Our Vision and Objectives 2003-2005 Business Plan

Corrado Passera
CEO

Milan, September 9th, 2002

Agenda

1	**Introduction**
2	New Organisation and Team
3	Core Priorities
4	2001-2005 Value Creation Targets
5	2002 Results
6	Conclusion

Timeline to New Business Plan

May - June 2002

- Identification of
  - Major issues
  - Key top managers
  - Growth opportunities
  - Areas for efficiency improvement

July - August 2002

- Implementation of new organisational structure
- Appointment of management team
- Completion of 2003-2005 Business Plan

IntesaBci's turnaround is already under way

New Business Plan Rationale

- **Address and solve:**
  - **Risk profile and asset quality**
  - **Latin America exposure**
  - **Capital base**

- **Activate IntesaBci's revenue and efficiency potential**

- **Operate a clear turnaround with tangible results already in 2003**

Balanced and Comprehensive Set of Initiatives

- Realistic macroeconomic assumptions

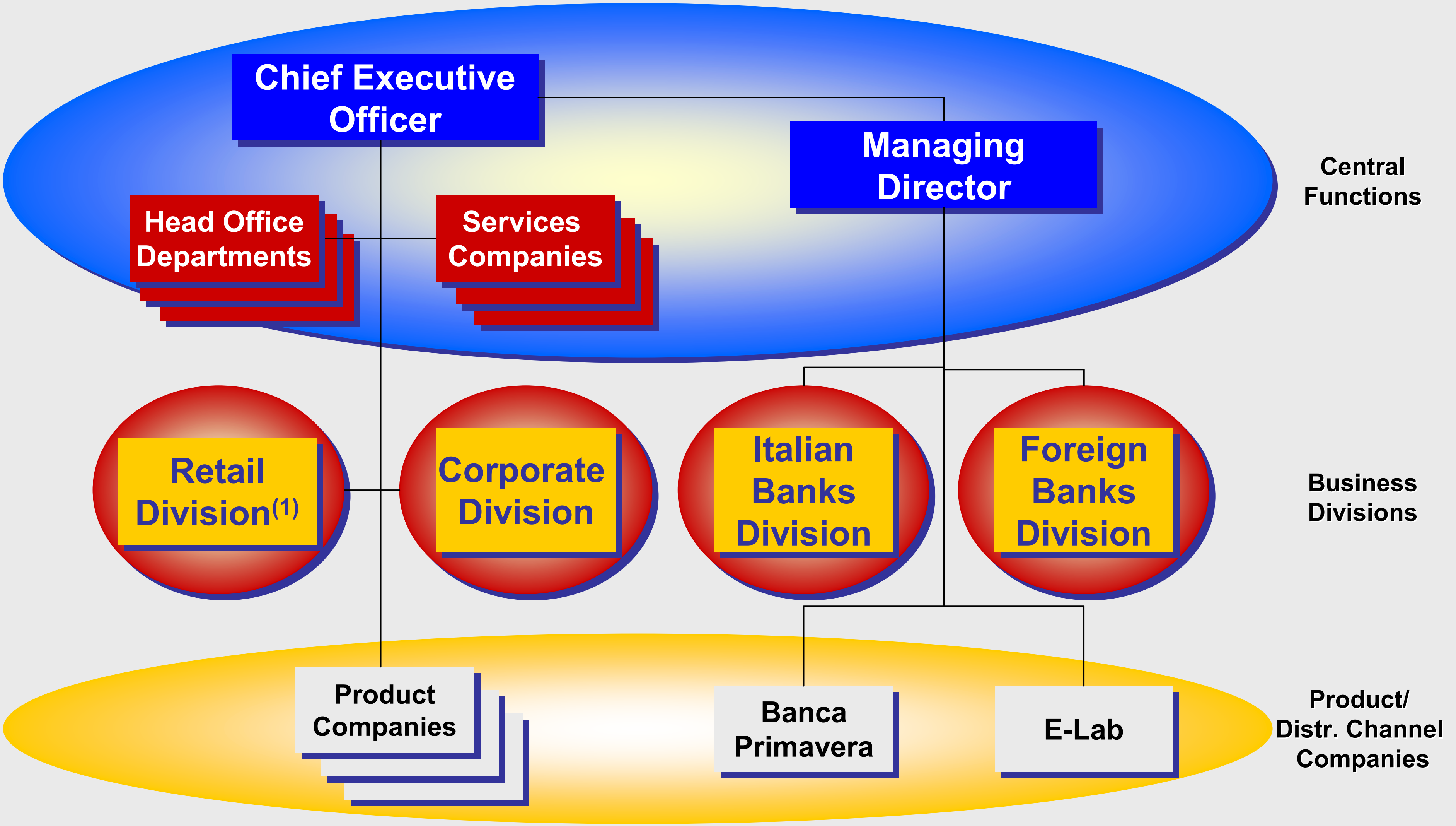
- Balanced mix of actions (revenue & cost): contingency plans ready if revenues lower than expected

- Extraordinary writedowns and restructuring charges fully factored in 2002 accounts

Agenda

1	Introduction
2	**New Organisation and Team**
3	Core Priorities
4	2001-2005 Value Creation Targets
5	2002 Results
6	Conclusion

New Organisational Structure
Six Clear Areas of Accountability



(1) Includes Individuals (Famiglie, Premium, Private), Businesses with turnover <€25m (Affari, Imprese), Local Public Administration and Non Profit Entities. Including former Ambroveneto, Cariplo and BCI domestic networks

New Management Team

- A solid and closely knitted management team is key to succeed

- New management team in place:
  - Highly skilled internal resources
  - Selective external recruitment of top performers (Credit, Human Resources and Organisation, Merchant Banking, External Relations)
  - CEO's "ad interim" responsibilities for two Divisions (retail, corporate)

- The team will be further strengthened in the next coming months

- Commitment to have the best resources available on the market for each position

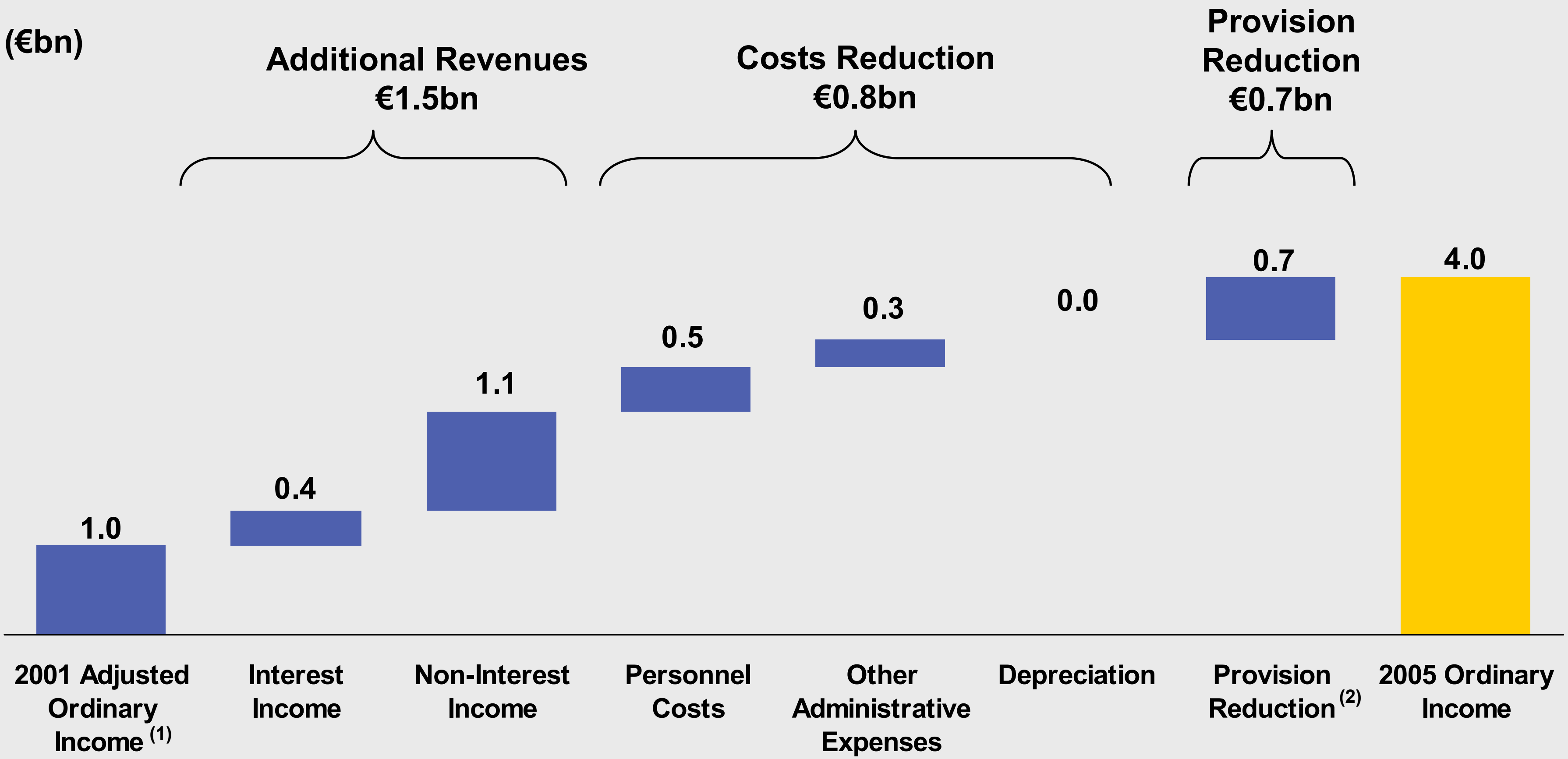
- Top management compensation strongly dependent on business plan targets and stock price performance

Key Divisional Data
Pro Forma 2001[1]

(€m)	Retail	Italian Banks[2]	Product Co's	Corporate[3]	Foreign Banks	Central Functions/ Other	Total
Total Income	4,439	1,534	1,039	1,988	1,995	333	11,328
Operating Profit	777	550	530	1,434	580	(81)	3,789
Cost/Income[4]	83%	64%	49%	28%	71%	n.m.	67%
Assets (RWA)[5]	58,273	21,291	23,800	83,039	33,849	28,205	248,457
Allocated Capital	3,620	1,277	1,769	4,982	2,031	1,694	15,373
Pretax ROE[6]	8.7%	33.5%	19.5%	16.2%	(28.9)%	(59.3)%	1.9%
EVA® [7]	(96)	202[8]	65	19	(784)	(174)[9]	(768)

(1) *Pro forma to be consistent with 2002 year end consolidation area (VUB, CR Terni e Narni)*
(2) *Includes CR Parma, CR Terni e Narni, Biverbanca, Friuladria, Banco di Chiavari, CR Carrara, CR La Spezia, Holding Intesa Centro and Banca Trento e Bolzano*
(3) *After €520m pretax merchant banking dividends (SEAT PG)*
(4) *Includes depreciation and amortisation (excluding goodwill amortisation)*
(5) *Includes credit and market risk*
(6) *Ordinary income (before extraordinary items and income taxes) / allocated capital*
(7) *Average weighted Group cost of capital: 11%*
(8) *After pretax extraordinary items of €160m*
(9) *Includes cost / return of surplus / deficit capital, unallocated provisions, consolidation adjustments, Bad Bank and tax impact*

Our Algorithm to Success



(1) *Pro forma for 2002 year end consolidation area (CR Terni e Narni, VUB), excluding Latin America, expected disposals of other non core international equity investments, non recurring dividends from merchant banking activities and €300m of extraordinary loan losses provisions*

(2) *Net loan loss provisions / loans from 130 b.p. to 60 b.p.*

Agenda

Our Core Priorities

1. Reduce Group risk profile and improve asset quality
2. Disengage from Latin America
3. Strengthen capital base
4. Enhance profitability and maximise shareholders' value

Our Core Priorities

1. Reduce Group risk profile and improve asset quality
2. Disengage from Latin America
3. Strengthen capital base
4. Enhance profitability and maximise shareholders' value

Reduce Risk Profile
Increase Capital Allocated to Retail

	Risk Weighted Assets		
	2001	1H 2002	2005
Retail (share of total)	42%	44%	~60%
Retail	23%	25%	32%
Italian Banks	9%	9%	12%
Product Companies	10%	10%	15%
Corporate	33%	33%	28%
• *Large & Mid Foreign Co's*	*15%*	*15%*	*7%*
• *Large Italian Co's*	*8%*	*6%*	*6%*
• *Mid Italian Co's*	*6%*	*6%*	*8%*
• *Govt. & Fin. Inst.*	*2%*	*1%*	*2%*
Foreign Banks Subsidiaries	14%	13%	6%
Head Office Departments	11%	10%	7%
Total	100%	100%	100%

Key Actions

- Reduction of loans (cash and guarantees) to Large Corporate (-€13bn of RWA by 2002, of which €5.5bn already done in 1H2002)
- Exit from foreign Mid Corporate (-€2.5bn of RWA by 2003)

Reduce Risk Profile
Increase Capital Allocated to Domestic Business

	Risk Weighted Assets		
	2001	1H 2002	2005
Italy	71%	72%	87%
Europe	15%	16%	10%
ROW	14%	12%	3%
Foreign	29%	28%	13%
TOTAL	100%	100%	100%

