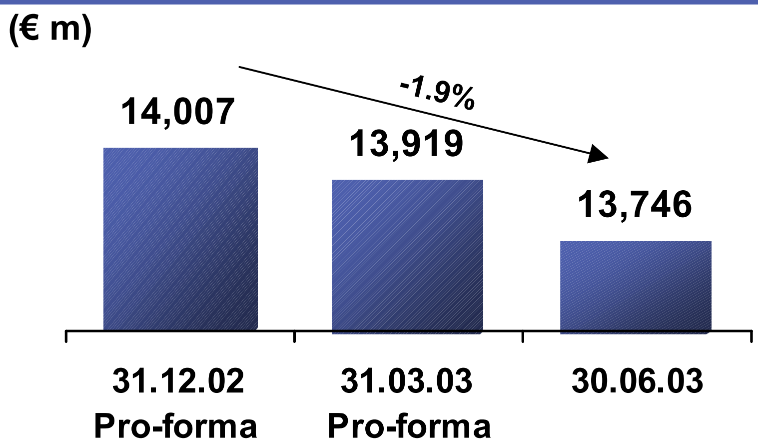
- **Decline in 1H03 Net Loan Loss Provisions vs 1H02 (-48.5%) due to both reduction in write-down and increase in write-up**
- **€1.1bn "generic" provisions facing performing loans at Group level (0.7%)**
- **1H03 Total Net Provisions include €120m for LatAm**
- **2Q03 Total Net Provisions/Operating Margin down to 35% (96% in FY02, 38% in 1Q03)**

Note: *2002 and 1Q03 pro-forma figures to reflect 2Q03 consolidation area (including VUB, and excluding Banco di Chiavari, Sudameris Argentina and IntesaBci Bank Suisse. Sudameris Brasil and Carinord2 consolidated on application of the equity method)*

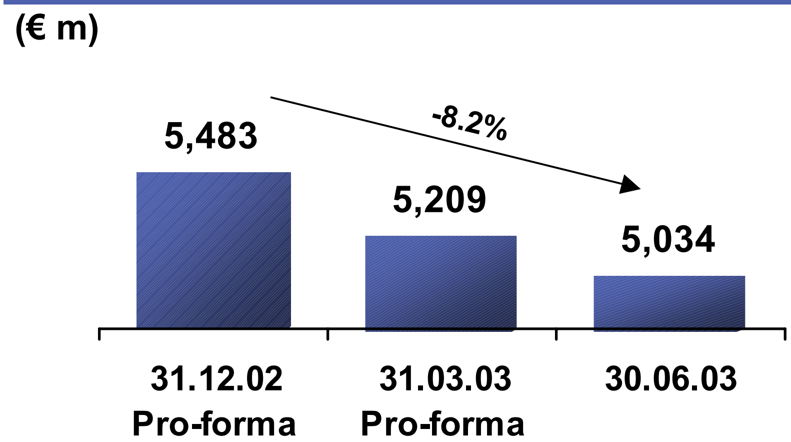
(1) *Including €50m charges for disengagement from LatAm*

Further Decrease in NPLs & Substandard Loans

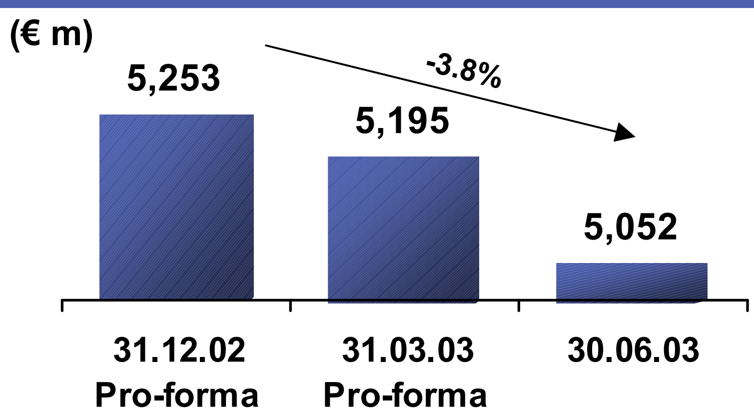
Gross NPLs (Sofferenze)



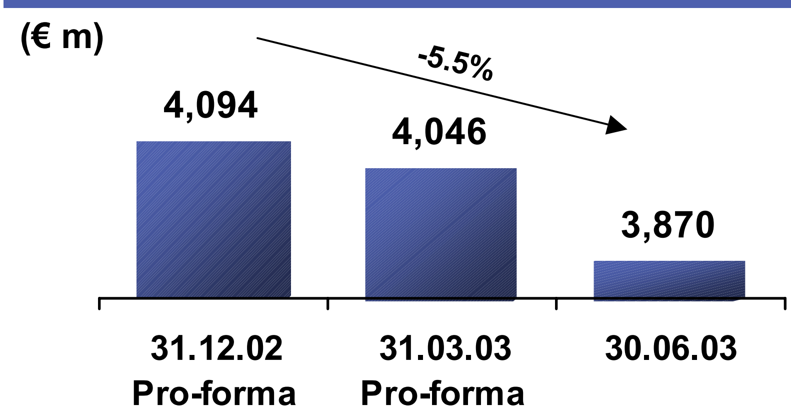
Gross Substandard (Incagli)



Net NPLs (Sofferenze)



Net Substandard (Incagli)



Note: *2002 and 1Q03 pro-forma figures to reflect 2Q03 consolidation area*

1H03 Divisional Analysis

	Retail[1]	Italian Banks	Product Co's	Foreign Banks	Corporate	Central Functions /Other	Total
Total Income (€ m)	2,296	693	396	506	912	172	4,975
Operating Margin (€ m)	634	303	229	167	621	(48)	1,905
Cost/Income (%)	72.4	56.3	42.2	67.1	31.9	n.m.	61.7
RWA (€ bn)	56.3	20.3	25.8	16.4	62.5	15.0	196.2
Allocated Capital[2] (€ bn)	3.7	1.2	1.5	1.0	3.8	1.0	12.2
Pretax ROE[3] (%)	25.9	42.3	17.5	0.4	30.2	(57.3)	19.0
EVA® (€ m)	142	86	16	(165)	148	(242)	(15)

Treasury and Finance	46
Central Costs	(101)
Excess Capital	(117)
Others	(70)

(704) as at 30.06.02

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: Contribution to Improvement of Results

(€ m)	Δ 1H03 vs 1H02	
	Operating Margin	Ordinary Income
Retail	148	178
Italian Banks	45	29
Product Co's	55	37
Corporate	158	670
Foreign Banks	(73)	(142)
Central Functions	(71)	116
Total Group	**263**	**887**

Figures may not add up due to rounding differences

Divisional Analysis: Total Group

(€ m)	1H02	1H03	Δ%
Total Income	4,900	4,975	1.5
Operating Costs	(3,257)	(3,070)	(5.8)
Operating Margin	1,642	1,905	16.0
Net Provisions (1)	(1,335)	(694)	(48.0)
Ordinary Income	261	1,148	340.5
Cost/Income	66.5%	61.7%	
Pretax ROE (2)	3.9%	19.0%	
EVA®	(704)	(15)	

Figures may not add up due to rounding differences
(1) Excluding Goodwill Amortisation
(2) Ordinary Income (before Extraordinary Items and Income Taxes) / Allocated Capital; Annualised

Divisional Analysis: Retail

(€ m)	1H02	1H03	Δ%
Total Income	2,274	2,296	1.0
Operating Costs	(1,788)	(1,662)	(7.0)
Operating Margin	486	634	30.4
Net Provisions	(187)	(157)	(16.1)
Ordinary Income	299	477	59.5
Cost/Income	78.6%	72.4%	
Pretax ROE [1]	16.3%	25.9%	
EVA®	13	142	

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*

Figures may not add up due to rounding differences

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

Divisional Analysis: Italian Banks

(€ m)	1H02	1H03	Δ%
Total Income	668	693	3.8
Operating Costs	(410)	(390)	(4.9)
Operating Margin	258	303	17.6
Net Provisions	(32)	(48)	50.8
Ordinary Income	226	255	12.9
Cost/Income	61.4%	56.3%	
Pretax ROE (1)	40.2%	42.3%	
EVA®	59	86	

Figures may not add up due to rounding differences
(1) *Ordinary Income (before Extraordinary Items and Income Taxes) / Allocated Capital; Annualised*

Italian Banks: Cariparma, a Benchmark in Retail Banking

(€ m)	1H02	1H03	Δ%
Total Income	316	328	3.8
Operating Costs	(165)	(162)	(1.9)
Operating Margin	152	167	10.0
Net Provisions	(12)	(22)	81.7
Ordinary Income	139	145	3.8
Net Income	75	83	11.5
Customer Deposits	10,325	10,965	6.2
Customer Loans	8,687	9,437	8.6
Total Assets	12,994	13,873	6.8

- Cost / Income at 49.3% and annualised ROE at 22.6%
- AUM: +12.3% YoY; Bancassurance new premia: +106% vs 1H02, +10% QoQ
- €54m of EVA in 1H03

Figures may not add up due to rounding differences

Divisional Analysis: Product Companies

(€ m)	1H02	1H03	∆%
Total Income	338	396	16.9
Operating Costs	(164)	(167)	1.4
Operating Margin	174	229	31.6
Net Provisions	(76)	(95)	23.7
Ordinary Income	97	134	37.9
Cost/Income	48.6%	42.2%	
Pretax ROE (1)	13.6%	17.5%	
EVA®	(7)	16	

Includes Tax Collection, Leasing, Factoring, Plastic Cards, 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: Foreign Banks

(€ m)	1H02	1H03	Δ%
Total Income	565	506	(10.5)
Operating Costs	(326)	(339)	4.0
Operating Margin	239	167	(30.3)
Net Provisions (1)	(94)	(163)	73.7
Ordinary Income	143	2	(98.7)
Cost/Income	57.7%	67.1%	
Pretax ROE (2)	23.5%	0.4%	
EVA®	(142)	(165)	

Figures may not add up due to rounding differences
(1) *Excluding Goodwill Amortisation*
(2) *Ordinary Income (before Extraordinary Items and Income Taxes) / Allocated Capital; Annualised*

Banca Intesa

Sudameris Highlights

(€ m)	Sudameris Group		*of which* Sudameris Peru	
	1H02	1H03	1H02	1H03
Total Income	**202**	**132**	**116**	**85**
Operating Costs	**(139)**	**(123)**	**(90)**	**(73)**
Operating Margin	**63**	**8**	**26**	**12**
Net Provisions	**(64)**	**(120)**	**(33)**	**(17)**
Ordinary Income	**(1)**	**(111)**	**(7)**	**(4)**
Net Income	**(52)**	**(155)**	**(30)**	**0**
Customer Deposits	**4,450**	**3,306**	**2,642**	**2,067**
Customer Loans	**3,942**	**2,182**	**2,089**	**1,236**
Total Assets	**8,392**	**6,000**	**4,541**	**3,253**

