



# 2005 Third-Quarter Results

November 11<sup>th</sup>, 2005

# Foreword

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- **2005 data are IAS/IFRS compliant**
- **For comparison purposes, 2004 data have been restated under all IAS/IFRS standards, including the estimated effects of the application of IAS 39**
- **The IAS 39 applied is the version as approved by the EU Commission**
- **In 2005 and 2004 data, contribution from discontinued operations (doubtful loan<sup>(1)</sup> sale) has been accounted for in its specific caption. Estimates have been utilised, when necessary, to restate 2004 data for comparison purposes**
- **The effects of the strategic agreement for asset management activities with Crédit Agricole will be taken into account in 4Q05**

*(1) Doubtful loans = Sofferenze*

# 3Q05 and 9M05 Results Confirm the Growth Trend

## On Track on FY05 EPS and Dividend Targets

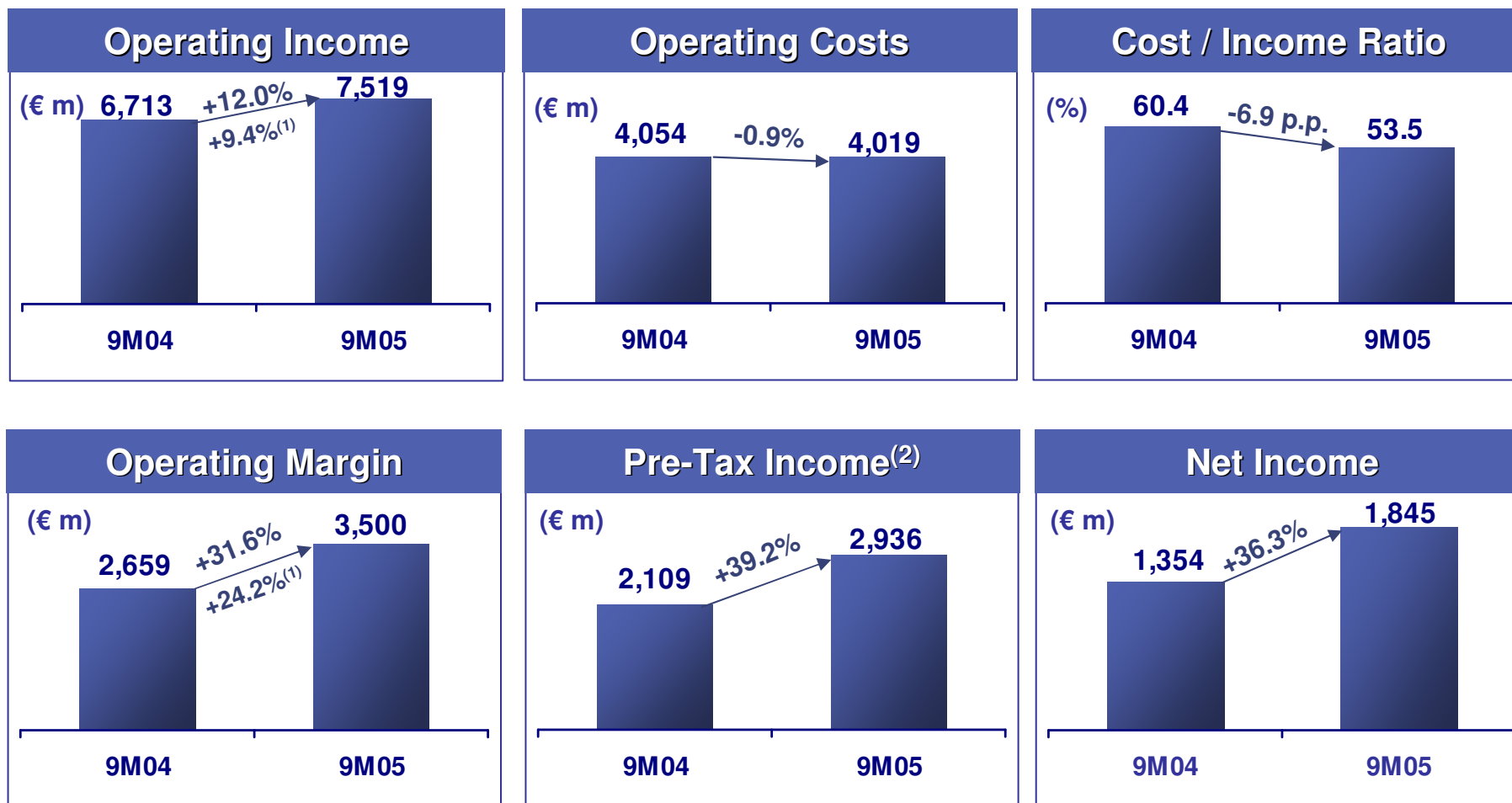
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- **3Q05 Net Income at €645m (+30% vs 3Q04), best ever quarterly bottom line**
- **9M05 Net Income at €1,845m, up 36% vs 9M04 and equal to FY04**
- **3Q05 Operating Margin at €1,195m (+45% vs 3Q04, +21% normalised<sup>(1)</sup>)**
- **9M05 Operating Margin up 32% vs 9M04 (+24% normalised<sup>(1)</sup>) due to growth in Operating Income (+12%, +9% normalised<sup>(1)</sup>) and reduction in Operating Costs (-1%)**
- **9M05 EVA<sup>®</sup> up to €760m, more than doubled vs 9M04**
- **9M05 Cost / Income ratio at 53.5% (59.9% FY04)**
- **9M05 tax rate at 35% since fiscal benefit from equity swap activity has not yet been accounted for**

(1) Excluding €160m charges for the settlement with Parmalat related to the "Nextra bond", accounted for in 3Q04 under Other Operating Income / Expenses

# Results at a Glance: 9M05 vs 9M04

## Sustainable Top-Line Growth and Strict Cost and Risk Discipline



Note: 9M04 restated figures to reflect the IAS/IFRS application (including IAS 39 estimates). 2004-2005 data also restated due to profit / loss from discontinued operations (doubtful loan sale) being accounted for in its specific caption

(1) Excluding €160m charges for the settlement with Parmalat related to the "Nextra bond", accounted for in 3Q04 under Other Operating Income / Expenses

(2) Income before Tax from Continuing Operations

# Substantial Top-Line Growth in All Divisions

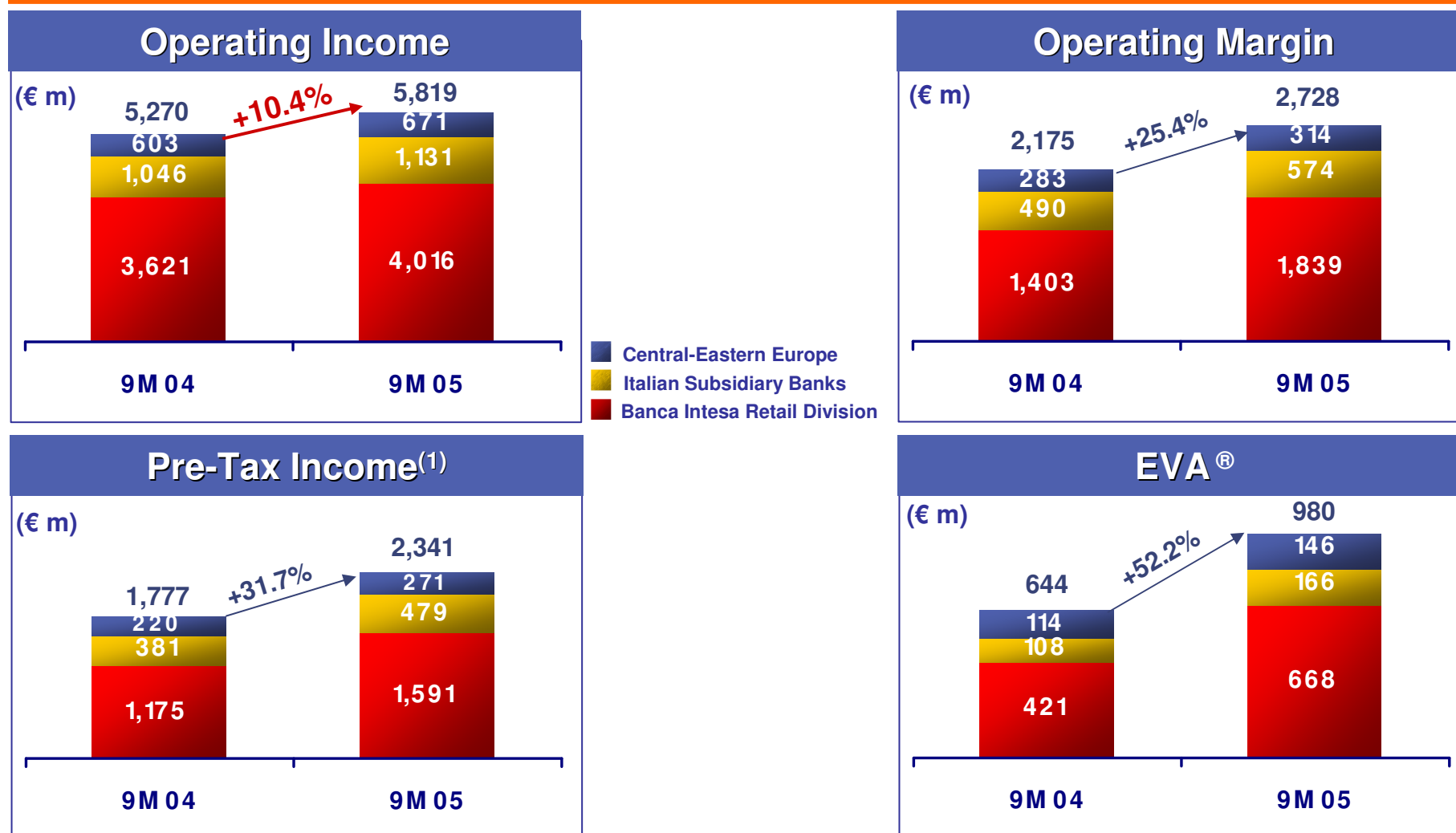
	Operating Income Δ% 9M05 vs 9M04		
	<i>of which</i>		
		Net Interest Income	Net Fee and Commission Income
<b>Retail Division</b>	<b>10.9%</b>	<b>4.0%</b>	<b>19.0%</b>
<b>Italian Subsidiary Banks Division</b>	<b>8.2%</b>	<b>6.7%</b>	<b>8.0%</b>
<b>International Subsidiary Banks Division</b>	<b>11.2%</b>	<b>7.3%</b>	<b>16.2%</b>
<b>Corporate Division (excluding Tax Collection)</b>	<b>12.0%</b>	<b>(1.3)%<sup>(1)</sup></b>	<b>10.4%</b>
<b>Total Group (excluding Tax Collection)</b>	<b>12.4%<sup>(2)</sup></b>	<b>6.4%</b>	<b>14.8%</b>

(1) Decline due to the planned reduction of Mid and Large Corporate exposure (-7.7%, -€2bn)

(2) 9.7% by excluding €160m charges for the settlement with Parmalat related to the "Nextra bond", accounted for in 3Q04 under Other Operating Income / Expenses

