



# 2004 Results

March 7<sup>th</sup>, 2005

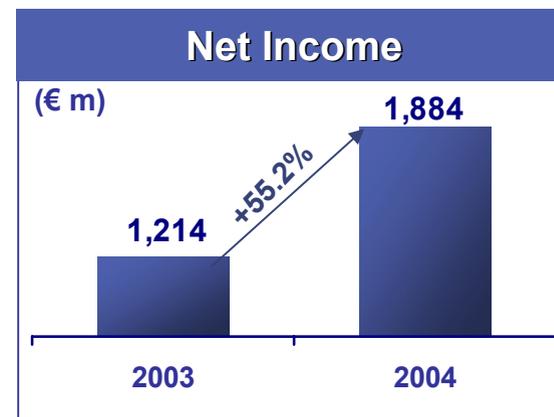
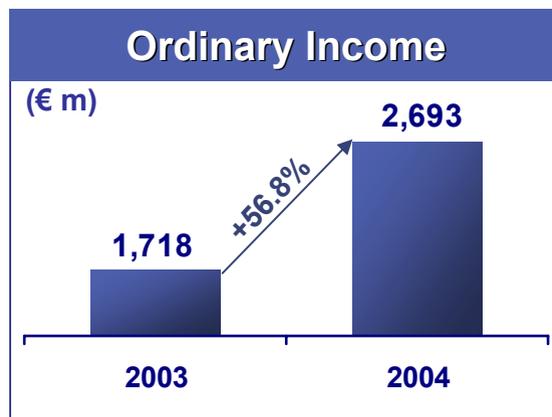
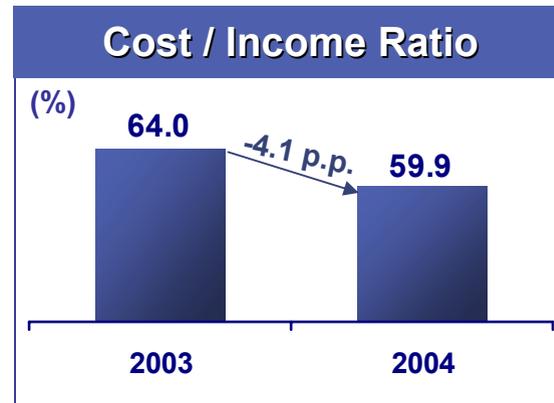
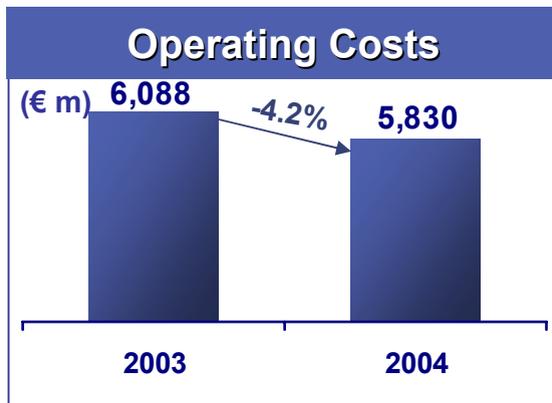
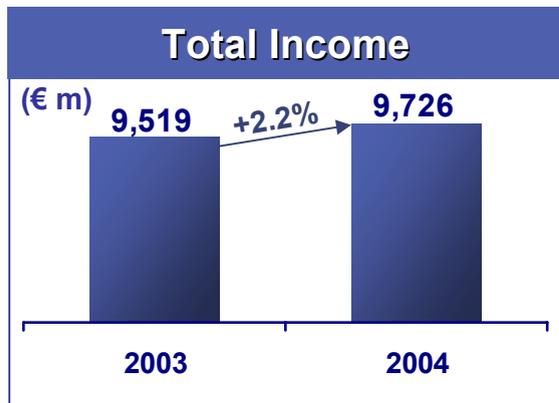
# 2004 EPS Target Achieved

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- **FY04 EPS at 28 euro cents vs 19 euro cents in FY03**
- **4Q04 Net Income (€543m) and Total Income (€2,461m) are the highest of the last eleven quarters**
- **Substantial growth in the retail business (FY04 Total Income up 7% vs FY03)**
- **FY04 Operating Margin up 14% vs FY03 due to revenue growth and cost reduction**
- **FY04 Ordinary Income up 57% vs FY03**
- **FY04 Net Income at €1,884m (+55% vs FY03), best ever bottom line**
- **FY04 EVA<sup>®</sup> up to €312m (-€261m in FY03)**
- **Improved Cost / Income: FY04 below 60% vs 64% FY03**
- **Tier 1 ratio at 8.5% (2005 BP Target basically achieved)**
- **Coverage of NPLs up to 67% and cost of risk down to 56b.p. (2005 BP Targets achieved)**

# 2004 at a Glance

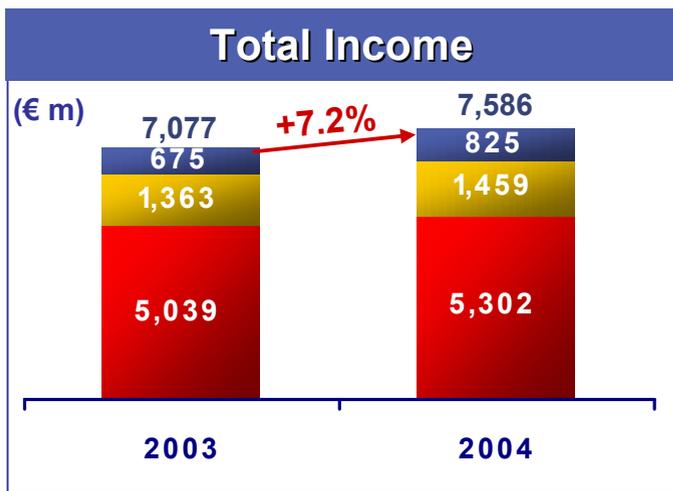
## Best Ever Net Income at 1.9 billion Euro