Note: *Excluding Sudameris Brasil held by Banca Intesa S.p.A. and consolidated on application of the equity method*
Figures may not add up due to rounding differences – P&L data: contribution to Intesa consolidated accounts

Eastern Europe Highlights

(€ m)	CIB (Hungary)		PBZ (Croatia)		VUB (Slovakia)	
	1H02	1H03	1H02	1H03	1H02	1H03
Total Income	77	83	150	147	94	93
Operating Costs	(44)	(45)	(70)	(77)	(58)	(61)
Operating Margin	33	38	80	70	36	33
Net Provisions	(2)	(7)	(11)	(10)	(7)	(6)
Ordinary Income	31	31	69	60	30	27
Net Income	21	23	36	35	26	30
Customer Deposits	1,733	2,063	3,382	3,424	3,290	3,614
Customer Loans	1,980	2,889	2,138	2,863	990	1,126
Total Assets	2,747	3,510	4,523	5,120	4,048	4,655

- **CIB Operating Margin: +26% vs 1H02 net of Forex effect (+16% official)**
- **Decrease in PBZ Total Income entirely due to 1H02 strong performance in Trading Income**
- **EVA of €61m in 1H03**

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

Divisional Analysis: Corporate

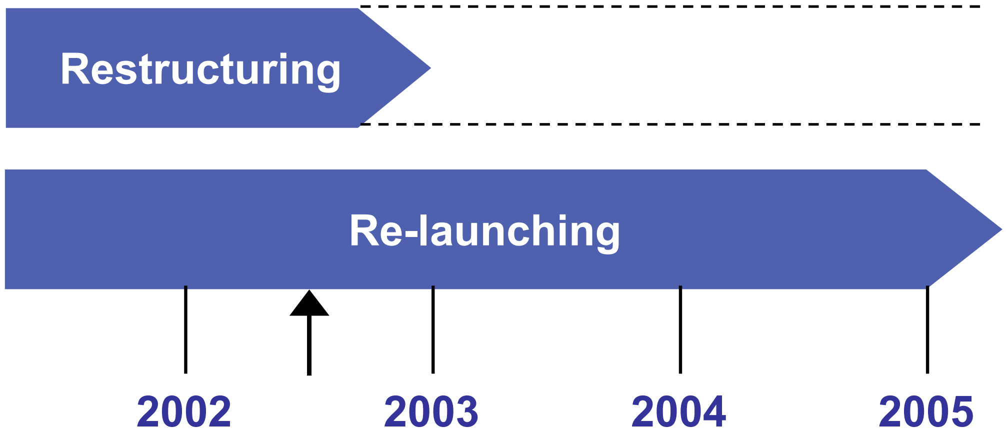
(€ m)	1H02	1H03	Δ%
Total Income	777	912	17.5
Operating Costs	(314)	(291)	(7.2)
Operating Margin	463	621	34.2
Net Provisions	(571)	(60)	(89.5)
Ordinary Income	(109)	561	616.4
Cost/Income	40.4%	31.9%	
Pretax ROE (1)	(4.7)%	30.2%	
EVA®	(297)	148	

Figures may not add up due to rounding differences
(1) Ordinary Income (before Extraordinary Items and Income Taxes) / Allocated Capital; Annualised

1. 2Q and 1H 2003 Results

2. 2003-2005 Business Plan: First-Year Achievements

2003-2005 Business Plan
Restructuring and Re-launching



Overall Objective

€3bn increase in ordinary results by 2005 in respect to 2001 from

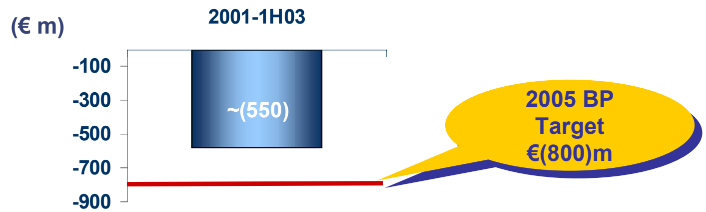
- ✓ **€1.5bn in income growth**
- ✓ **€1.5bn in cost reduction and lower provisions**

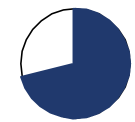
Restructuring

Business Plan Priorities	As of Today	Status vs 2005 BP Target

➢ **Reduce Operating Costs by €800m**

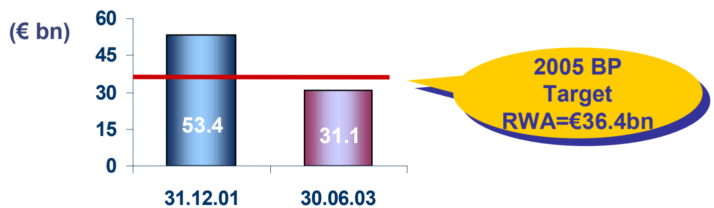
Operating Costs Reduction

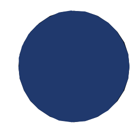




➢ **Reduce Risk Profile**

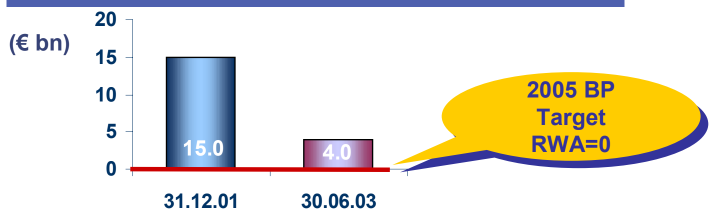
Large Corporate - RWA

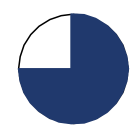




➢ **Disengage from Latin America**

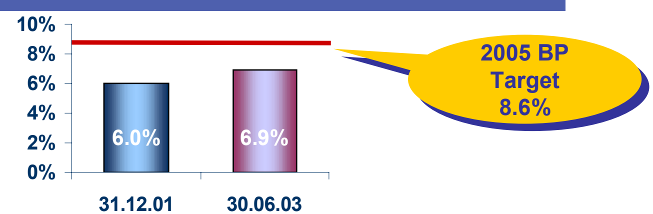
Sudameris Group - RWA

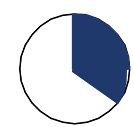




➢ **Strengthen Capital Base**

Tier1 Ratio

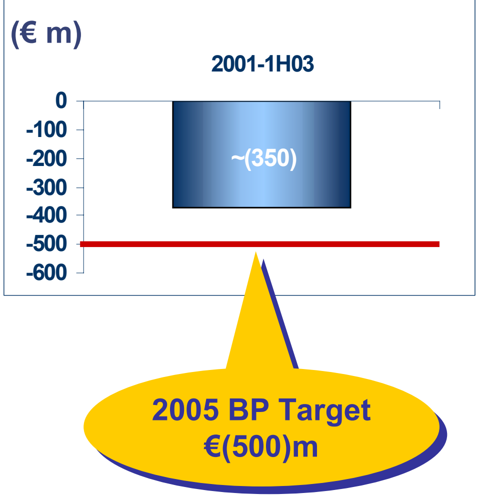




Banca Intesa

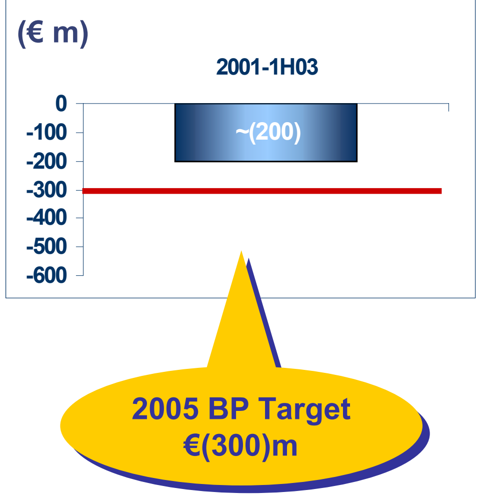
Structural Reduction in Operating Costs

Reduction in Personnel Costs



- ~70% of 2005BP reduction Target achieved as of 1H03

Reduction in Other Operating Costs



- ~65% of 2005BP reduction Target achieved as of 1H03

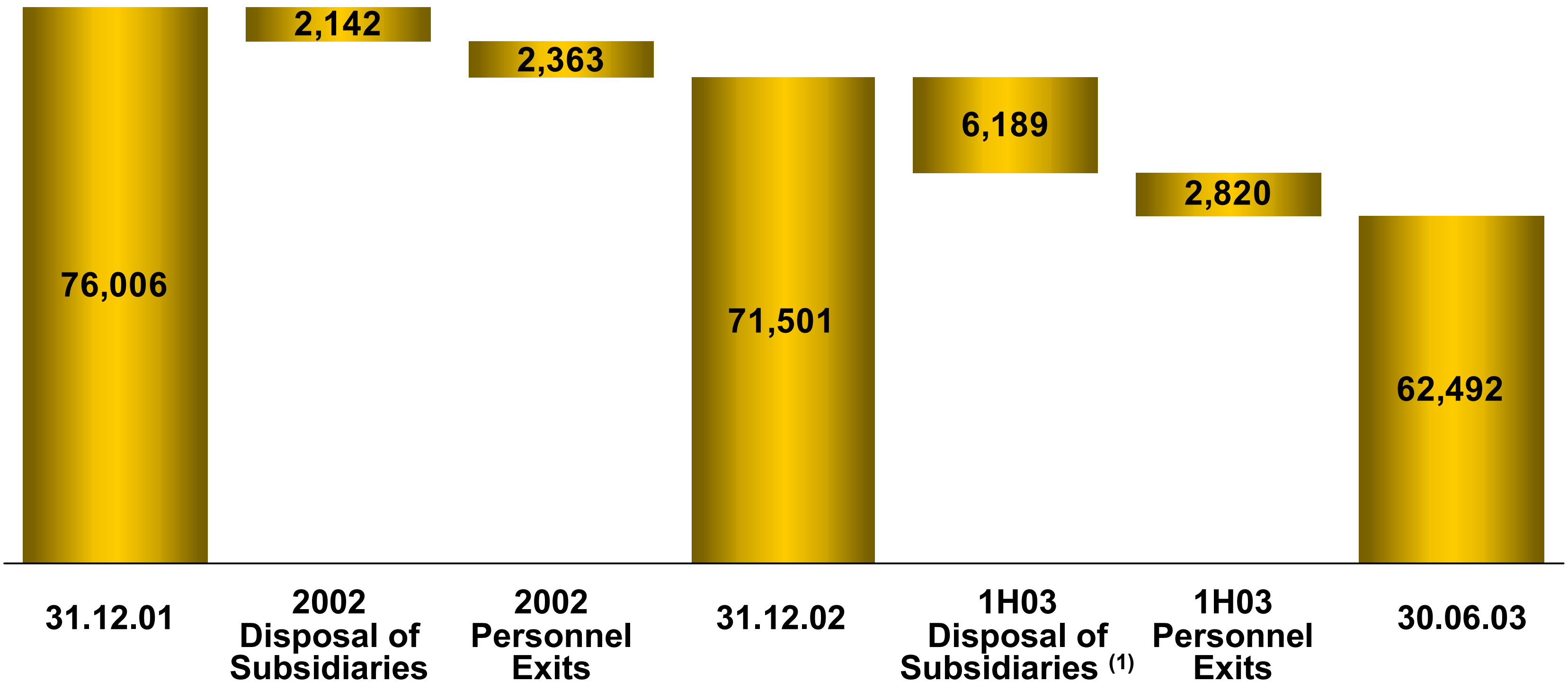
Reduction in other operating costs…

… offsetting the expected increase in

- ✓ ITC
- ✓ Training
- ✓ Communication

Agreement with Trade Unions: Structural Cost Reduction of €500m

Consolidated Personnel Number



- **As of 1st July 2003, further ~1,000 reductions**

(1) Including disposal of Sudameris Brasil

Reduction in Large Corporate Loans (RWA)