# Strong Operating Performance in the Retail Business

## Operating Margin +25.4% vs 9M04



Note: 9M04 restated figures to reflect the IAS/IFRS application (including IAS 39 estimates). 2004-2005 data also restated due to profit / loss from discontinued operations (doubtful loan sale) being accounted for in its specific caption

Figures may not add up exactly due to rounding differences

(1) Income before Tax from Continuing Operations

# 9M05 Statement of Income Analysis

## Sustained Increase in Revenues Coupled with Cost Reduction

(€ m)	9M04 Restated	9M05	Δ%
Net interest income	3,702	3,936	6.3
Dividends and equity investments	115	122	6.1
Net fee and commission income	2,551	2,900	13.7
Profits (Losses) on trading	418	541 <sup>(1)</sup>	29.4
Other operating income (expenses) <sup>(2)</sup>	(73) <sup>(3)</sup>	20	n.m.
<b>Operating income</b>	<b>6,713</b>	<b>7,519</b>	<b>12.0</b> <sup>(4)</sup>
Personnel expenses	(2,356)	(2,351)	(0.2)
Other administrative expenses <sup>(2)</sup>	(1,309)	(1,296)	(1.0)
Adjustments to fixed assets and intangibles	(389)	(372)	(4.4)
<b>Operating costs</b>	<b>(4,054)</b>	<b>(4,019)</b>	<b>(0.9)</b>
<b>Operating margin</b>	<b>2,659</b>	<b>3,500</b>	<b>31.6</b> <sup>(5)</sup>
Net provisions for risks and charges	(122)	(212)	73.8
Net adjustments to loans and receivables	(543)	(474)	(12.7)
Net impairment losses on other assets	(15)	(10)	(33.3)
Profits (Losses) on HTM and other investments	130	132	1.5
<b>Income before tax from continuing operations</b>	<b>2,109</b>	<b>2,936</b>	<b>39.2</b>
Taxes on income from continuing operations	(649)	(1,018)	56.9
Profit (Loss) after tax from discontinued operations	(47)	7 <sup>(6)</sup>	n.m.
Minority interests	(59)	(80)	35.6
<b>Net income</b>	<b>1,354</b>	<b>1,845</b>	<b>36.3</b>

Note: 9M04 restated figures to reflect the IAS/IFRS application (including IAS 39 estimates). 2004-2005 data also restated due to profit / loss from discontinued operations (doubtful loan sale) being accounted for in its specific caption

(1) Including €54m capital loss from the disposal of BCP stake partially offset by €44m capital gain from the disposal of Banco de Investimento Imobiliario stake booked in Profits on HTM and Other Investments (€40m) and in Dividends and Equity Investments (€4m)

(2) Other Administrative Expenses are net of expenses recovery (€256m in 9M05 vs €190m in 9M04)

(3) Including €160m charges for the settlement with Parmalat related to the "Nexta bond", accounted for in 3Q04

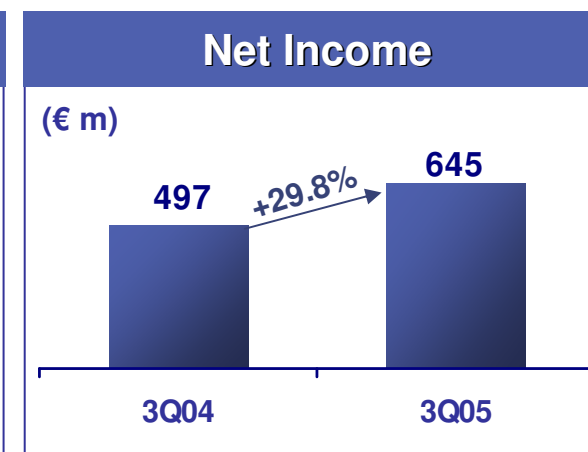
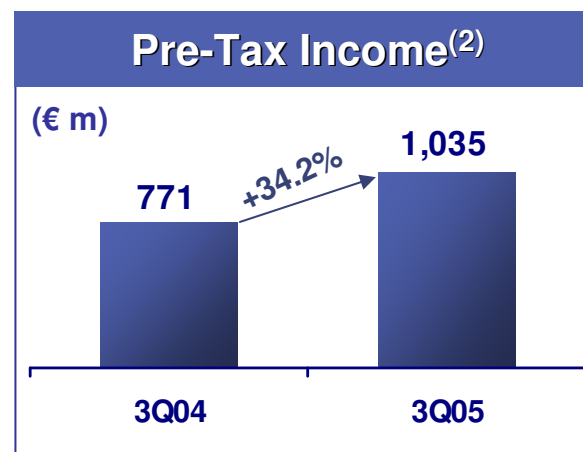
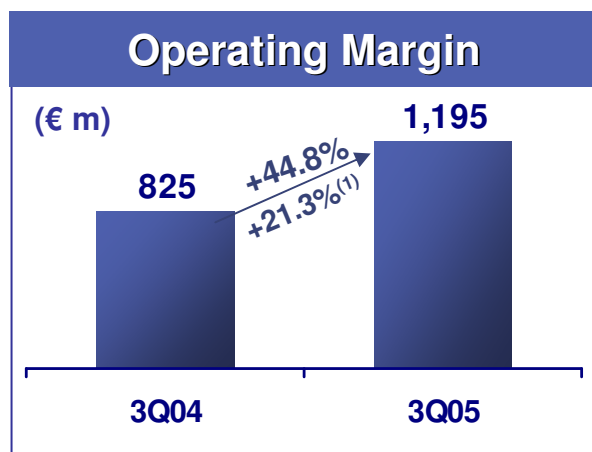
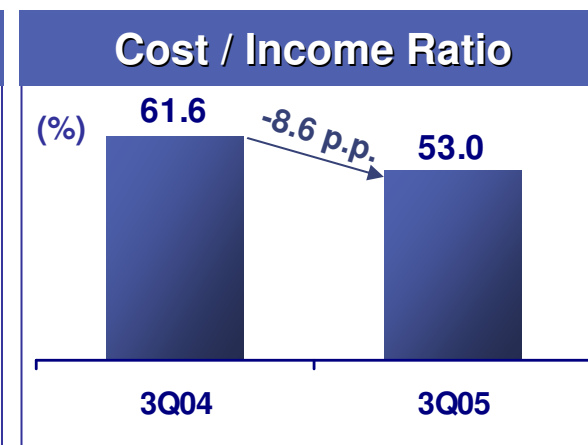
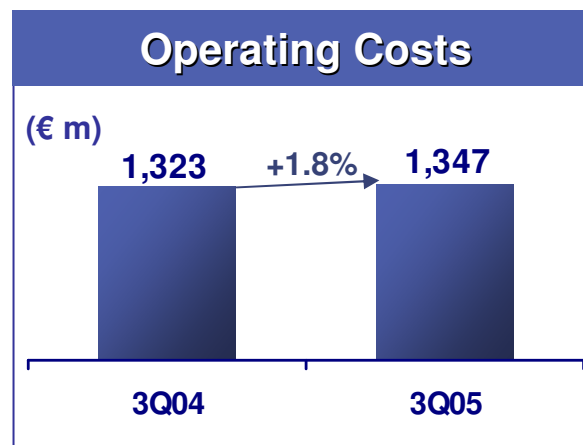
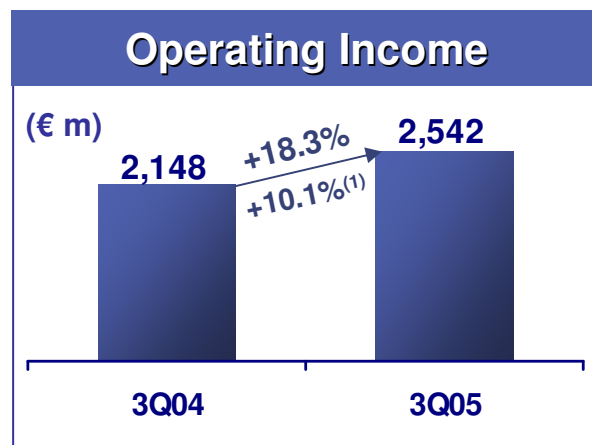
(4) +9.4% excluding the Parmalat settlement in 3Q04.

(5) +24.2% excluding the Parmalat settlement in 3Q04

(6) €49m capital gain from the sale of 81% of the loan servicing business of IGC which manages doubtful loans to be accounted for in 4Q05

# Results at a Glance: 3Q05 vs 3Q04

Two-Digit Growth in Operating Income and Best Ever Quarterly Net Income



Note: 3Q04 restated figures to reflect the IAS/IFRS application (including IAS 39 estimates). 2004-2005 data also restated due to profit / loss from discontinued operations (doubtful loan sale) being accounted for in its specific caption

(1) Excluding €160m charges for the settlement with Parmalat related to the "Nextra bond", accounted for in Other Operating Income / Expenses

(2) Income before Tax from Continuing Operations



# Balance Sheet

## Growth in Assets under Management

(€ m)	31.12.04	30.09.05	Δ%
	Restated		
<b>Total Assets</b>	<b>271,105</b>	<b>264,129</b>	<b>(2.6)</b>
<b>Customer Loans</b>	<b>157,430</b>	<b>158,758</b>	<b>0.8</b>
<b>Direct Customer Deposits</b>	<b>179,282</b>	<b>178,677</b>	<b>(0.3)</b>
<b>Indirect Customer Funds</b>	<b>292,383</b>	<b>313,430</b>	<b>7.2</b>
<b><i>of which Assets under Management</i></b>	<b><i>117,288</i></b>	<b><i>124,739</i></b>	<b><i>6.4</i></b> ←
<b>Total Customer Administered Funds</b>	<b>471,665</b>	<b>492,107</b>	<b>4.3</b>
<b>Shareholders' Equity <sup>(1)</sup></b>	<b>13,969</b>	<b>15,389</b>	<b>10.2</b>

