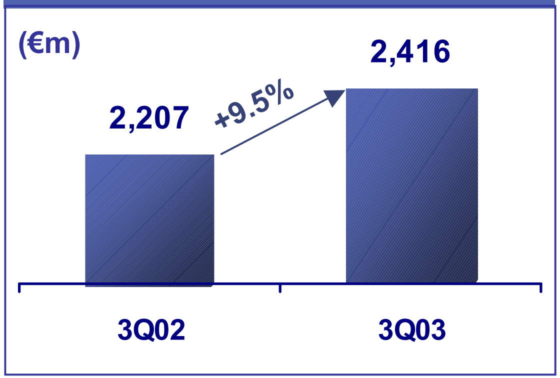
Banca Intesa

# 2003 Third Quarter Results

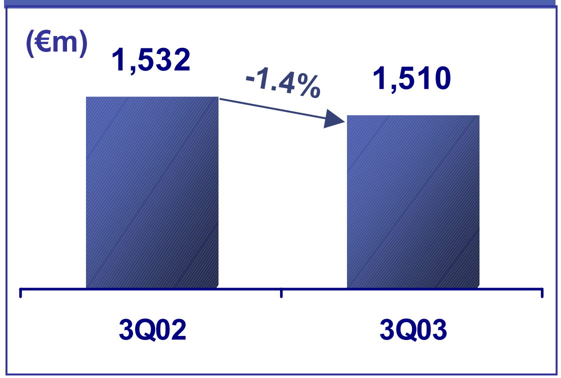
November 13th, 2003

# Third-Quarter Analysis

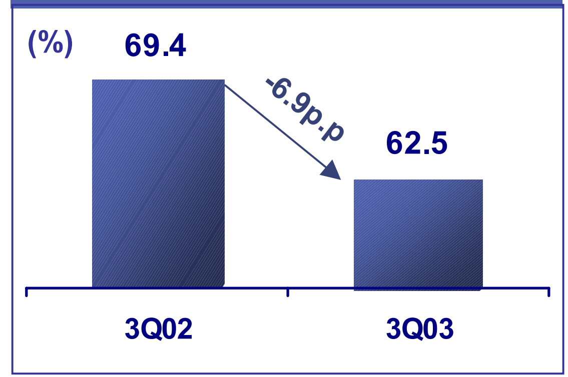
## Total Income



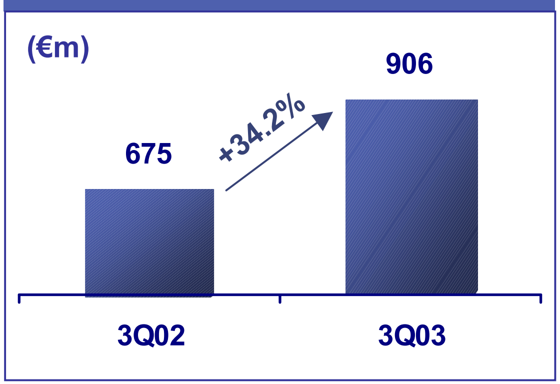

## Operating Costs



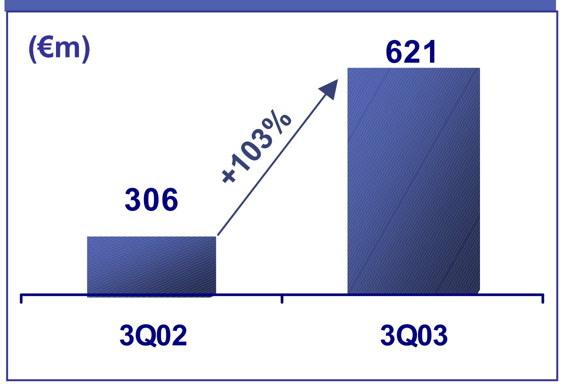

## Cost / Income Ratio



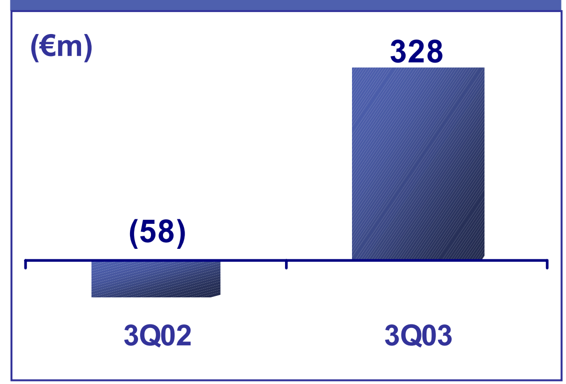

## Operating Margin




## Ordinary Income




## Net Income




Note: *3Q02 pro-forma figures to reflect 3Q03 consolidation area (including VUB and excluding Banco di Chiavari, Sudameris Argentina and IntesaBci Bank Suisse. Sudameris Brasil, Carinord1 and Carinord2 consolidated on application of the equity method)*

# 3Q03 vs 3Q02
## Strong Increase in Operating Margin and Ordinary Income

Carinord1 consolidated by Equity Method

| (€ m) | 3Q02 Pro-forma | 3Q03 | Δ% |
|---|---|---|---|
| Net Interest Income | 1,359 | 1,257 | (7.5) |
| Dividends & Eq. Profits | 15 | 21 | 40.0 |
| Net Commissions | 795 | 838 | 5.4 |
| Other Non-Interest Income | 38 | 300 (1) | 689.5 |
| **Total Income** | **2,207** | **2,416** | **9.5** |
| Operating Costs | (1,532) | (1,510) | (1.4) |
| **Operating Margin** | **675** | **906** | **34.2** |
| Goodwill Amortisation | (60) | (30) | (50.0) |
| Net Provisions | (309) | (255) | (17.5) |
| **Ordinary Income** | **306** | **621** | **102.9** |
| Extraordinary Items | (373) | (7) | (98.1) |
| Income Taxes & Minorities | 9 | (286) | n.m |
| **Net Income** | **(58)** | **328** | **n.m.** |

Note: *3Q02 pro-forma figures to reflect 3Q03 consolidation area (including VUB and excluding Banco di Chiavari, Sudameris Argentina and IntesaBci Bank Suisse. Sudameris Brasil, Carinord1 and Carinord2 consolidated on application of the equity method)*

*(1) Including €30m from sale of performing loans granted to public administration*

# 3Q03 vs 2Q03
# Revenues Trend Reflects Seasonality

Carinord1 consolidated by Equity Method

| (€ m) | 1Q03 | 2Q03 | 3Q03 | Δ% 3Q/2Q |
|---|---|---|---|---|
| | Pro-forma | | | |
| Net Interest Income | 1,283 | 1,253 | 1,257 | 0.3 |
| Dividends & Eq. Profits | 68 | 91 | 21 | (76.9) |
| Net Commissions | 785 | 831 | 838 | 0.8 |
| Other Non-Interest Income | 264 | 379 (1) | 300 (2) | (20.8) |
| **Total Income** | **2,400** | **2,554** | **2,416** | **(5.4)** |
| Operating Costs | (1,509) | (1,544) | (1,510) | (2.2) |
| **Operating Margin** | **891** | **1,010** | **906** | **(10.3)** |
| Goodwill Amortisation | (32) | (32) | (30) | (6.3) |
| Net Provisions | (336) | (356) | (255) | (28.4) |
| **Ordinary Income** | **523** | **622** | **621** | **(0.2)** |
| Extraordinary Items | 30 | 84 (3) | (7) | n.m. |
| Income Taxes & Minorities | (240) | (309) | (286) | (7.4) |
| **Net Income** | **313** | **397** | **328** | **(17.4)** |

-10.8% 3Q02 vs 2Q02

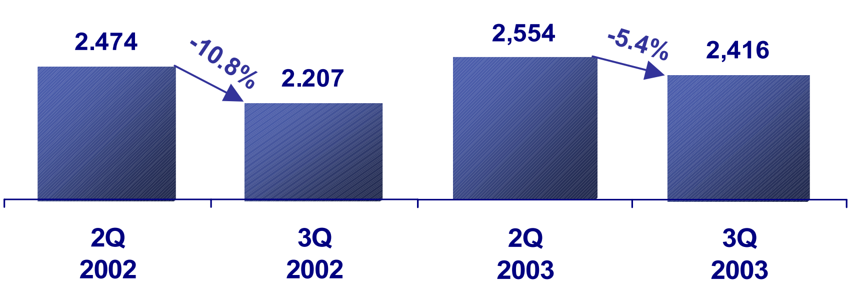
-22.2% 3Q02 vs 2Q02

Note: *1Q03 and 2Q03 pro-forma figures to reflect 3Q03 consolidation area (Sudameris Brasil, Carinord1 and Carinord2 consolidated on application of the equity method)*
*(1) Including €35m for Crédit Agricole stake mark to market*
*(2) Including €30m from sale of performing loans granted to public administration*
*(3) Including €223m income from treasury shares mark to market and €130m charges for disengagement from LatAm*

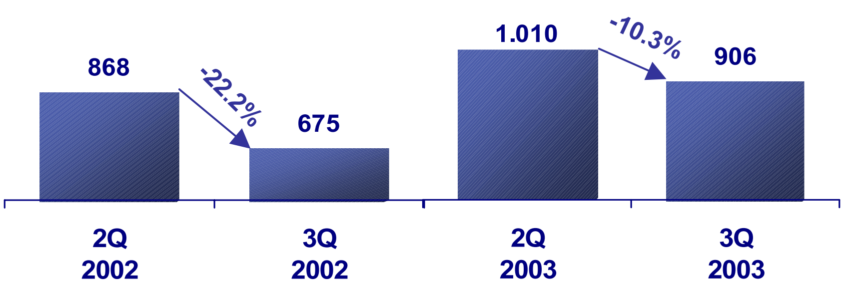
# Seasonality Effects

- **Seasonally negative effects mainly due to**
  - ✓ **Dividends: -€50m 3Q03 vs 2Q03 (dividends are concentrated in 1Q and 2Q)**
  - ✓ **Tax Collection Fees: -€20m 3Q03 vs 2Q03 (fees are concentrated in 2Q and 4Q)**
  - ✓ **As for Individuals clients: most Italian families spend their holidays in July and August with the sale of products such as structured bonds and bancassurance policies registering a decline**
  - ✓ **As for SOHO and SMEs clients: the vacation pause in August for the summer impacts on the sale of non traditional products such as corporate derivatives**
- **Extraordinary negative effects due to IT migration of Lombardy branches in September (Lombardy accounts for over 40% of Retail Division's Revenues)**
- **However the decline in revenues in 3Q03 vs 2Q03 is significantly lower compared to 3Q02 vs 2Q02**