Reduce Operating Costs
Reduce Risk Profile
Disengage from Latin America
Strengthen Capital Base

(€ bn)	31.12.01	30.06.02	31.12.02	30.06.03
Large Italian Corporate RWA	19.7	16.8	15.3	15.6
Large Foreign Corporate RWA	33.7	31.1	23.2	15.5
Total Large Corporate RWA	**53.4**	**47.9**	**38.5**	**31.1**
RWA Change in the period		(5.5)	(9.4)	(7.4)
RWA Cumulated Change vs 31.12.01		(5.5)	(14.9)	(22.3)
ALLOCATED CAPITAL[(1)]	**3.2**	**2.9**	**2.3**	**1.9**

(1) *6% of RWA*

Increase in Capital Allocated to Retail

- Reduce Operating Costs
- Reduce Risk Profile
- Disengage from Latin America
- Strengthen Capital Base

Retail

	Risk Weighted Assets(1)			
	2001	2002	1H03	2005
Retail	29%	30%	33%	37%
Italian Banks	10%	11%	12%	12%
Product Companies	11%	14%	15%	17%
Central Eastern Europe Banks	3%	4%	4%	5%
Retail subtotal	53%	59%	64%	71%
Other Foreign Banks	10%	7%	5%	0%
Large & Mid Foreign Co's	17%	14%	10%	6%
Large Italian Co's	10%	9%	9%	9%
Mid Italian Co's	7%	7%	8%	9%
Govt. & Fin. Inst's	2%	2%	2%	3%
Others(2)	1%	2%	2%	2%
Total	100%	100%	100%	100%

(1) *Excluding Central Functions and Market Risk - 2005 excluding Banco di Chiavari and IntesaBci Bank Suisse*
(2) *Merchant Banking, Private Equity and Capital Markets*

Banca Intesa

Increase in Capital Allocated to Domestic Business

Reduce Operating Costs
Reduce Risk Profile
Disengage from Latin America
Strengthen Capital Base

	Risk Weighted Assets[1]			
	2001	2002	1H03	2005
Italy	71%	76%	82%	87%
Europe	12%	12%	10%	9%
ROW	17%	12%	8%	4%
TOTAL	100%	100%	100%	100%

- The reduction of foreign activities does not affect Italy-related operations
- Intesa Group ranks first in international trade settlement between Italy and the rest of the world with a market share over 20%

(1) *2005 excluding Banco di Chiavari and IntesaBci Bank Suisse*

Reduction in Credit Derivatives Exposure

Reduce Operating Costs
Reduce Risk Profile
Disengage from Latin America
Strengthen Capital Base

(€ bn)	30.06.02	31.12.02	30.06.03	Δ 30.06.03 vs 30.06.02	Δ 30.06.03 vs 31.12.02
Protection Sold	**44.6**	**38.8**	**34.8**	**(22.0)%**	**(10.3)%**
- Fully Hedged	27.6	28.1	25.4	(8.0)%	(9.6)%
- Super Senior Partially Hedged	5.3	5.1	3.8	(28.3)%	(25.5)%
- Super Senior Open Positions	3.6	1.8	3.0	(16.7)%	66.7%
- Other Open Positions, Trading Book	1.1	0.8	0.8	(27.3)%	-
- Other Open Positions, Banking Book	7.0	3.0	1.8	(74.3)%	(40.0)%
Protection Bought	**36.4**	**37.7**	**33.9**	**(6.9)%**	**(10.1)%**

Open Positions

	Investment Grade	Maturity by 2003
Super Senior ("AAAA")	100%	-
Other (Avg. Rating A2 / A)	89%	15%

Value at Risk(1) / Stress Test

(€m)	30.06.02	31.12.02	30.06.03
VAR	19	22	12
Stress Test	42	34	16

- **Strong decline in Open Positions: -€6.1bn (-52% YoY)**
- **The quarterly independent audit confirms the sound portfolio quality**

(1) *Confidence level: 99%*

Improvement in Asset Quality

Reduce Operating Costs
Reduce Risk Profile
Disengage from Latin America
Strengthen Capital Base

	Ratios			
	2001	2002	1H03	2005
Net Loan Provisions/Op. Margin	76%	77%	27%	18%
Net Loan Provisions/Loans	1.3%	1.4%	0.32%(1)	0.6%
Net NPLs/Loans	3.0%	3.2%	3.1%	2.0%
NPL Coverage	59%	62%	63%	67%

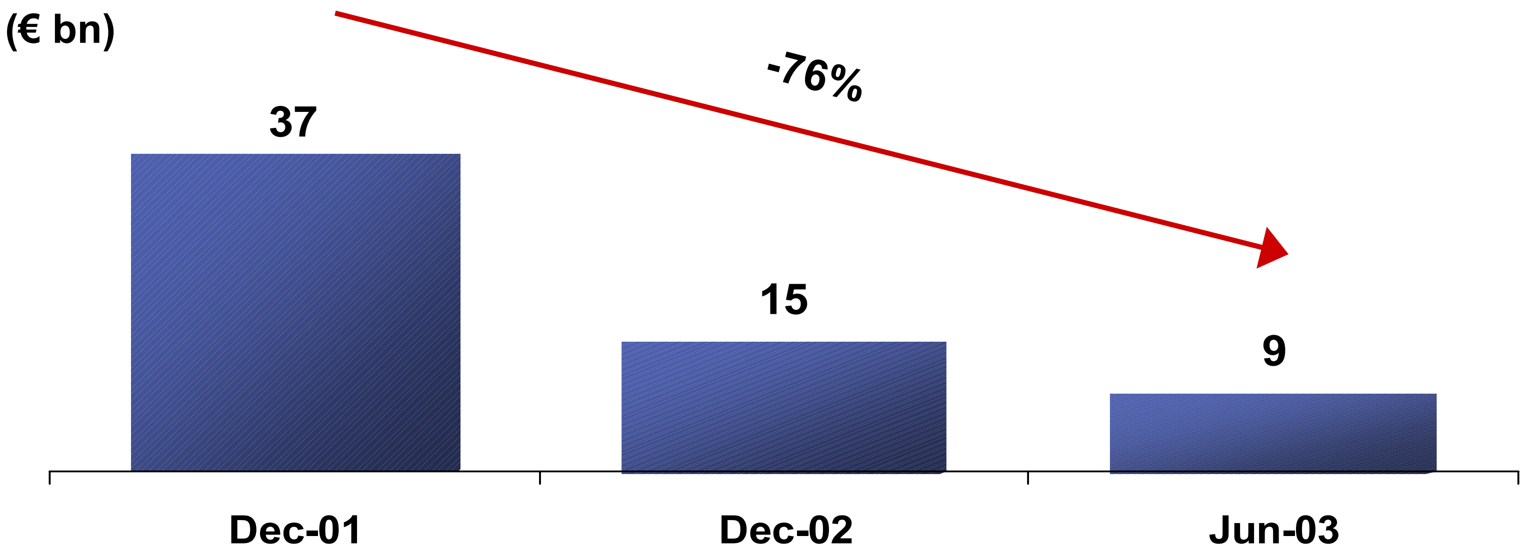
- Strong Improvement in Net Loan Provisions/Operating Margin Ratio
- €1.1bn “generic” provisions facing performing loans at Group level

(1) *Not annualised*

Decrease in Net Interbank Borrowing

Reduce Operating Costs
Reduce Risk Profile
Disengage from Latin America
Strengthen Capital Base

Net Interbank Borrowing



Banca Intesa

Disengagement from Latin America
Sudameris Group

Argentina	➢ **Merger between Sudameris Argentina and Banco Patagonia (with Gruppo Intesa retaining a 19.95% minority stake)**
Brazil	➢ **Sale of Sudameris Brasil to Banco ABN AMRO Real under way**
Chile	➢ **Sale of Sudameris Chilean operations to Banco del Desarrollo finalised**
Colombia	➢ **Sale of Sudameris Colombia to Gilex Holding B.V. under way**
Others[(1)]	➢ **Sales in the pipe-line**
Peru	➢ **US$150m injection of new funds in 1Q03 in support of a new development plan to restructure and re-launch Banco Sudameris Peru**

(1) *Paraguay, Uruguay, Panama, Cayman Islands, Miami*

Strengthening of Capital Base

	Ratios			
	2001	2002	1H03	2005
Core Tier 1	5.3%	5.9%	6.0%	7.7%
Tier 1	6.0%	6.8%	6.9%	8.6%
Total Capital	9.3%	11.1%	10.9%	11.0%

- Further 20b.p. improvement of Core Tier 1 Ratio from the finalisation of Sudameris Brasil disposal

Strengthening of Capital Base
Main Actions Up to Now

			Status vs 2003 BP Target
Loans Portfolio	Large Italian Corporate	➢ Reduction of €4.1bn in RWA (-21%)	
	Large International Corporate	➢ Reduction of €18.2bn in RWA (-54%)	
	Mid International Corporate	➢ Reduction of €2bn in RWA (-52%)	
Real Estate		➢ Sale of €0.5bn in RWA, with a €0.3bn capital gain	
Non-Core Equity Investments		➢ Sale of €0.6bn in RWA, with a €1bn capital gain ➢ Reduction of €11bn in Sudameris' RWA	
Treasury Shares		➢ One third of original amount assigned for free. No impact on capital ratios	

Disposal of Non-Core Assets

Reduce Operating Costs
Reduce Risk Profile
Disengage from Latin America
Strengthen Capital Base