Key Actions

- **Radical reduction of Non European foreign assets through:**
  - Disengagement from Latin America (-€15bn of RWA by 2003)
  - Sale/winding-up of other international non core equity investments (-€8bn of RWA by 2003)
  - Reduction of exposure to Large/Mid Foreign Companies (-€15bn of RWA by 2003 / - €9bn by 2002)

Reduce Risk Profile
Reduce Exposure to Intl. Large Corporate

Intl. Large Corporate Exposure Overview

Positions:	250
RWA:	€31bn *(€25bn by Dec 2002)*
Allocated Capital:	€1.9bn *(€1.5bn by Dec 2002)*

Coverage Considerations

- €1.7bn gross NPLs/substandard loans
- €1bn of provisions for a 61% coverage ratio (82% vs. Enron, Swissair, WorldCom and Marconi UK)

Loans Breakdown[1] by

Country

Europe	50%
North America	42%
ROW	8%

Industry

Industrials	28%
Consumer/ Retail	22%
Telecom	18%
Chemicals/ Pharma	7%
Tech	3%
Other	22%

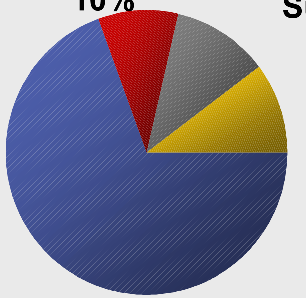
Rating

Upper Inv. Grade	58%
Lower Inv. Grade	22%
Non Inv. Grade	5%
Not Rated	15%

Data as of June 30, 2002
(1) Net of NPLs and substandard loans

Reduce Risk Profile
Reduce Exposure in Credit Derivatives Trading

Credit Derivatives Portfolio



Total Portfolio: €81bn
(of which trading book: €66bn)

Key Actions

- Reduction of trading book
- Banking book for:
  - Fully hedged products for clients
  - Hedging of bank portfolio
- Two satisfactory independent audits on:
  - Outstanding positions
  - Underlying credit risk

Open Positions

	Investment Grade	Maturity by 2003
Super Senior	100%	20%
Other	95%	43%

Value at Risk(1) / Stress Test

(€m)	2001-2002	2003-2005
VAR	20	15
Stress Test	40	30

Data as of June 30, 2002
(1) Holding period: 1 year. Confidence level: 99%

Reduce Risk Profile
Improve Asset Quality

	Ratios		
	2001	1H 2002	2005
Loan Provisions/Op. Profit	69%(1)	60%(1)	18%
Loan Provisions/Loans	1.4%	0.6%(2)	0.6%
Net NPLs/Loans	3.0%	3.1%	2.0%
NPLs Coverage	59%	61%	67%
Net NPLs/Core Tier I	43%(1)	43%	21%

Key Actions

- Asset mix strategic decisions
- Strong Credit Department totally independent from marketing and sales
- Complete integration of procedures and controls from three former banks
- New lending procedure: improve lending processes and specialise by division and client segment
- Improve Risk Control through advanced credit quality monitoring system (adoption of this instrument – from 1997 to 2000 – by BAV has produced a 71% reduction of the new positions transferred to bad and doubtful loans)
- Develop new Risk Management tools (new internal rating system; new credit scoring for retail business)
- Securitisation of €1.5bn of NPLs

(1) Pro forma to be consistent with 2002 year end consolidation area (VUB for 2001 and 1H 2002, CR Terni e Narni for 2001). (2) Not annualised

Our Core Priorities

1. Reduce Group risk profile and improve asset quality
2. Disengage from Latin America
3. Strengthen capital base
4. Enhance profitability and maximise shareholders' value

Disengage from Latin America

Country	Carrying Value (1) (€m)	Intra-Group Exposure (€m)
Brazil	413	514
Argentina	0	30
Peru	0	262
Other(2)	103	143
TOTAL	516	949

Data as of June 30, 2002

(1) In consolidated accounts, after 2Q 2002 provisions

(2) Includes Paraguay, Colombia, Uruguay, Chile and Panama

Disengage from Latin America
Key Actions

Brazil

- Advanced negotiation with Banco Itau underway and according to schedule as per share purchase agreement
  - Due diligence negotiation under way
  - If an agreement is not reached, an independent expert will submit a final report by end of November
  - Final relevant regulatory approvals

Argentina

- Divestiture through merger with local bank. Minority stake might be held without further commitment

Peru

- Commitment to cut off risk and losses
  - Full audit to be completed by 2002
  - New management in place
  - Reassessment of operations
  - Divestiture as a viable option

Disengage from Latin America
How to Pay

- **Self-financing disengagement strategy. Brasil transaction expected to match exit costs in other countries**

- **No more capital injection excluding exit costs in Argentina and Peru**

- **2002 will pay all extraordinary charges (1H2002 €170m already charged to write-off Peruvian equity investment)**

Our Core Priorities

1. Reduce Group risk profile and improve asset quality
2. Disengage from Latin America
3. Strengthen capital base
4. Enhance profitability and maximise shareholders' value

Strengthen Capital Base
Increase Tier 1 Ratio without any Capital Increase

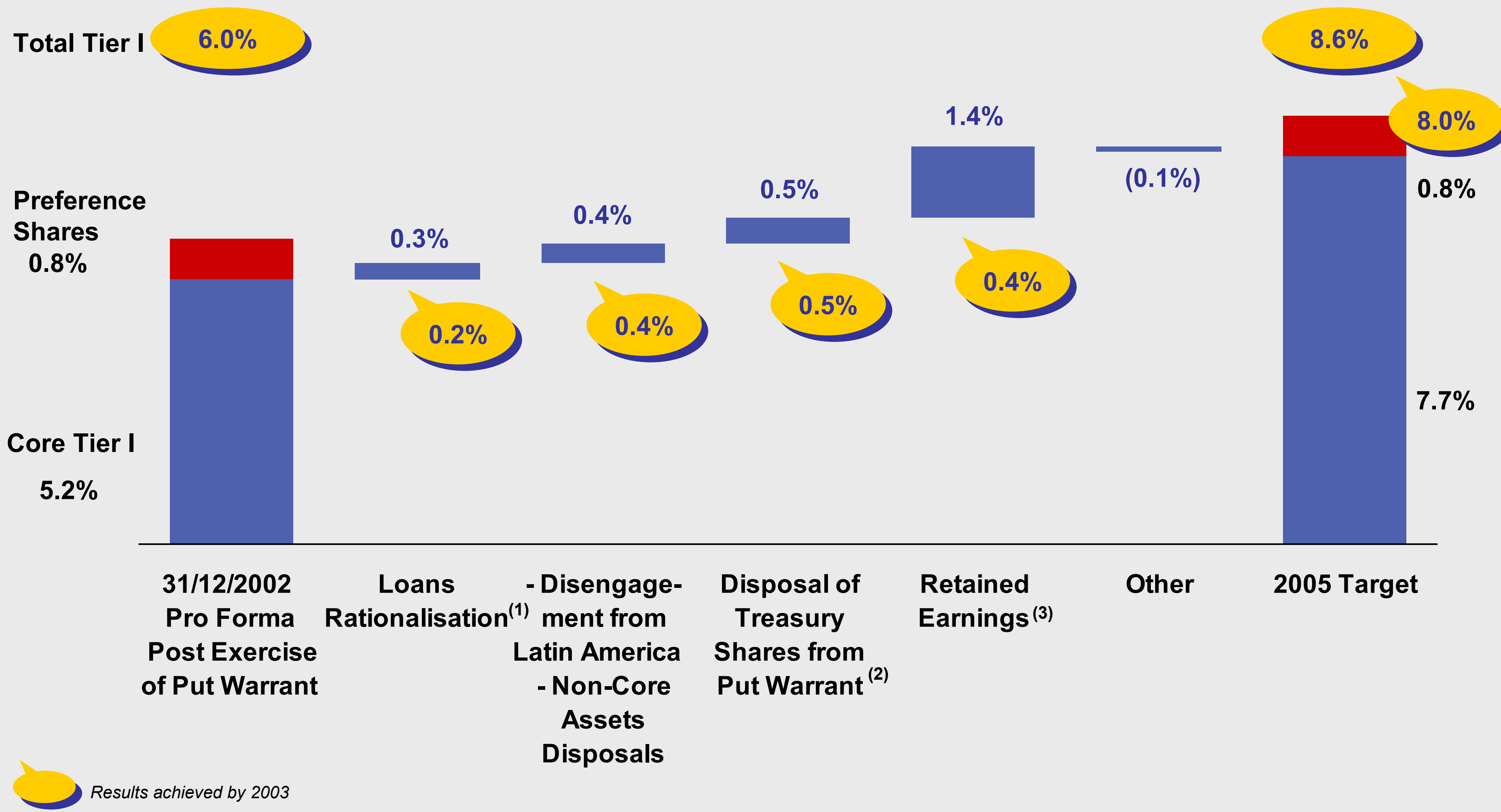
	2001	1H 2002	2002	2003	2005
Core Tier I	5.3%	5.6%	5.2%	7.1%	7.7%
Tier I	6.0%	6.4%	6.0%	8.0%	8.6%
Total Capital	9.3%	10.2%	10.0%	11.7%	11.0%
Free Capital (€bn)	(0.9)	(0.8)	(1.0)	3.0	8.8

Put Warrant Exercise: -50bp

Strengthen Capital Base
Key Drivers

Loans Portfolio	Large Corporate	➢ Reduction of €17bn of RWA
	Mid Corporate	➢ Reduction of €2.5bn foreign mid-corporate RWA
	NPLs	➢ Securitisation of €1.5bn of NPLs
Put Warrants		➢ Disposal of Treasury shares through several actions: mix of instruments planned in order to minimize market impact
Real Estate		➢ Sale up to €0.5bn
Non Core Equity Investments		➢ Disengagement from Latin America: reduction of €15bn of RWA ➢ Sale / winding-up of other non core equity investments: reduction of €8bn of RWA

Strengthen Capital Base
Contribution of Strategic Initiatives to Tier 1 Target



(1) Revised exposure to Large Corporates and possible loans securitisation
(2) Based on current prices
(3) Assuming an average pay-out ratio of 40% in 2003-2005

Summary of Key Actions

	Actions	Status
Reduce Risk Profile	➢ Reduction of loans to Large Corporate	
	➢ Exit from foreign Mid Corporate	
	➢ Reduce exposure in Credit Derivatives trading	
Disengage from Latin America	➢ Brasil	
	➢ Argentina	
	➢ Peru	
Strengthen Capital Base	➢ RWA reduction	
	➢ Securitisation of performing / non performing loans	
	➢ Sale of real estate	

Agenda

Value Creation Strategy

- Leverage on our prominent market position in Italy
- Fully exploit our revenue generation potential
- Significantly improve operating efficiency
- Actively manage our portfolio of activities through dynamic capital allocation

Value Creation Formula (2001-2005)[(1)]
Profitability Enhancement

$$1.5 \quad - \quad 1.5 \quad = \quad 3$$

Additional Revenues

Costs / Provisions Reduction

Higher Ordinary Income

(1) 2005 vs. 2001 pro forma for disengagement from Latin America and sale of other non core international equity investments, net of non recurring dividends from merchant banking activities (€520m) and €300m of extraordinary loan loss provisions

2001-2005 Group Value Creation Targets

	2001		1H 2002		2005
	Pro forma	Cu	Pro forma[1]	Current[2]	
Total Income (€bn)	9.5	11.3	4.6	5.2	11.1
Operating Profit (€bn)	3.0	3.8	1.6	1.7	5.4
Cost/Income[3]	69%	67%	67%	67%	52%
Assets (RWA) (€bn)	224.7	248.5	209.4	227.3	211.3
Allocated Capital (€bn)	13.9	15.4	13.0	14.1	13.2
Pretax ROE[4]	3%	2%	3%[5]	2%[5]	30%
ROE	7.9%	6.7%	2.1%[5]	0.8%[5]	14.8%
EVA® (€m)	(359)	(768)	(476)	(717)	1,000[6] 620

(1) Excluding Latin America, expected disposals of other non core international equity investments and non recurring dividends from merchant banking activities in 2001 (€520m)
(2) Consistent with 2002 year end consolidation area (VUB for 2001 and 1H 2002, CR Terni e Narni for 2001)
(3) Includes depreciation and amortisation (excluding goodwill amortisation)
(4) Ordinary income (before extraordinary items and income taxes) / allocated capital
(5) Not annualised
(6) Excluding cost on surplus capital

Transparent Set of Objectives for Each Business Unit

	Retail	Italian Banks(1)	Product Comp.	Corporate	Foreign Banks	Central Funct./Other (2)	Total
2001(3) EVA® (€m)	(96)	202	65	19	(784)	(174)	(768)
2005 EVA® (€m)	690	195	70	330	160	(825)	620