**Total Income**

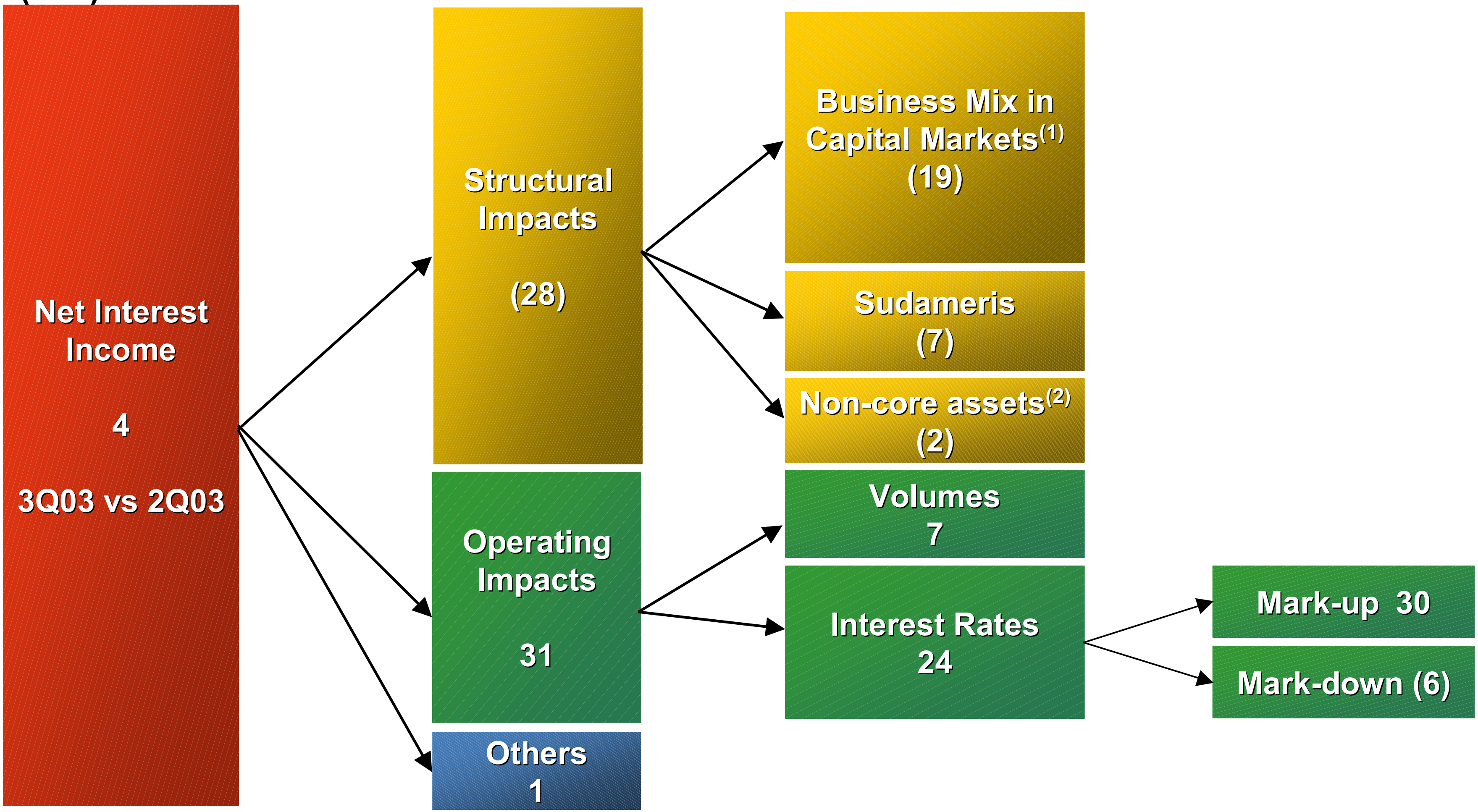



**Operating Margin**



# Net Interest Income +0.3% 3Q03 vs 2Q03 Mainly Due to Improvement in Mark-up

(€ m)



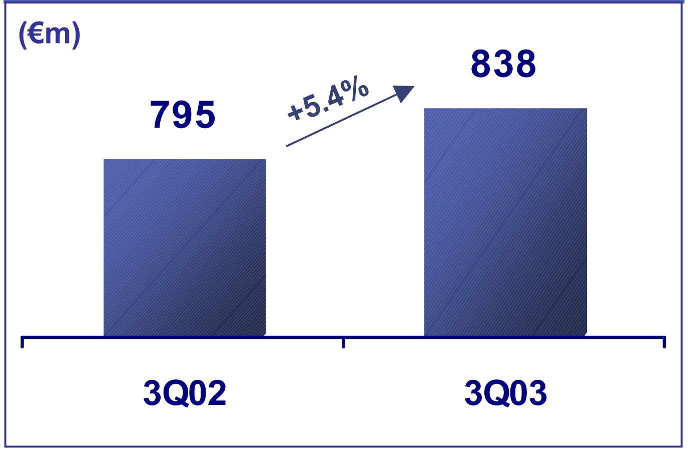

*Figures may not add up due to rounding differences*

*(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*

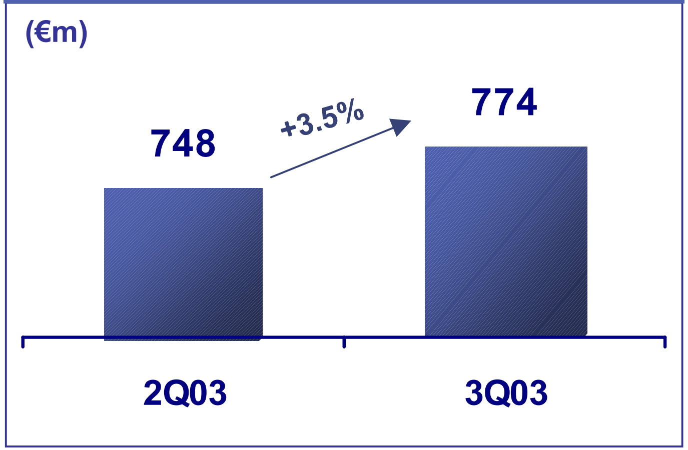
*(2) Other non-core foreign subsidiaries*

# Net Commissions Rebound Both vs 3Q02 and 2Q03 Net of Seasonal Decrease in Tax Collection Fees

**Net Commissions**
**3Q03 vs 3Q02**



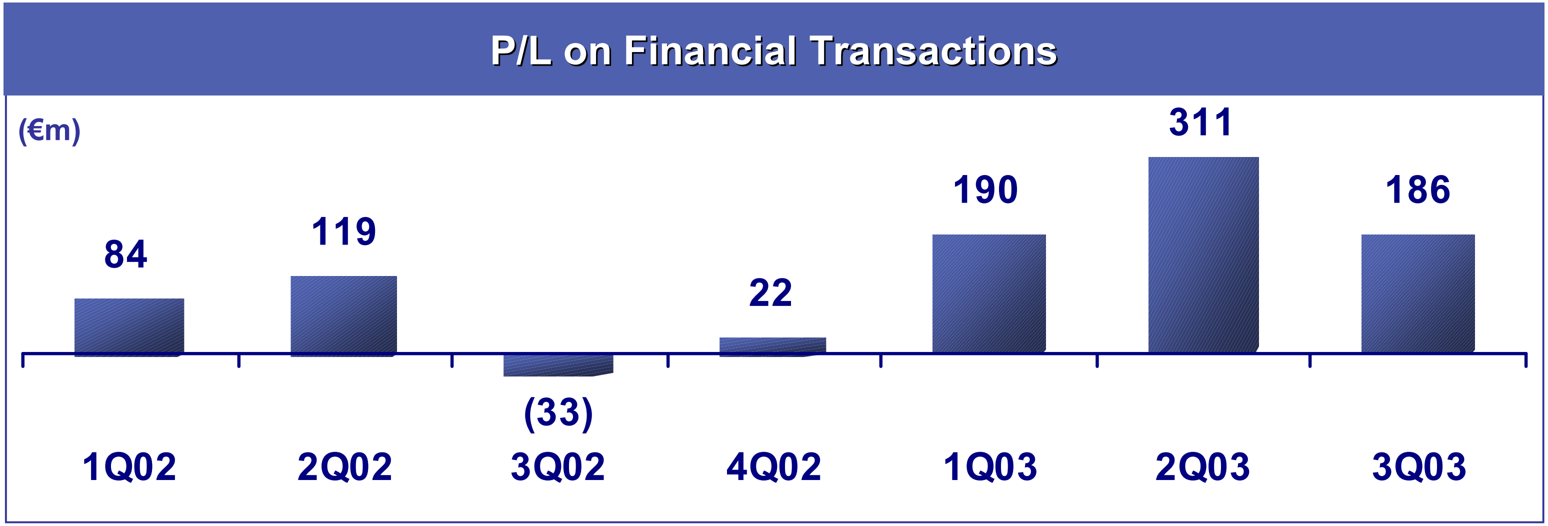

**Net Commissions**
**3Q03 vs 2Q03**
**(net of tax collection fees)**




- **Growth driven by**
  - ✓ **Bancassurance** **+63.5%**
  - ✓ **Current Accounts** **+16.3%**

- **Growth driven by**
  - ✓ **Current Accounts** **+16.5%**
  - ✓ **Mutual Funds & Segregated Managed Accounts** **+8.1%**

# Higher Profits on Financial Transactions Confirmed

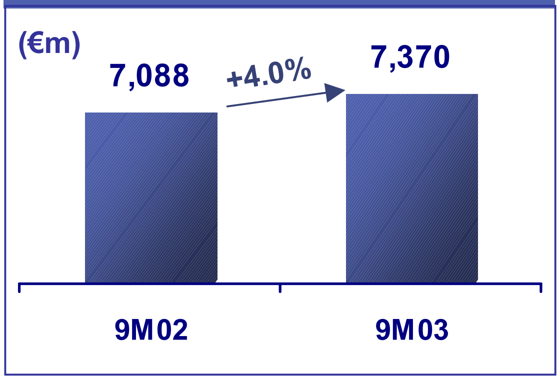



- **Sustainable growth [(1)] driven by**
  - ✓ **Structured Bonds**
  - ✓ **Corporate Derivatives**
  - ✓ **Structural improvement in Capital Market operations and Securities Portfolio management**
- **3Q03 decline vs 2Q03 mainly due to seasonal slowdown in the sales of Structured Bonds and Corporate Derivatives[(2)] and Mark-to-Market of Crédit Agricole stake (+€35m in 2Q vs -€2m in 3Q)**

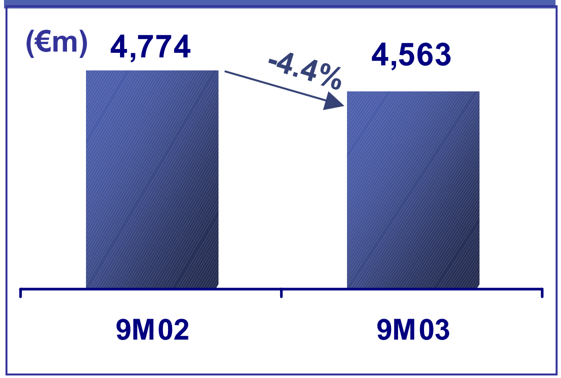
*(1) The sustained performance of Profits on Financial Transactions in the first nine months 2003 is structurally combined with a very low level of VAR of the trading portfolio (€11.6m for Banca Intesa Parent Company and €2.0m for Caboto as of 30.09.03)*
*(2) Sold to customers other than Large Corporates*