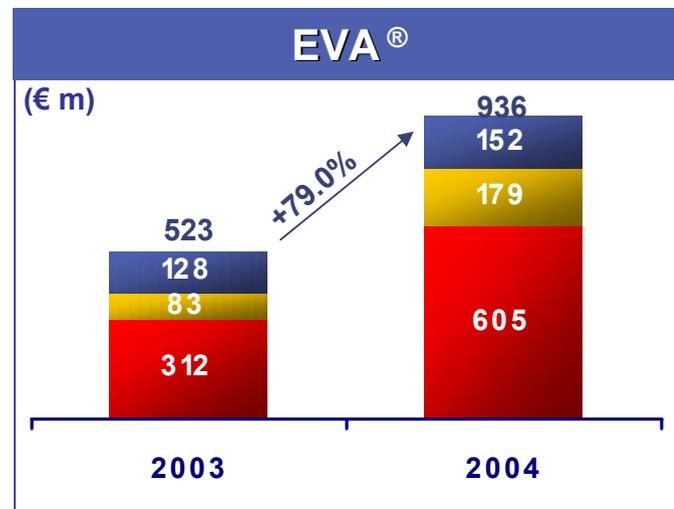
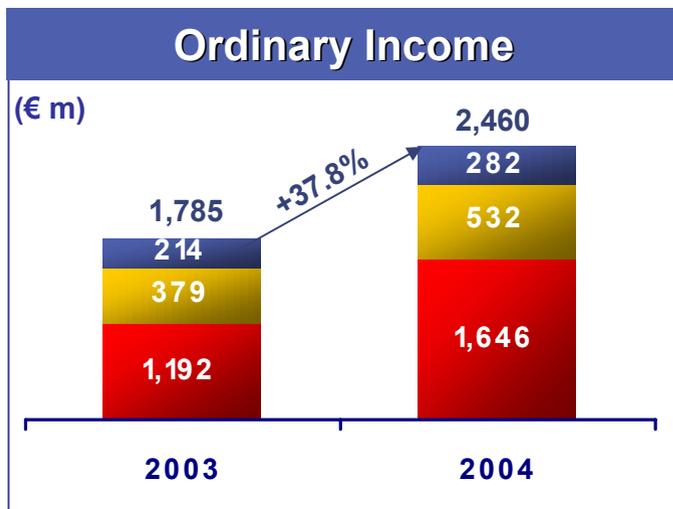
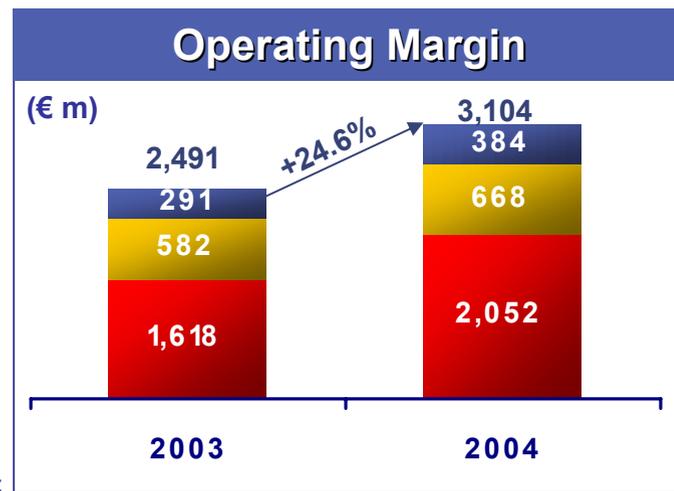
Note: 2003 pro-forma figures to reflect 2004 consolidation area (excluding Intesa Bank Canada and Sudameris Paraguay) and the new discipline of tax credit mechanism on dividends

# Retail Business in 2004

A Strong Growth Phase Started: Total Income +7.2% 2004 vs 2003



■ Central-Eastern Europe  
■ Italian Subsidiary Banks  
■ Retail & Wealth Management



# 2004 P/L Analysis

## Substantial and Sustainable Improvement in Profitability

(€ m)	2003	2004	Δ%
	Pro-forma		
Net Interest Income	4,937	4,962	0.5
Dividends & Eq. Profits	166	220	32.5
Net Commissions	3,326	3,447	3.6
Other Non-Interest Income	1,090	1,097	0.6
<b>Total Income</b>	<b>9,519</b>	<b>9,726</b>	<b>2.2</b>
Operating Costs	(6,088)	(5,830)	(4.2)
<b>Operating Margin</b>	<b>3,431</b>	<b>3,896</b>	<b>13.6</b>
Goodwill Amortisation	(130)	(130)	-
Net Provisions	(1,583) <sup>(1)</sup>	(1,073) <sup>(2)</sup>	(32.2)
<b>Ordinary Income</b>	<b>1,718</b>	<b>2,693</b>	<b>56.8</b>
Extraordinary Items	131	(61) <sup>(3)</sup>	n.m.
Taxes, Minorities, ΔRGBR <sup>(4)</sup>	(635)	(748)	17.8
<b>Net Income</b>	<b>1,214</b>	<b>1,884</b>	<b>55.2</b>

+3.2% under the former regime of tax credit mechanism on dividends

Note: 2003 pro-forma figures to reflect 2004 consolidation area (excluding Intesa Bank Canada and Sudameris Paraguay) and the new discipline of tax credit mechanism on dividends