After pretax extraordinary items of €160m

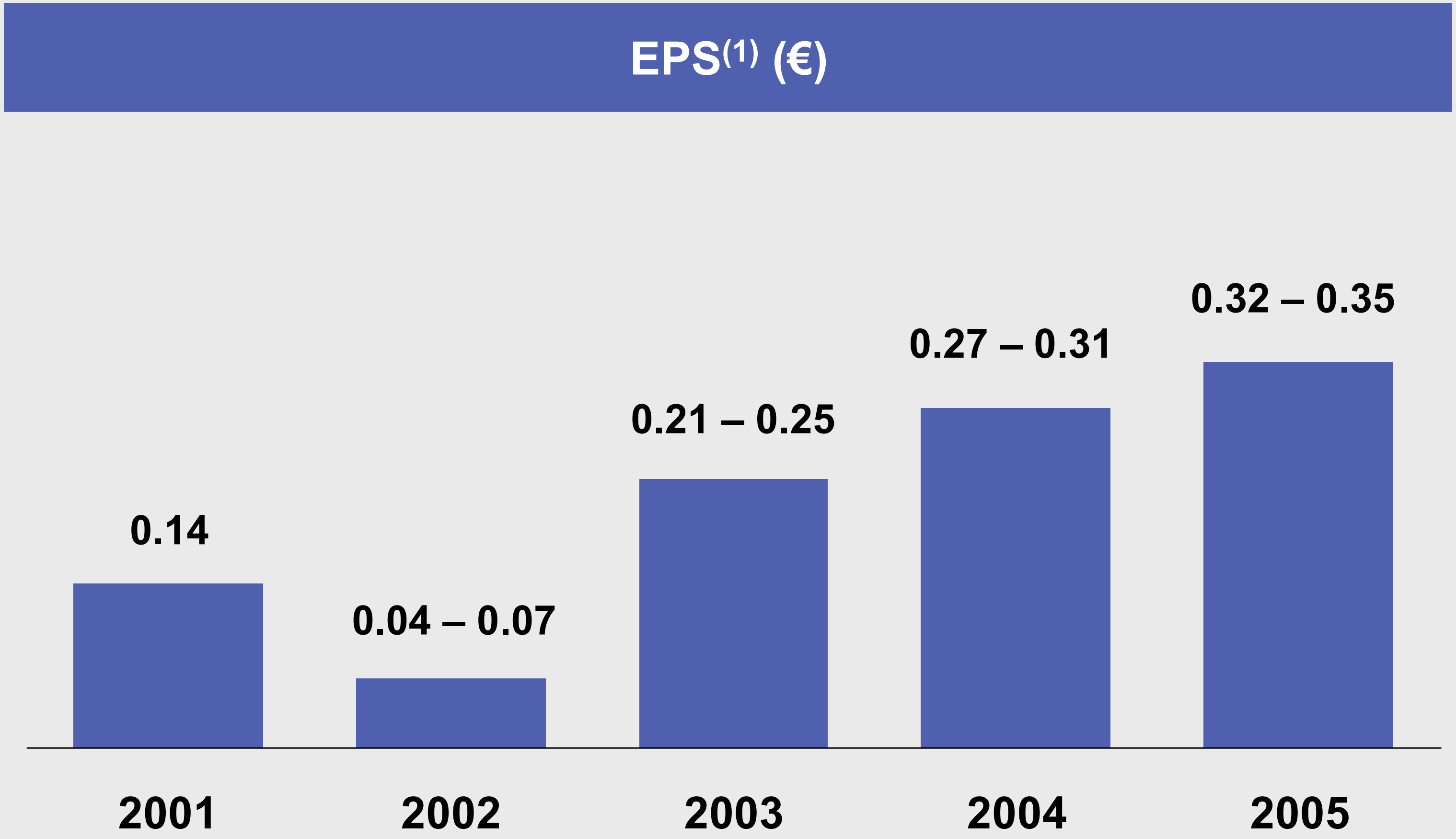
After €520m pretax merchant banking dividends (Seat PG)

1,000(4)

	2001	2005
Treasury and Finance	28	86
IGC	(356)	8
Central Functions	(222)	(200)
Cost of Surplus Capital	-	(395)
Deferred Taxes	430	-
Other(5)	(53)	(324)

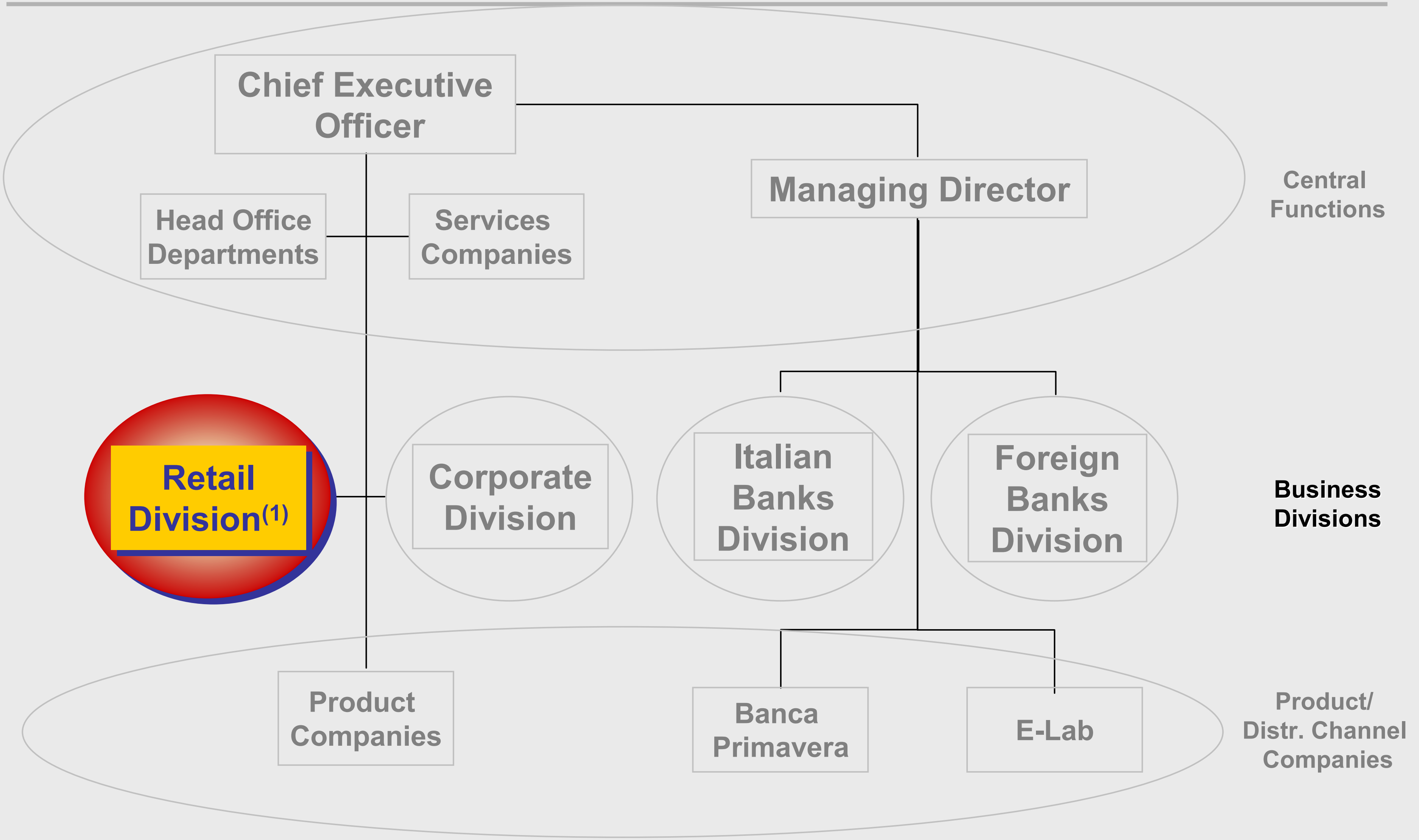
(1) Includes CR Parma, CR Terni e Narni, Biverbanca, Friuladria, Banco di Chiavari, CR Carrara, CR La Spezia, Holding Intesa Centro and Banca Trento e Bolzano
(2) Includes Central Functions, cost / return on capital surplus / deficit, unallocated provisions, consolidation adjustments, Bad Bank, tax impact
(3) Pro forma to be consistent with 2002 year end consolidation area (VUB, CR Terni e Narni)
(4) Excluding cost on surplus capital
(5) Includes tax impact and extraordinary items

2001-2005 Group Value Creation Targets



(1) Statutory EPS based on a total number of shares (ordinary + savings) of 6,848mln

Retail Division



(1) Includes Individuals (Famiglie, Premium, Private), Businesses with turnover <€25m (Affari, Imprese), Local Public Administration and Non Profit Entities. Including former Ambroveneto, Cariplo and BCI domestic networks

IntesaBci

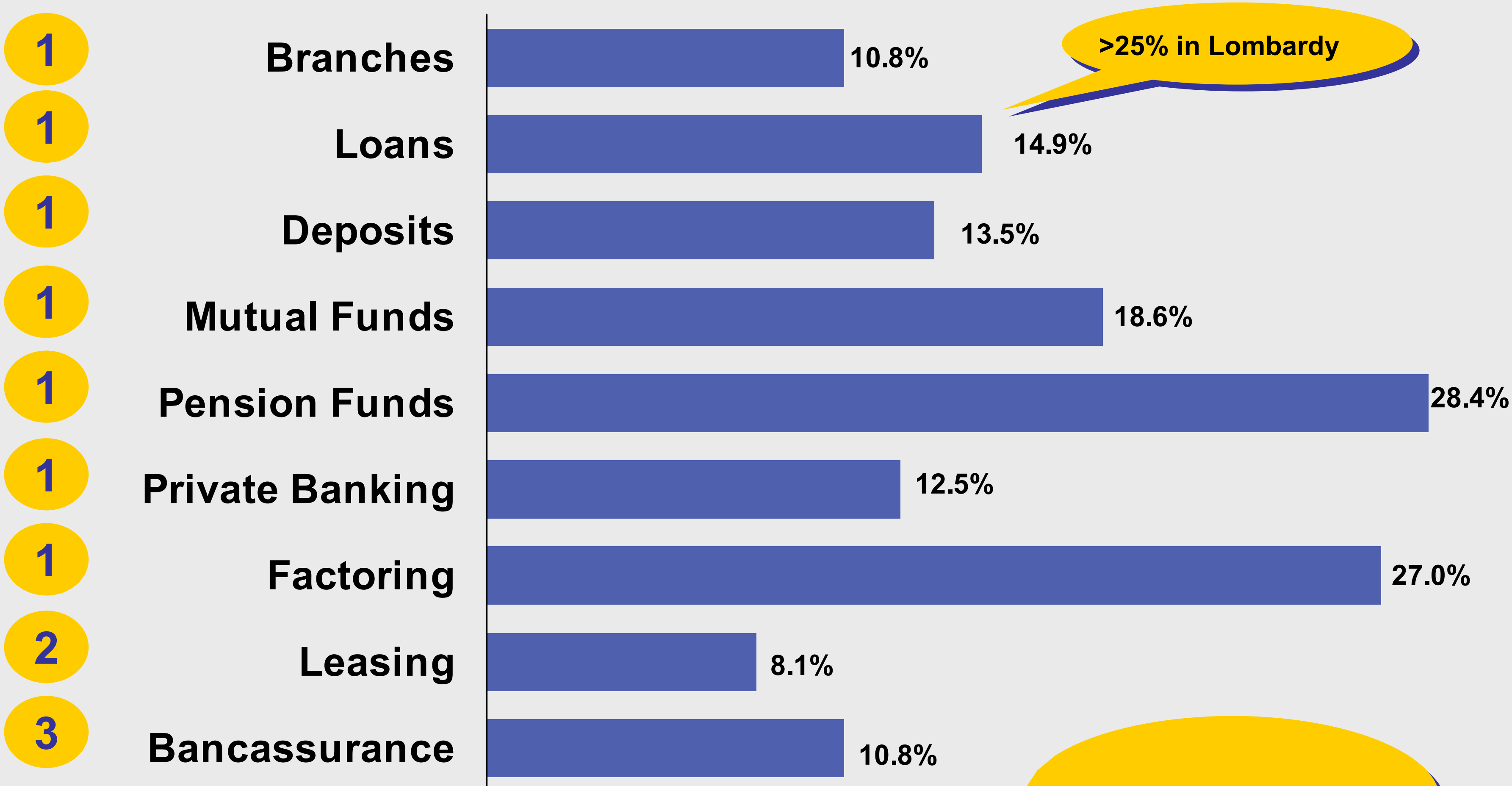
Retail Division
Key Targets

	2001	1H 2002	2005
Total Income (€bn)	4.4	2.2	5.3
Operating Profit (€bn)	0.8	0.4	2.2
Cost/Income(1)	83%	80%	58%
Assets (RWA) (€bn)	58.3	55.6	67.6
Allocated Capital (€bn)	3.6	3.5	4.2
Pretax ROE(2)	9%	5%(3)	39%
EVA® (€m)	(96)	(49)	690

(1) Includes depreciation and amortisation (excluding goodwill amortisation)
(2) Ordinary income (before extraordinary items and income taxes) / allocated capital
(3) Not annualised

Retail Division
Leading Market Position(1)

Ranking



9 million clients(2)