# Nine-Month Analysis

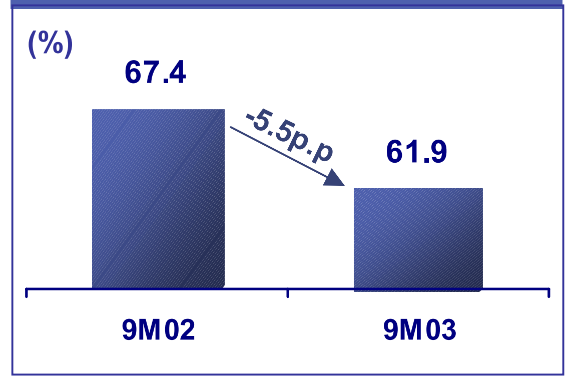
## Total Income



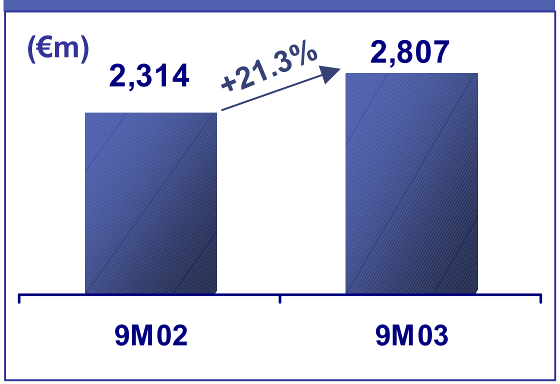

## Operating Costs



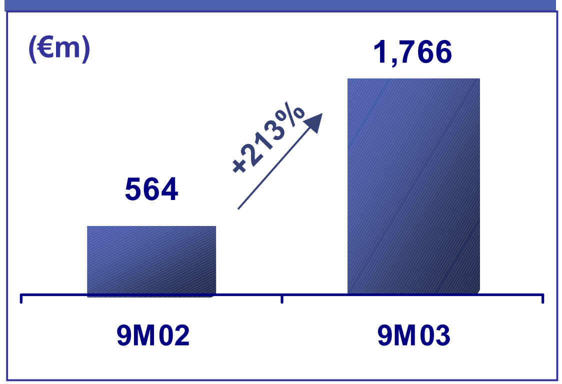

## Cost / Income Ratio



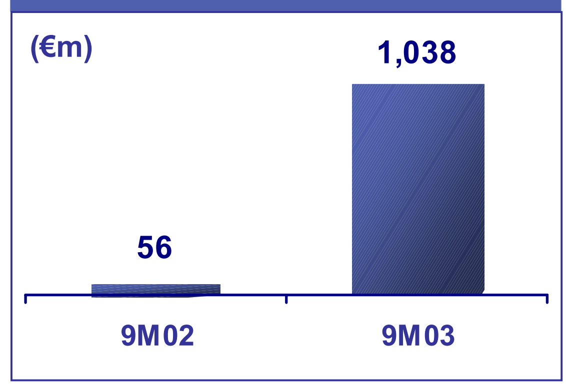

## Operating Margin




## Ordinary Income




## Net Income




Note: *9M02 pro-forma figures to reflect 9M03 consolidation area (including VUB and excluding Banco di Chiavari, Sudameris Argentina and IntesaBci Bank Suisse. Sudameris Brasil, Carinord1 and Carinord2 consolidated on application of the equity method)*

# 9M03 vs 9M02: Strong Growth in Operating Margin and Ordinary Income

**Carinord1 consolidated by Equity Method**

| (€ m) | 9M02 Pro-forma | 9M03 | Δ% |
|---|---|---|---|
| Net Interest Income | 4,045 | 3,793 | (6.2) |
| Dividends & Eq. Profits | 177 | 180 | 1.7 |
| Net Commissions | 2,448 | 2,454 | 0.2 |
| Other Non-Interest Income | 418 | 943 | 125.6 |
| **Total Income** | **7,088** | **7,370** | **4.0** |
| Operating Costs | (4,774) | (4,563) | (4.4) |
| **Operating Margin** | **2,314** | **2,807** | **21.3** |
| Goodwill Amortisation | (107) | (94) | (12.1) |
| Net Provisions | (1,643) | (947) | (42.4) |
| **Ordinary Income** | **564** | **1,766** | **213.1** |
| Extraordinary Items | (322) | 107 | n.m. |
| Income Taxes & Minorities | (186) | (835) | 348.9 |
| **Net Income** | **56** | **1,038** | **n.m.** |

Note: *9M02 pro-forma figures to reflect 9M03 consolidation area (including VUB and excluding Banco di Chiavari, Sudameris Argentina and IntesaBci Bank Suisse. Sudameris Brasil, Carinord1 and Carinord2 consolidated on application of the equity method)*

# Increase in Assets under Management

Carinord1 consolidated by Equity Method

| (€ m) | 30.09.02 Pro-forma | 30.09.03 | Δ% |
|---|---|---|---|
| **Total Assets** | **286,569** | **278,620** | **(2.8)** |
| **Customer Loans** | **165,817** | **156,566** | **(5.6)** |
| **Net Interbank Funds** | **18,624** | **2,115** | **(88.6)** |
| | | | |
| **Direct Customer Deposits** | **177,273** | **176,339** | **(0.5)** |
| **Indirect Customer Funds** | **299,407** | **295,433** | **(1.3)** |
| ***of which Assets under Management*** | ***123,286*** | ***125,683*** | ***1.9*** |
| **Total Customer Administered Funds** | **476,680** | **471,772** | **(1.0)** |
| | | | |
| **Shareholders' Equity[1]** | **13,760** | **14,576** | **5.9** |

+2.9% vs 31.12.02

Note: *30.09.02 pro-forma figures to reflect 30.09.03 consolidation area (including VUB and excluding Banco di Chiavari, Sudameris Argentina and IntesaBci Bank Suisse. Sudameris Brasil, Carinord1 and Carinord2 consolidated on application of the equity method)*

*(1) Including Net Income for the period*

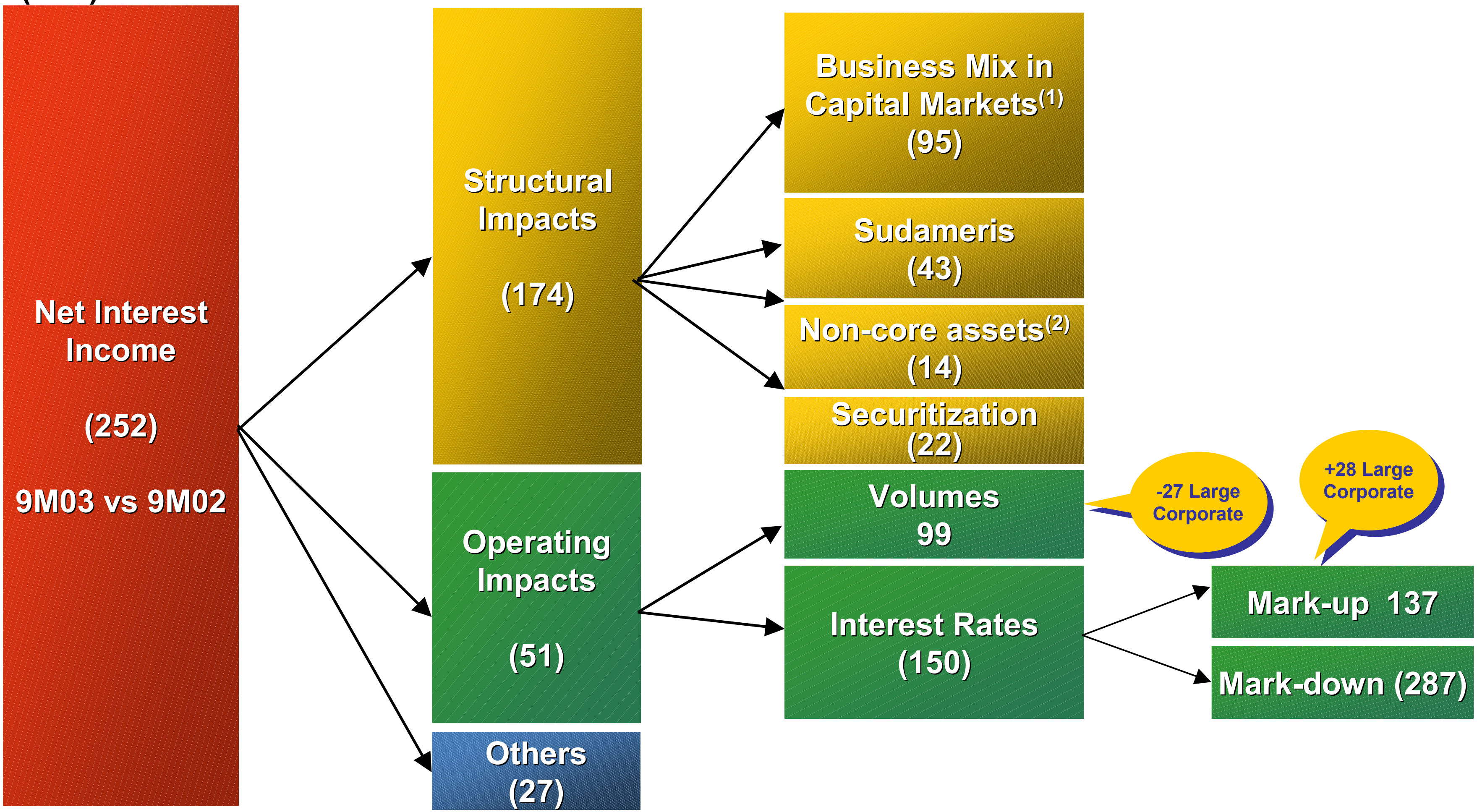
# Further Strengthening of Capital Base

| | Ratios | | | |
|---|---|---|---|---|
| | 2001 | 2002 | 30.09.03 | 2005 |
| Core Tier 1 | 5.3% | 5.9% | 6.3% | 7.7% |
| Tier 1 | 6.0% | 6.8% | 7.2% | 8.6% |
| Total Capital | 9.3% | 11.1% | 11.1% | 11.0% |

- Further 20b.p. improvement of Core Tier 1 Ratio from the finalisation of Sudameris Brasil disposal (October 2003)

# Net Interest Income
# Contribution to 9M03 vs 9M02 Variation

**(€ m)**



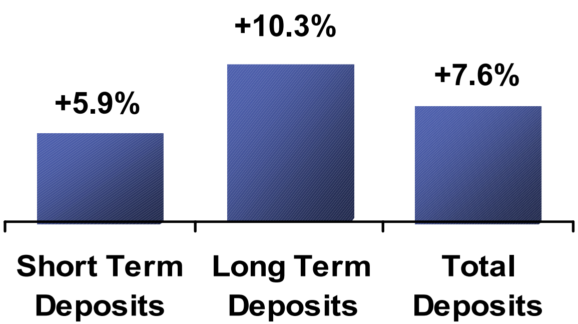

*Figures may not add up due to rounding differences*

*(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*

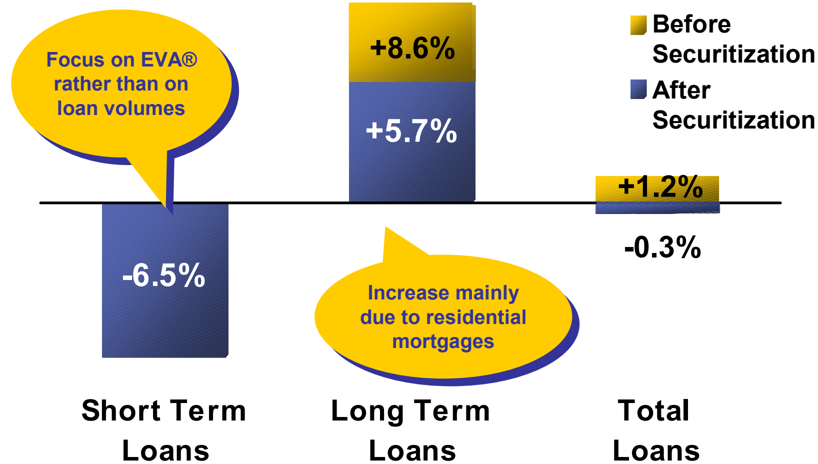
*(2) Other non-core foreign subsidiaries*