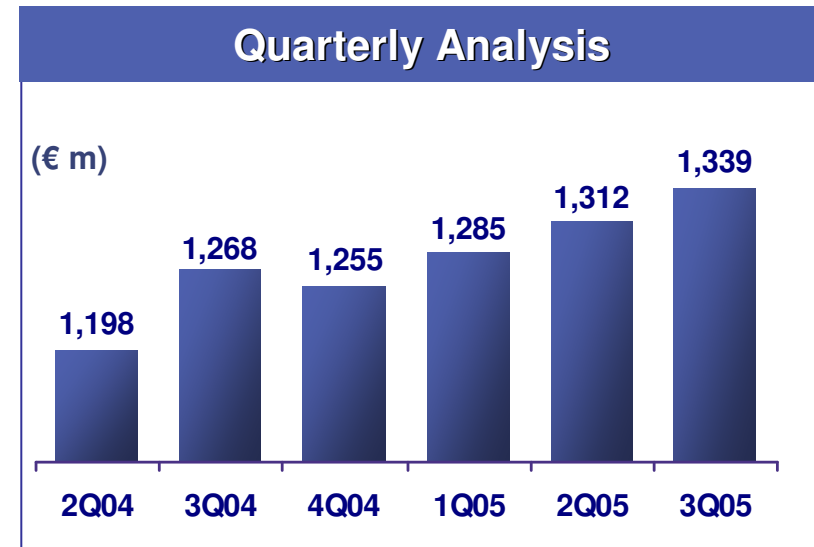
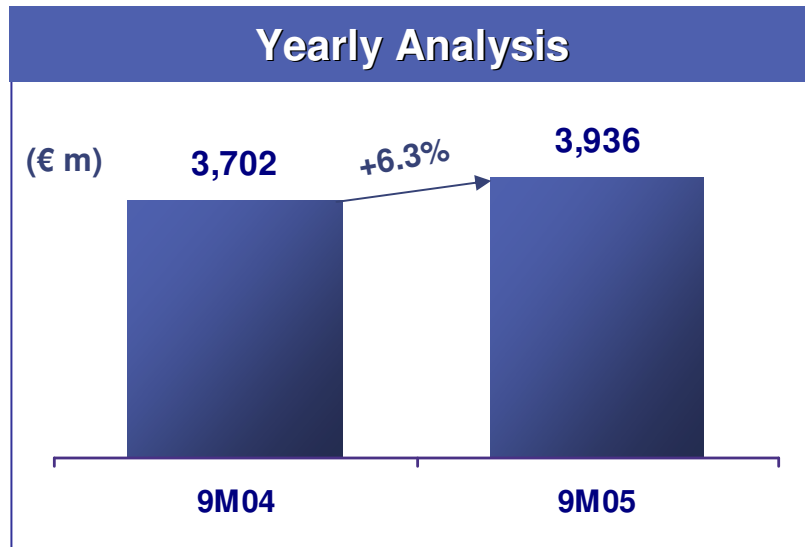
+2.6%  
excluding  
repurchase  
agreements

Note: 31.12.04 restated figures to reflect the IAS/IFRS application (including IAS 39 estimates). 2004-2005 data also restated due to assets / liabilities related to discontinued operations (doubtful loan sale) being accounted for in its specific caption

(1) Including Net Income

# Net Interest Income

## Steady Increase thanks to Business Development



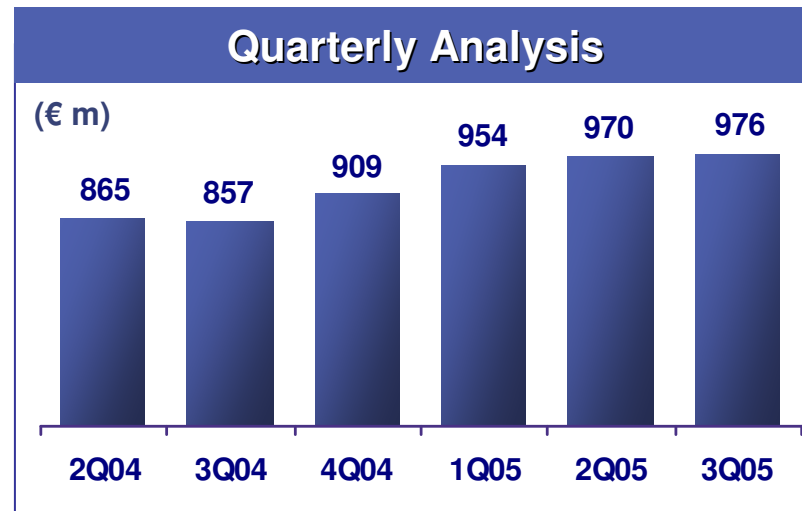
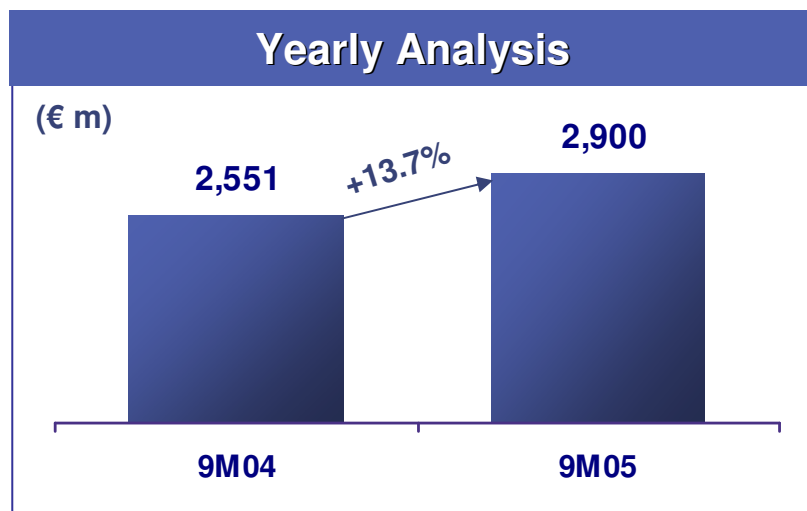
- **+6.3%, +6% excluding the recovery of time value on non-performing loans<sup>(1)</sup> and the recovery of the derecognition of up-front revenues on structured bonds issued by Banca Intesa in 2003 and 2004**
- **+8% increase in Italy**
- **Increase mainly driven by volume growth in retail (+8%, +€8bn)**
- **Decrease in Mid and Large Corporate loans (-7.7%, -€2bn)**

- **Quarterly upward trend confirmed**
- **+4% 3Q05 vs 2Q05 in Italy**
- **+6% 3Q05 vs 3Q04**
- **+8% 3Q05 vs 2004 quarterly average**
- **Cost of Carry of Equity Swap / Structured Finance transactions: ~€30m in 2Q05 and ~€10m in 3Q05**

(1) *Sofferenze + Incagli + Ristrutturati e in Corso di Ristrutturazione*

# Net Fee and Commission Income

Substantial Growth due to the Strong Commercial Effectiveness of Our Structure



## ■ Main drivers for growth

- Dealing & Placement of Securities 2.6 x
- Insurance products 1.9 x

■ 9M05 commissions on Dealing & Placement of Securities include ~€160m from the placement of third-party structured bonds, entirely booked in 1H05 and not present in 9M04

■ 9M05 commissions on Dealing & Placement of Securities excluding structured bonds +53% vs 9M04

■ Healthy performance of commissions from Credit/Debit cards (+7.4%)

■ 3Q05 Tax-collection fees include ~€50m of Government compensation for tax-collection activities related to 1H05

■ No up-front revenues from third-party structured bonds in 3Q05 vs €50m in 2Q05, as planned

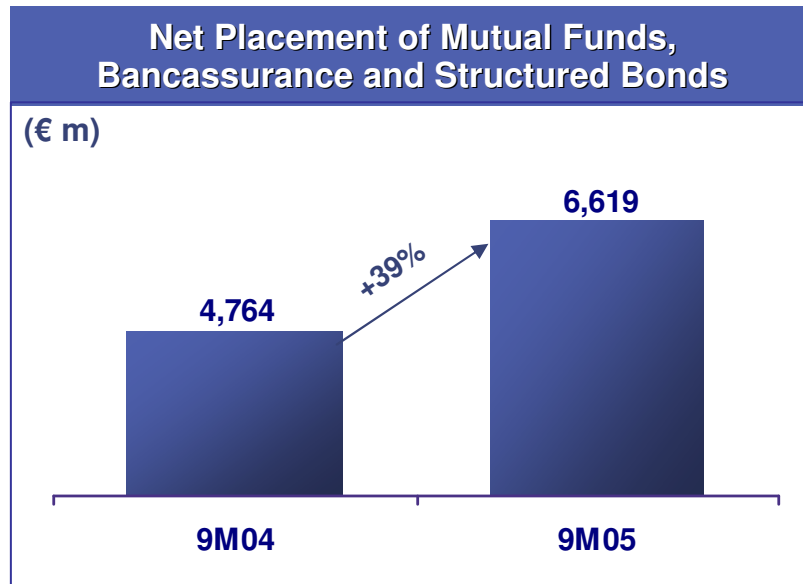
■ 3Q05 vs 2Q05 significant growth in commissions from Credit/Debit cards (+17.1%) and AUM (+6.8%)

■ Substantial growth in 3Q05 vs 3Q04 in commissions from

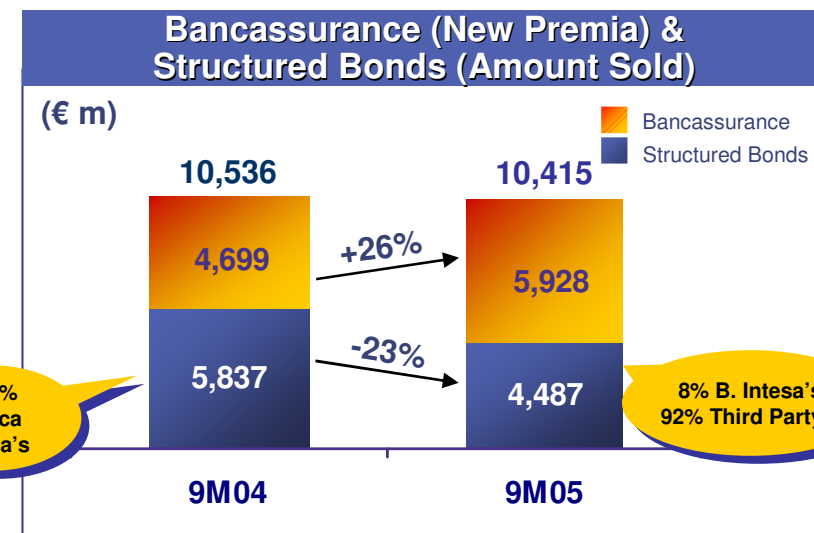
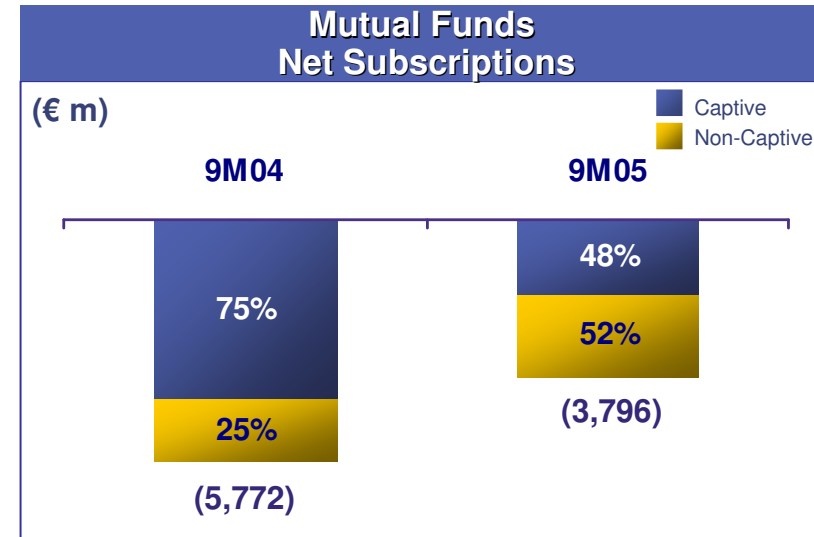
- Dealing & Placement of Securities +77%
- Bancassurance products +53%
- Credit/Debit cards +20%