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

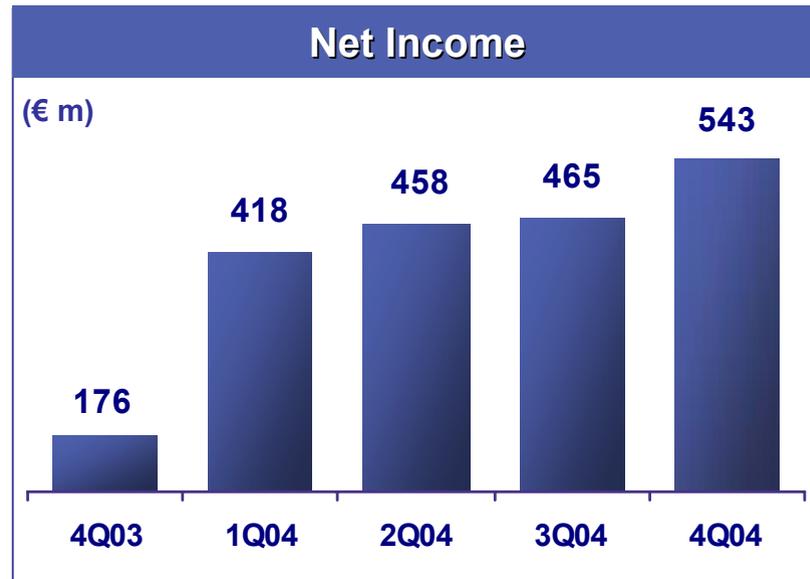
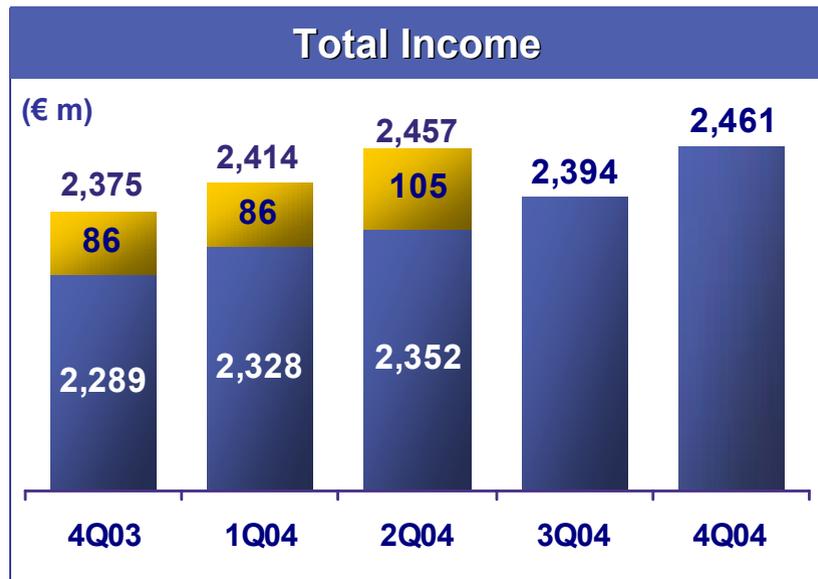
(2) Including €28m for Parmalat provisions booked in 2Q04

(3) Including €160m charges for the Nextra/Parmalat settlement booked in 3Q04, €259m gains from real estate transactions and €72m for restructuring charges, of which €68m booked in 4Q04

(4) Δ RGBR = Change in Reserve for General Banking Risks. 2004 figure includes the use of RGBR and other allowances for €163m

# Quarterly Analysis

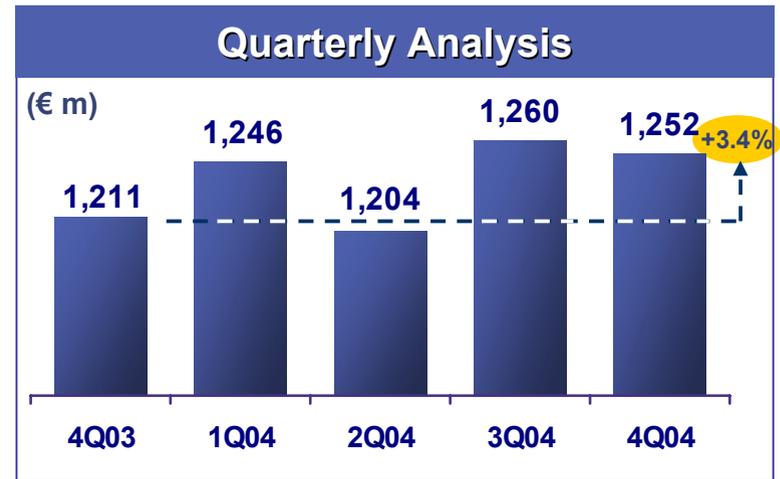
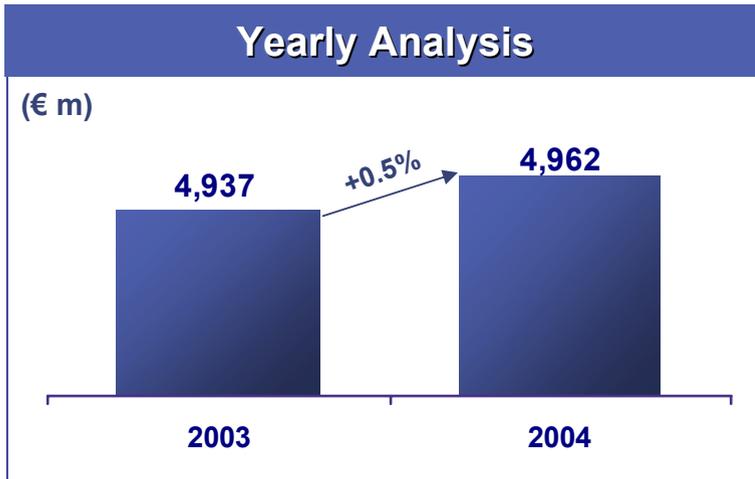
## Steady Increase in Total Income and Net Income



- 4Q04 Total Income and Net Income are the highest since the launch of the 2003-2005 BP