- **Disposal of Real Estate properties with cash inflow exceeding €750m (capital gains for €300m)**

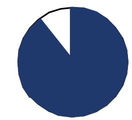
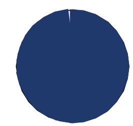
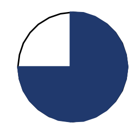
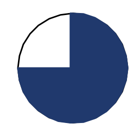
	Proceeds	Capital Gains
✓ 2002 Sales	€583m	€253m
✓ 2003 Sales	€170m	€40m (1)

- **Disposal of non-core equity investments with cash inflow of €1.6bn (capital gains for €1bn)**

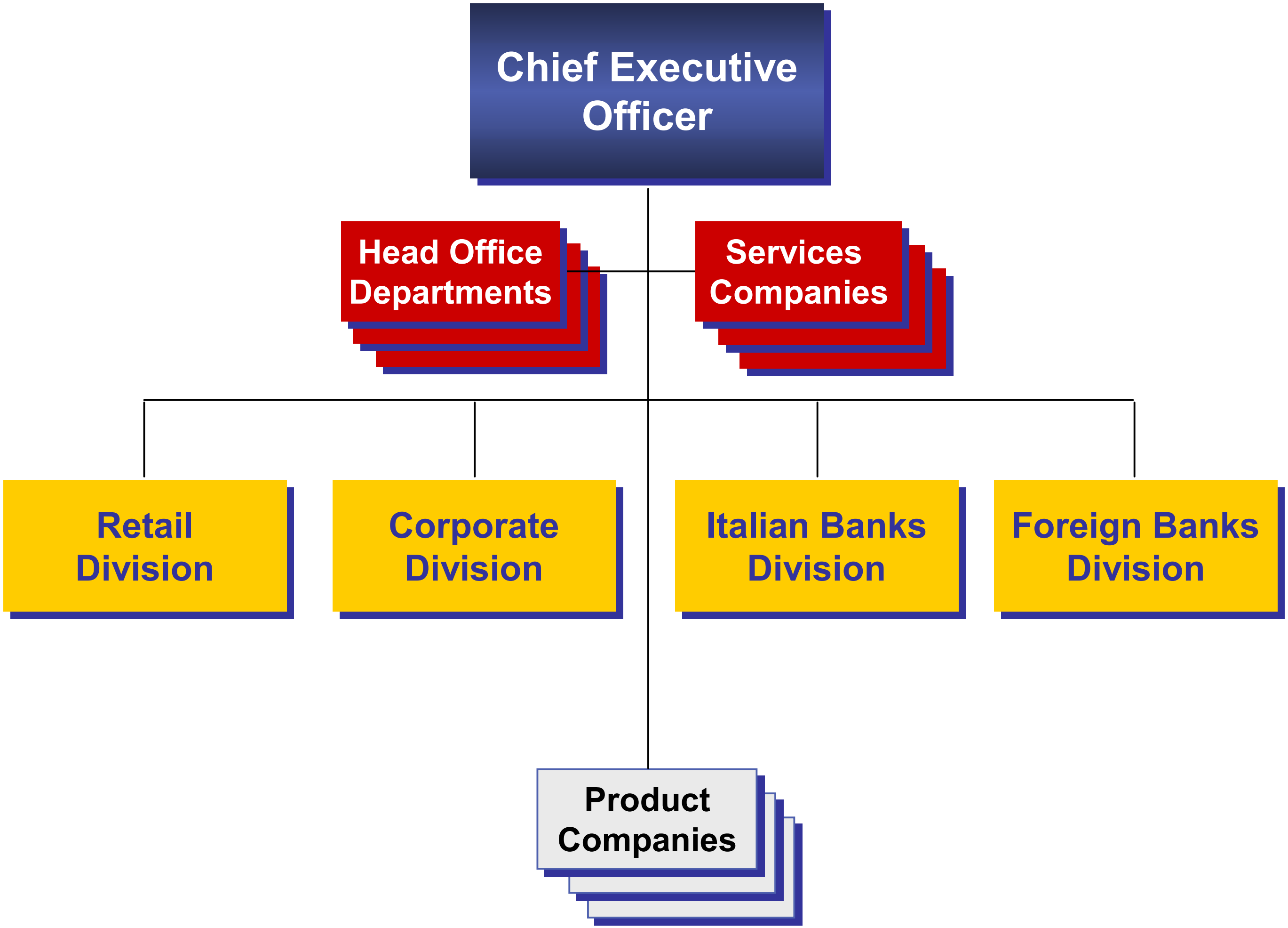
	Proceeds	Capital Gains
✓ Banca Carime	€400m	€220m
✓ Banco Chiavari	€400m	€246m
✓ Borsa Italiana /Monte Titoli	€149m	€93m
✓ Crédit Lyonnais / Crédit Agricole(2)	€470m	€350m
✓ IntesaBci Suisse	€112m	€60m
✓ Carinord 2	€115m	€31m(1)

- **Banca Primavera and IntesaVita deals to be finalised in 2H03**

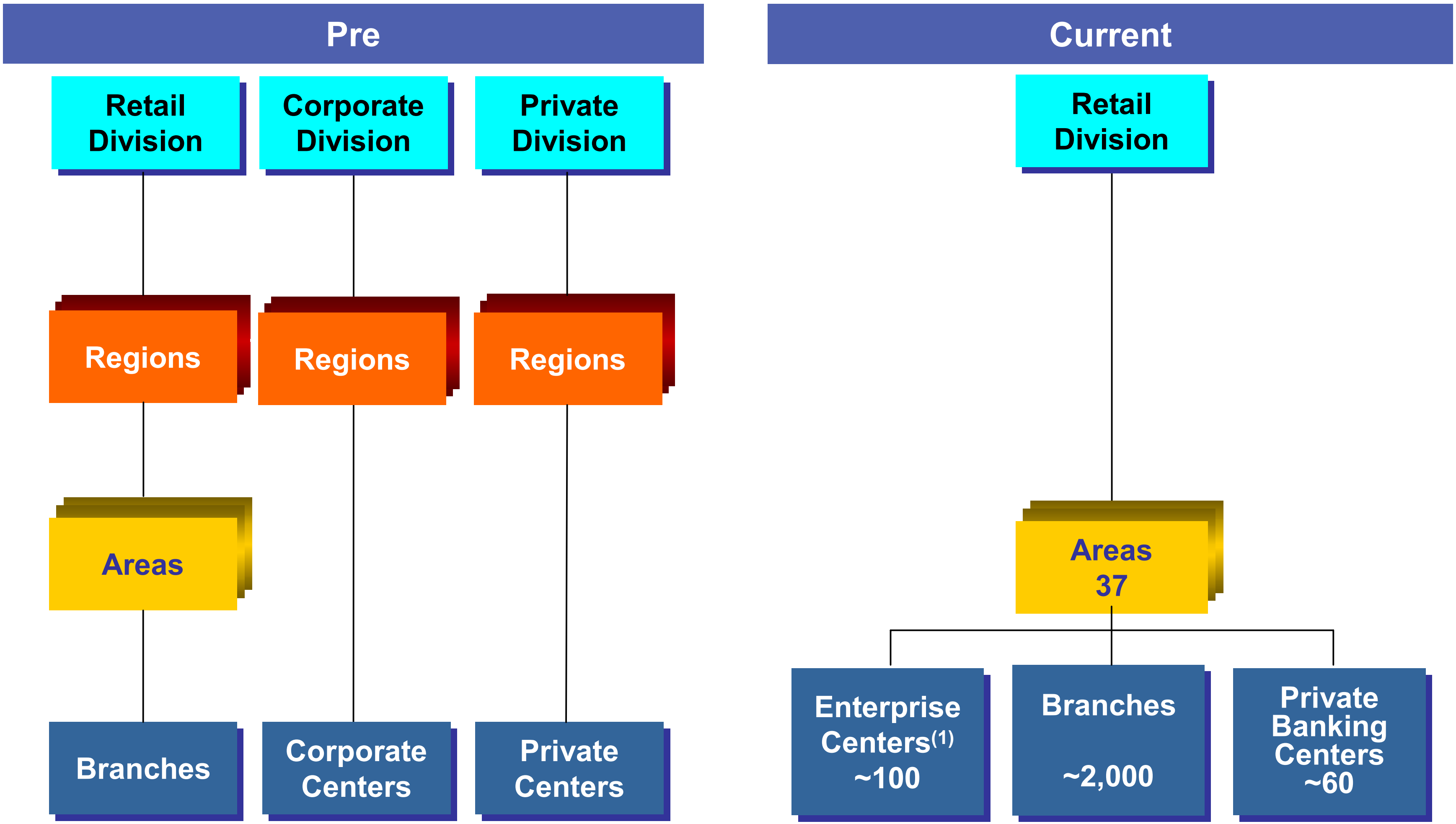
(1) To be booked in 2H03
(2) Capital gain calculated both on the Exchange Ratio and on the Carrying Value of Crédit Agricole shares as at June 30th 2003. Proceeds calculated on the sole cash component (equal to two thirds of the Tender Offer); Crédit Agricole shares (the remaining one third of the Tender Offer) for a Book Value of approximately €275m as at June 30th 2003 are still in the Bank's portfolio

Our Platforms for Growth	Status vs 2005 BP Target
➢ **Realize a "lean & mean" customer-oriented organizational model**	
➢ **Create and maintain a strong and cohesive management team**	
➢ **Complete the full integration of the three merged banks**	
➢ **Improve credit effectiveness**	

A Simplified and Customer-Oriented Organizational Model at the Top…



… and Locally



(1) *In addition to ~50 Corporate Centers to serve Mid and Large Corporate clients*

Management Team Strengthened

Chief Executive Officer
Corrado Passera

Head Office Departments

Services Companies

Retail Division
Massimo Arrighetti

- Marketing Retail
  Stefano Calderano
- Marketing SMEs
  Fabio Bolognini
- Private Banking
  Paolo Molesini
- Operations
  Maurizio Manzotti
- Systems & Technologies
  Mario Giordani
- Area Managers
  Franco Ceruti
  Rino Cunterio
  Vincenzo D'Alessio
  Franco Dall'Armellina
  Antonio Gezzele
  Claudio Zazzeri

Corporate Division
a.i. Corrado Passera

- Large Corp. & Struct. Fin.
  Gaetano Micciché
- Mid Corporate
  Marco Paolillo
- Govt. & Infrastructures
  Mario Ciaccia
- Financial Institutions
  Rony Hamaui
- Capital Markets
  Giovanni Gorno Tempini

Italian Banks Division
Giovanni Boccolini

- Biverbanca
  Virgilio Fenaroli
- BTB
  Aldo Dante
- Cariparma
  Guido Corradi
- Friuladria
  Luigi De Puppi
- Intesa Holding Centro
  Eliano Omar Lodesani