# Placing Power of Value-Added Products

## Asset-Mix Actively Improved

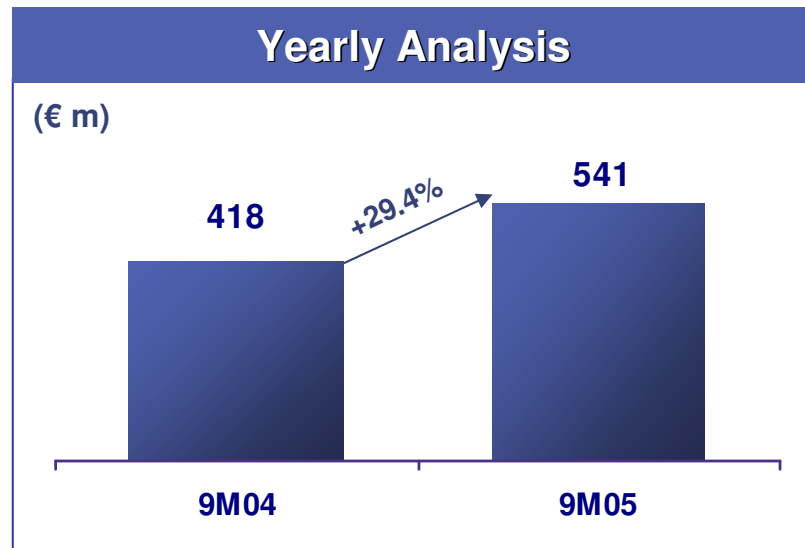


- 9M05 sales of Bancassurance and Structured Bonds have largely exceeded (+€6.6bn) the net outflow in Mutual Funds
- Sustained growth in Bancassurance and slowdown in Structured Bonds, as planned (no placement in 3Q05)
- 3Q05 sales of Bancassurance +14% vs 2Q05 (+36% vs 3Q04)

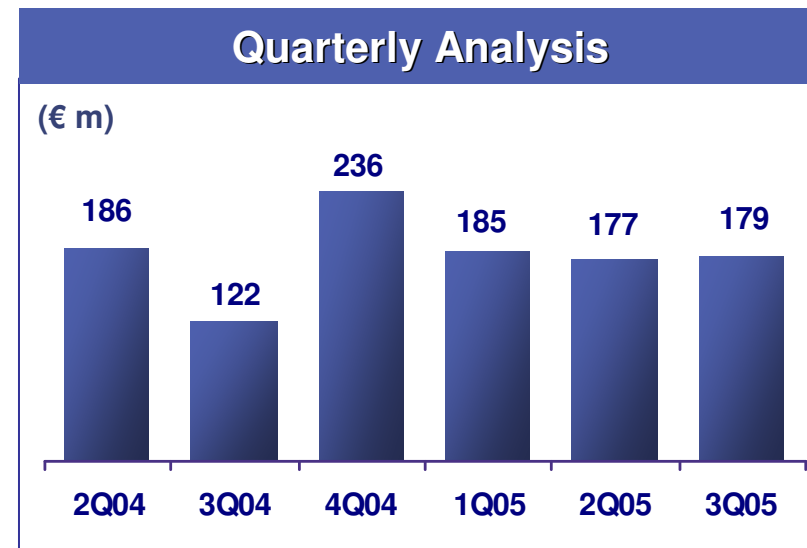


# Profits on Trading

## Recent Quarterly Performance Confirmed



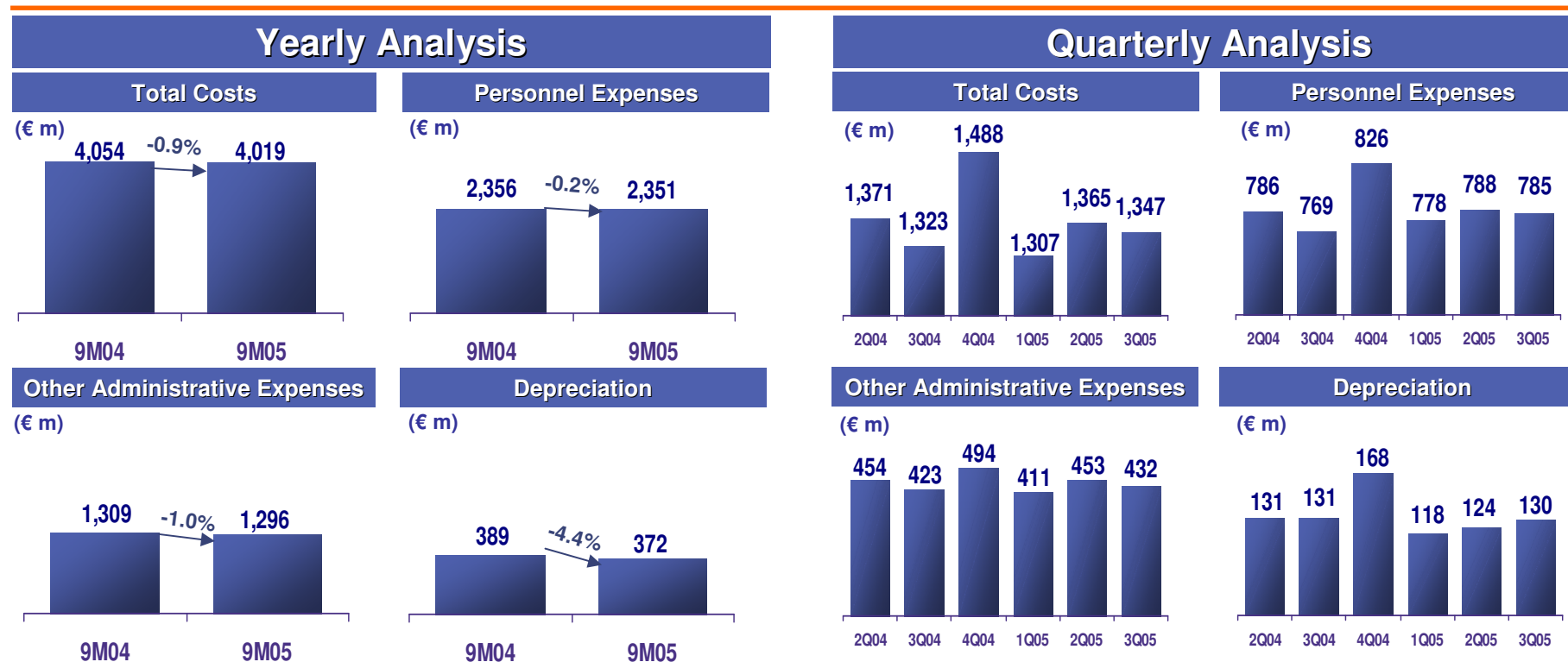
- 9M05 profits include dividends from AFS Investments for €49m vs €40m in 9M04



- 3Q05 includes €54m capital loss from the disposal of BCP stake partially offset by €44m capital gain from the disposal of Banco de Investimento Imobiliario stake being accounted for in Profits/Losses on HTM and Other Investments (€40m) and in Dividends and Equity Investments (€4m)

# Operating Costs

9M05 Cost/Income at 53.5% (vs 60.4% in 9M04)



- Personnel Expenses stable (-0.2%) despite payroll increases after national labour contract renewal
- Other Administrative Expenses decrease (-1%) despite the increase in advertising investments (+10%)
- Decrease in depreciation (-4.4%) due to rationalisation of Real Estate Assets and expiration of some deferred charges (mainly IT)
- 3Q05 vs 2Q05 decrease in Other Administrative Expenses across the board except for IT
- 3Q05 Cost/Income down to 53%, the lowest of the last seven quarters

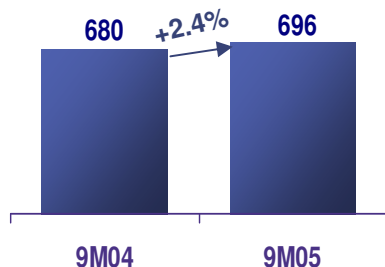
# Provisions

## 9M05 Net Provisions for Loan Losses within our FY05 Target

### Yearly Analysis

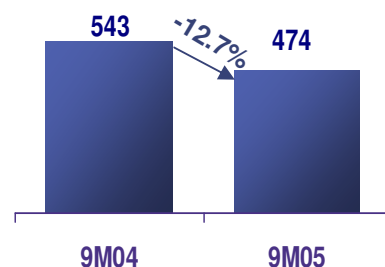
#### Total Net Provisions<sup>(1)</sup>

(€ m)



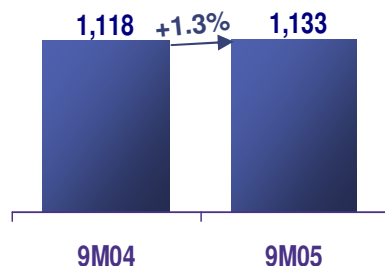
#### Net Provisions for Loan Losses

(€ m)



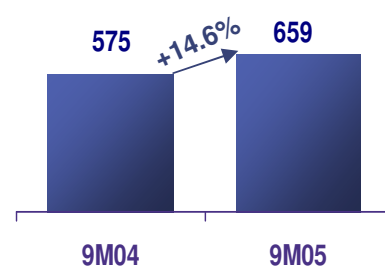
#### Gross Provisions for Loan Losses

(€ m)



#### Write-backs on Loans

(€ m)

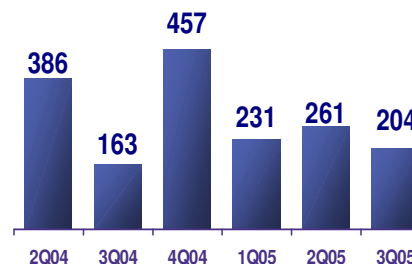


- 9M05 Total Net Provisions include provisions for Risks and Charges set aside, based on our conservative criteria, following Parmalat's revocatory actions and booked in 2Q05

### Quarterly Analysis

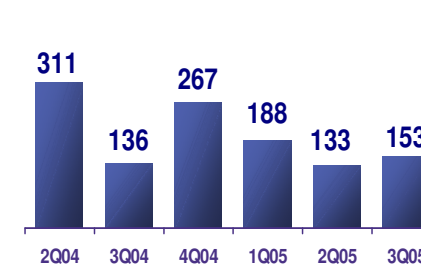
#### Total Net Provisions<sup>(1)</sup>

(€ m)



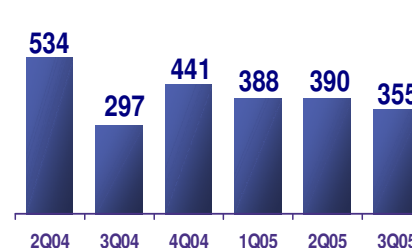
#### Net Provisions for Loan Losses

(€ m)



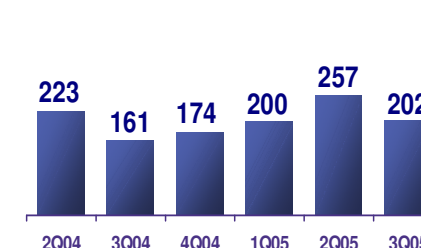
#### Gross Provisions for Loan Losses

(€ m)



#### Write-backs on Loans

(€ m)



- 3Q05 increase in Net Provisions for Loan Losses vs 2Q05 due to lower writebacks. 3Q05 writebacks in line with 1Q05