# Net Interest Income

## Year on Year Growth Despite the Decline in Market Interest Rates



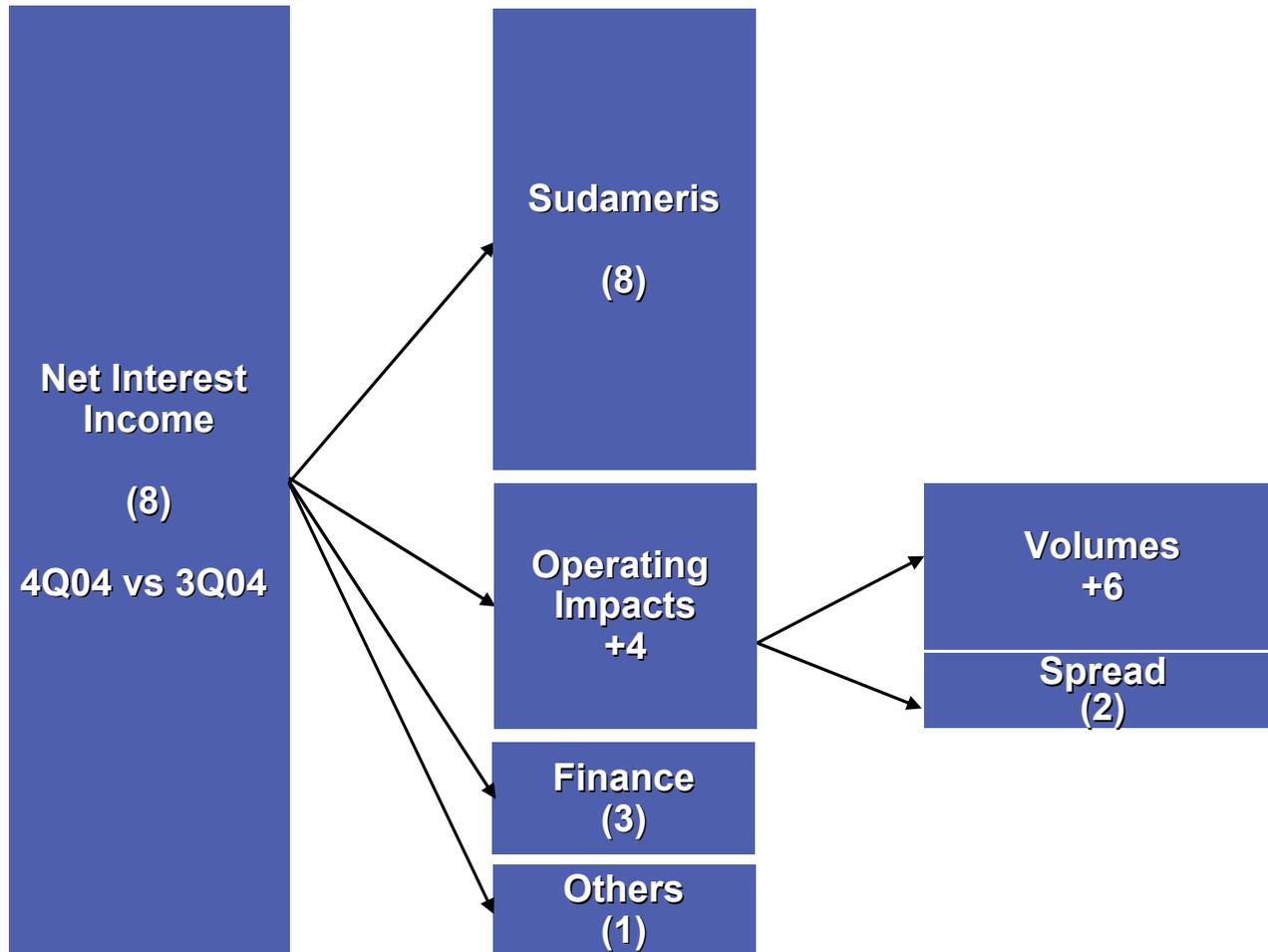
- Year on year growth, for the first time since 2001, despite the decline in market interest rates (2004 average three months Euribor 2.1% vs 2.3% in 2003) and the drop in Large Corporate exposure (-€5bn RWA)
- +1.5% including Dividends & Equity Profits
- Increase in Dividends & Equity Profits (+32.5%) mainly due to higher equity profits from bancassurance and consumer credit companies

- 4Q04 in line with previous quarters, excluding the 2Q04 decrease due to the seasonal impact of the cost of carry of equity swaps
- +3.4% 4Q04 vs 4Q03 (+6.3% including Dividends & Equity Profits)

# Net Interest Income

## Contribution to 4Q04 vs 3Q04 Variation: Positive Operating Trend

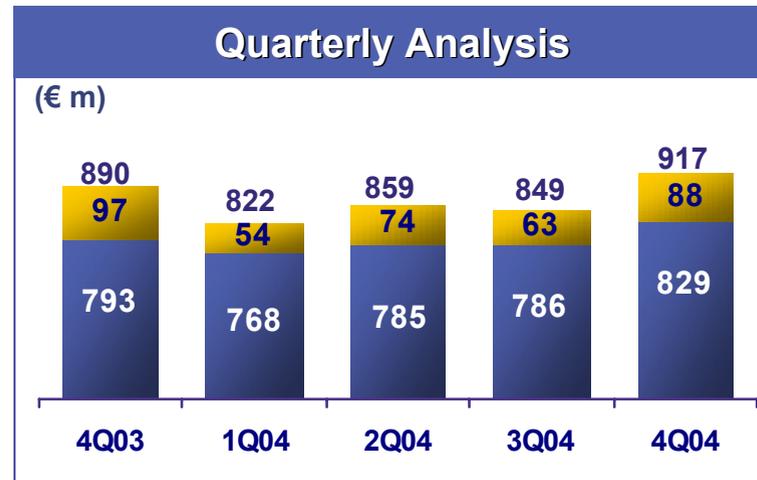
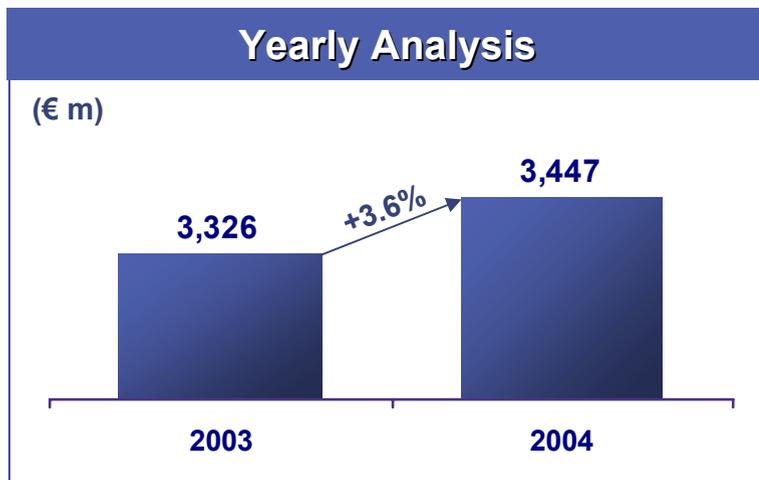
(€ m)



Figures may not add up exactly due to rounding differences

# Net Commissions

## Healthy and Accelerating Growth Pace



■ Tax-collection fees

### ■ Main drivers for growth

- Bancassurance +65%
- Dealing & Placement of Securities +53%
- Credit & Debit Cards +9%