Foreign Banks Division
Giovanni Boccolini

- CIB (Hungary)
  Adam Farkas – Ferenc Karvalits
- PBZ (Croatia)
  Bozo Prka
- VUB (Slovakia)
  Tomas Spurny
- Sudameris Peru
  Carlos Taboada

Management Team Strengthened
Head Office Departments

CEO – Corrado Passera

Real Estate & Procurement – Giulio Bellan

Institutional Relations – Mario Ciaccia

Internal Auditing – Renato Dalla Riva

Finance & Treasury – Vincenzo La Via

External Relations – Stefano Lucchini

Human Resources & Organization – Francesco Micheli

Credit G.M. – Pier Francesco Saviotti

G.M. Roberto Brambilla:

Risk Management – Vittorio Conti

Corporate Development – Paolo Grandi

Legal Affairs – Elisabetta Lunati

Planning & Control – Carlo Messina

Administration – Ernesto Riva

Management Team Strengthened
Main Product & Service Companies

Product Companies (Retail Division)

- **Nextra**
  Giovanni Landi
- **Intesa Vita**
  Erik Stattin
- **Sirefid**
  Ernesto Prinzi
- **Setefi**
  Bruno Spadoni

Product Companies (Corporate Division)

- **Caboto**
  Giovanni Gorno Tempini

Product Companies

- **Intesa Mediocredito**
  Giovanni Bizzozzero
- **Banca CIS**
  Paolo Possenti
- **Intesa Leasing**
  Carlo Stocchetti
- **Intesa Mediofactoring**
  Carlo Alfei

Service Companies

- **ISS**(1)
  Romano De Carlo
- **IGC**(2)
  Vito Faggella

(1) *IT Group Company*
(2) *Distressed Loans Mgt Company*

Integration

Integration

~1,600 Banca Intesa branches (82% of the total) already using the Group - Single IT "Target System" (by Oct- 03 all the branches will be operating as a single network)

First "Banca Intesa" labelled products launched throughout the network (structured bonds and life insurance)

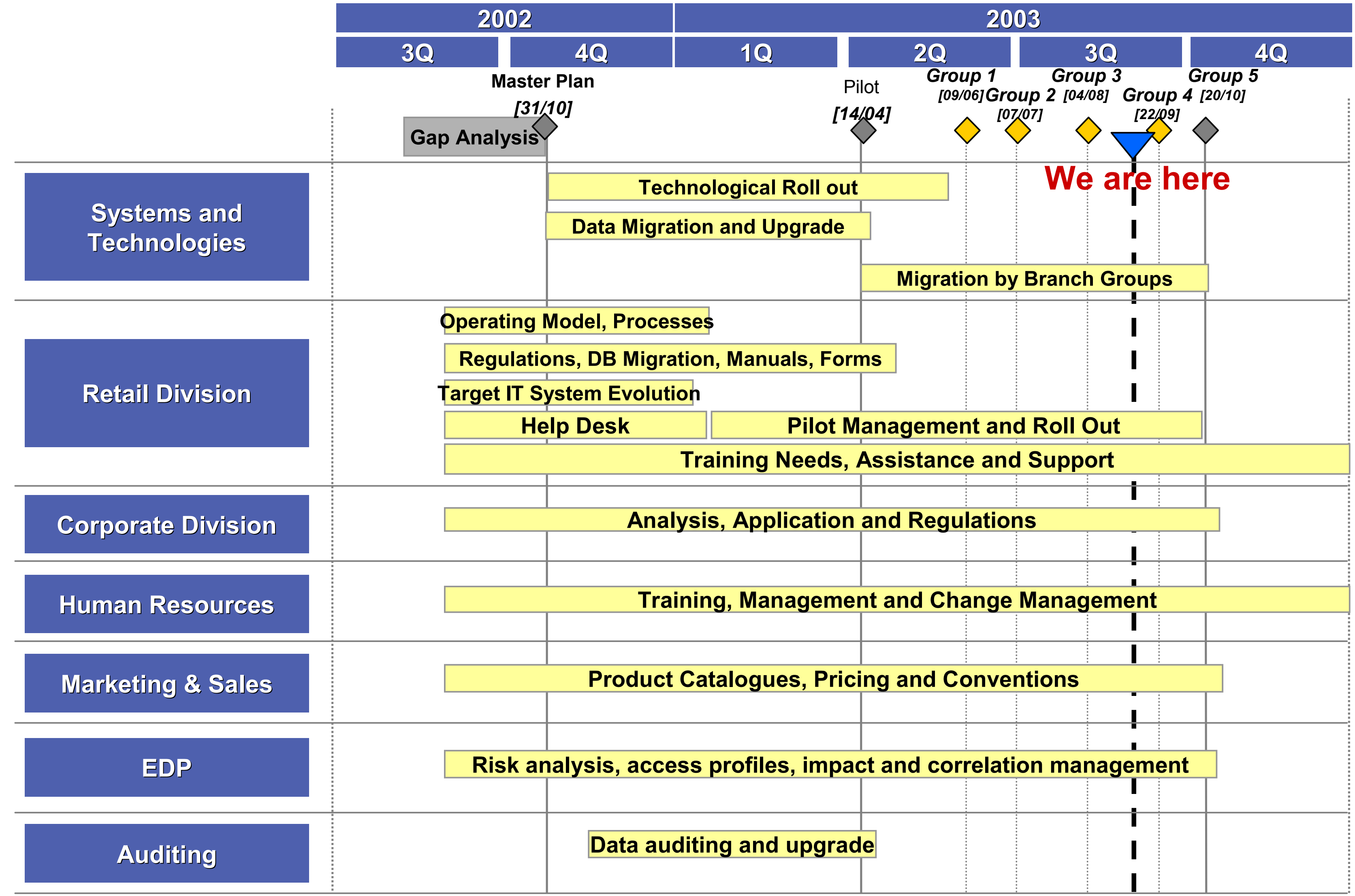
Massive Training Programmes (93,000 training days already delivered, of which ~40,000 devoted to former-BCI network migration)

Group new logo launched and branch re-branding almost completed

New branch layout and service model (already under test)

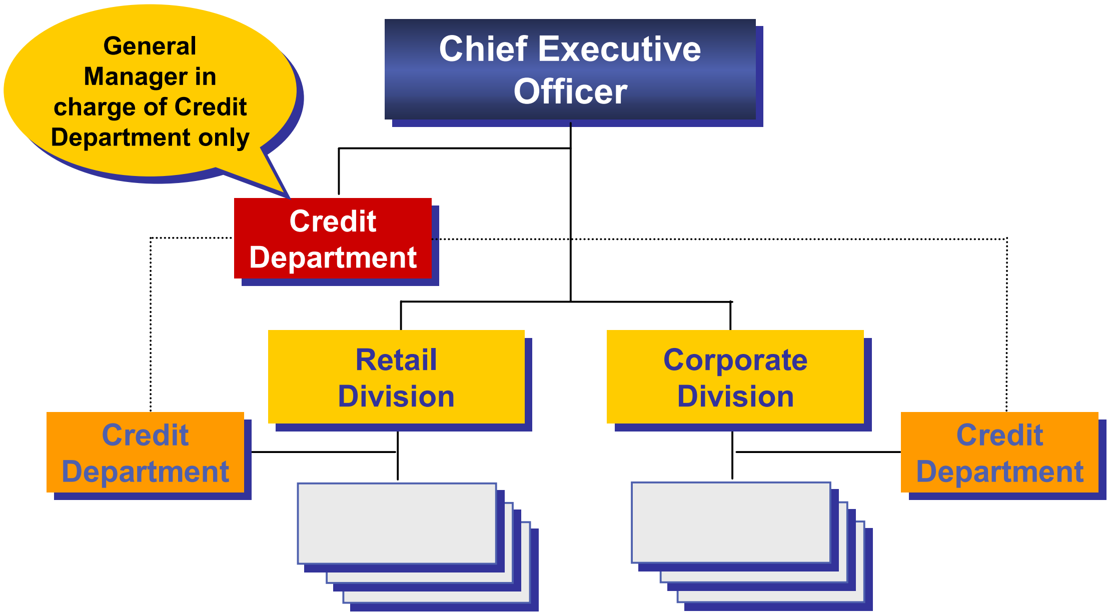
135 out of 150 redundant branches already closed