(1) 2001 year end group data, excluding mutual funds (August 2002 – source: Il Sole 24 Ore) and bancassurance (June 2002)
(2) In Italy including controlled banks

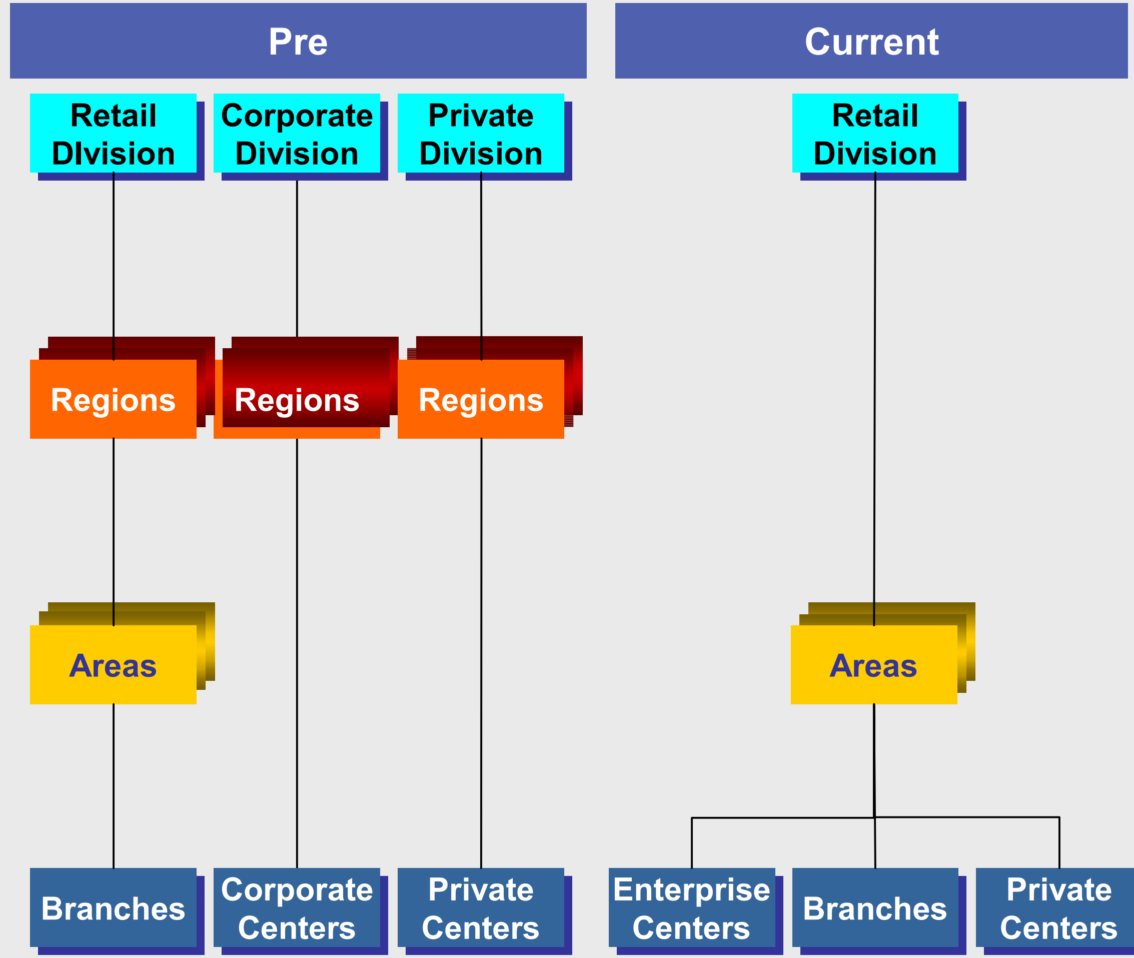
Retail Division
New Integrated Structure

New Structure

- Integration of former Divisions Rete Italia, Private and Corporate to serve:
  - Individuals (Famiglie, Premium, Private)
  - SMEs (Affari, Imprese)
  - Local Public Administration and Non-Profit Organisations
- Areas as almost banks reporting directly to Retail Division (no more regional structures)

Key Advantages

- Improved quality of service
- Coordinated offer of products/services specialised by client segment
- Deeply entrenched with local markets and clients
- "Glocal" Banks



Retail Division
Unlock Our Significant Unexploited Potential

	Targets	Key Actions	
Revenue Generation	➢ Products per client: from 2.6 to 2.9 ➢ Mono-product family clients from 30% to 15% ➢ Total Income/RWA: from 7.6% to 7.8% ➢ Net increase in number of clients: ~200,000 (+3-4%) ➢ Align market share in high-growth/margin products to loans/deposits share: • Bancassurance: from 11% to 16% • Consumer finance: from 10% to 13%	➢ Improve service level through new processes and new branch layout (~ 1,000 new branches in 3 years) ➢ Roll out wealth management tools and training (InSintonia) to fill penetration and pricing gap (all affluent clients profiled in the next 7-9 months) ➢ Develop packaged products to increase families and small businesses contribution and cross-selling ➢ Strengthen CRM tools and training to increase number of sales campaigns (from 20 to 60-80 per year) ➢ Increase sales accountability and front line sales incentives	**Revenue Increase of €0.9bn by 2005**

(1) Including depreciation and amortisation

IntesaBci

Retail Product Strategy
Example: Wealth Management

Strategy

- Improve ratio AUM/Indirect Funds
- Align mutual funds mix to industry
  - Equity/balanced/flexible at 27% vs. 40% for the industry
- Aggressively develop high value added niche products as return/capital guaranteed products
- Improve market share (from 11% to 16% by 2005) in bancassurance also through new joint venture with Generali and Crédit Agricole

Key Financial Targets

	1H 2002	2005
AUM/Indirect Funds	42%	47%
Mutual Funds (€bn)	91[1]	114
• Equity/Flexible/ Balanced	27%	40%
• Aver. Commission	0.90%	1.00%
Bancassurance		
• Gross Premium Written p.a. (€bn)	4.0[2]	7.1

(1) *Nextra only*
(2) *Annualised*

Retail Product Strategy
Example: Consumer Lending

	Strategy	Key Targets	2001	2005
Mortgages	➢ Consolidate leadership through innovation ➢ Enrich product portfolio to better serve customer needs ➢ Review and simplify lending processes	Mortgages Market Share	15%	19%
Consumer Finance/ Credit Cards Business	➢ Strengthen IntesaBci role in Agos Itafinco and Agos role in IntesaBci development strategy ➢ Rationalisation of consumer finance/credit cards business by integrating all Group activities with Agos Itafinco to enhance results through unified strategy	Consumer Finance Market Share	10%	13%
		Rev. Cards[(1)] Market Share	13%	16%

(1) Agos Itafinco only

Retail Division
Unlock Our Significant Unexploited Potential

	Targets	Key Actions	
Efficiency Improvement	➢ Reduction of personnel cost: -20% (€375m) mainly in head office and back office leveraging also on "Fondo Esuberi" (costs factored in 2002 accounts) ➢ Reduction of other administrative cost: -18% (€290m)	➢ Reengineering of main front-end and back-office processes ➢ Single IT System by 3Q2003 ➢ Branches rationalisation: • Closure of overlapping and non profitable branches (~150) • Exchange between IntesaBci and controlled Italian Banks (~100) ➢ Streamlining of HQ's structure (e.g.: elimination of regional level)	**Operating Cost[1] Reduction of €600m by 2005 (€180m by 2002)**

(1) Including depreciation and amortisation

Banca Primavera / Banca Private

	Key Indicators	Key Actions	2005 Key Targets
Banca Primavera	➢ 1,700 personal financial advisors ➢ €6bn Administered Funds ➢ 250,000 customers	➢ Development of innovative integrated distribution channels (PFA, call center, Internet and branches) ➢ Development of complete and personalised client services (CRM, personal financial profiles, …) ➢ Packaging of innovative product offering	➢ Market tests under way
Banca Private	➢ 490[1] private bankers ➢ €43bn[1] Administered Funds ➢ 38,000[1] customers	➢ Autonomous bank to offer specialised products to private banking clients ➢ Joint Venture with Crédit Agricole	➢ Feasibility study under way

Data as of June 30, 2002

(1) Pro forma Group private banking activities

Italian Banks Division

(1) *Includes Individuals (Famiglie, Premium, Private), Businesses with turnover <€25m (Affari, Imprese), Local Public Administration and Non Profit Entities. Including former Ambroveneto, Cariplo and BCI domestic networks*

IntesaBci

Italian Banks Division
Key Targets

	2001[1]	1H 2002	2005
Total Income (€bn)	1.5	0.8	1.7
Operating Profit (€bn)	0.6	0.3	0.9
Cost/Income[2]	64%	62%	51%
Assets (RWA)[3] (€bn)	21.3	21.0	25.0
Allocated Capital (€bn)	1.3	1.3	1.5
Pretax ROE[4]	33%	20% [5]	46%
EVA® (€m)	202[6]	56	195

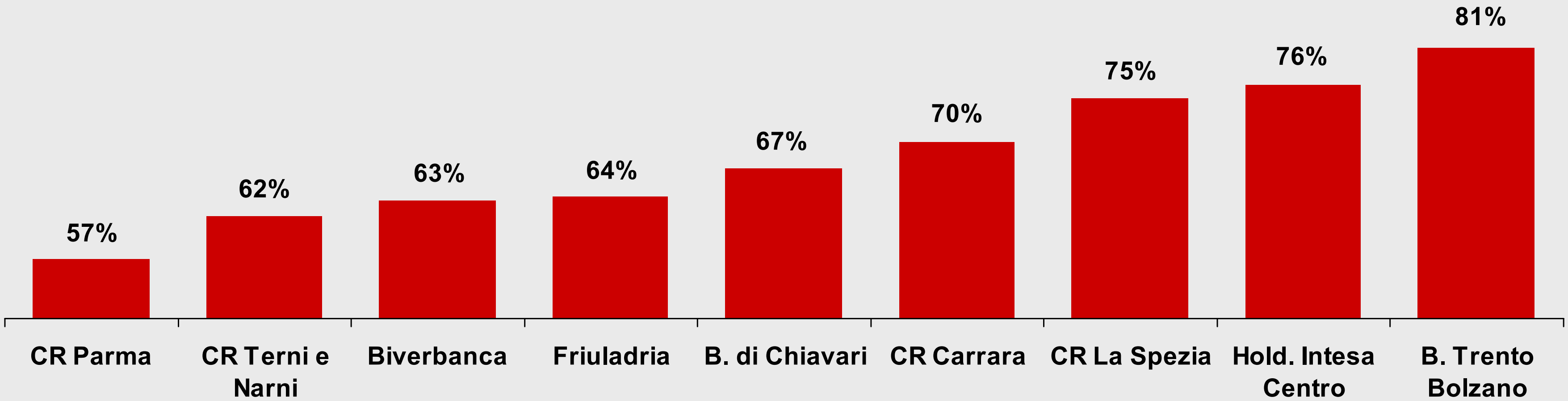
(1) Pro forma to be consistent with 2002 year end consolidation area (CR Terni e Narni)
(2) Includes depreciation and amortisation (excluding goodwill amortisation)
(3) Includes credit and market risk
(4) Ordinary income (before extraordinary items and income taxes) / allocated capital
(5) Not annualised
(6) After pretax extraordinary items of €160m

Italian Banks Division
Key Actions

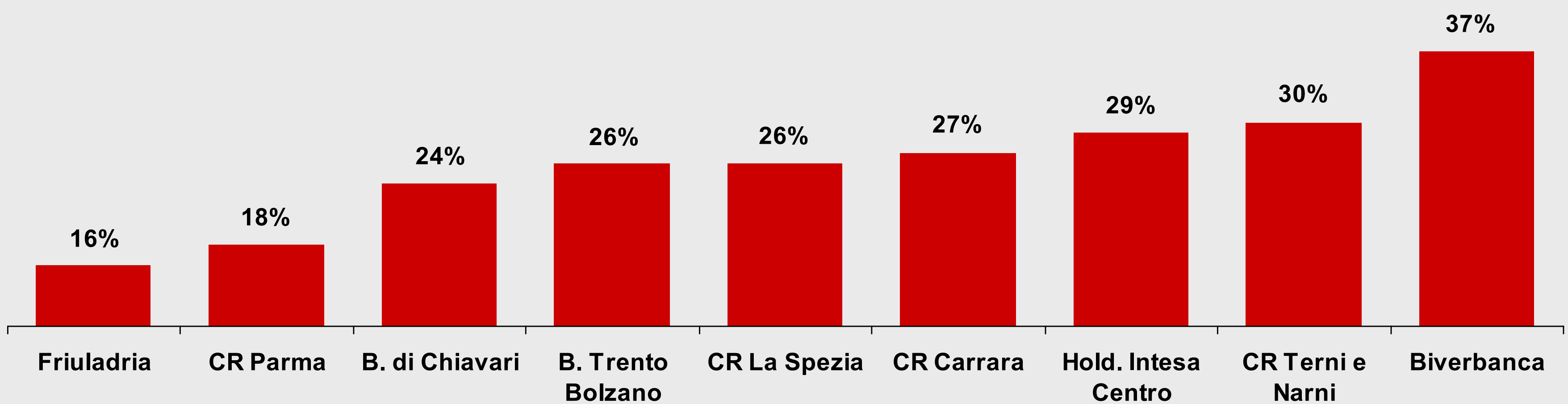
- **Align sales performance to Group best practice**
  - Export sales planning and management capabilities and support systems from best practice to other banks
  - Assign higher market share and penetration targets by product to each bank based on Group best practice
  - Export Retail Division tools & systems (CRM, InSintonia) to federated banks
  - Export Retail Division products (wealth management, leasing, mortgages, cards, …)
- **Align distribution models, introducing segmented service model**
- **Rationalize the networks to optimise coverage**
- **Align HQ / total resources ratio to best practice by**
  - Migrating resources to distribution activity
  - Leveraging on IntesaBci corporate center and Group Service companies
- **Progressively integrate IT systems on a common platform**