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

# Asset Quality in Line with European Best Practice

## Make Banca Intesa One of the Best European Banks

	Ratios					
	2001	2002	2003	2004	2004 IAS	30.09.05
Net Loan Provisions/Op. Margin	76%	77%	34%	23%	24%	14%
Net Loan Provisions/Loans	1.3%	1.4%	0.8%	0.56%	0.60%	0.40% <sup>(2)</sup>
Net Doubtful Loans <sup>(1)</sup> /Loans	3.0%	3.2%	3.0%	2.7%	1.9%	0.7% ←
Doubtful Loans <sup>(1)</sup> Coverage	59%	62%	65%	67%	76%	73%

■ Net Doubtful Loans<sup>(1)</sup> / Shareholders' Equity down to 7%

(1) Sofferenze

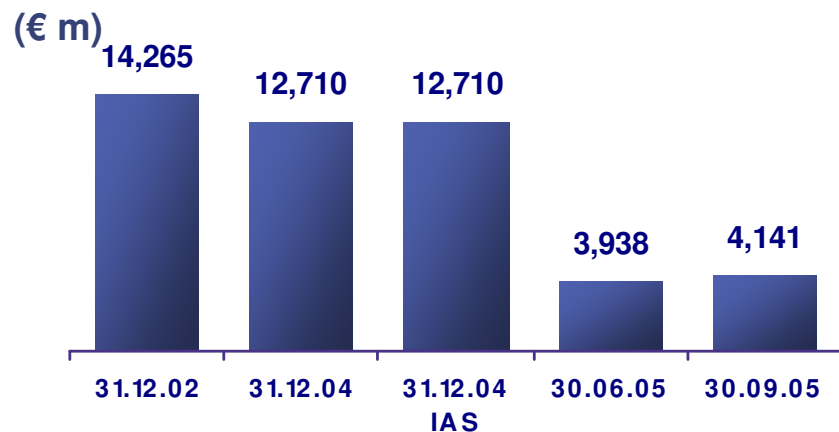
(2) Annualised



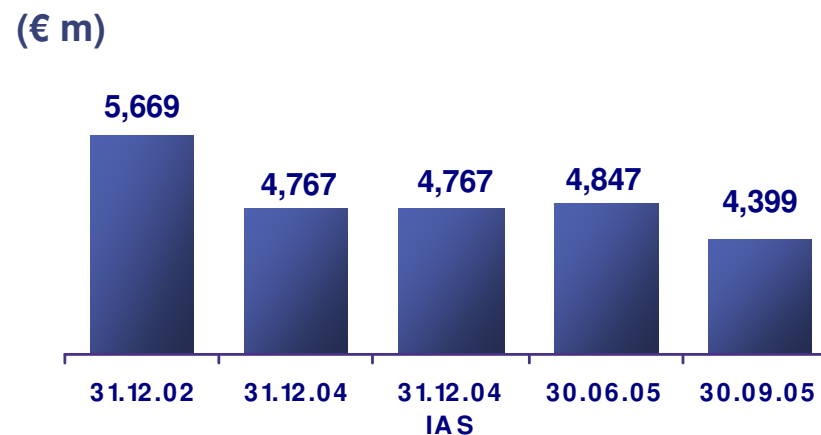
# Doubtful & Substandard Loans

Impressive Reduction in Net Doubtful and Substandard Loans since 2002: -€5.3bn

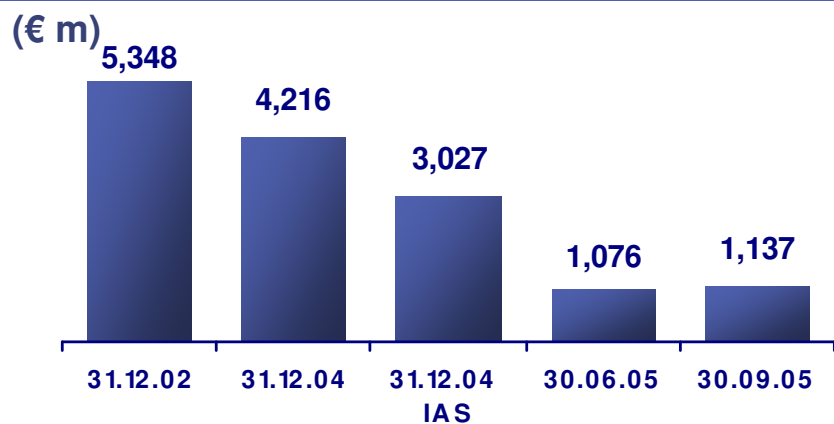
## Gross Doubtful Loans (Sofferenze)



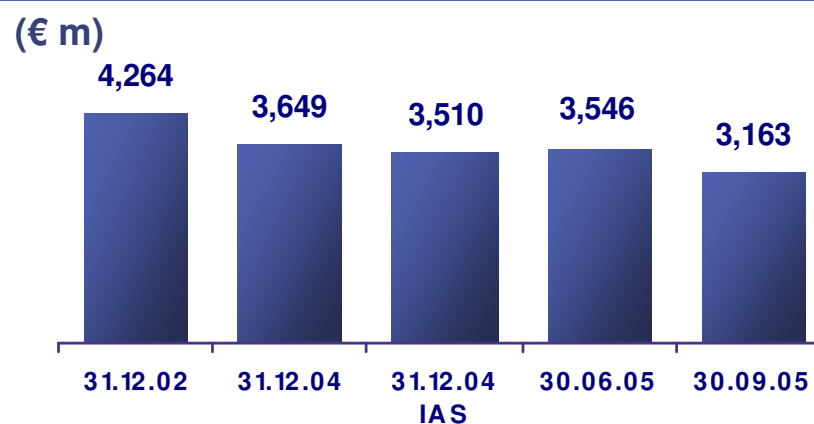
## Gross Substandard (Incagli)



## Net Doubtful Loans (Sofferenze)



## Net Substandard (Incagli)



- Decrease in the overall amount of Doubtful and Substandard Loans, gross and net, vs 30.06.05

# Strengthening of Capital Base

	Ratios				
	2001	2004	2004 IAS	30.09.05 <sup>(1)</sup>	2007 BP Target
<b>Core Tier 1</b>	<b>5.3%</b>	<b>7.6%</b>	<b>6.7%</b>	<b>7.1%</b>	<b>7.2%</b>
<b>Tier 1</b>	<b>6.0%</b>	<b>8.5%</b>	<b>7.6%</b>	<b>8.0%</b>	<b>8.0%</b>
<b>Total Capital</b>	<b>9.3%</b>	<b>11.6%</b>	<b>11.0%</b>	<b>10.6%</b>	<b>11.5%</b>

BP = 2005-2007 Business Plan

(1) Not including the forthcoming finalisation of the doubtful loan sale and the Nextra transaction

# Divisional Financial Highlights as at 30.09.05

	Retail <sup>(1)</sup>	Italian Subsidiary Banks	International Subsidiary Banks	Corporate <sup>(2)</sup>	Central Functions/ Other	Total
Operating Income (€ m)	4,016	1,131	824	1,481	67	7,519
Operating Margin (€ m)	1,839	574	372	876	(161)	3,500
Cost/Income (%)	54.2	49.2	54.9	40.8	n.m.	53.5
RWA (€ bn)	78.3	25.6	15.6	48.8	18.5	186.8
Allocated Capital <sup>(3)</sup> (€ bn)	5.1	1.5	0.9	2.9	1.1	11.5
Pre-tax ROE <sup>(4)</sup> (%)	42.3	41.6	41.0	35.9	(25.1)	34.0
Customer Deposits <sup>(5)</sup> (€ bn)	71	24	14	32	28	170
Loans to Customers (€ bn)	79	24	12	41	3	159
EVA <sup>®</sup> (€ m)	668	166	138	247	(279)(180)	760

## ■ 9M05 €760m EVA<sup>®</sup> vs €349m in 9M04

Treasury and Finance 76  
Central Costs (165)  
Others (190)

Cost of Excess Capital

Figures may not add up exactly due to rounding differences

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

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

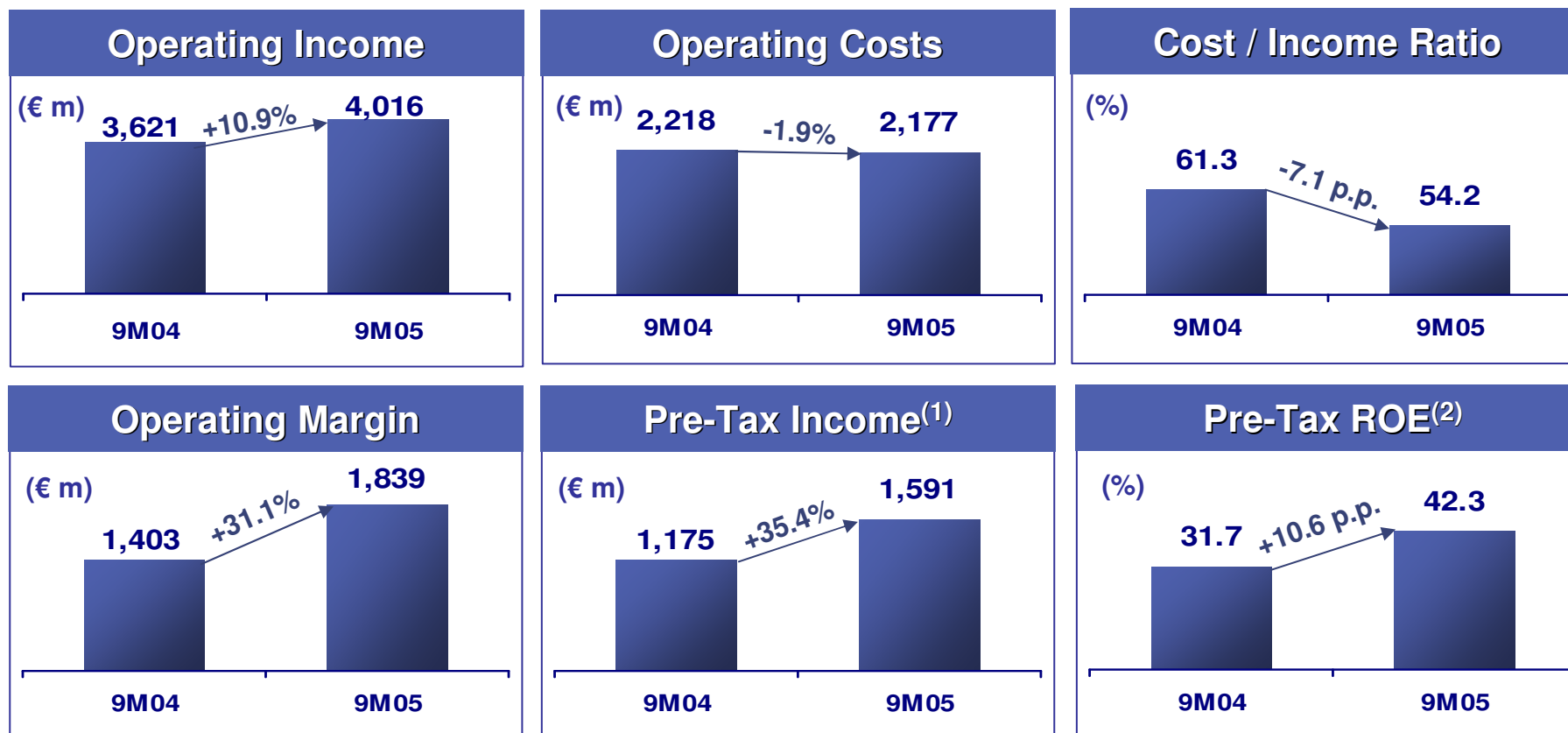
(3) Allocated Capital = 6% RWA

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

(5) Excluding subordinated liabilities

# Retail Division: 9M05 vs 9M04

## Two-Digit Top-Line Growth and Substantial Improvement in Efficiency



### ■ 9M05 €668m EVA<sup>®</sup> (vs €421m in 9M04)

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

Figures may not add up exactly due to rounding differences

(1) Income before Tax from Continuing Operations

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

# Retail Division

## Strong Commercial Effectiveness (Examples) (1/2)

30.09.05 vs 30.09.04

Residential Mortgages



+12%

+€4bn

Personal loans



+60%

+€1bn

Bancassurance  
(New Premiums)