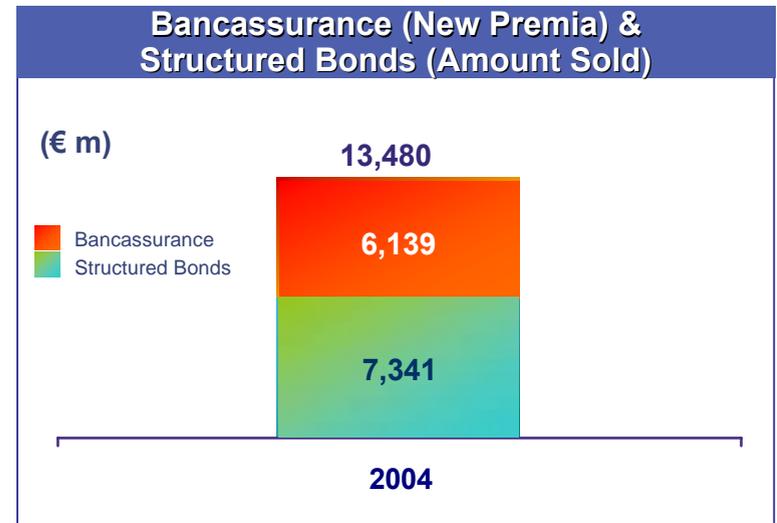
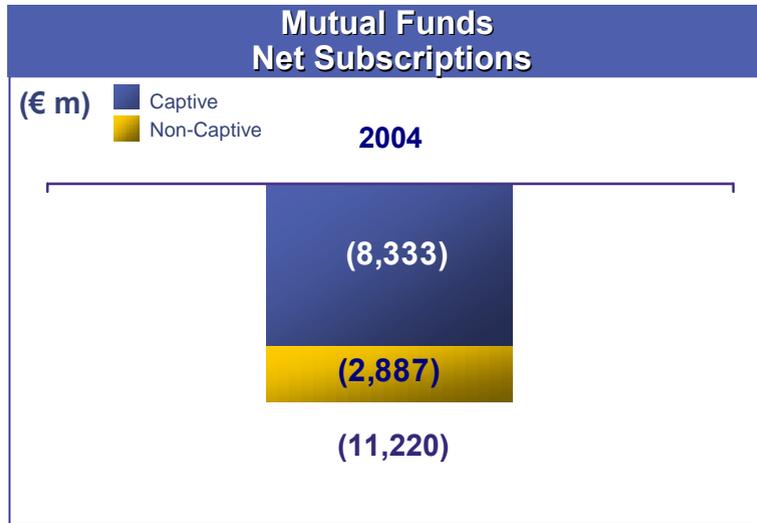
### ■ +4.7% FY04 vs FY03 including Equity Profits from bancassurance companies

### ■ 4Q04 vs 3Q04 growth mainly due to

- Dealing & Placement of Securities +120%
- Tax Collection +40%
- Credit & Debit Cards +11%

# Placing Power of Value-Added Products

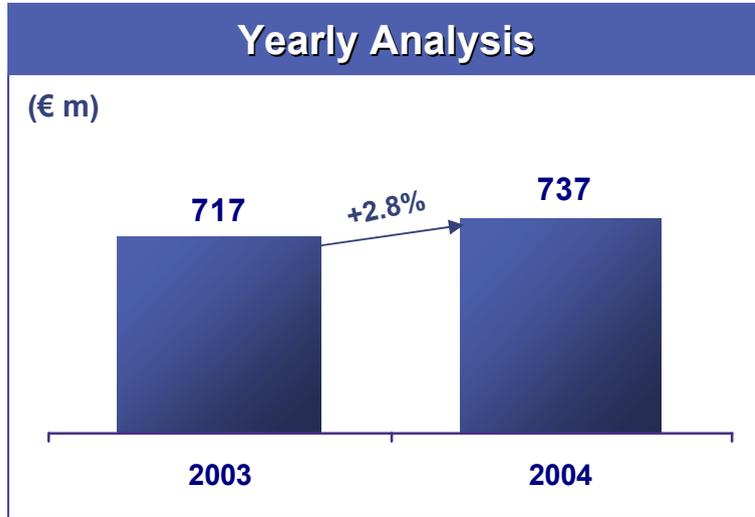
## Mix Actively Improved



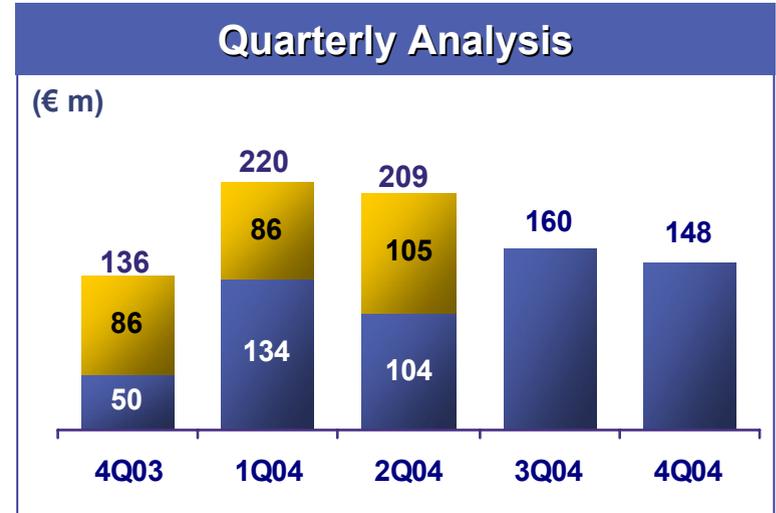
- The sale of value-added products such as Bancassurance and Structured Bonds has exceeded the net outflows in Mutual Funds, which was mainly due to monetary and short-term bonds
- 2004 Bancassurance New Premia +44% vs 2003

# Profits on Financial Transactions

## Significant Results Confirmed Without Up-front from Structured Bonds



- Profitability pursued while keeping a low VAR level of the trading portfolio (€13m for Banca Intesa and €2m for Banca Caboto)