Italian Banks Division
Significant Areas for Improvement

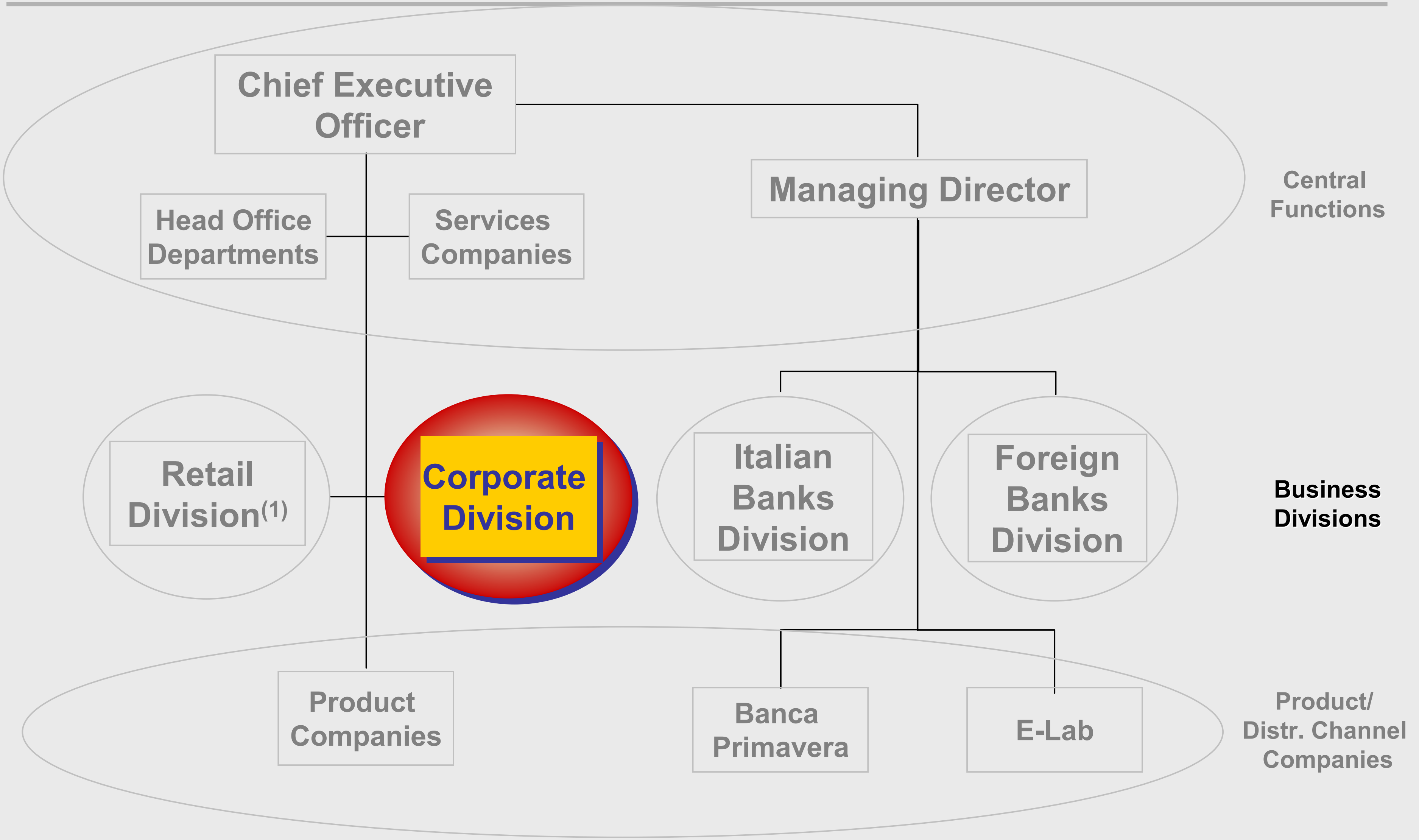
Cost / Income 2001 (%)



Head Offices Staff / Total Headcount 2001 (%)



Corporate Division



(1) Includes Individuals (Famiglie, Premium, Private), Businesses with turnover <€25m (Affari, Imprese), Local Public Administration and Non Profit Entities. Including former Ambroveneto, Cariplo and BCI domestic networks

Corporate Division
Key Targets

	2001		1H 2002	2005
	Excluding Seat PG Dividends	Total		
Total Income (€bn)	1.5	2.0	0.7	1.7
Operating Profit (€bn)	0.9	1.4	0.4	1.2
Cost/Income(1)	38%	28%	39%	29%
Assets (RWA)(2) (€bn)	83.0	83.0	75.1	60.1
Allocated Capital (€bn)	5.0	5.0	4.5	3.6
Pretax ROE(3)	6%	16%	(2)%	30%
EVA® (€m)	(290)	19	(280)	330

(1) *Includes depreciation and amortisation (excluding goodwill amortisation)*
(2) *Includes credit and market risk*
(3) *Ordinary income (before extraordinary items and income taxes) / allocated capital*

Corporate Division

Client Segment

- Large Corporate
- Mid Corporate(1)
- Govt. and Infrastructures
- Financial Institutions

Product

- Capital Markets
- Structured Finance
- M&A and Equity

Merchant Banking

Lazard Group

Lazard Italia

(1) Turnover >€25m

Corporate Division
Key Actions

- **Large Corporate**: significantly reduce foreign exposure and focus on key domestic accounts
- **Italian Mid Corporate**: leverage on 6,000 clients also through cross selling of investment banking products
- **Foreign Mid Corporate**: terminate traditional lending activity
- **Govt./Infrastructures**: exploit significant investment program of Italian P.A.
- **Financial Institutions**: strengthen and widen product portfolio (incl. Fund Administration)
- **Capital Markets** (1): focus on market share and on synergies with the Retail Division. Possible partnerships
- **Structured Finance**: strengthen leadership in acquisition finance and project finance
- **M&A and Equity Origination**: focus on mid corporates. Potential partnerships to serve large corporates
- **Merchant Banking**: optimise private equity activities and manage debt+equity relationships. Entrepreneurial management of "pre-distressed" positions

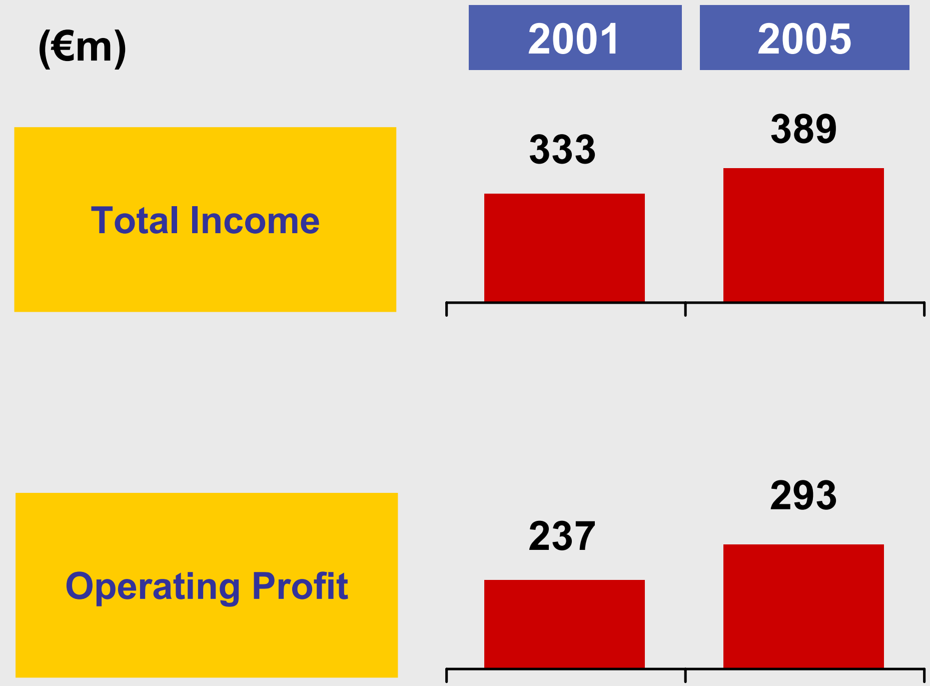
(1) Includes Caboto IntesaBci and all Group FX activities

Corporate Division
Example: Italian Mid Corporate[1]

Strategy

- Strong enhancement of service level through 39 newly established dedicated corporate centers
- Increased integration with Retail Division
- Focus on profitable clients only and exit from non-attractive clients in terms of value creation potential
- Development of synergies through aggressive cross-selling of investment banking products (derivatives, M&A, equity origination and structured finance)

Key Targets



(1) *Turnover > €25m*

Corporate Division
Example: Financial Institutions

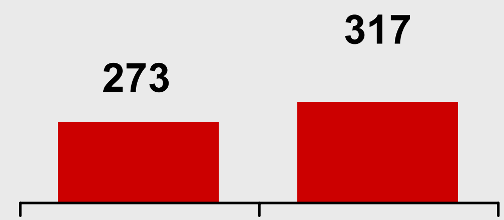
Strategy

- Selective reduction of number of relationships
- Creation of a commercial structure (senior bankers) to develop proactive relationships with key clients
- Full range of product offering, such as securitisation, real estate financing, custody and depositary bank
- Establishment of dedicated entities in the Transfer Agent and Fund Administration domestic business

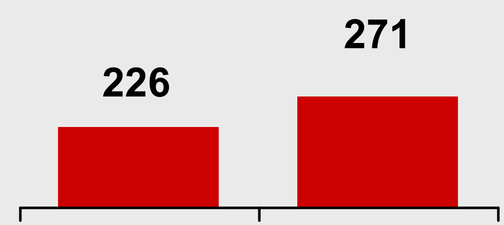
Key Targets

(€m) 2001 2005

Total Income



Operating Profit



Corporate Division
Example: Capital Markets

Strategy

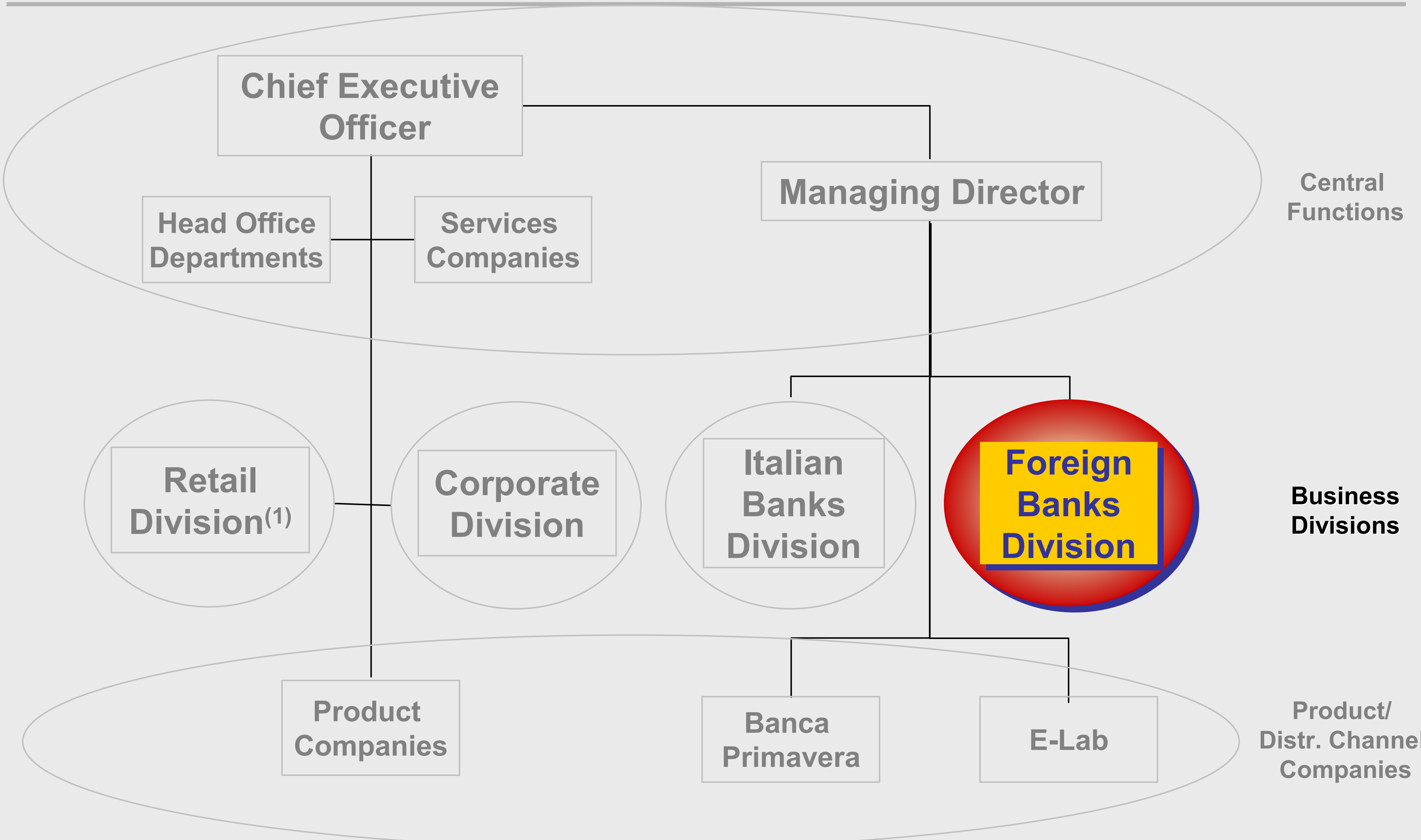
- Consolidate leadership position in debt capital markets
- In equity and fixed income, focus on institutional clients for brokerage to become the leading domestic broker for foreign clients
- Develop retail capital market products to be distributed through the Group network
- Strengthen corporate derivatives, extending focus from mid corporate segment to government and financial institutions