Migration of the Former-BCI Branches to the Target System



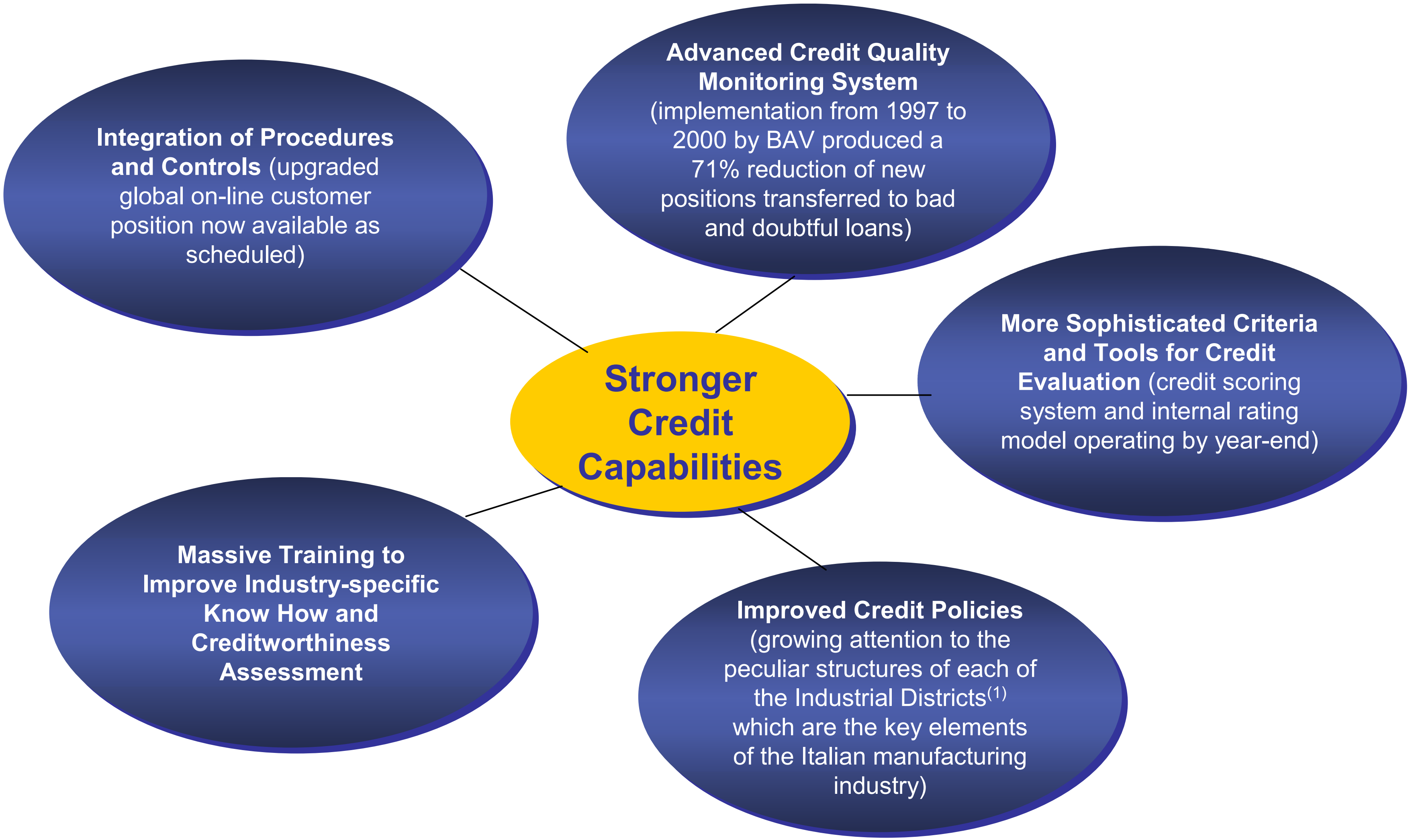
Banca Intesa

A Fully Independent Credit Department



- **With the setting up of a strong Credit Department, independent from marketing and sales, our capability of evaluating and monitoring credit quality has been enhanced**
  - ✓ **On the cost side, a reduction of €700m in Net Loan Loss Provisions is expected from improved asset quality**
  - ✓ **On the revenue side, a more appropriate credit pricing is expected from a clearer accountability of clients' risk premium**

Stronger Credit Capabilities



(1) A group of specialized producers localized in the same territory and linked one to the other along their production chain

100 Projects Under Way Targeted for Growth

The whole Group is actively implementing more than 100 projects in order to improve growth conditions throughout all the Group’s units.

In particular, numerous actions are currently under way in the Retail Division.

Retail Division: The Best is Yet to Come

- Banca Intesa Retail Division is already a major player in the Italian banking system
- New management team is dealing successfully with the main issues that have so far affected the Division's results and is re-enforcing the bases for strong growth
- The Retail Division has been entrusted with very challenging targets by the 2003-2005 Business Plan, while its sound potential for further growth is even greater

Our Retail Division is Already a Major Player in Italy

➢ **The Retail Division is responsible for providing services to Individuals[(1)], SOHO[(2)], SMEs[(3)], Local Public Administration and Non-Profit entities. The Wealth Management Companies report to the Retail Division**

Clients	**7,5m clients** ***of which:*** • **6m Households and 0.8m Affluent** • **21,000 Private** • **600,000 SOHO** • **64,000 SMEs**
Branches	**~2,200**
Employees	**~28,000**
Deposits	**€76bn**
AuM	**€75bn**
Indirect Funds	**€125bn**
Loans	**€52bn**

Market Shares	Retail Division	Total Group
Consumer Credit	6%	8%
Branches	7%	10%
Loans	8%	13%
Deposits	9%	14%
Bancassurance	9%	12%
Plastic Cards	10%	12%
Mortgages[(4)]	11%	14%
Mutual Funds	11%	18%
Pension Funds	28%	28%

(1) *Households, Affluent, Private*
(2) *Turnover <€2.5m*
(3) *Turnover between €2.5m and €50m*
(4) *To Individuals and SOHO*

The New Management Team …

Retail Division
Massimo Arrighetti

Credit — *Flavio Venturini*

Planning & Control — *Marco Hahn*

Human Resources & Organisation — *Maurizio Giro*

Private Banking — *Paolo Molesini*

Marketing Retail — *Stefano Calderano*

Marketing SMEs — *Fabio Bolognini*

Operations — *Maurizio Manzotti*

Internet Banking — *Guido De Vecchi*

Phone Banking — *Massimo De Simone*

Systems & Technologies — *Mario Giordani*

Area Manager Lombardia 1 — *Franco Ceruti*

Area Manager Lombardia 2 — *Franco Dall’Armellina*

Area Manager North East — *Antonio Gezzele*

Area Manager North West — *Rino Cunterio*

Area Manager Centre — *Claudio Zazzeri*

Area Manager South — *Vincenzo D’Alessio*

Nextra AM *Asset Mgmt* — *Giovanni Landi*

IntesaVita *Bancassurance* — *Erik Stattin*

Sirefid *Trustee* — *Ernesto Prinzi*

Setefi *Plastic Cards* — *Bruno Spadoni*

… is Dealing Successfully with the Main Issues that Have so Far Affected the Group's Results (1/2)

Status vs 2005 BP Target

- **Systems integration under completion**
  - ✓ a Single IT & Procedures system for all branches by October 2003
  - ✓ from 3 to 1 International Trade Settlement system
  - ✓ from 3 to 1 Life Insurance system
  - ✓ from 9 to 1 Internet platform by October 2003

- **Lowering Cost/Income ratio to market benchmark[1] (restructuring phase)**

  Actions on the cost side are well under way:

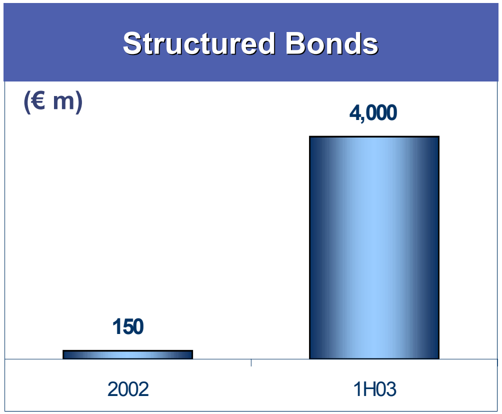
Status vs 2005 BP Target

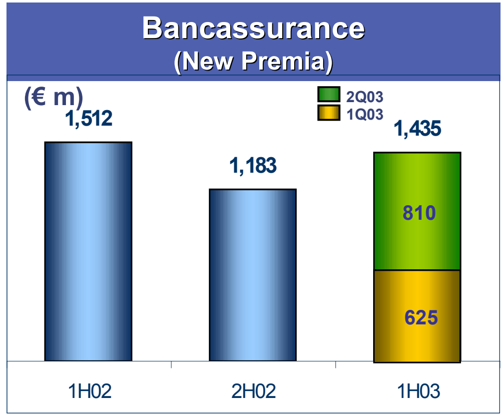
  - ✓ Personnel Cost: -6.8% 1H03 vs 1H02
  - ✓ Administrative Costs: -7.9% 1H03 vs 1H02
  - ✓ 135 out of 150 redundant branches already closed

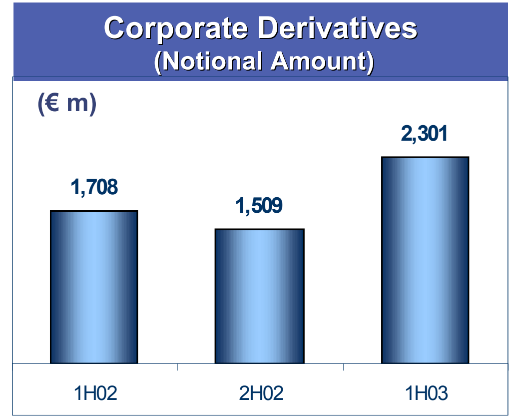
(1) The Cost/Income target for 2005 (56%) is based also on revenue increase

… is Dealing Successfully with the Main Issues that Have so Far Affected the Group's Results (2/2)

- **New products have been launched to urgently fill in the three following gaps**







Status vs 2005 BP Target

Our pricing policy is being reviewed

- ✓ **Repricing on unprofitable customers**
- ✓ **Renegotiation of the existing 18,000 special price agreements (so called "convenzioni")**
- ✓ **Actions on no-load current accounts**
- ✓ **Repricing on mutual funds and wealth management products**

… and Re-enforcing the Bases for Strong Growth (1/2)

- New product offer for each customer segment (examples)
  - Households and Affluent
    - New current account “Conto Intesa” (4Q03)
    - New Consumer Credit “Prestito Intesa” (3Q03)
    - New Mutual Funds offer (4Q03)
    - New Segregated Managed Accounts in Funds (1Q04)
  - Private
    - Rationalisation and widening of product offer (4Q03)
    - New Bancassurance products (4Q03)
    - Focus on Hedge Funds (4Q03)
  - SOHO
    - New current account (1Q04)
  - SMEs
    - New current account and services tailored on specific business sectors (1Q04)

- A more focused and dedicated structure for each customer segment

- New branch layout & service model
  - Focus on self-service banking for basic transactions
  - Increase number of resources devoted to sales vs back-office activities

- New rating, scoring and monitoring systems
  - Implementation under way

… and Re-enforcing the Bases for Strong Growth (2/2)

- **New sales skills**
  - "Arcobaleno" Project (more pro-active customer relationship management) will involve 10,000 people over the next 9 months
  - Product specialists (eg SMEs derivatives products)
  - Implementation of Individuals & SOHO salesforce IT platform
  - Implementation of SME salesforce IT platform
- **New incentive schemes**
  - Incentive plans based on both individual and team (single branch and business area) results. Strong rewards for outperforming results among branches
  - New tools for more transparent accountability
- **New communication and advertising policy**
- **Massive training, internal communication and motivation**

… with Great Potential for Further Growth

Align Market Shares to our potential
(eg consumer credit, corporate derivatives, bancassurance and structured bonds)

Cross-selling to existing customers
- 1.8 million customers hold 1 product
- 1.3 million customers hold 2 products

Service Model

New Products

Growth

Marketing Communication

Sales Skills and Relationship Management

Up-selling
- 80% of Mutual Funds invested in fixed income securities and monetary funds (vs 68% market average)
- ~€50bn invested in Gov. Bonds / Plain Vanilla

Re-pricing
- ~18,000 special price agreements still to be renegotiated
- 30% of current accounts are no-load

Appendix

Quarterly Analysis

Sudameris Brasil and Carinord2 consolidated by Equity Method (€ m)	1Q02	2Q02	3Q02	4Q02	1Q03	2Q03
	Pro-forma					
Net Interest Income	1,370	1,329	1,365	1,330	1,289	1,260
Dividends & Eq. Profits	45	117	15	35	67	89
Net Commissions	823	836	799	804	788	835
Other Non-Interest Income	180	200	39	192	265	382 (1)
Total Income	**2,418**	**2,482**	**2,218**	**2,361**	**2,409**	**2,566**
Operating Costs	(1,644)	(1,613)	(1,541)	(1,693)	(1,517)	(1,552)
Operating Margin	**774**	**869**	**677**	**668**	**892**	**1,014**
Goodwill Amortisation	(23)	(24)	(60)	(33)	(32)	(32)
Net Provisions	(243)	(1,092)	(309)	(1,236) (2)	(336)	(358)
Ordinary Income	**508**	**(247)**	**308**	**(601)**	**524**	**624**
Extraordinary Items	241	(191)	(375)	599	30	84 (3)
Income Taxes & Minorities	(324)	127	9	146	(241)	(311)
Net Income	**425**	**(311)**	**(58)**	**144**	**313**	**397**