# Net Interest Income: Funding and Lending on the Domestic Market

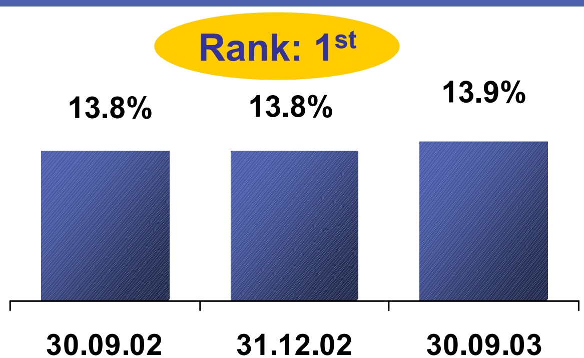
## Δ% 9M03 vs 9M02 Customer Deposits[1]



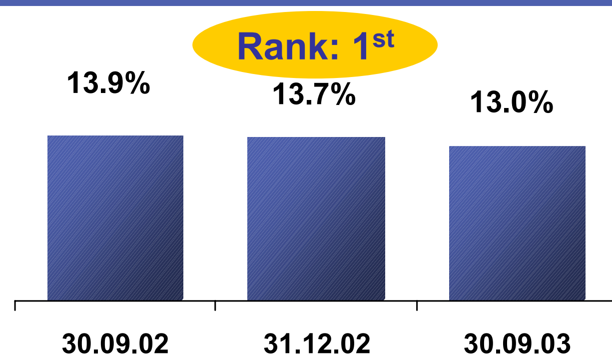

## Δ% 9M03 vs 9M02 Customer Loans[1]




## Customer Deposits Market Share




## Customer Loans Market Share




(1) *Average figures*

# Strong Growth in Non-Interest Income

| (€ m) | 3Q02 | 4Q02 | 1Q03 | 2Q03 | 3Q03 | Δ% | | |
|---|---|---|---|---|---|---|---|---|
| | Pro-forma | | | | | 9M/9M | 3Q/3Q | 3Q/2Q |
| Net Commissions | 795 | 800 | 785 | 831 | 838 | 0.2 | 5.4 | 0.8 |
| P/L on Financial Transact. | (33) | 22 | 190 | 311[1] | 186 | 304.1 | 663.6 | (40.2) |
| Other Net Operat. Income | 71 | 169[2] | 74 | 68 | 114[3] | 3.2 | 60.6 | 67.6 |
| Total Non-Int. Income | 833 | 991 | 1,049 | 1,210 | 1,138 | 18.5 | 36.6 | (6.0) |

- **3Q03 Net Commissions +5.4% vs 3Q02, +0.8% vs 2Q03 in spite of seasonality effect (+3.5% net of seasonal decrease of tax collection fees)**
- **3Q03 decrease in Profits from Financial Transactions vs 2Q03 mainly due to seasonally lower volumes of Structured Bonds and Corporate Derivatives[4] sold and mark to market of Crédit Agricole stake (+€35m in 2Q vs -€2m in 3Q)**

Note: *2002, 1Q03 and 2Q03 pro-forma figures to reflect 3Q03 consolidation area (including VUB, excluding Banco di Chiavari, Sudameris Argentina and IntesaBci Bank Suisse. Sudameris Brasil, Carinord1 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*

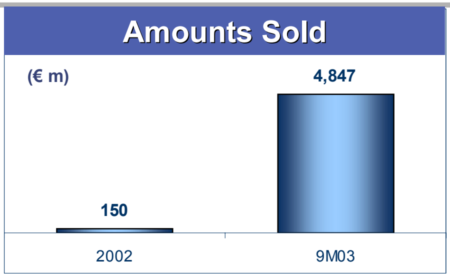
*(3) Including €30m from sale of performing loans granted to public administration*

*(4) Sold to customers other than Large Corporates*

# Growing Placing Power in 2003

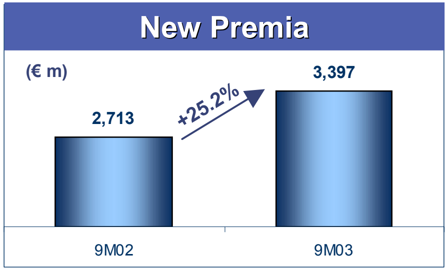
**Structured Bonds**

- €4.8bn sold in the first 9 months (of which €0.9bn in 3Q03)
- €1bn placed in October 2003



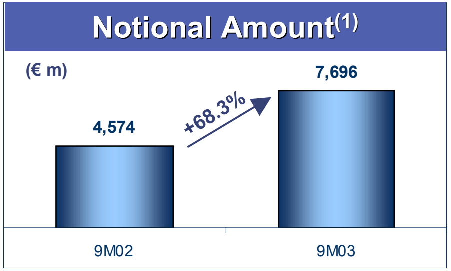

**Bancassurance**

- €3.4bn new premia (+25% vs 9M02), of which €1bn in 3Q03 (+42% vs 3Q02)
- Setting up of IntesaVita (JV with Generali and Crédit Agricole) signed in June 2003
- Significant cross-selling potential: only 1 client out of 10 holds a bancassurance product
- €0.4bn new premia placed in October 2003



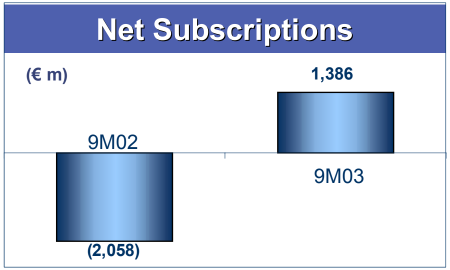

**Corporate Derivatives**

- €15.1bn of which €7.7bn to customers other than Large Corporate (+68% vs 9M02)
- Trained 40 product specialists fully in action only since 4Q03
- Wide placing power potential (so far sold to less than 5% of our relevant customer base)
- €1.8bn placed in October, of which €1.1bn to customers other than Large Corporates




**Mutual Funds**

- €1.4bn net subscriptions in the first nine months
- 80% bonds and monetary funds (vs 68% market average)
- -€0.9bn net subscriptions in October 2003




*(1) Sold to customers other than Large Corporates*

# Strong Cost Reduction

| (€ m) | 3Q02 | 4Q02 | 1Q03 | 2Q03 | 3Q03 | Δ% | | |
|---|---|---|---|---|---|---|---|---|
| | Pro-forma | | | | | 9M/9M | 3Q/3Q | 3Q/2Q |
| Personnel Costs | 818 | 855 | 853 | 833 | 825 | (5.3) | 0.9 | (1.0) |
| Other Administrative Costs | 539 | 607 | 500 | 540 | 513 | (4.8) | (4.8) | (5.0) |
| Depreciation | 175 | 224 | 156 | 171 | 172 | 1.4 | (1.7) | 0.6 |
| **Total Costs** | **1,532** | **1,686** | **1,509** | **1,544** | **1,510** | **(4.4)** | **(1.4)** | **(2.2)** |

- **Nine-month Total Operating Costs -4.4% vs 9M02**
- **3Q03 Personnel Costs –4.5% vs 3Q02 restated by excluding the benefit from the reduction in the salary variable component**
- **Headcount reduction**
  - ✓ **4,000 in first nine months of 2003, of which 1,200 in 3Q03**
- **Other Administrative Costs decrease (-4.8% vs 9M02) mainly due to maintenance expenses**
- **Nine-month Cost/Income down to 61.9% from 68.5% FY02**

Note: *2002, 1Q03 and 2Q03 pro-forma figures to reflect 3Q03 consolidation area (including VUB and excluding Banco di Chiavari, Sudameris Argentina and IntesaBci Bank Suisse. Sudameris Brasil, Carinord1 and Carinord2 consolidated on application of the equity method)*

# Decline in Total Net Provisions

| (€ m) | 3Q02 | 4Q02 | 1Q03 | 2Q03 | 3Q03 | Δ% | | |
|---|---|---|---|---|---|---|---|---|
| | Pro-forma | | | | | 9M/9M | 3Q/3Q | 3Q/2Q |
| Net Provisions for Risks & Charges | 13 | 22 | 36 | 100 (1) | 20 | (44.5) | 53.8 | (80.0) |
| Net Provisions for Loan Losses | 282 | 1,012 | 267 | 244 | 245 | (40.8) | (13.1) | 0.4 |
| Equity Investments Write-Downs | 14 | 201 | 33 | 12 | (10) | n.m. | n.m. | n.m. |
| **Total Net Provisions** | **309** | **1,235** | **336** | **356** | **255** | **(42.4)** | **(17.5)** | **(28.4)** |

- **3Q03 Equity Investments Write-Backs due to HVB stake[(2)]**
- **Decline in Net Loan Loss Provisions vs 9M02 (-40.8%) due to both reduction in write-down and increase in write-up/recoveries**
- **9M03 Total Net Provisions include €130m for LatAm, of which €120m accounted for in 1H03**

Note: *2002, 1Q03 and 2Q03 pro-forma figures to reflect 3Q03 consolidation area (including VUB, and excluding Banco di Chiavari, Sudameris Argentina and IntesaBci Bank Suisse. Sudameris Brasil, Carinord1 and Carinord2 consolidated on application of the equity method)*
*(1) Including €50m charges for disengagement from LatAm*
*(2) €10m write-backs stemming from carrying value at net equity*

# Improvement in Asset Quality

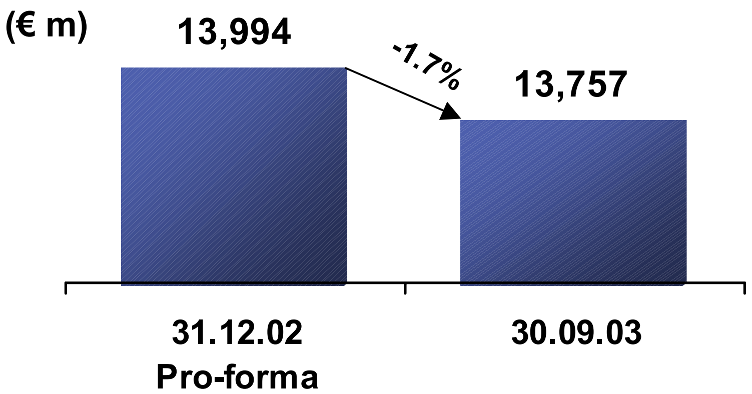
| | Ratios | | | |
|---|---|---|---|---|
| | 2001 | 2002 | 9M03 | 2005 |
| Net Loan Provisions/Op. Margin | 76% | 77% | 27% | 18% |
| Net Loan Provisions/Loans | 1.3% | 1.4% | 0.5%[1] | 0.6% |
| Net NPLs[2]/Loans | 3.0% | 3.2% | 3.2% | 2.0% |
| NPL[2] Coverage | 59% | 62% | 64% | 67% |