Key Targets

(€m)	2001	2005
Total Income	253	406
Operating Profit	78	232

Caboto + former BCI capital markets activities 1999 Operating Profit: €200m

Foreign Banks Division



(1) Includes Individuals (Famiglie, Premium, Private), Businesses with turnover <€25m (Affari, Imprese), Local Public Administration and Non Profit Entities. Including former Ambroveneto, Cariplo and BCI domestic networks

Foreign Banks Division
Key Targets

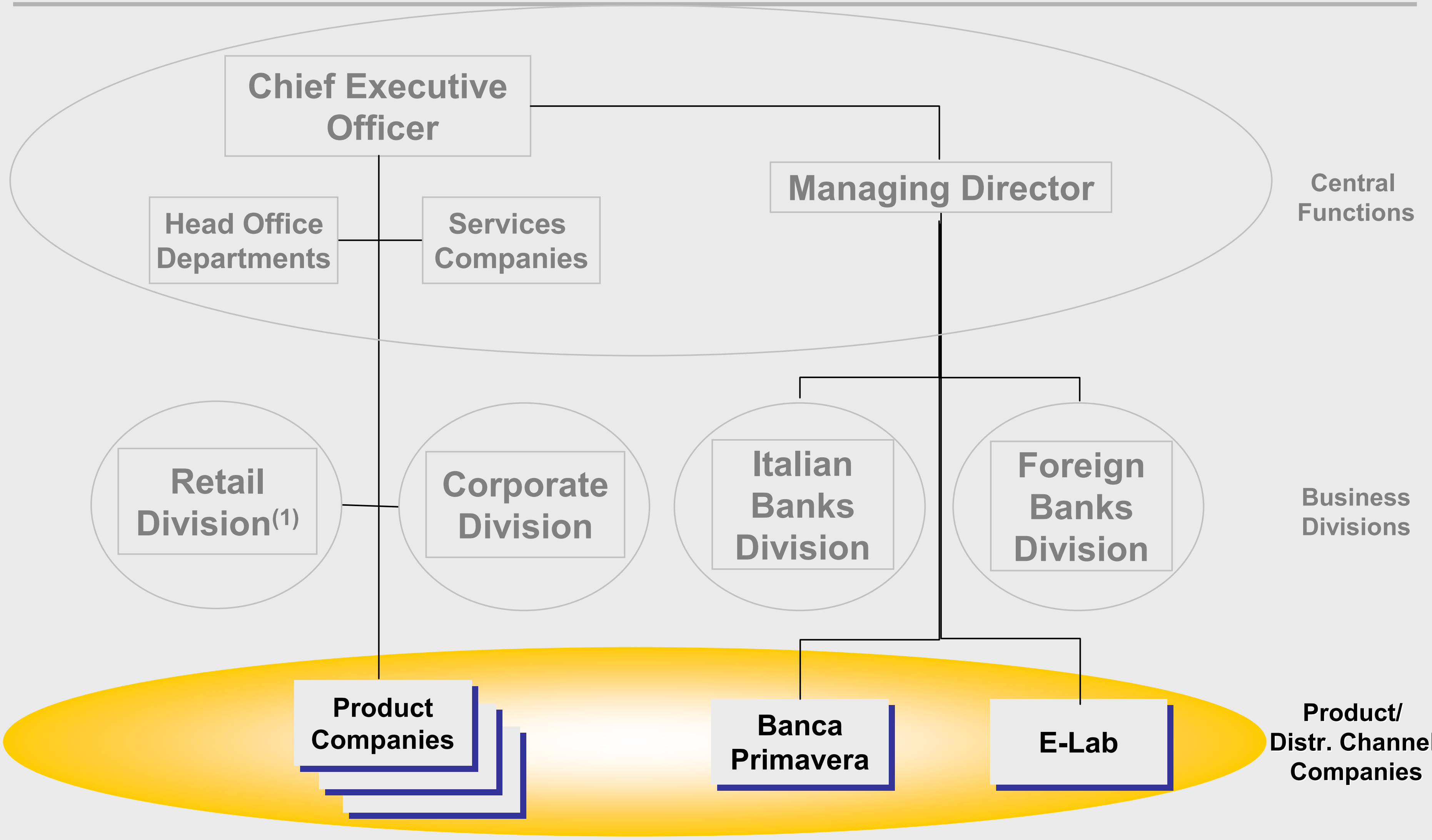
	2001 (1)		1H 2002 (1)		2005
	Non Core Equity Investments	Core Equity Investments	Non Core Equity Investments	Core Equity Investments	
Total Income (€bn)	1.3	0.7	0.5	0.4	0.8
Operating Profit (€bn)	0.3	0.3	0.2	0.1	0.4
Cost/Income (2)	78%	58%	67%	57%	53%
Assets (RWA) (3) (€bn)	23.7	10.1	17.9	11.1	12.8
Allocated Capital (€bn)	1.4	0.6	1.1	0.6	0.8
Pretax ROE (4)	(57)%	34%	4%	20%	45%
EVA® (€m)	(885)	101	(241)	70	160

(1) Pro forma to be consistent with 2002 year end consolidation area (VUB)
(2) Includes depreciation and amortisation (excluding goodwill amortisation)
(3) Includes credit and market risk
(4) Ordinary income (before extraordinary items and income taxes) / allocated capital; not annualised for 1H 2002

Foreign Banks Division
Strategy

- Disengagement from Latin America and other non-core equity investments (€24bn reduction of RWA)
- Rationalization of Eastern Europe banks mainly through development of retail activities and Group synergies
- Completion of the Slovakian bank VUB (Vseobecna Uverova Banka) restructuring

Product Companies



(1) Includes Individuals (Famiglie, Premium, Private), Businesses with turnover <€25m (Affari, Imprese), Local Public Administration and Non Profit Entities. Including former Ambroveneto, Cariplo and BCI domestic networks

IntesaBci

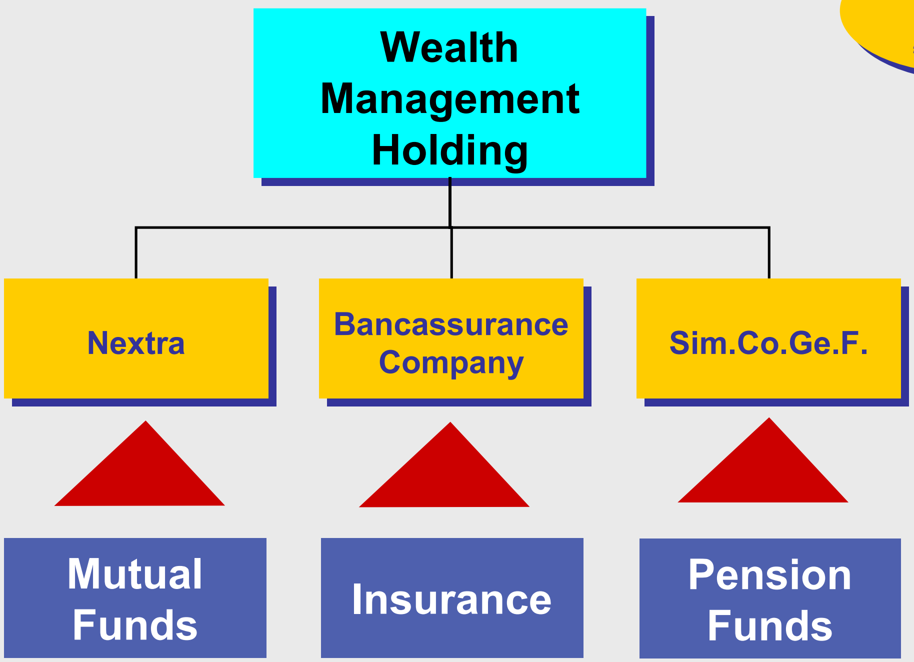
Product Companies
Key Targets

	2001	1H 2002	2005
Total Income (€bn)	1.0	0.5	1.2
Operating Profit (€bn)	0.5	0.3	0.7
Cost/Income[(1)]	49%	50%	44%
Assets (RWA)[(2)] (€bn)	23.8	23.6	31.4
Allocated Capital (€bn)	1.8	1.7	2.3
Pretax ROE[(3)]	19%	11%[(4)]	22%
EVA® (€m)	65	11	70

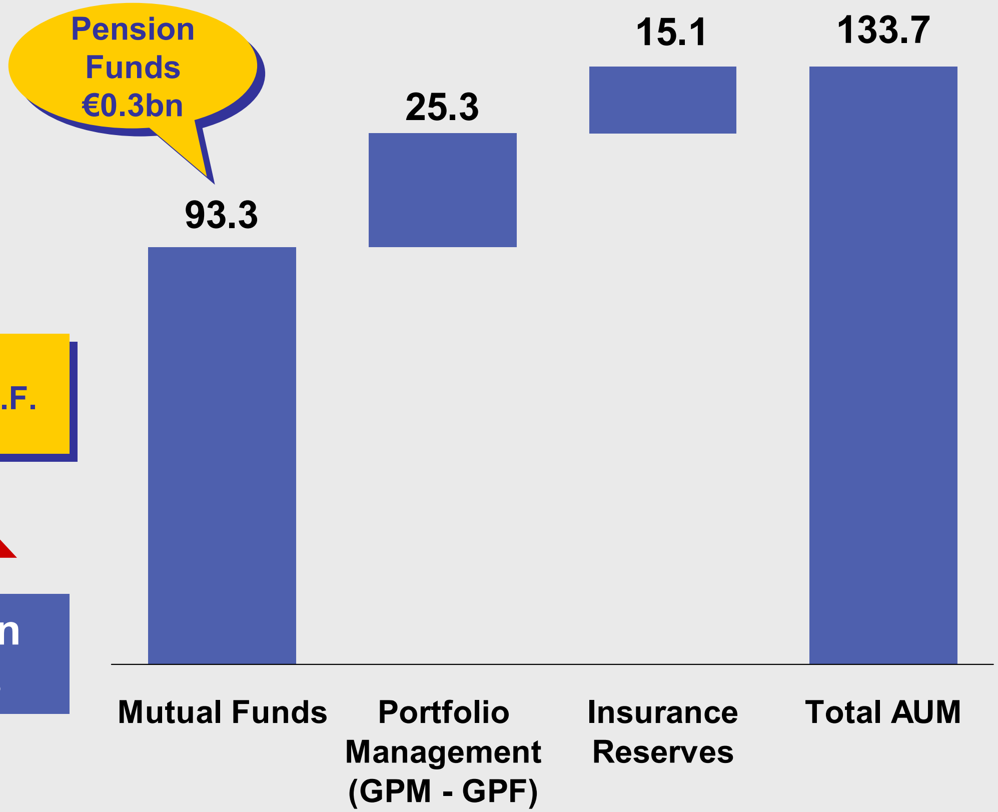
(1) Includes depreciation and amortisation (excluding goodwill amortisation)
(2) Includes credit and market risk
(3) Ordinary income (before extraordinary income taxes) / allocated capital
(4) Not annualised

Product Companies
Wealth Management

Group Structure



Assets Under Management (€bn)(1)



Coordination of wealth management operations through a holding company to improve synergies between distribution and manufacturing and within manufacturing of AUM and bancassurance

(1) Data as of June 30, 2002

IntesaBci

Product Companies
Bancassurance

Pro-Forma Ownership Structure

IntesaBci | Generali | Crédit Agricole

Bancassurance Company

2001 Ranking by GPW

Gross Premium Written (€bn)	3.1
Market Share	10.8%
Ranking	#3

Key Actions

- Creation of the Group Bancassurance company through the combination of Assiba, Carivita and the activities carried out directly with Alleanza and Po Vita
- Development of a unified Group offer that covers all market segments and exploits increasing demand for guaranteed capital products
- Implementation of a single IT system, leading to significant cost synergies
- Strong focus on increase training of salesforce