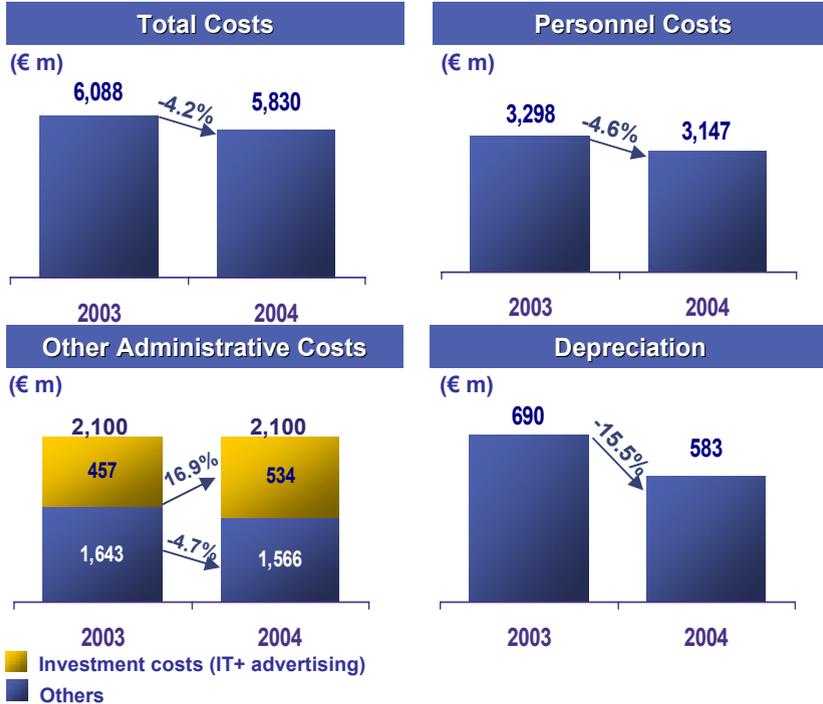
■ Up-front revenues from structured bonds issued by Banca Intesa

- +9% 4Q04 vs 4Q03 despite no more up-front revenues from structured bonds issued by Banca Intesa

# Operating Costs

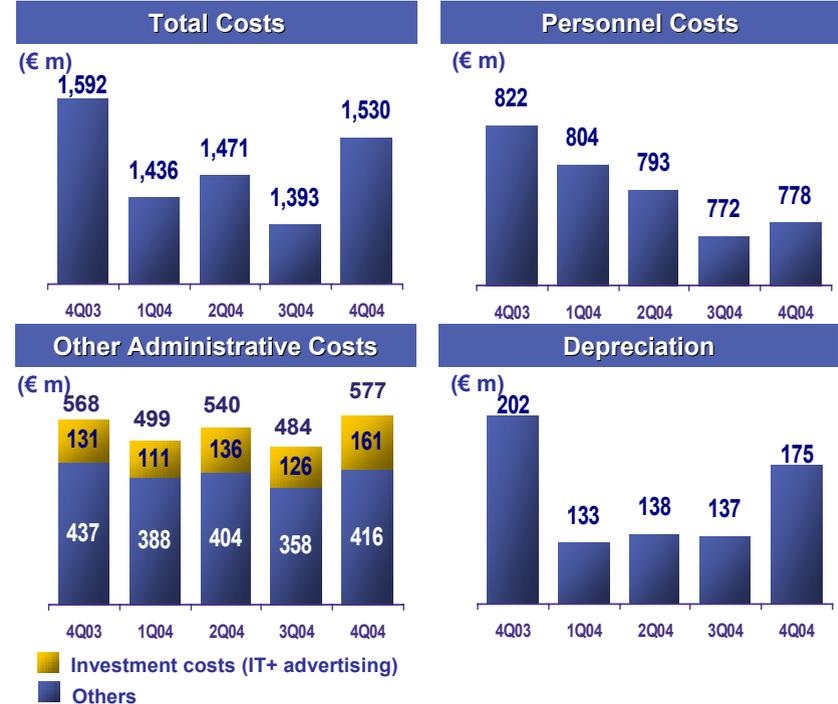
Strong and Structural Decline in Total Costs in FY04 vs FY03: -4%

## Yearly Analysis



- ~ 2,500 headcount reductions
- Other Administrative Costs flat despite investments in Advertising (+62%) and IT (+8%)
- Drop in depreciation (-€107m) due to rationalisation of Real Estate Assets and expiration of some deferred charges (mainly IT)

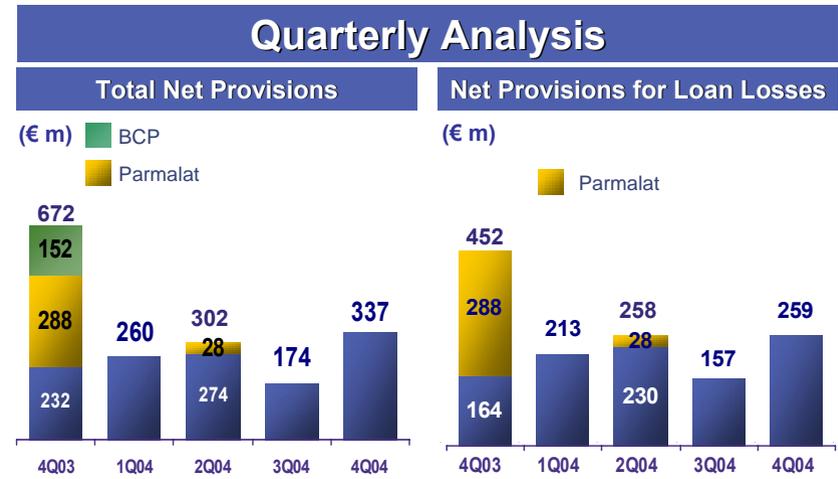
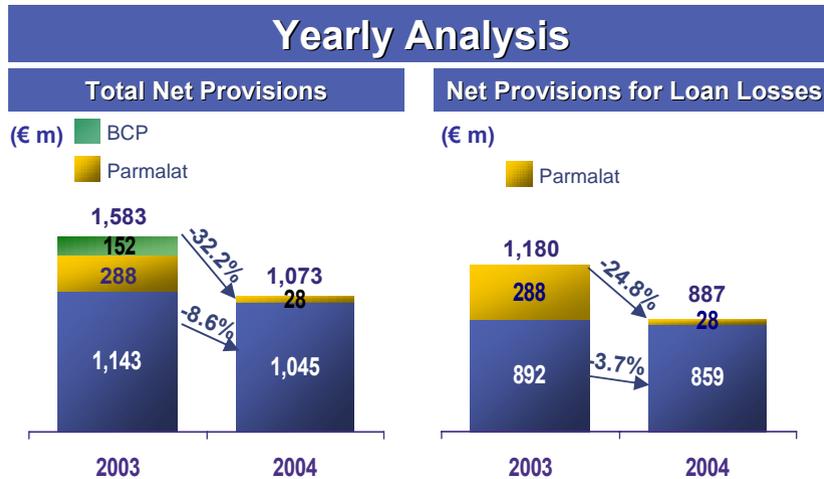
## Quarterly Analysis