- **Total Net Provisions/Operating Margin down to 27%**
- **NPL Coverage up to 64% (63% as of 1H03)**
- **€1.1bn total "generic" provisions as of 30.09.03**

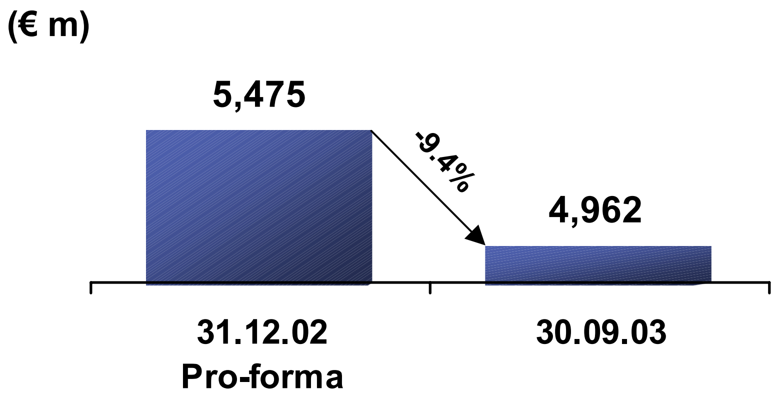
*(1) Not annualised*
*(2) Sofferenze*

# Decrease in NPLs & Substandard Loans

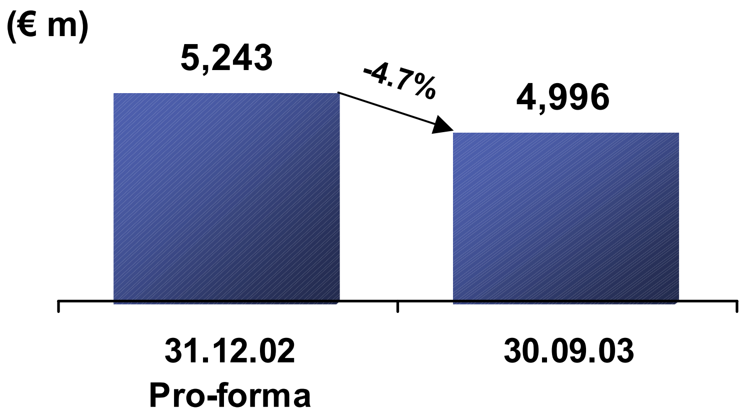
## Gross NPLs (Sofferenze)



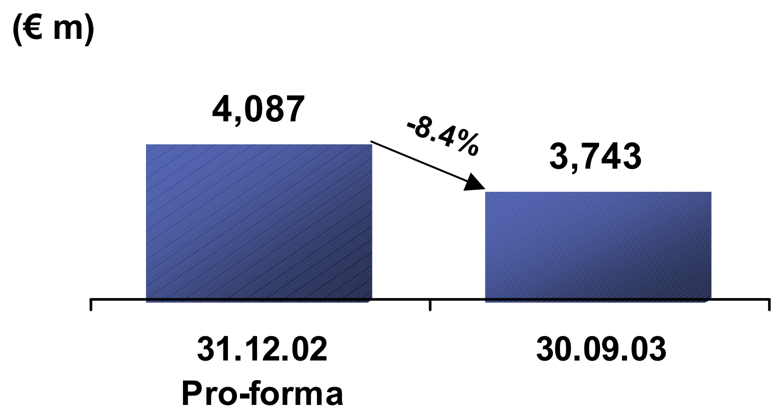

## Gross Substandard (Incagli)




## Net NPLs (Sofferenze)




## Net Substandard (Incagli)




Note: *31.12.02 pro-forma figures to reflect 30.09.03 consolidation area (excluding IntesaBci Bank Suisse. Sudameris Brasil, Carinord1 and Carinord2 consolidated on application of the equity method)*

# Nine-Month Divisional Analysis

| | Retail[1] | Italian Banks | Product Co's | Foreign Banks | Corporate | Central Functions /Other | Total |
|---|---|---|---|---|---|---|---|
| Total Income (€ m) | 3,467 | 1,024 | 591 | 770 | 1,289 | 229 | 7,370 |
| Operating Margin (€ m) | 979 | 440 | 348 | 260 | 861 | (79) | 2,807 |
| Cost/Income (%) | 71.8 | 57.1 | 41.1 | 66.3 | 33.2 | n.m. | 61.9 |
| RWA (€ bn) | 56.5 | 20.8 | 25.1 | 15.7 | 58.7 | 16.6 | 193.4 |
| Allocated Capital[2] (€ bn) | 3.7 | 1.2 | 1.5 | 0.9 | 3.5 | 1.1 | 12.0 |
| Pretax ROE[3] (%) | 26.2 | 40.3 | 18.6 | 8.7 | 29.2 | n.m. | 19.6 |
| EVA® (€ m) | 226 | 123 | 27 | (191) | 188 | (441) | (69) |

| | |
|---|---|
| Treasury and Finance | 53 |
| Central Costs | (156) |
| Excess Capital | (165) |
| Others | (173) |

(1,051) as at 30.09.02

*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*

Banca Intesa

# Nine-Month Divisional Analysis
# Contribution to Improvement of Results

| (€ m) | ∆ 9M03 vs 9M02 | |
|---|---|---|
| | Operating Margin | Ordinary Income |
| Retail | 180 | 237 |
| Italian Banks | 62 | 39 |
| Product Co's | 82 | 65 |
| Foreign Banks | (37) | (6) |
| Corporate | 220 | 802 |
| Central Functions | (13) | 65 |
| Total Group | 494 | 1,202 |

*Figures may not add up due to rounding differences*

# Nine-Month Divisional Analysis
# Total Group

| (€ m) | 9M02 | 9M03 | Δ% |
|---|---|---|---|
| Total Income | 7,088 | 7,370 | 4.0 |
| Operating Costs | (4,774) | (4,563) | (4.4) |
| Operating Margin | 2,314 | 2,807 | 21.3 |
| Net Provisions (1) | (1,643) | (947) | (42.4) |
| Ordinary Income | 564 | 1,766 | 213.1 |
| Cost/Income | 67.4% | 61.9% | |
| Pretax ROE (2) | 5.7% | 19.6% | |
| EVA® (€ m) | (1,051) | (69) | |

*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*

# Nine-Month Divisional Analysis
# Retail Division & Wealth Management

| (€ m) | 9M02 | 9M03 | ∆% |
|---|---|---|---|
| Total Income | 3,409 | 3,467 | 1.7 |
| Operating Costs | (2,610) | (2,488) | (4.7) |
| Operating Margin | 799 | 979 | 22.5 |
| Net Provisions | (304) | (247) | (18.8) |
| Ordinary Income | 495 | 732 | 47.8 |
| Cost/Income | 76.6% | 71.8% | |
| Pretax ROE (1) | 17.7% | 26.2% | |
| EVA® (€ m) | 78 | 226 | |

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*

# Nine-Month Divisional Analysis
# Italian Banks Division

| (€ m) | 9M02 | 9M03 | Δ% |
|---|---|---|---|
| Total Income | 991 | 1,024 | 3.4 |
| Operating Costs | (613) | (585) | (4.6) |
| Operating Margin | 378 | 440 | 16.4 |
| Net Provisions | (42) | (64) | 52.4 |
| Ordinary Income | 336 | 376 | 11.7 |
| Cost/Income | 61.9% | 57.1% | |
| Pretax ROE (1) | 39.4% | 40.3% | |
| EVA® (€ m) | 87 | 123 | |

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

# Nine-Month Divisional Analysis
# Product Companies

| (€ m) | 9M02 | 9M03 | Δ% |
|---|---|---|---|
| Total Income | 509 | 591 | 16.1 |
| Operating Costs | (243) | (243) | 0.1 |
| Operating Margin | 266 | 348 | 30.7 |
| Net Provisions | (122) | (139) | 13.9 |
| Ordinary Income | 144 | 209 | 45.0 |
| Cost/Income | 47.7% | 41.1% | |
| Pretax ROE (1) | 13.8% | 18.6% | |
| EVA® (€ m) | (21) | 27 | |

*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*

# Nine-Month Divisional Analysis
# Foreign Banks Division

| (€ m) | 9M02 | 9M03 | Δ% |
|---|---|---|---|
| Total Income | 836 | 770 | (7.8) |
| Operating Costs | (539) | (511) | (5.2) |
| Operating Margin | 297 | 260 | (12.4) |
| Net Provisions (1) | (200) | (195) | (2.5) |
| Ordinary Income | 68 | 62 | (8.9) |
| Cost/Income | 64.5% | 66.3% | |
| Pretax ROE (2) | 7.8% | 8.7% | |
| EVA® (€ m) | (241) | (191) | |

*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*

# Sudameris Highlights

| (€ m) | Sudameris Group 30.09.02 Pro-forma | Sudameris Group 30.09.03 | *of which* Sudameris Peru 30.09.02 | *of which* Sudameris Peru 30.09.03 |
|---|---|---|---|---|
| Total Income | 268 | 185 | 167 | 125 |
| Operating Costs | (203) | (178) | (135) | (110) |
| Operating Margin | 65 | 7 | 32 | 15 |
| Net Provisions (1) | (112) | (128) | (70) | (13) |
| Ordinary Income | (82) | (120) | (46) | 2 |
| Net Income | (119) | (220) | (72) | (5) |
| Customer Deposits | 4,378 | 2,994 | 2,524 | 1,965 |
| Customer Loans | 3,687 | 1,853 | 1,960 | 1,169 |
| Total Assets | 7,835 | 5,455 | 4,016 | 2,871 |

- **EVA of -€255 in 9M03**

Note: *Sudameris Group does not include Sudameris Brasil which is held by Banca Intesa S.p.A. and is consolidated on application of the equity method*
*Figures may not add up due to rounding differences – P&L data: contribution to Intesa consolidated accounts*
*(1) Excluding goodwill amortisation*

# Disengagement from Latin America
# Sudameris Group

| | |
|---|---|
| **Argentina** | ➢ **Finalised the merger between Sudameris Argentina and Banco Patagonia (with Gruppo Intesa retaining a 19.95% minority stake)** |
| **Brazil** | ➢ **Finalised the sale of Sudameris Brasil to Banco ABN AMRO Real** |
| **Chile** | ➢ **Finalised the sale of Sudameris Chilean operations to Banco del Desarrollo** |
| **Colombia** | ➢ **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 (of which US$100m to be converted into share capital by year-end) in support of a new development plan to restructure and re-launch Banco Sudameris Peru** |