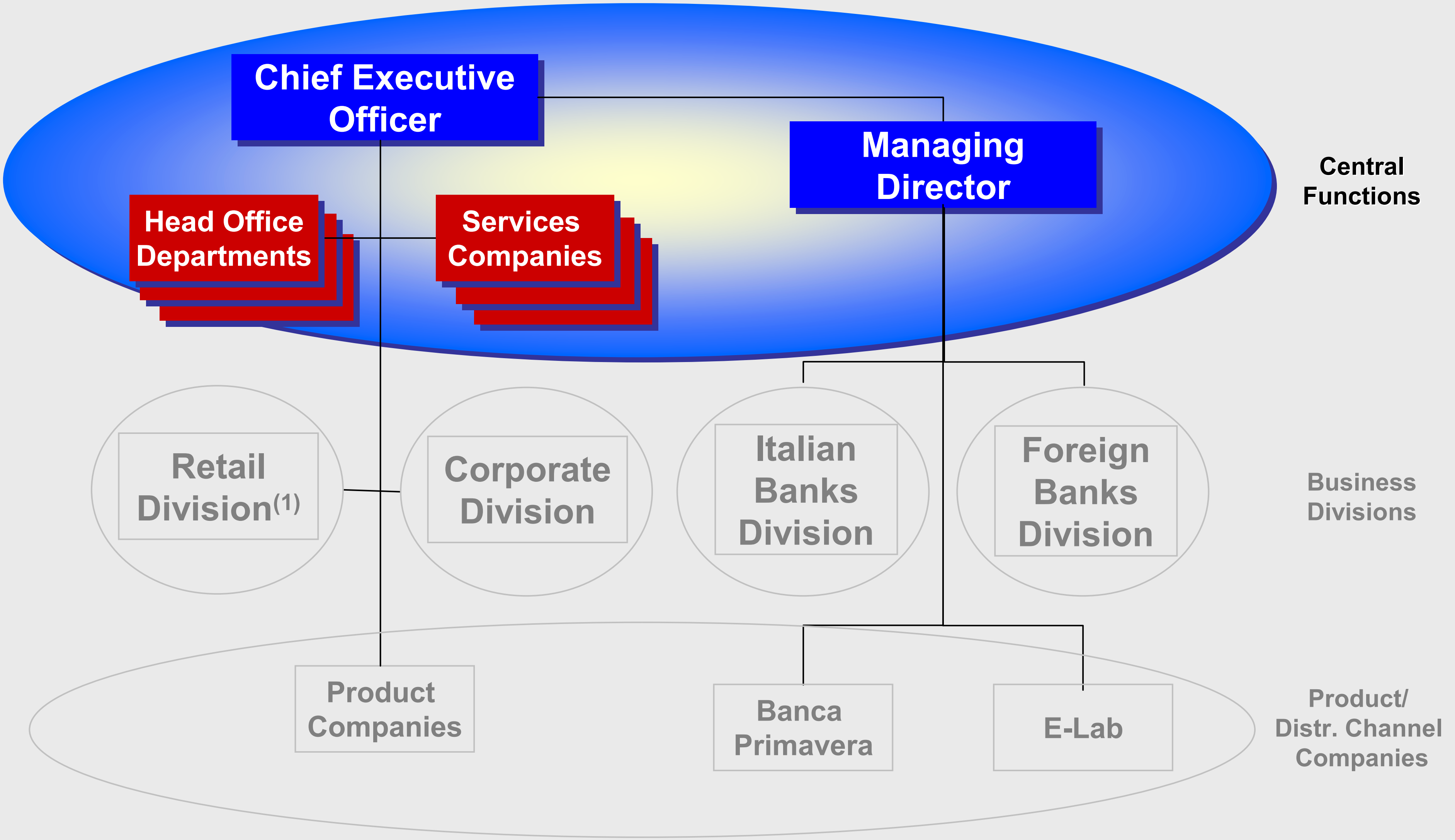
Product Companies
Industrial Credit, Factoring, Leasing

	Ranking[1]	Key Actions	2005 Key Targets
Industrial Credit [2]	1	➢ Spread increase on new financing through better pricing and product innovation ➢ Improvement of coordination with Retail and Corporate Division (mainly Banca CIS) ➢ Review of credit policies (internal rating)	➢ MLT Loans Market share from 2.2% to 2.4% [4] ➢ Cost/Income from 28% to 22%
Factoring	1	➢ Consolidation of the retail presence and increase of mid corporate penetration ➢ Reinforcement of risk valuation methodologies ➢ Cost reduction	➢ Market share from 26% to 31% ➢ Cost income from 33% to 31%
Leasing [3]	2	➢ Focus on retail and particularly on instrumental leasing ➢ Reinforcement of the sales machine for the network ➢ Cost reduction	➢ Market share from 8% to 9%

New product development and marketing coordinated with the Retail and Corporate Divisions

(1) Data as of December 31, 2001
(2) Including IntesaBci, Mediocredito, Banca CIS
(3) Intesa Leasing
(4) Mediocredito only

Central Functions



(1) Includes Individuals (Famiglie, Premium, Private), Businesses with turnover <€25m (Affari, Imprese), Local Public Administration and Non Profit Entities. Including former Ambroveneto, Cariplo and BCI domestic networks

Human Resources and Organisation
Key Actions

Mission

- HR professional development and training
- HR cost management
- Management of relationship with Unions

Key Actions

- Massive training program aimed at improving HR managerial, commercial and technical skills
- Reinforcement of incentive scheme based upon individual and company results
- Manage lay-off program through “Fondo Esuberi”
- Increase flexibility through part-time

2005 Key Targets

- Reduce Group personnel costs: -21% (from €4.1bn to €3.2bn) (-13% excluding Sudameris and other international non core equity investments disposals)
- 800,000 training days between 2003 and 2005 vs. 50,000 in 2001

Information & Communication Technology
Key Actions

Mission

- Excellence in IT and telecommunication services (ICT) for the Group
- ICT cost reduction

Key Actions

- Completion of migration of BCI branches to Group "target" system by 3Q2003
- Upgrade of "target" system:
  - New branches front office model (by 2003)
  - Integration of direct channels
- Rationalisation of Group IT infrastructure
- Development and integration of dedicated systems to address specific need for each unit, for example:
  - Corporate Remote Banking
  - CRM tools
  - Bancassurance
  - Credit and Risk control systems

2005 Key Targets

- Group ICT costs: -14% (€110m) by 2005 (after 2002-2003 increase to complete integration and upgrading process)
- €700m investments in 2003-2005

Real Estate
Key Actions

Mission

- Optimisation of Group real estate use
- Reduction of maintenance and operating costs (which represent around 24% of total non staff operating costs)

Key Actions

- Rationalisation of spaces for headquarters and branches
- Selective disposals of real estate properties
- Rationalisation and optimisation of maintenance contracts and services
- Rationalisation of all costs related to real estate

2005 Key Targets

- -12% reduction of general real estate costs (€74m)
- Value creation from all real estate related activities
- Up to €500m disposals by YE 2002
- Potential further unlock of RWA up to €3bn

Treasury and Finance
Key Actions

Mission

- Improve profitability
- Optimise asset/liability mix and capital absorbtion

Key Actions

- Centralise asset/liability and capital management for the whole Group
- Reduction of proprietary trading portfolio
- Rationalisation of treasury activities in Foreign Banks
- Active Group capital management (i.e.: securitisation of NPLs, real estate, etc…)

2005 Key Targets

- 62% increase of operating profit (from €143m to €232m)
- ~40% reduction of department operating costs
- Reduce gross interbank exposure (from 25% to 17% of total funding)

IGC (Bad Bank)
Key Actions

Mission

- From management of non performing loans to value creation approach ("Distressed Business")

Key Actions

- Improvement of debt recovery process and efficiency
  - Sale of small positions
  - Upgraded IT Systems
  - New management team

2005 Key Targets

- Recovery ratio[1] up to 4.8 % from 3.4%
- Potential further unlock of RWA up to €3.4bn

(1) Recovery in excess of net carrying value/NPLs carrying value

Agenda

1	Introduction
2	New Organisational Structure and Team
3	Core Priorities
4	2001-2005 Value Creation Targets
5	**2002 Results**
6	Conclusion

Overview of 1H 2002 Results
Quarterly Analysis

(€ m)	1Q 2002	2Q 2002	Δ% Official	Δ% Restated[2]
Net Interest Income	**1,559**	**1,550**	**(1)**	**5**
of which Dividends & Eq. Profits	*52*	*200*	*285*	*294*
Non-Interest Income	**1,078**	**1,008**	**(6)**	**(2)**
Total Income	**2,637**	**2,558**	**(3)**	**2**
Operating Costs	**(1,791)**	**(1,668)**	**(7)**	**(2)**
Operating Income	**846**	**890**	**5**	**11**
Net Provisions	**(307)**	**(1,150)**	**275**	
Ordinary Income	**539**	**(260)**	**(148)**	
Extraordinary Items	**231**	**(169)**	**(173)**	
Net Income	**425**	**(311)**	**(173)**	
Cost Income[1]	**68%**	**65%**		

(1) Includes depreciation and amortisation (excluding goodwill amortisation)
(2) Net of non recurring merchant banking dividends and forex effect affecting Sudameris

Overview of 1H 2002 Results
Income Statement

(€ m)	1H 2001	1H 2002	Δ% Official	Δ% Restated[3]
Net Interest Income	3,367	3,109	(8)[2]	(1)
of which Dividends & Eq. Profits	*309*	*252*	*(18)*	*18*
Non-Interest Income	2,344	2,086	(11)	(8)
Total Income	5,711	5,195	(9)	(4)
Operating Costs	(3,635)	(3,459)	(5)	0
Operating Income	2,076	1,736	(16)	(10)
Net Provisions[4]	(1,010)	(1,457)	44	
Ordinary Income	1,066	279	(74)	
Extraordinary Items	776	62	(92)	
Net Income	1,386	114	(92)	
Cost Income[1]	64%	67%		

(1) Includes depreciation and amortisation (excluding goodwill amortisation)
(2) -5% net of non recurring merchant banking dividends
(3) Net of non recurring merchant banking dividends and forex effect affecting Sudameris
(4) Including goodwill amortisation (€48m in 1H2002)

Overview of 1H 2002 Results
Balance Sheet

(€ m)	1H 2001(1)	1H 2002	Δ %
Shareholders' Equity	14,809	13,935	(6)
Total Assets	341,465	303,214	(11)
Customer Direct Funds	187,402	182,386	(3)
Customer Indirect Funds	314,305	322,081	3
of which Assets under Management	*137,061*	*133,655*	*(2)*
Total Customer Administered Funds	501,707	504,467	1
Customer Loans	189,535	177,345	(6)
Net Interbank Funds	52,765	28,016	(47)
Tier 1 Ratio	6.4	6.4	
Net NPLs/Loans	2.9	3.1	

After €1,073m Put Warrant mark to market and Put Warrant market risk capital absorption of €495m

(1) Pro forma data

Overview of 1H 2002 Results
Divisional Analysis[1]

	Retail	Italian Banks[2]	Product Co's	Corporate	Foreign Banks	Central Functions/ Other[3]	Total
Total Income (€m)	2,175	750	518	701	940	157	5,241
Operating Profit (€m)	433	283	261	429	350	(24)	1,732
Cost/Income[4]	80%	62%	50%	39%	63%	n.m.	67%
RWA (€bn)	55.6	21.0	23.6	75.1	29.0	23.0	227.3
Allocated Capital (€bn)	3.5	1.3	1.7	4.5	1.7	1.4	14.1
Pretax ROE[5]	5%	20%	11%	(2)%	10%	(26)%	2%
EVA® (€m)	(49)	56	11	(280)	(171)	(284)	(717)

(1) Pro forma to be consistent with 2002 year end consolidation area (VUB)
(2) Includes CR Parma, CR Terni e Narni, Biverbanca, Friuladria, Banco di Chiavari, CR Carrara, CR La Spezia, Holding Intesa Centro and Banca Trento e Bolzano
(3) Includes Intesa Gestione Crediti
(4) Includes depreciation and amortisation (excluding goodwill amortisation)
(5) Ordinary income (before extraordinary items and income taxes) / allocated capital. Not annualised

Key Considerations on 1H 2002 Results

- Results below expectations not reflecting IntesaBci's full potential
- Total income down 9% y/y mainly reflecting difficult macroeconomic environment, financial markets volatility and FX depreciation; total income down "only" 4% net of non recurring dividend from merchant banking activity and FX depreciation affecting Sudameris
- Operating profit down 16% y/y; down 10% net of non recurring dividend from merchant banking activity and FX depreciation affecting Sudameris
- Provisions up 44% due to provisioning on some large corporate positions and write-off of Peruvian equity investments. Coverage ratio up to 61% from 59% as of 31 December 2001. Net NPLs at 3.1% of total loans
- Net income down 92% y/y to €114m also due to lower contribution from extraordinary items (€62m in 1H 2002 vs. €776m in 1H 2001)
- Core Tier 1 equal to 5.6% (vs. 5.3% as of December 31, 2001) thanks to RWA reduction (-8% vs. December 2001)