- 4Q04 vs 4Q03 decline in total costs (-3.9%)
- 4Q04 vs both 3Q04 and 4Q03 increase in Other Administrative Costs driven by investment costs
- 4Q04 vs 4Q03 Other Administrative Costs excluding investment costs down ~5%

# Provisions

## Net Provisions for Loan Losses within our FY04 Target



■ Decrease in Total Net Provisions due to lower Provisions for

- Loan Losses
- Risks & Charges stemming from LatAm
- Equity Investment Write-downs

■ 4Q04 Net Provisions for Loan Losses includes “generic provisions” for €21m

# Asset Quality

## 2005 Business Plan Target Achieved for NPL Coverage and Cost of Risk

	Ratios				
	2001	2002	2003	2004	2005 BP Target
Net Loan Provisions/Op. Margin	76%	77%	34%	23%	18%
Net Loan Provisions/Loans	1.3%	1.4%	0.8%	0.56%	0.6% ←
Net NPLs <sup>(1)</sup> /Loans	3.0%	3.2%	3.0%	2.7%	2.0%
NPL <sup>(1)</sup> Coverage	59%	62%	65%	67%	67% ←

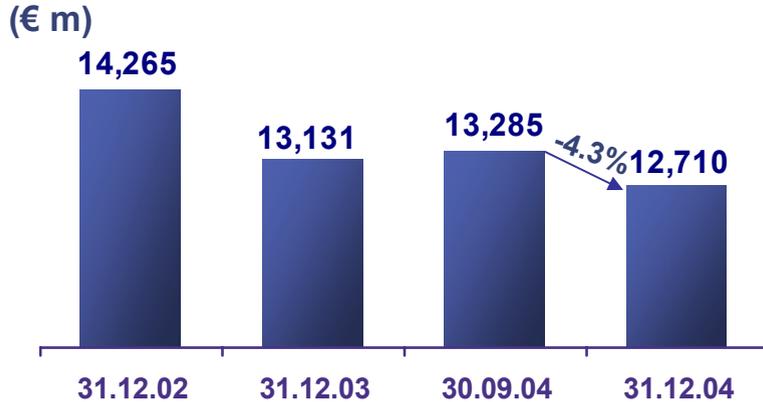
■ €1.1bn Total “Generic Provisions on loans” as at 31.12.04

(1) Sofferenza

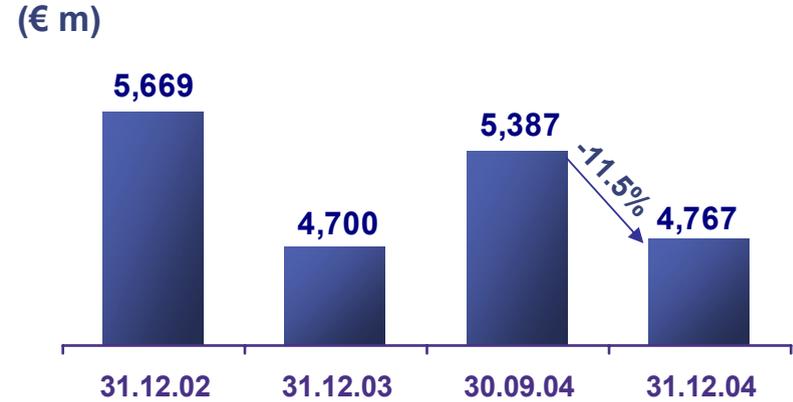
# NPLs & Substandard Loans

## Reduction in 4Q04

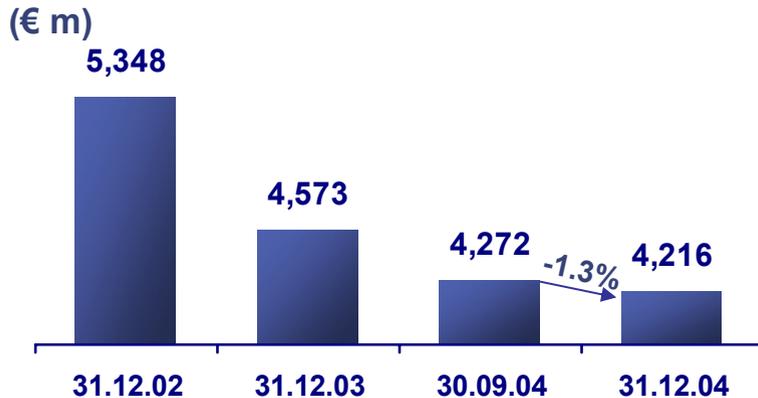
### Gross NPLs (Sofferenze)



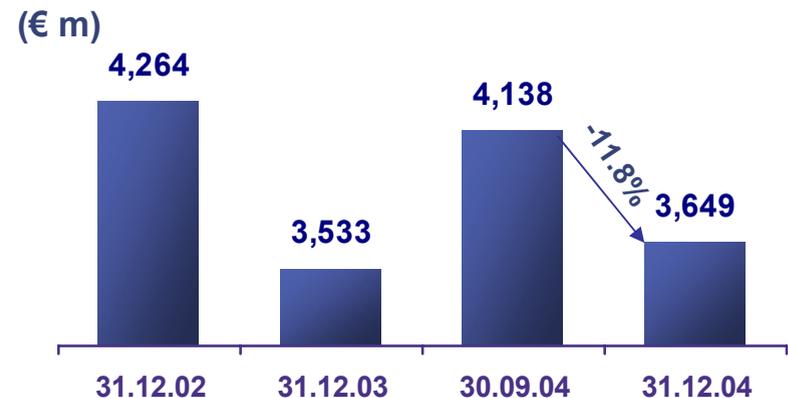
### Gross Substandard (Incagli)



### Net NPLs (Sofferenze)



### Net Substandard (Incagli)



■ Since 2002 €1.7 bn reduction of Net NPLs and Net Substandard

Note: 2003 pro-forma figures to reflect 2004 consolidation area (excluding Intesa Bank Canada and Sudameris Paraguay)