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

# Eastern Europe Highlights

| (€ m) | CIB (Hungary) | | PBZ (Croatia) | | VUB (Slovakia) | | TOTAL East Europe |
|---|---|---|---|---|---|---|---|
| | 30.09.02 | 30.09.03 | 30.09.02 | 30.09.03 | 30.09.02 | 30.09.03 | 30.09.03 |
| Total Income | 124 | 145 | 226 | 228 | 151 | 142 | 515 |
| Operating Costs | (69) | (74) | (107) | (117) | (91) | (93) | (284) |
| Operating Margin | 54 | 71 | 120 | 110 | 60 | 49 | 230 |
| Net Provisions (1) | (5) | (16) | (19) | (17) | (26) | (3) | (36) |
| Ordinary Income | 49 | 55 | 100 | 93 | 34 | 47 | 195 |
| Net Income | 34 | 40 | 52 | 54 | 31 | 46 | 140 |
| Customer Deposits | 1,713 | 2,249 | 3,543 | 3,684 | 3,559 | 4,011 | 9,944 |
| Customer Loans | 2,080 | 3,185 | 2,387 | 2,948 | 1,054 | 1,205 | 7,338 |
| Total Assets | 2,810 | 3,921 | 4,758 | 5,261 | 4,421 | 5,038 | 14,220 |

- **EVA of €93m in 9M03**

*Figures may not add up due to rounding differences – P&L data: contribution to Intesa consolidated accounts*
*(1) Excluding goodwill amortisation*

# Nine-Months Divisional Analysis
# Corporate Division

| (€ m) | 9M02 | 9M03 | Δ% |
|---|---|---|---|
| Total Income | 1,102 | 1,289 | 16.9 |
| Operating Costs | (462) | (428) | (7.3) |
| Operating Margin | 641 | 861 | 34.4 |
| Net Provisions | (674) | (92) | (86.3) |
| Ordinary Income | (33) | 769 | n.m. |
| Cost/Income | 41.9% | 33.2% | |
| Pretax ROE (1) | (1.1)% | 29.2% | |
| EVA® (€ m) | (323) | 188 | |

*Figures may not add up due to rounding differences*

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

# 100 Projects: Timely Delivery

- **All the projects provided for in our Business Plan are being actively implemented as scheduled (see last September presentation)**
- **The most crucial project – a prerequisite for many of the others – was completed by October 2003 as set forth**

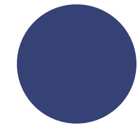
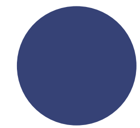
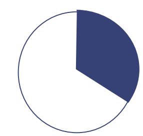
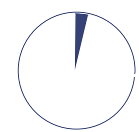
**ALL THE INTESA BRANCHES ARE NOW WORKING ON THE SAME IT PLATFORM (TARGET)**

**3Q03 results confirm that our Business Plan Targets are achievable**

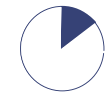
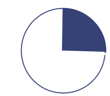
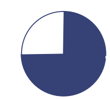
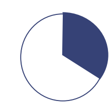
**The outlook for revenue growth in the coming quarters is even better also due to the "platforms for growth" we are actively implementing**

**THE BEST HAS YET TO COME**

# Retail Division: The Best Has yet to Come (1/4)

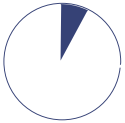
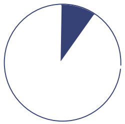
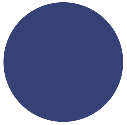
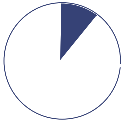
| | Initial | Target | As of Today | Status vs Target |
|---|---|---|---|---|
| Branches | Three different brands in the 2,000 branches | Re-brand all branches by September 2003 | All branches re-branded Banca Intesa |  |
| | Several overlapping and/or loss-making branches | Close 150 redundant branches by the end of 2003 | All 150 redundant branches closed by October |  |
| | Suboptimal territorial presence | Revisit branch planning by 1Q 2004 | New branch positioning in main cities defined; planned work on other areas started |  |
| | New branch layout to be implemented | 120 branches with new layout by 2004 | 2 pilot-branches opened, 8 within 2003 |  |

# Retail Division: The Best Has yet to Come (2/4)

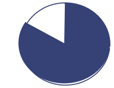
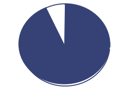
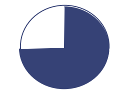
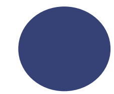
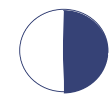
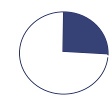
| | Initial | Target | As of Today | Status vs Target |
|---|---|---|---|---|
| **Commercial processes and systems** | ➢ Different commercial processes in the 3 previous networks | ➢ New segmented service model to be rolled out by July 2004 | ➢ 200 branches already rolled out |  |
| | ➢ Different sales support system | ➢ Completely new sales support systems – diversified by client segment – by mid 2004 | ➢ New campaign management system implemented. Functional analysis of new systems completed |  |
| **Incentive schemes** | ➢ Incentive schemes to be revisited | ➢ New incentive system for 2003 and 2004 | ➢ Incentive scheme for 2003 in place, launching of 2004 scheme by January |  |
| **Training** | ➢ Almost no training delivered in 2001 and 2002 | ➢ Massive training programme by 2005: managerial and commercial skills; products; managerial training courses for branch managers | ➢ "Arcobaleno" Project: commercial training started (10,000 people involved). Bancassurance: courses delivered to all affluent account managers (Sept-Oct). Asset management: courses planned in November. Pilot managerial courses for branch managers |  |

Banca Intesa

# Retail Division: The Best Has yet to Come (3/4)

| | Initial | Target | As of Today | Status vs Target |
|---|---|---|---|---|
| **Cross-selling** | 1.8 million customers held 1 product | No more customers holding only 1 product within 2005 (debit card 100% penetration) | 1.7 million customers holding 1 product |  |
| **Cross-selling** | 1.3 million customers held 2 products | 1.5 million customers holding 2 products within 2005 | 1.35 million customers holding 2 products |  |
| **Re-pricing** | No-load accounts were 22% of total current accounts | Re-pricing all no-load current accounts by 2003 | No-load current accounts wholly eliminated in October (churn ratio 3-4%) |  |
| **Re-pricing** | Special price agreements accounted for 40% of deposits | Re-price all special price agreements within 2004 into price bands | 2% of special price agreements renegotiated, accounting for 10% of deposits |  |

# Retail Division: The Best Has yet to Come (4/4)

| | Initial | Target | As of Today | Status vs Target |
|---|---|---|---|---|
| **Product Range** | ➢ Product range for Retail unclear and with too many products | ➢ New offer for Households, Affluent and Soho by 1Q04; new product/service offers for Private and SMEs to be announced by 1Q04 | ➢ Launch of Conto Intesa by Dec. 2003 (test phase) |  |
| | | | ➢ Launch of Intesa Bouquet, new mass market Mutual Fund, by Dec. 2003 |  |
| | | | ➢ New Asset Management product range for Affluent starting in January |  |
| | | | ➢ New "protected dynamic" unit linked launched Nov, 10th |  |
| | | | ➢ Current accounts for Affluent and Soho in test phase |  |
| **Communication** | ➢ No advertising | ➢ Increase presence in media by 2004 through product campaigns | ➢ "Fabbrica del Sorriso" Sponsorship; communication strategy defined, advertising campaigns starting by first quarter 2004 |  |

# Appendix

# Quarterly Analysis

| Carinord1 consolidated by Equity Method<br>(€ m) | 3Q02 | 4Q02 | 1Q03 | 2Q03 | 3Q03 |
|---|---|---|---|---|---|
| | Pro-forma | | | | |
| Net Interest Income | 1,359 | 1,323 | 1,283 | 1,253 | 1,257 |
| Dividends & Eq. Profits | 15 | 35 | 68 | 91 | 21 |
| Net Commissions | 795 | 800 | 785 | 831 | 838 |
| Other Non-Interest Income | 38 | 191 | 264 | 379 (1) | 300 (2) |
| **Total Income** | **2,207** | **2,349** | **2,400** | **2,554** | **2,416** |
| Operating Costs | (1,532) | (1,686) | (1,509) | (1,544) | (1,510) |
| **Operating Margin** | **675** | **663** | **891** | **1,010** | **906** |
| Goodwill Amortisation | (60) | (33) | (32) | (32) | (30) |
| Net Provisions | (309) | (1,235) (3) | (336) | (356) | (255) |
| **Ordinary Income** | **306** | **(605)** | **523** | **622** | **621** |
| Extraordinary Items | (373) | 602 | 30 | 84 (4) | (7) |
| Income Taxes & Minorities | 9 | 147 | (240) | (309) | (286) |
| **Net Income** | **(58)** | **144** | **313** | **397** | **328** |

Note: *2002, 1Q03 and 2Q03 pro-forma figures to reflect 3Q03 consolidation area (including VUB and excluding Banco di Chiavari, Sudameris Argentina and IntesaBci Bank Suisse. Sudameris Brasil, Carinord1 and Carinord2 consolidated on application of the equity method)*

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

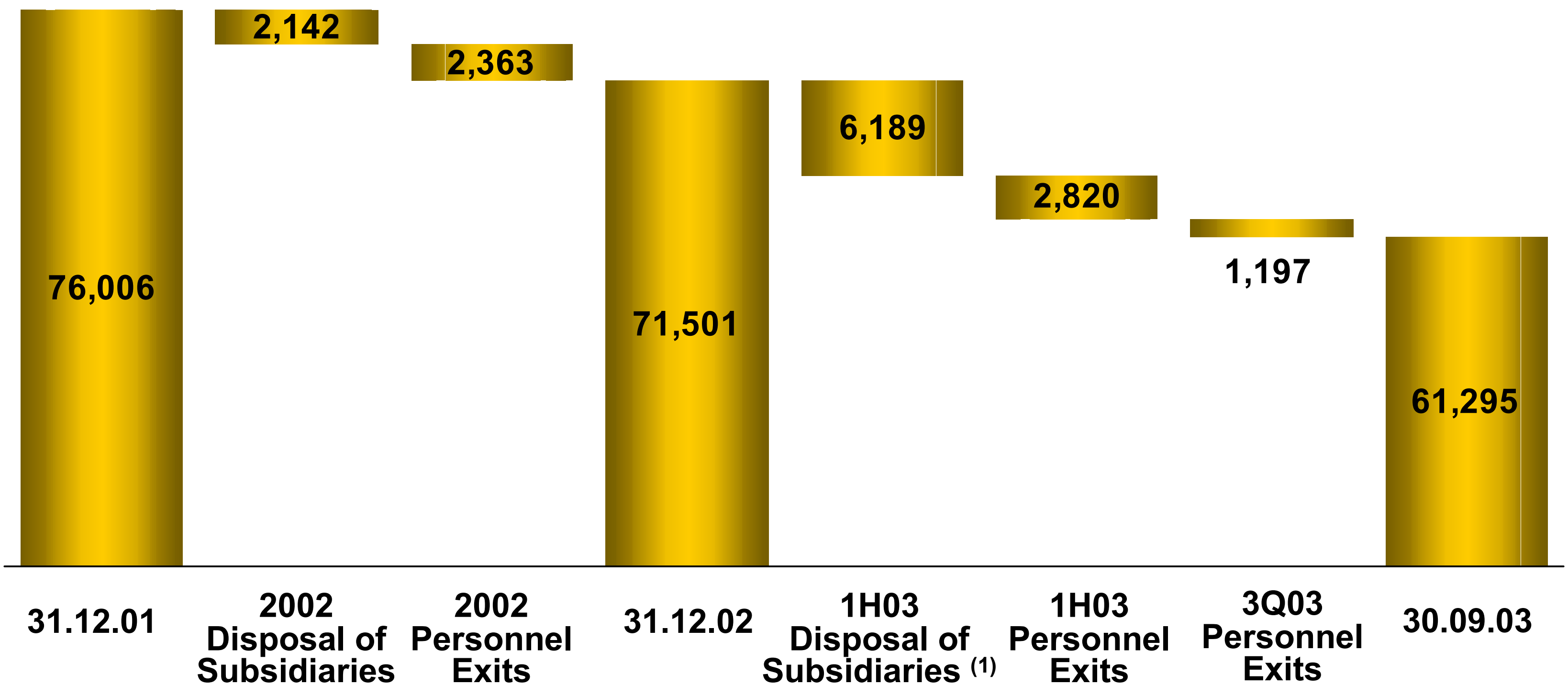
*(2) Including €30m from sale of performing loans granted to public administration*