(1) -7% net of non recurring merchant banking dividends

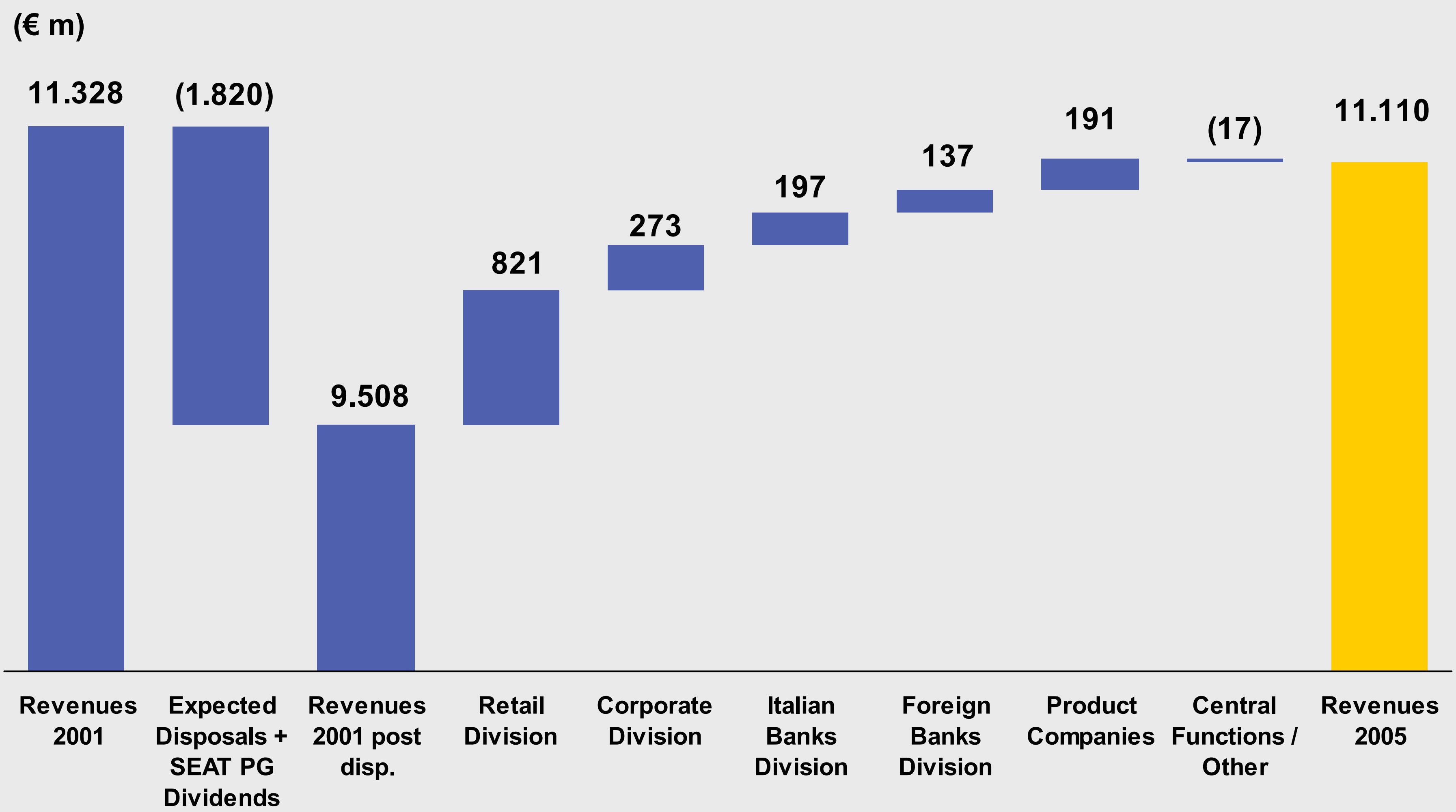
Outlook for 2H 2002

- Operating profit in line with 1H 2002 results
- Bad loan provisions back to ordinary level
- Extraordinary items:
  - Income: capital gain from disposals (Brasil, non core equity investments and real estate)
  - Expenses: provisions for staff redundancies, disengagement from Latin America, mark to market of put warrant
- Dividends expected flat vs. 2001

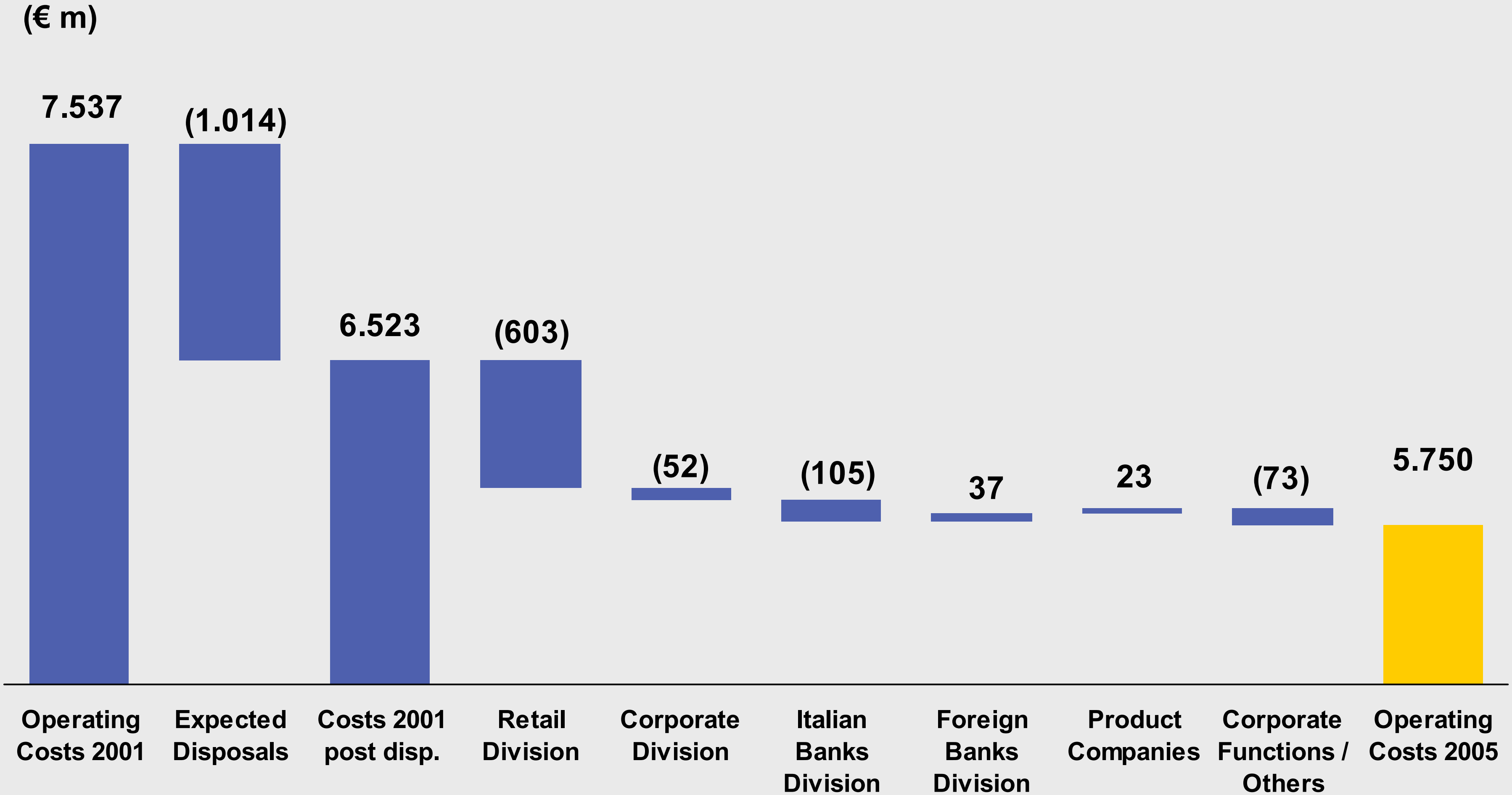
IntesaBci

Agenda

Summary
Divisions' Contribution to Revenues Generation



Summary
Divisions' Contribution to Costs Reduction



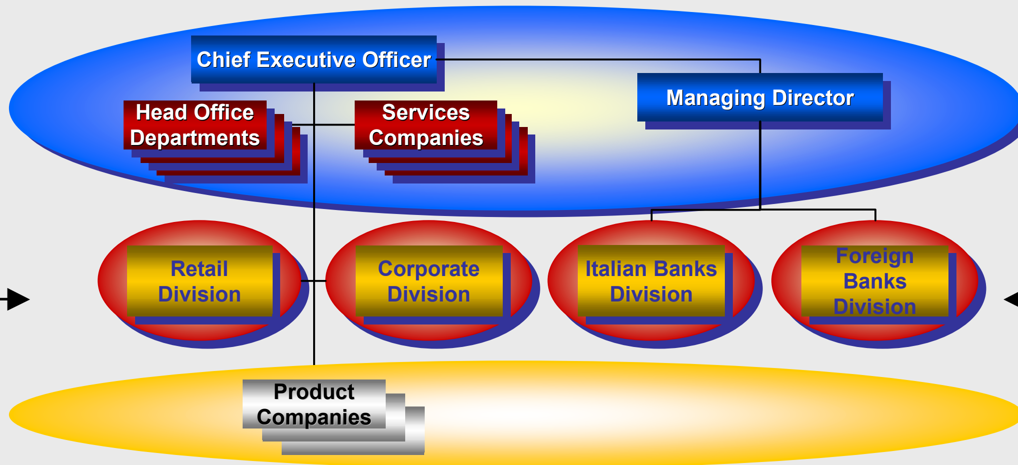
The Levers of Change

Additional revenues of €1.5bn

High Quality and Closely Knitted Team Management

Cost and provisions reduction of €1.5bn

Investments of €1.2bn



800,000 training days

Disposals of non core equity investments
- €23.7bn of RWA
- €1.2bn revenues
- €1.0bn costs
- €0.6bn provisions

Reduction of €19.1bn RWA by 2003:
- Large Foreign: €12.5bn
- Large Italia: €4.1bn
- Mid Foreign: €2.5bn

Strategic Alliances
- Crédit Agricole (private banking, consumer lending, bancassurance)
- Generali (bancassurance, pension funds)
- Lazard (M&A and primary equity advisory)

Appendix

Conservative Assumptions

Macroeconomy

	2003	2004	2005
Italy's GDP	1.9%	2.3%	2.5%
Euro zone's GDP	2.2%	2.6%	2.5%
Investments (Italy)	3.5%	3.0%	3.0%
1 - Month Euro Rate (*)	4.1%	4.4%	4.6%
10 - Year Euro Rate (*)	5.7%	5.1%	5.1%

Industry

	Average y/y Growth Rate 2002-2005
Loans	4.7%
Deposits	5.3%
Mutual Funds	7.4%
Customers Spread	-31 b.p.

(*) Year end

2001-2005 Group Value Creation Targets
Evolution of Divisional Contribution

	Operating Profit		Allocated Capital	
	2001[1]	2005	2001[1]	2005
Retail Division	25%	41%	26%	32%
Italian Banks Division	18%	16%	9%	11%
Corporate Division	30%[2]	23%	36%	27%
Foreign Banks Division	10%[3]	7%	5%	6%
Product Companies	17%	13%	13%	17%
Central Functions/Other	n.m.	n.m.	11%	7%
TOTAL	100%	100%	100%	100%

(1) Pro forma to be consistent with 2002 year end consolidation area (VUB, CR Terni e Narni)
(2) Excluding non recurring dividends from merchant banking (€520m)
(3) Excluding Sudameris and expected disposals of other non core international assets

Definition of Financial Indicators

Risk Weighted Assets (RWA)	➢ RWA = Credit Risk Weighted Assets + (Market Risk / 8% [1])
Allocated Capital (AC)	➢ AC = 6%[2] of RWA + Capital for Operational Risk ➢ Capital for Operational Risk calculated as a percentage of Assets Under Management (0.2% for SGR and 0.4% for private banking)
Economic Value Added (EVA TM)	➢ EVA = Adjusted Net Income – (Cost of Capital x Allocated Capital) ➢ Adjusted Net Income = Net Income - Minority Interests + Total Non-recurrent Items net of marginal tax + Operating Adjustments (Goodwill Amortisation, Reserve for Credit Risk for Tax Purpose, Other Provisions) net of marginal tax ➢ Cost of capital[4] = Risk-free rate + ß[3] x market risk premium
Others	➢ 50% of Central Functions costs have been allocated to the different Divisions based on specific drivers (number of employees, square metres for logistics,…) ➢ Financial data of Italian Banks have been: • Fully consolidated for controlled banks • Proportionally consolidated for non-controlled banks)

(1) Tier II capital ratio
(2) Legal minimum Tier I capital ratio is 4% of RWA; capital market requires a prudential 6% Tier I capital ratio
(3) ß defined per BU
(4) Average weighted Group cost of capital (2001: 11%, 2005: 10.6%)