+29%

+€1bn

# Retail Division

## Strong Commercial Effectiveness (Examples) (2/2)



**Conto Intesa**

Launched in December 2003



**Conto Intesa Business**

Launched in June 2004



**Conto Intesa Personal**

Launched in June 2004

**~ 650,000 current accounts opened as at 30.09.05 since their launch, of which ~40% are new accounts**

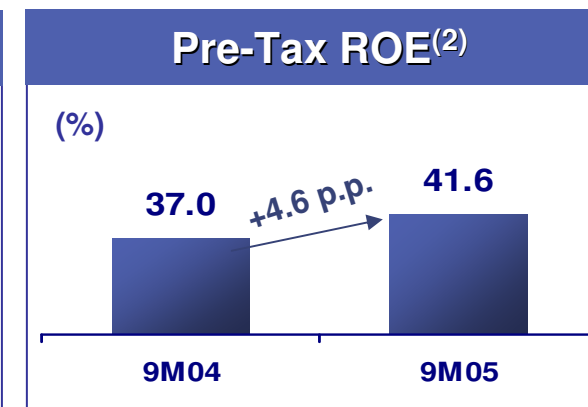
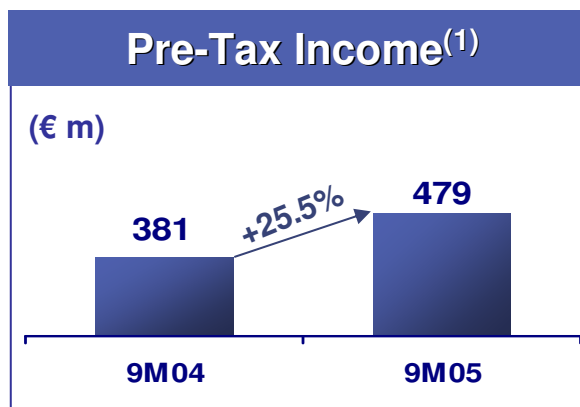
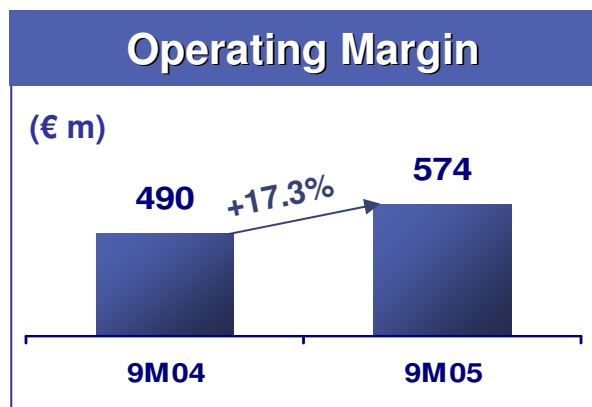
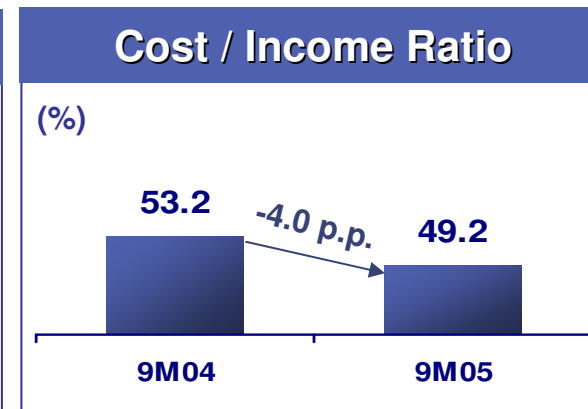
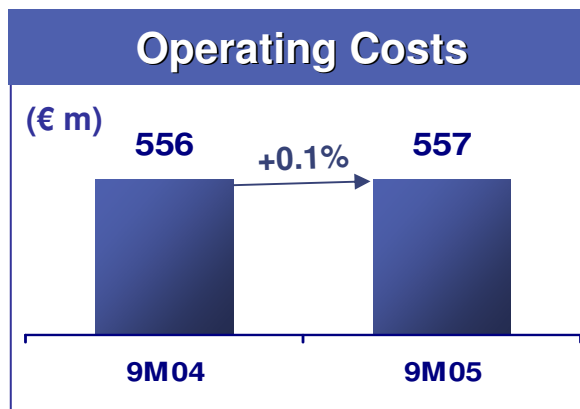
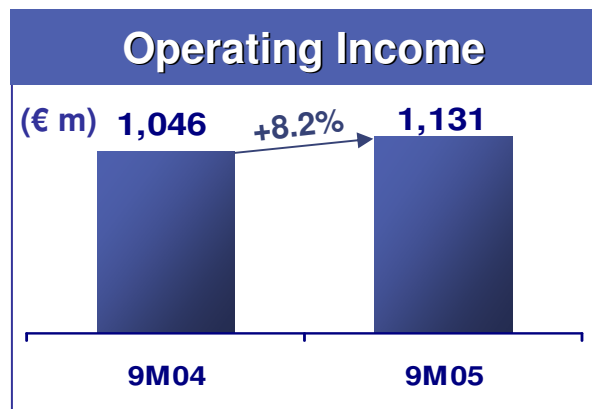
**Continuing product innovation**

**Latest products launched (examples)**



# Italian Subsidiary Banks Division: 9M05 vs 9M04

## Cost/Income Ratio at 49%



■ **9M05 €166m EVA<sup>®</sup> (vs €108m in 9M04)**

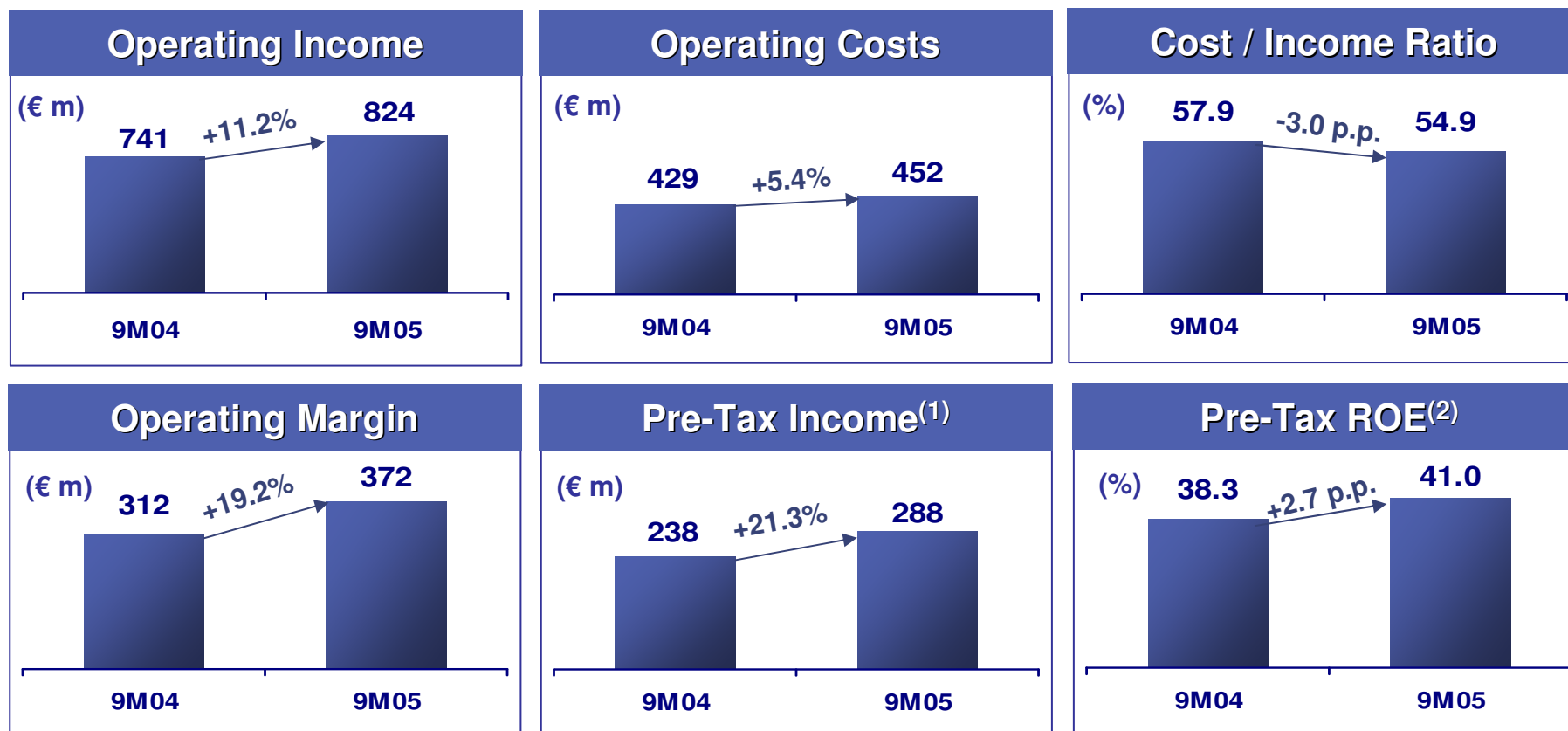
*Figures may not add up exactly due to rounding differences*

*(1) Income before Tax from Continuing Operations*

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

# International Subsidiary Banks Division: 9M05 vs 9M04

## Significant Improvement in Profitability



■ **9M05 €138m EVA<sup>®</sup> (vs €109m in 9M04)**

*Figures may not add up exactly due to rounding differences. Delta Banka in Serbia and Montenegro and KMB Bank in the Russian Federation not included*