Note: *2002 and 1Q03 pro-forma figures to reflect 2Q03 consolidation area (including VUB and excluding Banco di Chiavari, Sudameris Argentina and IntesaBci Bank Suisse. Sudameris Brasil and Carinord2 consolidated on application of the equity method)*

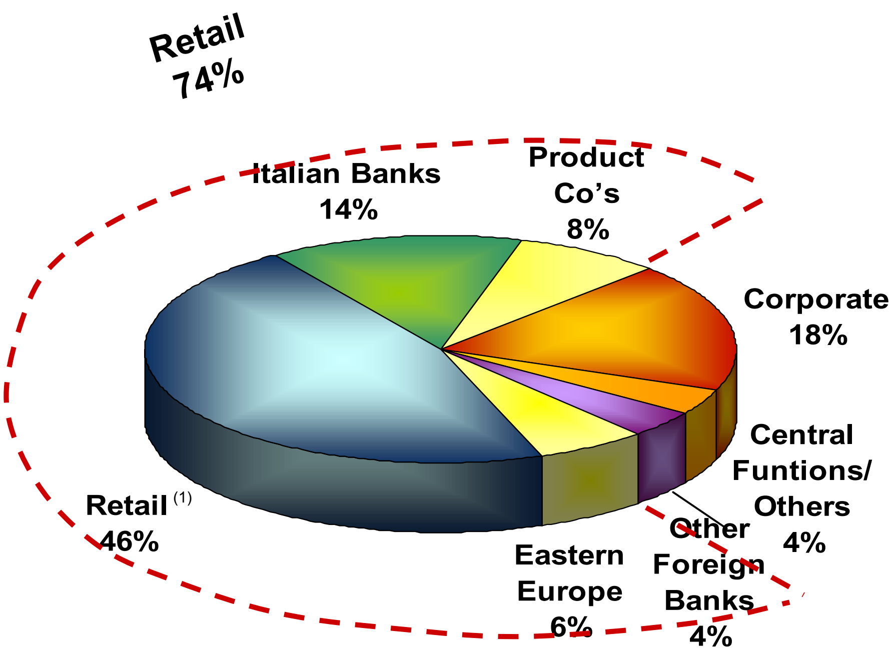
(1) *Including €35m for Credit Agricole stake mark to market*

(2) *Including €133m exit costs from Argentina, €300m charges for Peru, €100m generic provisions for LatAm and €165m for Commerzbank and HVB stakes write-down*

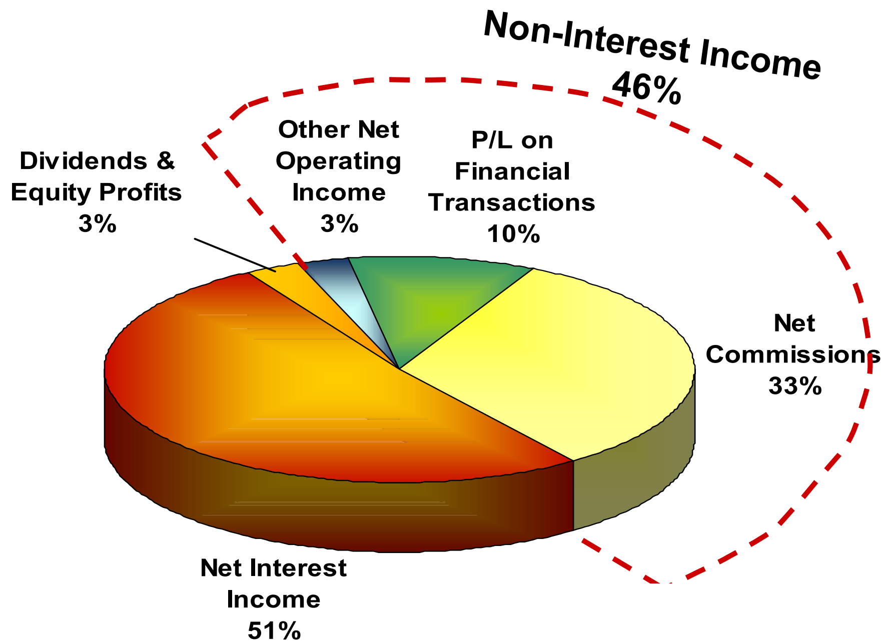
(3) *Including €223m income from treasury shares mark to market and €130m charges for disengagement from LatAm*

Well Diversified Source of Revenues

1H03 Total Income Breakdown by Business Area

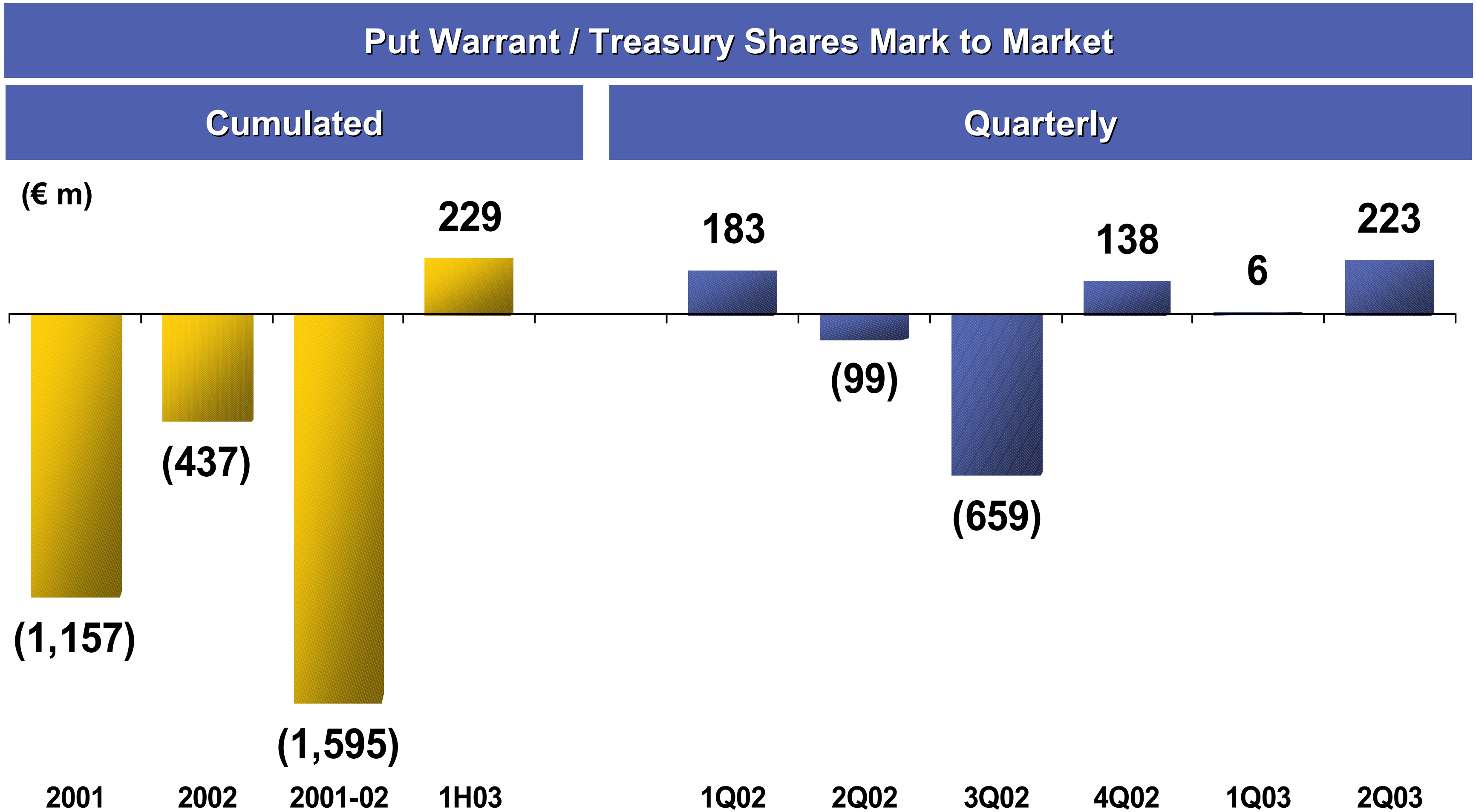


1H03 Total Income Breakdown by Item



(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*

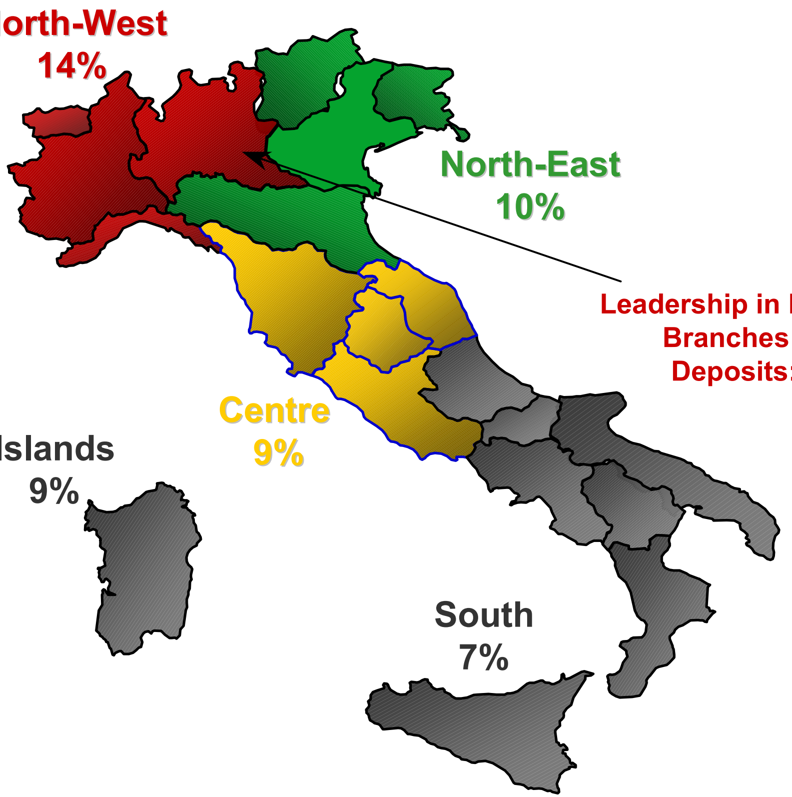
Put Warrant & Treasury Shares Mark to Market