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

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

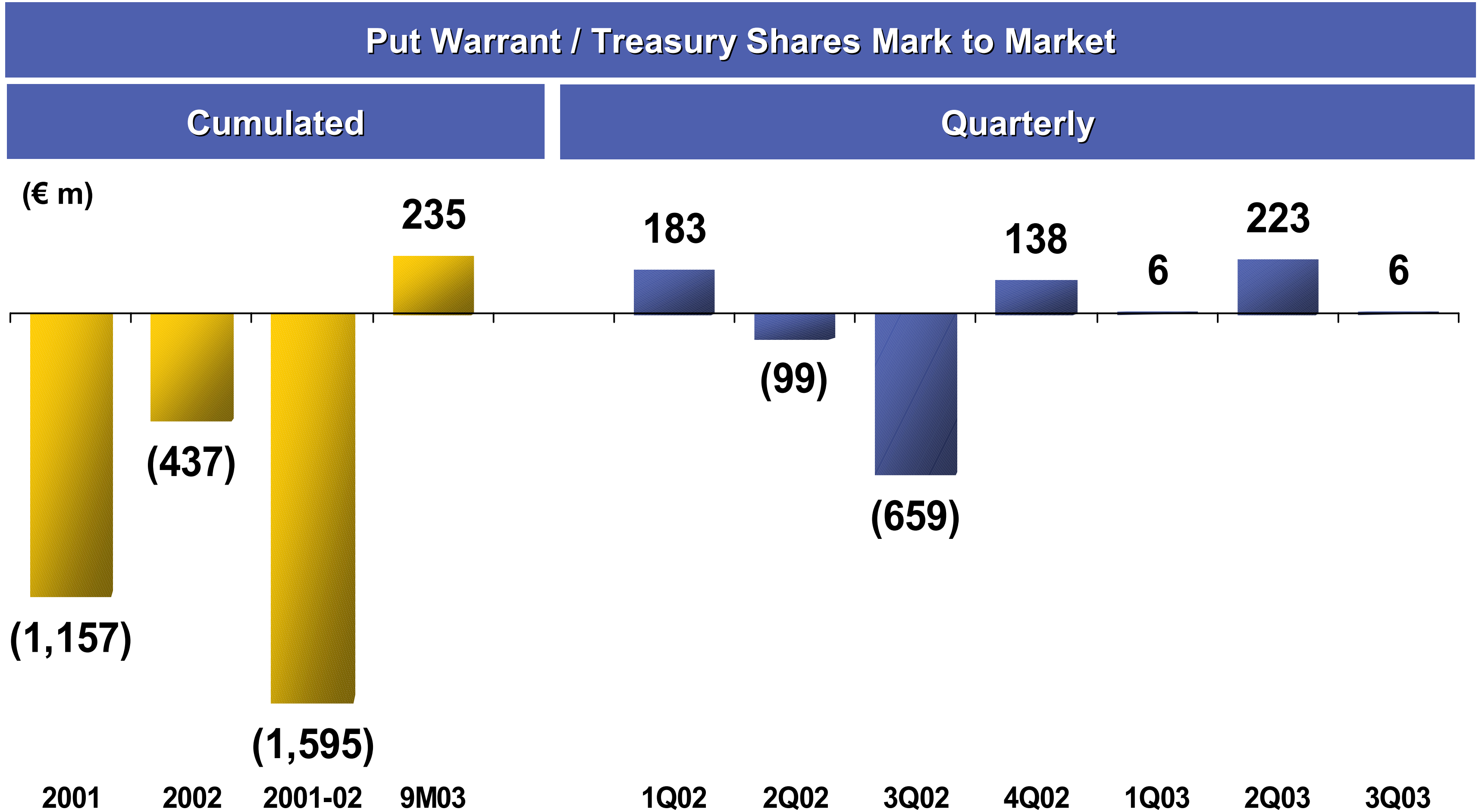
# Agreement with Trade Unions: Structural Cost Reduction of €500m

## Consolidated Personnel Number




*(1) Including disposal of Sudameris Brasil*

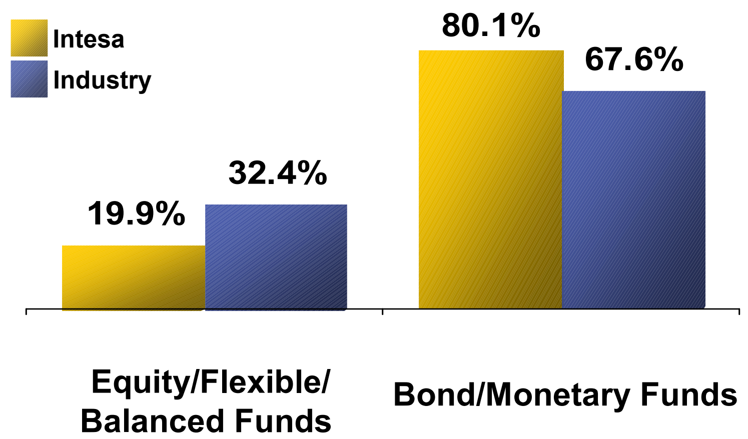
# Put Warrant & Treasury Shares Mark to Market



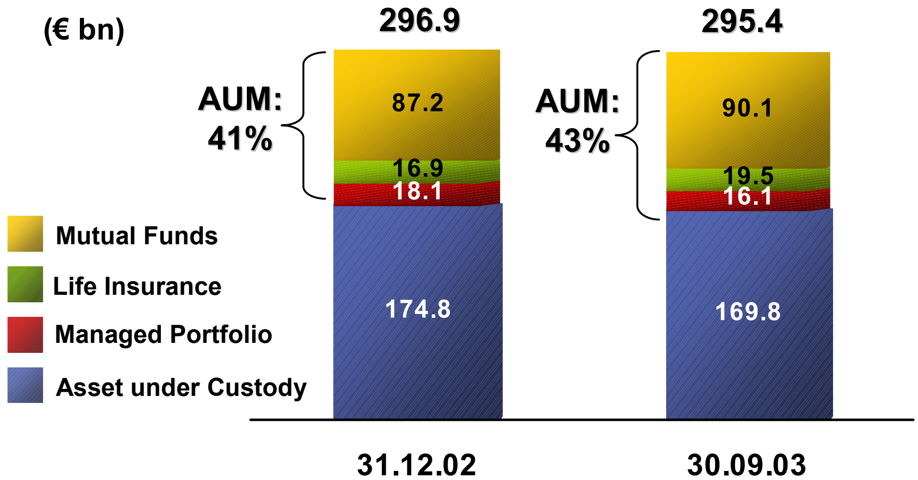

Note*: Treasury shares Carrying Value as of 30.09.03: €2.785; 319,214,748 treasury shares remaining*

# Wealth Management

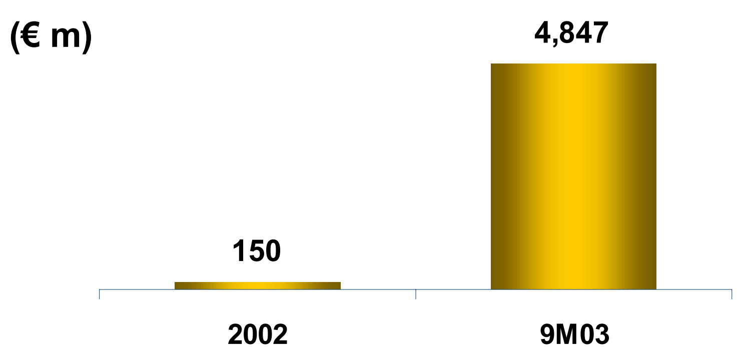
## Mutual Funds Asset Mix(1)



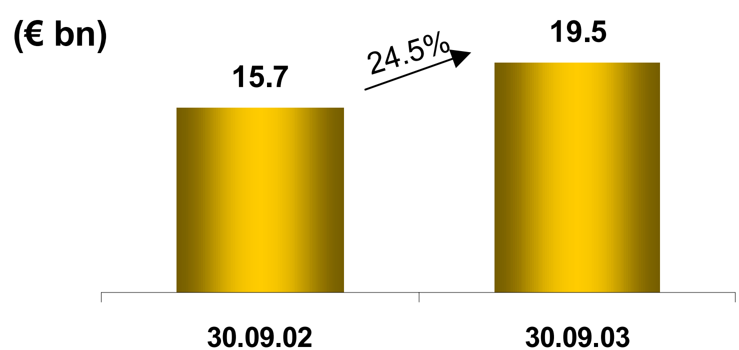

## Indirect Funds Composition




## Structured Bonds (Amounts Sold)




## Technical Reserves




(1) *As of 30.09.03*

# Italian Banks: Cariparma, a Benchmark in Retail Banking

| (€ m) | 9M02 | 9M03 | Δ% |
|---|---|---|---|
| Total Income | 467 | 485 | 3.9 |
| Operating Costs | (247) | (245) | (0.6) |
| Operating Margin | 220 | 239 | 8.8 |
| Net Provisions | (16) | (28) | 74.1 |
| Ordinary Income | 204 | 211 | 3.6 |
| Net Income | 107 | 121 | 12.8 |
| | | | |
| Customer Deposits | 10,391 | 10,997 | 5.8 |
| Customer Loans | 8,865 | 9,648 | 8.8 |
| Total Assets | 13,027 | 14,145 | 8.6 |

- Cost/Income at 50.6% and annualised ROE at 22%
- AUM: +12.1% vs 30.09.02; Bancassurance new premia: +102% vs 9M02
- €75m of EVA in 9M03

*Figures may not add up due to rounding differences*

# Reduction in Large Corporate Loans (RWA)

| (€ bn) | 31.12.01 | 31.12.02 | 30.09.03 |
|---|---|---|---|
| Large Italian Corporate RWA | 19.7 | 15.3 | 15.7 |
| Large Foreign Corporate RWA | 33.7 | 23.2 | 14.5 |
| **Total Large Corporate RWA** | **53.4** | **38.5** | **30.2** |
| RWA Change in the period | | (14.9) | (8.3) |
| RWA Cumulated Change vs 31.12.01 | | (14.9) | (23.2) |
| **ALLOCATED CAPITAL[1]** | **3.2** | **2.3** | **1.8** |