*(1) Income before Tax from Continuing Operations*

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



# Central-Eastern Europe Highlights: 9M05 vs 9M04

## CEE Net Income +26%

(€ m)	CIB (Hungary)		PBZ (Croatia)		VUB (Slovakia)		TOTAL CEE <sup>(1)</sup>	
	9M04	9M05	9M04	9M05	9M04	9M05	9M04	9M05
Operating Income	195	229	239	257	169	186	603	671
Operating Costs	(99)	(118)	(124)	(132)	(97)	(107)	(320)	(357)
Operating Margin	96	111	114	125	72	79	283	314
Net Provisions <sup>(2)</sup>	(34)	(30)	(17)	(16)	(10)	(2)	(61)	(48)
Pre-Tax Income <sup>(3)</sup>	62	81	95	111	63	79	220	271
Net Income	51	63	75	89	53	74	179	225
	31.12.04	30.09.05	31.12.04	30.09.05	31.12.04	30.09.05	31.12.04	30.09.05
Customer Deposits	2,512	3,150	3,968	4,408	4,523	4,384	11,003	11,943
Customer Loans	4,031	4,614	3,170	3,629	1,837	1,985	9,038	10,228
Total Assets	4,916	5,722	5,745	6,242	5,648	5,760	16,309	17,724

- Operating Costs increase due to investments (branch opening, ...)
- 9M05 €146m EVA<sup>®</sup> (vs €114m in 9M04)

Figures may not add up exactly due to rounding differences

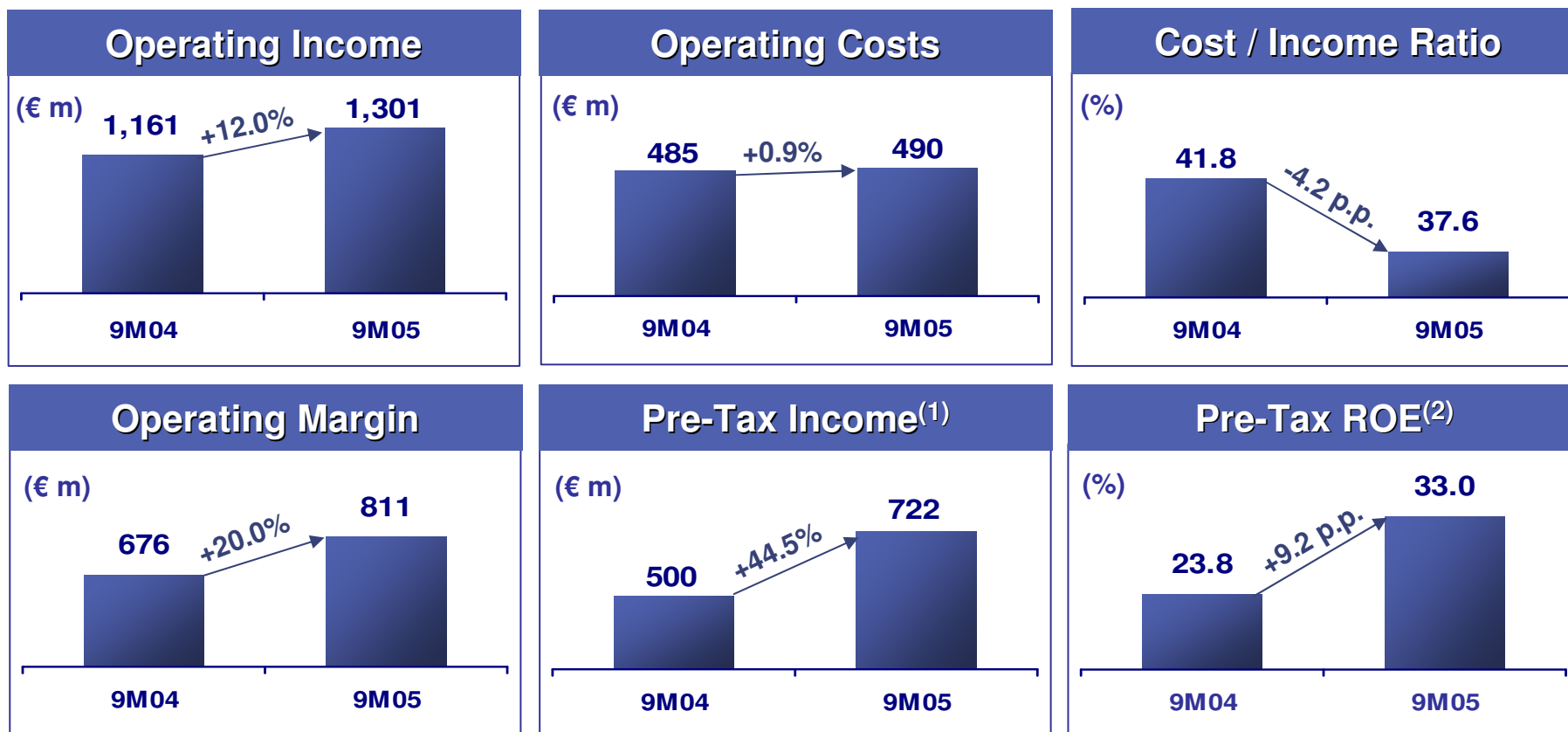
(1) Delta Banka in Serbia and Montenegro and KMB Bank in the Russian Federation not included

(2) Including Net Provisions for Risks and Charges, Net Adjustments to Loans and Receivables and Net Impairment Losses on Assets

(3) Income before Tax from Continuing Operations

# Corporate Division (excluding Tax Collection): 9M05 vs 9M04

## Growth Trend Confirmed



- Decrease in Mid and Large Corporates exposure year on year (-7.7%, -€2bn)
- 9M05 €208m EVA<sup>®</sup> (vs €111m in 9M04)

Figures may not add up exactly due to rounding differences

(1) Income before Tax from Continuing Operations

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

# Outlook

- Good overall performance, with sustained Top-Line growth and substantial improvement in profitability and efficiency
- Well placed to meet 2005 EPS and Dividend Targets
- On Track on 2005-2007 Business Plan Targets:

	Δ% 9M05 vs 9M04	BP Target CAGR 2004-2007
Operating Income	<b>+12.0%</b>	<b>+7.4%</b>
Operating Costs	<b>(0.9)%</b>	<b>+1.1%</b>
Operating Margin	<b>+31.6%</b>	<b>15.6%</b>

	2004	30.09.05	2007BP Target
Cost/Income	<b>60%</b>	<b>53.5%</b>	<b>50%</b>
ROE	<b>16%</b>	<b>18%<sup>(1)</sup></b>	<b>20%</b>

BP = 2005-2007 Business Plan

(1) Annualised

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# Appendix

# Quarterly Analysis

	1Q04	2Q04	3Q04	4Q04	1Q05	2Q05	3Q05
(€ m)	Restated						
<b>Net interest income</b>	<b>1,236</b>	<b>1,198</b>	<b>1,268</b>	<b>1,255</b>	<b>1,285</b>	<b>1,312</b>	<b>1,339</b>
<b>Dividends and equity investments</b>	<b>33</b>	<b>48</b>	<b>34</b>	<b>40</b>	<b>33</b>	<b>45</b>	<b>44</b>
<b>Net fee and commission income</b>	<b>829</b>	<b>865</b>	<b>857</b>	<b>909</b>	<b>954</b>	<b>970</b>	<b>976</b>
<b>Profits (Losses) on trading</b>	<b>110</b>	<b>186</b>	<b>122</b>	<b>236</b>	<b>185</b>	<b>177</b>	<b>179</b> <sup>(1)</sup>
<b>Other operating income (expenses)</b> <sup>(2)</sup>	<b>22</b>	<b>38</b>	<b>(133)</b> <sup>(3)</sup>	<b>101</b>	<b>0</b>	<b>16</b>	<b>4</b>
<b>Operating income</b>	<b>2,230</b>	<b>2,335</b>	<b>2,148</b>	<b>2,541</b>	<b>2,457</b>	<b>2,520</b>	<b>2,542</b>
<b>Personnel expenses</b>	<b>(801)</b>	<b>(786)</b>	<b>(769)</b>	<b>(826)</b>	<b>(778)</b>	<b>(788)</b>	<b>(785)</b>
<b>Other administrative expenses</b> <sup>(2)</sup>	<b>(432)</b>	<b>(454)</b>	<b>(423)</b>	<b>(494)</b>	<b>(411)</b>	<b>(453)</b>	<b>(432)</b>
<b>Adjustments to fixed assets and intangibles</b>	<b>(127)</b>	<b>(131)</b>	<b>(131)</b>	<b>(168)</b>	<b>(118)</b>	<b>(124)</b>	<b>(130)</b>
<b>Operating costs</b>	<b>(1,360)</b>	<b>(1,371)</b>	<b>(1,323)</b>	<b>(1,488)</b>	<b>(1,307)</b>	<b>(1,365)</b>	<b>(1,347)</b>
<b>Operating margin</b>	<b>870</b>	<b>964</b>	<b>825</b>	<b>1,053</b>	<b>1,150</b>	<b>1,155</b>	<b>1,195</b>
<b>Net provisions for risks and charges</b>	<b>(18)</b>	<b>(86)</b>	<b>(18)</b>	<b>(174)</b>	<b>(46)</b>	<b>(118)</b>	<b>(48)</b>
<b>Net adjustments to loans and receivables</b>	<b>(96)</b>	<b>(311)</b>	<b>(136)</b>	<b>(267)</b>	<b>(188)</b>	<b>(133)</b>	<b>(153)</b>
<b>Net impairment losses on other assets</b>	<b>(17)</b>	<b>11</b>	<b>(9)</b>	<b>(16)</b>	<b>3</b>	<b>(10)</b>	<b>(3)</b>
<b>Profits (Losses) on HTM and other investments</b>	<b>(1)</b>	<b>22</b>	<b>109</b>	<b>57</b>	<b>61</b>	<b>27</b>	<b>44</b>
<b>Income (Loss) before tax from cont operations</b>	<b>738</b>	<b>600</b>	<b>771</b>	<b>653</b>	<b>980</b>	<b>921</b>	<b>1,035</b>
<b>Taxes on income from continuing operations</b>	<b>(255)</b>	<b>(146)</b>	<b>(248)</b>	<b>(139)</b>	<b>(354)</b>	<b>(316)</b>	<b>(348)</b>
<b>Income (Loss) after tax from discontinued operations</b> <sup>(4)</sup>	<b>(38)</b>	<b>(7)</b>	<b>(2)</b>	<b>(2)</b>	<b>18</b>	<b>(2)</b>	<b>(9)</b>
<b>Minority interests</b>	<b>(19)</b>	<b>(16)</b>	<b>(24)</b>	<b>(25)</b>	<b>(24)</b>	<b>(23)</b>	<b>(33)</b>
<b>Net income</b>	<b>426</b>	<b>431</b>	<b>497</b>	<b>487</b>	<b>620</b>	<b>580</b>	<b>645</b>

Note: 2004 and 2005 restated figures to reflect the IAS/IFRS application (including IAS 39 estimates). 2004-2005 data also restated due to profit / loss from discontinued operations (doubtful loan sale) being accounted for in its specific caption

(1) Including €54m capital loss from the disposal of BCP stake partially offset by €44m capital gain from the disposal of Banco de Investimento Imobiliario stake booked in Profits on HTM and Other Investments (€40m) and in Dividends and Equity Investments (€4m)

(2) Other Administrative Expenses are net of expenses recovery (€60m 1Q04, €68m 2Q04, €61m 3Q04, €91m 4Q04, €85m 1Q05, €92m 2Q05 and €79m 3Q05)