Note*: Treasury shares Carrying Value as of 30.06.03: €2.765; 319,214,748 treasury shares remaining*

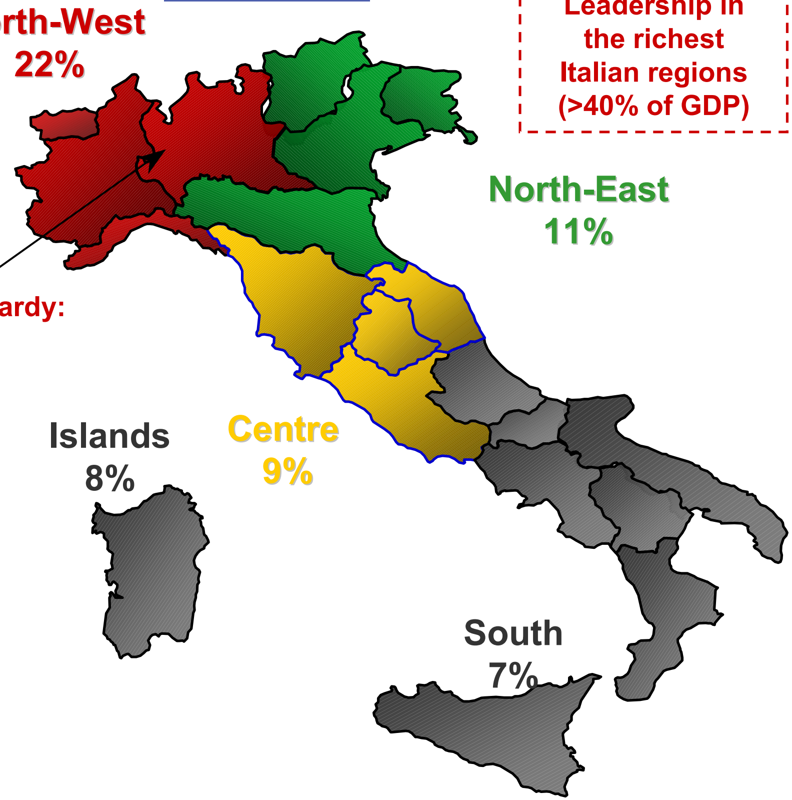
Strong Presence in the Richest Italian Regions

Branches



Leadership in Lombardy:
Branches: 16%
Deposits: 26%

Deposits(1)



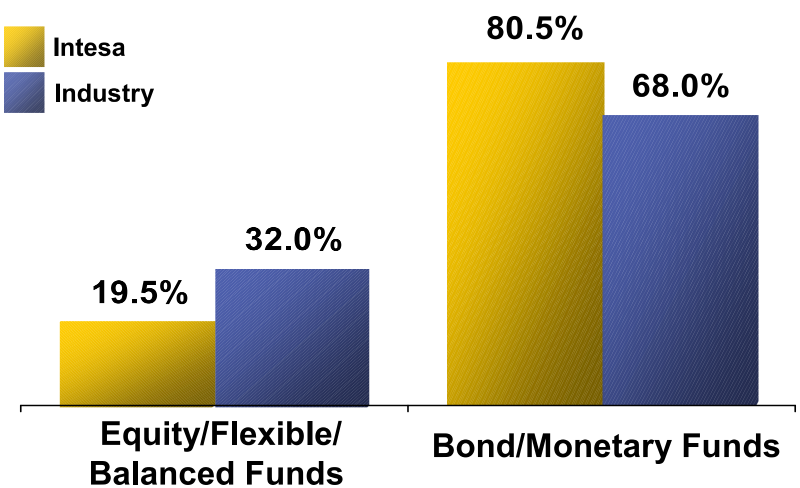
Leadership in the richest Italian regions (>40% of GDP)

	Branches	Deposits(1)
Market Share	10.3%	13.5%

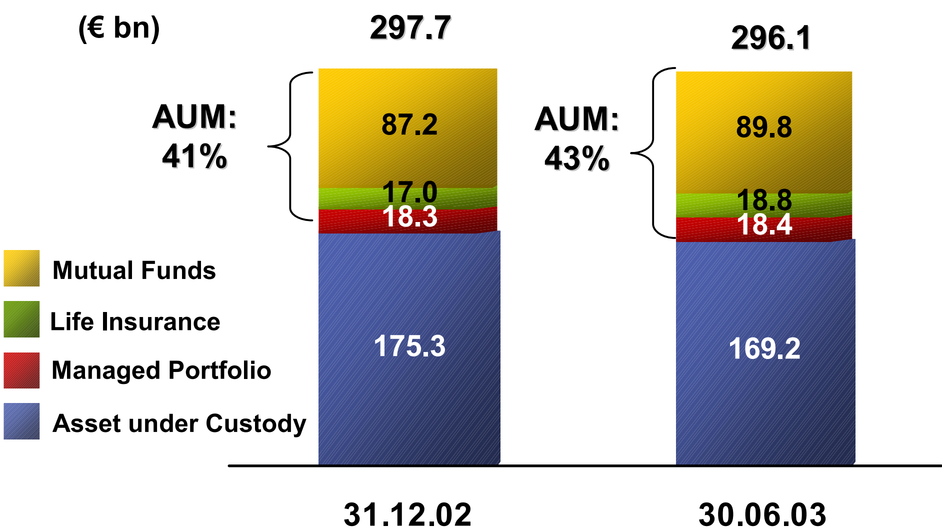
Data as of March 2003
(1) *Excluding bonds and repos*

Wealth Management

Mutual Funds Asset Mix(1)



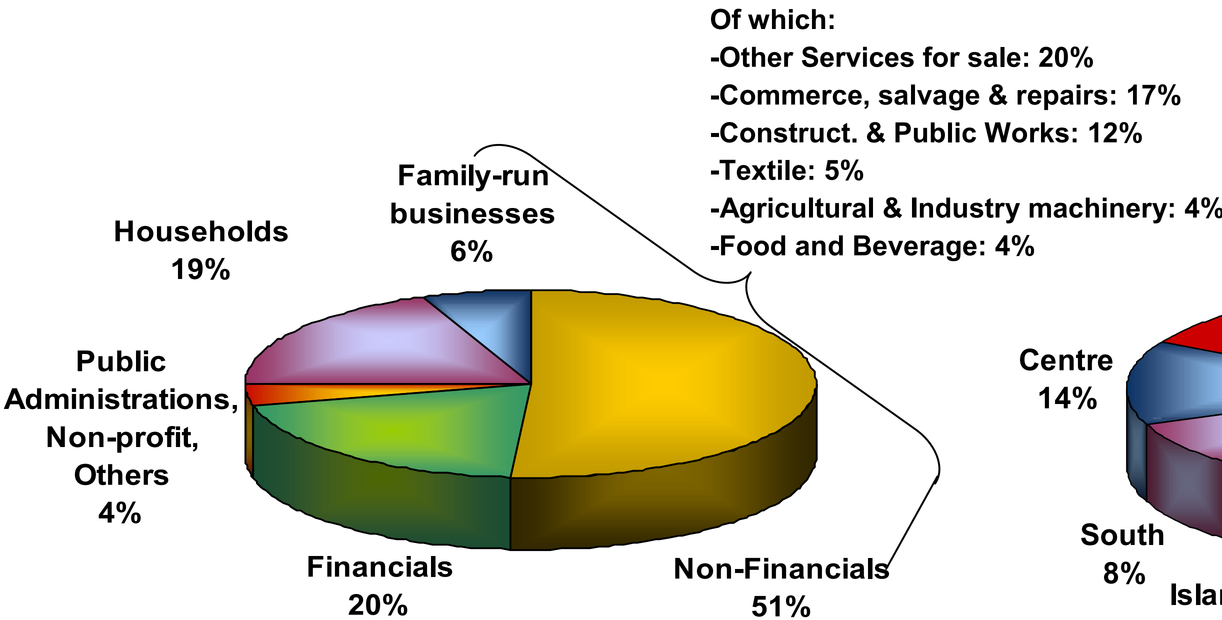
Indirect Funds Composition

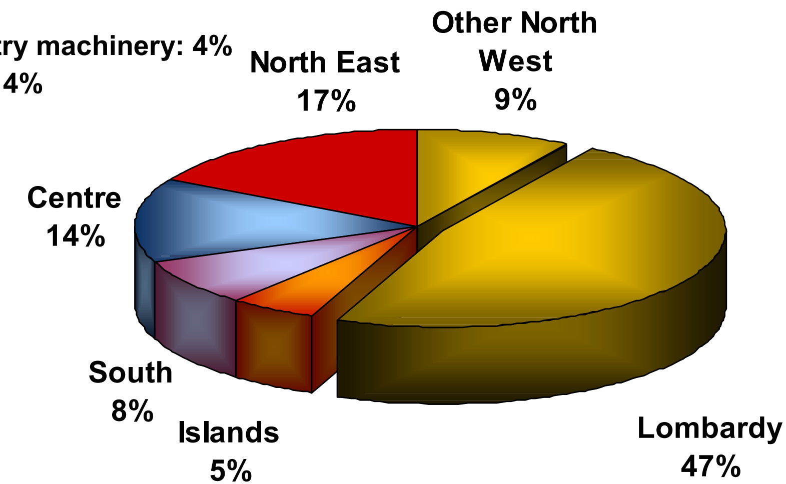


(1) *As of 30.06.03*

Well Diversified Domestic Loan Portfolio

Breakdown by Sector	Breakdown by Geographical Area





- 47% of our loan portfolio is concentrated in Lombardy (73% in the North)
- 42% of our loan portfolio is represented by mortgages

Reduction in Large International Corporate

Intl. Large Corporate Exposure Overview

	31.12.01	30.06.02	31.12.02	30.06.03
RWA	€34bn	€31bn	€23bn	€16bn

	31.12.01	30.06.02	31.12.02	30.06.03
Allocated Capital(1)	€2.0bn	€1.9bn	€1.4bn	€0.9bn

30.06.03 Loans Breakdown(2) by

Country

Europe	60%
North America	35%
ROW	5%

Industry

Industrials	33%
Consumer/ Retail	24%
Telecom	14%
Chemicals/ Pharma	6%
Tech	4%
Other	19%

Rating

Upper Inv. Grade	40%
Lower Inv. Grade	29%
Non Inv. Grade	13%
Not Rated	18%

- **Each position of the entire Large Corporate portfolio has been audited by the credit department**
- **Strong reduction of the exposure vs North America (50% as of 30.06.02)**

(1) *6% of RWA*
(2) *Net of NPLs and Substandard Loans*