- **Large Foreign Corporate RWA: further reduction of €1bn vs 30.06.03**

(1) *6% of RWA*

# Increase in Capital Allocated to Retail

Retail

| | Risk Weighted Assets(1) | | | |
|---|---|---|---|---|
| | 2001 | 2002 | 30.09.03 | 2005 |
| Retail | 29% | 30% | 34% | 37% |
| Italian Banks | 10% | 11% | 12% | 12% |
| Product Companies | 11% | 14% | 15% | 17% |
| Central Eastern Europe Banks | 3% | 4% | 5% | 5% |
| Retail subtotal | 53% | 59% | 66% | 71% |
| Other Foreign Banks | 10% | 7% | 4% | 0% |
| Large & Mid Foreign Co's | 17% | 14% | 9% | 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*

# Increase in Capital Allocated to Domestic Business

| | Risk Weighted Assets[1] | | | |
|---|---|---|---|---|
| | 2001 | 2002 | 30.09.03 | 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 settlements between Italy and the rest of the world with a 20% market share**

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

# Reduction in Credit Derivatives Exposure

| (€ bn) | 30.06.02 | 31.12.02 | 30.09.03 | Δ 30.09.03 vs 31.12.02 | Δ 30.09.03 vs 30.06.02 |
|---|---|---|---|---|---|
| **Protection Sold** | **44.6** | **38.8** | **35.5** | **(8.5)%** | **(20.4)%** |
| - Fully Hedged | 27.6 | 28.1 | 25.2 | (10.3)% | (8.7)% |
| - Super Senior Partially Hedged | 5.3 | 5.1 | 5.0 | (2.0)% | (5.7)% |
| - Super Senior Open Positions | 3.6 | 1.8 | 2.6 | 44.4% | (27.8)% |
| - Other Open Positions, Trading Book | 1.1 | 0.8 | 1.0 | 25.0% | (9.1)% |
| - Other Open Positions, Banking Book | 7.0 | 3.0 | 1.5 | (50.0)% | (78.6)% |
| **Protection Bought** | **36.4** | **37.7** | **33.7** | **(10.6)%** | **(7.4)%** |

**Open Positions**

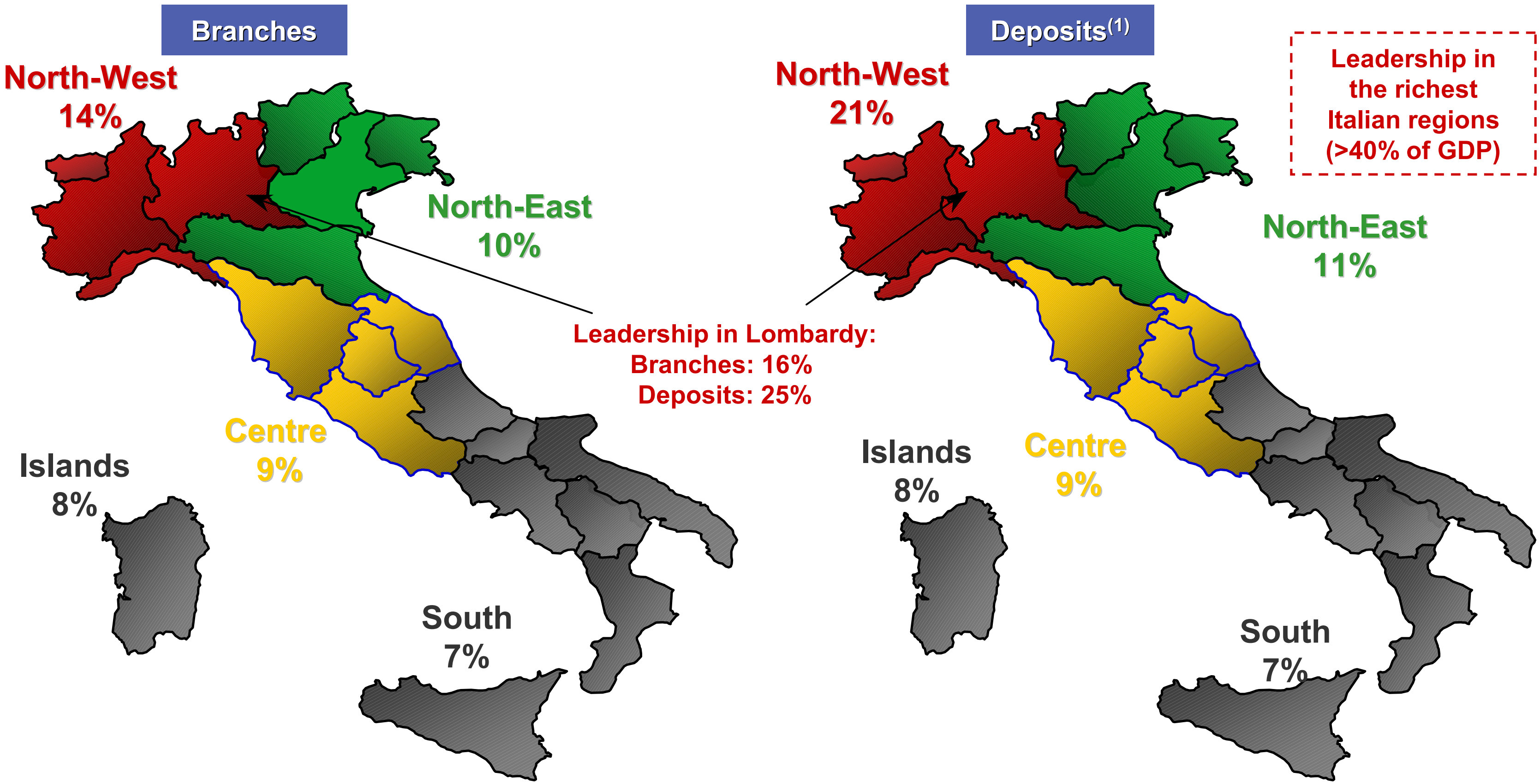
| | Investment Grade | Maturity by 2003 |
|---|---|---|
| Super Senior ("AAAA") | 100% | - |
| Other (Avg. Rating A2 / A) | 94% | 12% |

**Value at Risk[1] / Stress Test**

| (€m) | 30.06.02 | 31.12.02 | 30.09.03 |
|---|---|---|---|
| VAR | 19 | 22 | 11 |
| Stress Test | 42 | 34 | 16 |

(1) *Confidence level: 99%*

# Strong Presence in the Richest Italian Regions




| | Branches | Deposits[1] |
|---|---|---|
| Market Share | 10.1% | 13.4% |

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

Banca Intesa

# 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

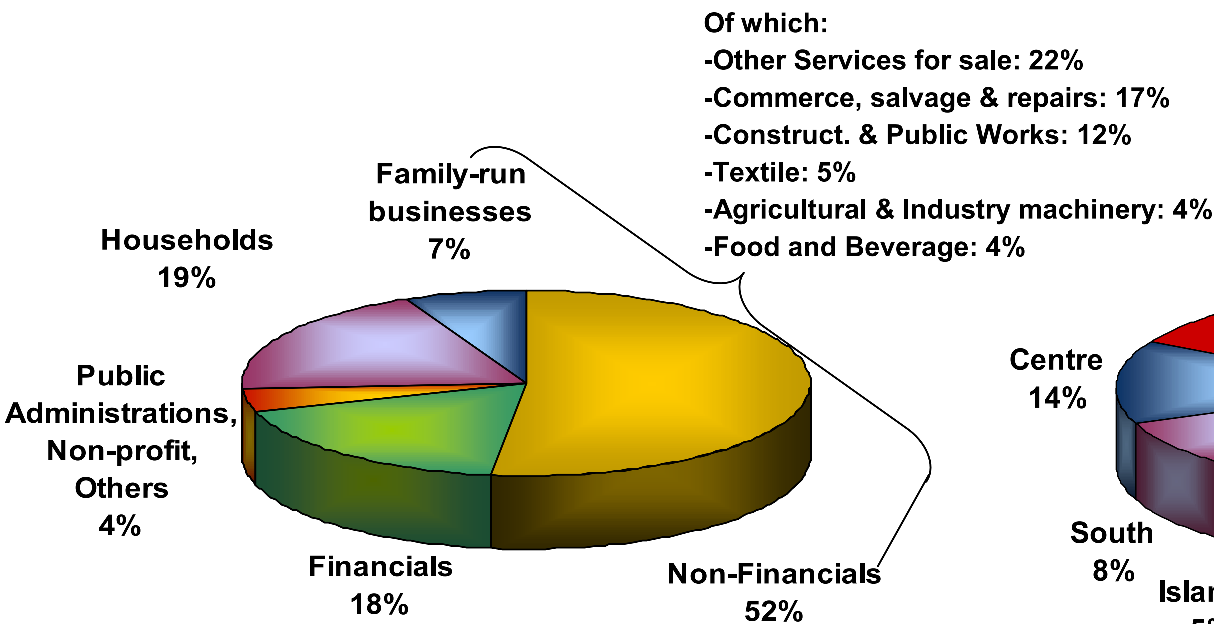
| | |
|---|---|
| Clients | 7,5m clients<br>*of which:*<br>• 6m Households and 0.8m Affluent<br>• 21,000 Private<br>• 600,000 SOHO<br>• 64,000 SMEs |
| Branches | ~2,200 |
| Employees | ~27,000 |
| Deposits | €77bn |
| AuM | €77bn |
| Indirect Funds | €125bn |
| Loans | €53bn |

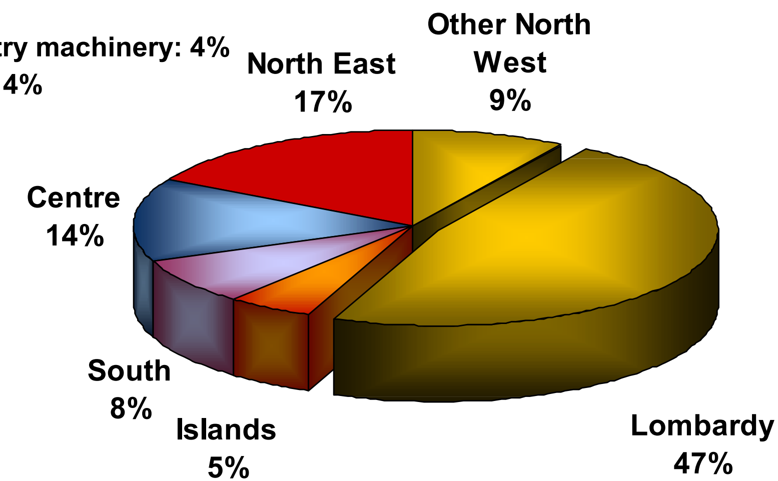
| Market Shares | Retail Division | Total Group |
|---|---|---|
| Consumer Credit | 7% | 8% |
| Branches | 7% | 10% |
| Loans | 9% | 13% |
| Deposits | 9% | 14% |
| Bancassurance | 8% | 12% |
| Plastic Cards | 10% | 12% |
| Mortgages[(4)] | 11% | 14% |
| Mutual Funds | 11% | 18% |

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

# 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)
- 44% of our performing loans are represented by mortgages