(3) Including €160m charges due to the Nextra settlement with Parmalat

(4) €49m capital gain from the sale of 81% of the loan servicing business of IGC which manages doubtful loans to be accounted for in 4Q05

# Quarterly Analysis: 3Q05 vs 3Q04

(€ m)	3Q04	3Q05	Δ%
	Restated		
<b>Net interest income</b>	1,268	1,339	5.6
<b>Dividends and equity investments</b>	34	44	29.4
<b>Net fee and commission income</b>	857	976	13.9
<b>Profits (Losses) on trading</b>	122	179 <sup>(1)</sup>	46.7
<b>Other operating income (expenses)</b>	(133) <sup>(2)</sup>	4	n.m.
<b>Operating income</b>	<b>2,148</b>	<b>2,542</b>	<b>18.3</b>
<b>Personnel expenses</b>	(769)	(785)	2.1
<b>Other administrative expenses</b>	(423)	(432)	2.1
<b>Adjustments to fixed assets and intangibles</b>	(131)	(130)	(0.8)
<b>Operating costs</b>	<b>(1,323)</b>	<b>(1,347)</b>	<b>1.8</b>
<b>Operating margin</b>	<b>825</b>	<b>1,195</b>	<b>44.8</b>
<b>Net provisions for risks and charges</b>	(18)	(48)	166.7
<b>Net adjustments to loans and receivables</b>	(136)	(153)	12.5
<b>Net impairment losses on other assets</b>	(9)	(3)	(66.7)
<b>Profits (Losses) on HTM and other investments</b>	109	44	(59.6)
<b>Income before tax from continuing operations</b>	<b>771</b>	<b>1,035</b>	<b>34.2</b>
<b>Taxes on income from continuing operations</b>	(248)	(348)	40.3
<b>Income (Loss) after tax from discontinued operations</b>	(2)	(9)	350.0
<b>Minority interests</b>	(24)	(33)	37.5
<b>Net income</b>	<b>497</b>	<b>645</b>	<b>29.8</b>

Note: 3Q04 restated figures to reflect the IAS/IFRS application (including IAS 39 estimates). 2004-2005 data also restated due to profit / loss from discontinued operations (doubtful loan sale) being accounted for in its specific caption

(1) Including €54m capital loss from the disposal of BCP stake partially offset by €44m capital gain from the disposal of Banco de Investimento Imobiliario stake booked in Profits on HTM and Other Investments (€40m) and in Dividends and Equity Investments (€4m)

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

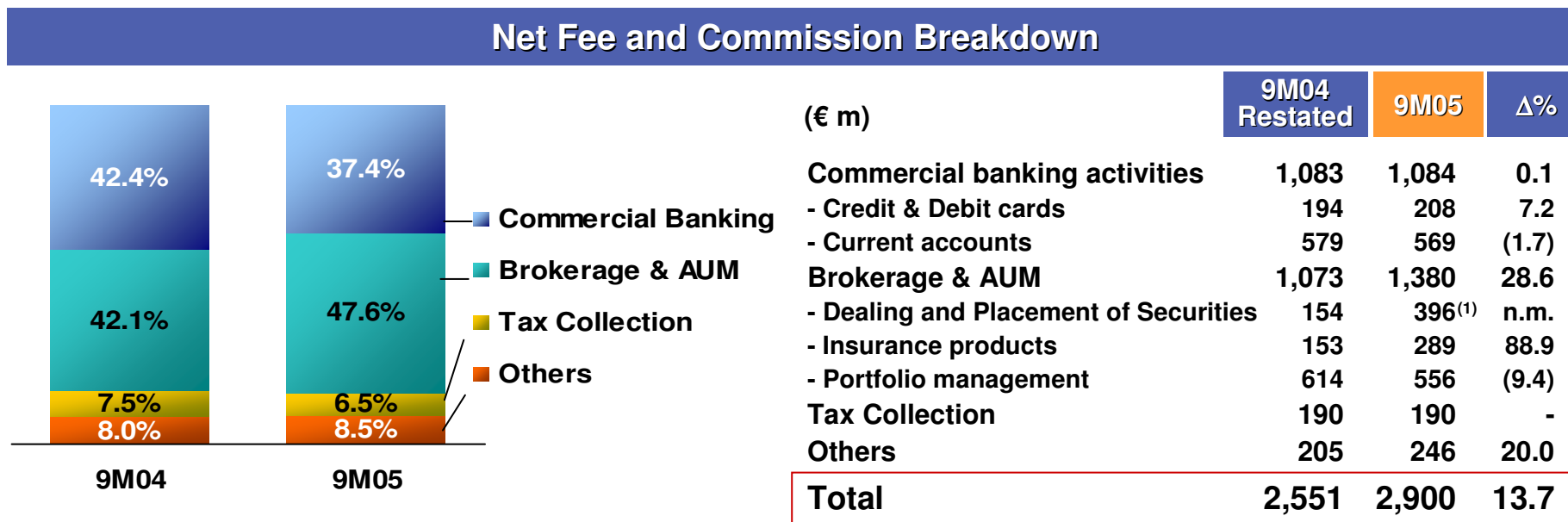
# Quarterly Analysis: 3Q05 vs 2Q05

(€ m)	2Q05	3Q05	Δ%
	Restated		
<b>Net interest income</b>	1,312	1,339	2.1
<b>Dividends and equity investments</b>	45	44	(2.2)
<b>Net fee and commission income</b>	970	976	0.6
<b>Profits on trading</b>	177	179 <sup>(1)</sup>	1.1
<b>Other operating income</b>	16	4	(75.0)
<b>Operating income</b>	<b>2,520</b>	<b>2,542</b>	<b>0.9</b>
<b>Personnel expenses</b>	(788)	(785)	(0.4)
<b>Other administrative expenses</b>	(453)	(432)	(4.6)
<b>Adjustments to fixed assets and intangibles</b>	(124)	(130)	4.8
<b>Operating costs</b>	<b>(1,365)</b>	<b>(1,347)</b>	<b>(1.3)</b>
<b>Operating margin</b>	<b>1,155</b>	<b>1,195</b>	<b>3.5</b>
<b>Net provisions for risks and charges</b>	(118)	(48)	(59.3)
<b>Net adjustments to loans and receivables</b>	(133)	(153)	15.0
<b>Net impairment losses on assets</b>	(10)	(3)	(70.0)
<b>Profits (Losses) on HTM and other investments</b>	27	44	63.0
<b>Income before tax from continuing operations</b>	<b>921</b>	<b>1,035</b>	<b>12.4</b>
<b>Taxes on income from continuing operations</b>	(316)	(348)	10.1
<b>Income (Loss) after tax from discontinued operations</b>	(2)	(9)	350.0
<b>Minority interests</b>	(23)	(33)	43.5
<b>Net income</b>	<b>580</b>	<b>645</b>	<b>11.2</b>

Note: 2Q05 data also restated due to profit / loss from discontinued operations (doubtful loan sale) being accounted for in its specific caption

(1) Including €54m capital loss from the disposal of BCP stake partially offset by €44m capital gain from the disposal of Banco de Investimento Imobiliario stake booked in Profits on HTM and Other Investments (€40m) and in Dividends and Equity Investments (€4m)

# Net Fee and Commission



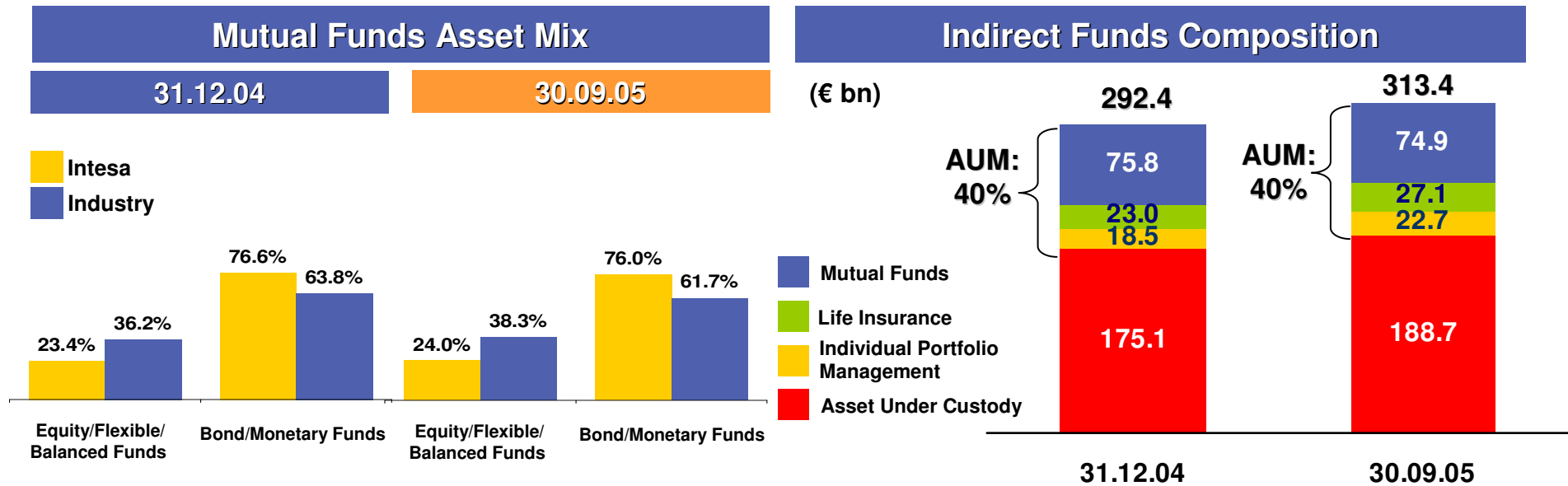
Note: 9M04 restated figures to reflect the IAS/IFRS application (including IAS 39 estimates)

(1) Including ~€160m from the placement of third-party structured bonds, absent in 9M04



# Wealth Management

Indirect Funds Increase of 7.2% 30.09.05 vs 31.12.04



Figures may not add up exactly due to rounding differences

# Increase in Capital Allocated to Retail

Retail	Risk Weighted Assets <sup>(1)</sup>			
	2001	2004	30.09.05	2007 BP Target
<b>Retail</b>	38%	49%	48%	49%
<b>Italian Subsidiary Banks</b>	10%	14%	15%	14%
<b>CEE Subsidiary Banks</b>	3%	7%	7%	7%
<b>Other Int. Subsidiary Banks</b>	10%	2%	2%	1%
<b>Large &amp; Mid International Co's</b>	17%	5%	5%	4%
<b>Large Italian Co's</b>	10%	9%	8%	9%
<b>Mid Italian Co's</b>	7%	7%	7%	7%
<b>Govt. &amp; Fin. Inst's</b>	2%	2%	3%	4%
<b>Others <sup>(2)</sup></b>	3%	5%	5%	5%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

8% including acquisitions recently finalised /under way <sup>(3)</sup>

BP = 2005-2007 Business Plan

(1) Excluding Central Functions and Market Risk

(2) Merchant Banking, Private Equity and Capital Markets and other foreign subsidiaries specialised in Corporate Banking

(3) Including the acquisitions of Delta Banka in Serbia and Montenegro (finalised in August 2005) and KMB Bank in the Russian Federation (finalised in September 2005) and the acquisition of UPI Banka in Bosnia and Herzegovina under way