# Strengthening of Capital Base

2005 Business Plan Target Basically Achieved

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	Ratios				
	2001	2002	2003	2004	2005 BP Target
<b>Core Tier 1</b>	<b>5.3%</b>	<b>5.9%</b>	<b>6.9%</b>	<b>7.6%</b>	<b>7.7%</b>
<b>Tier 1</b>	<b>6.0%</b>	<b>6.8%</b>	<b>7.8%</b>	<b>8.5%</b>	<b>8.6%</b>
<b>Total Capital</b>	<b>9.3%</b>	<b>11.1%</b>	<b>11.7%</b>	<b>11.6%</b>	<b>11.0%</b>

# Growing Cash Pay-Out

FY04 Cash Dividends vs FY03: +121%

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- 10.5 euro cents per share to ordinary shares (2.8% dividend yield<sup>(1)</sup>)
- 11.6 euro cents per share to saving shares (3.4% dividend yield<sup>(1)</sup>)



**Cash pay-out of €729m vs €330m in the previous year (+121%)**

(1) Based on market price as at 04.03.05

# Divisional Financial Highlights as at 31.12.04

	Retail <sup>(1)</sup>	Italian Subsidiary Banks	International Subsidiary Banks	Corporate <sup>(2)</sup>	Central Functions/ Other	Total
Total Income (€ m)	5,302	1,459	1,021	1,811	133	9,726
Operating Margin (€ m)	2,052	668	418	1,007	(249)	3,896
Cost/Income (%)	61.3	54.2	59.1	44.4	n.m.	59.9
RWA (€ bn)	78.2	23.7	14.2	48.9	17.5	182.5
Allocated Capital <sup>(3)</sup> (€ bn)	5.0	1.4	0.9	2.9	1.1	11.3
Pretax ROE <sup>(4)</sup> (%)	32.8	37.4	34.6	27.4	(55.8)	23.9
EVA <sup>®</sup> (€ m)	605	179	108	259	(479) (360)	312

## ■ FY04 €312m EVA<sup>®</sup> vs -€261m in FY03

Treasury and Finance 167  
 Central Costs (252)  
 Risks&Charges, Generic Credit Risk,  
 Disposal of Non-Core Equity Inv. (357)  
 Others (37)

Cost of Excess Capital

Figures may not add up exactly due to rounding differences

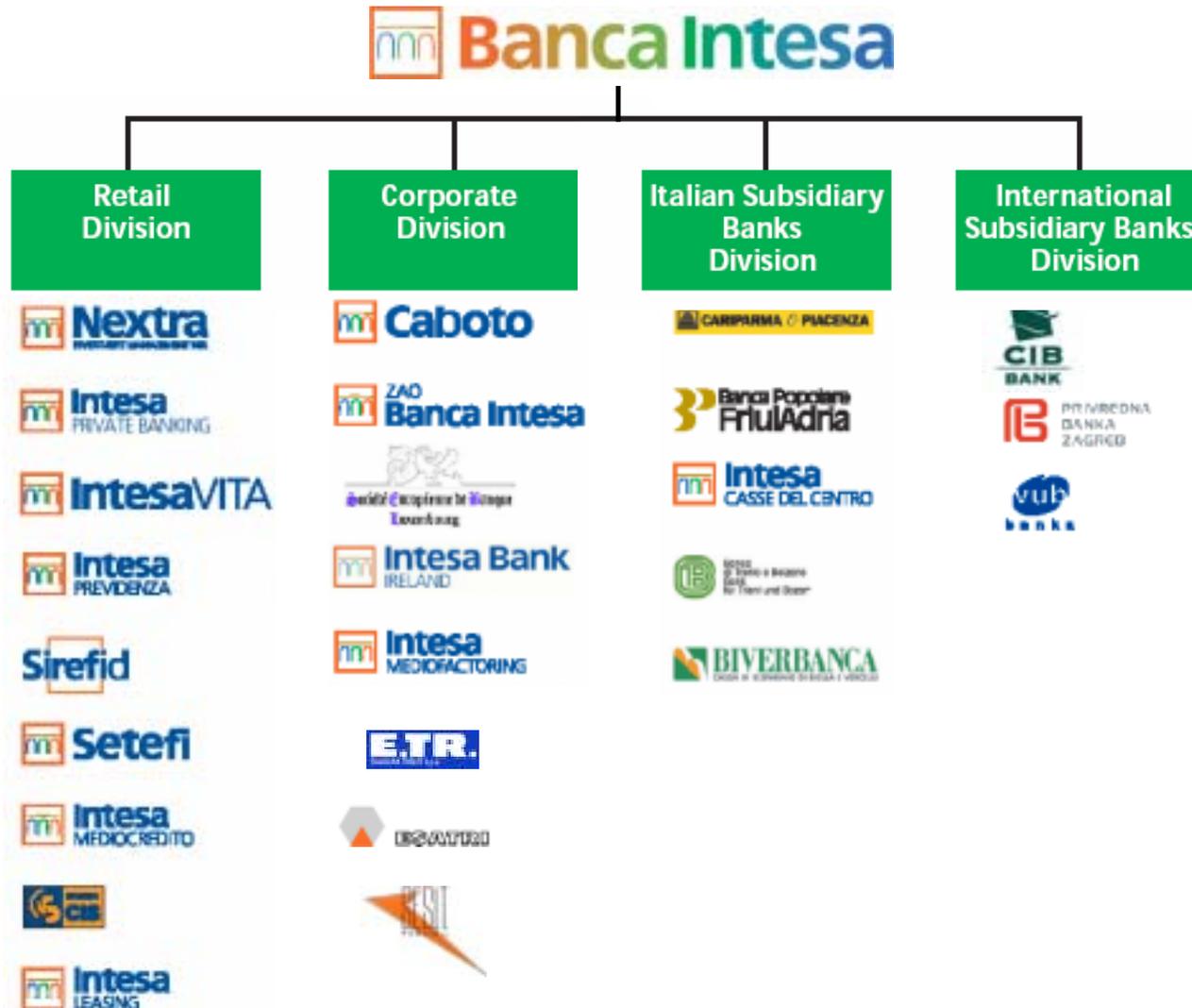
(1) Includes Individuals (Households, Affluent, Private), SOHO (Small Businesses and Micro Enterprises with turnover <€2.5m), SMEs (turnover between €2.5m and €50m), Non-Profit Entities, Wealth Management, Industrial Credit and Leasing

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

(3) Allocated Capital = 6% RWA

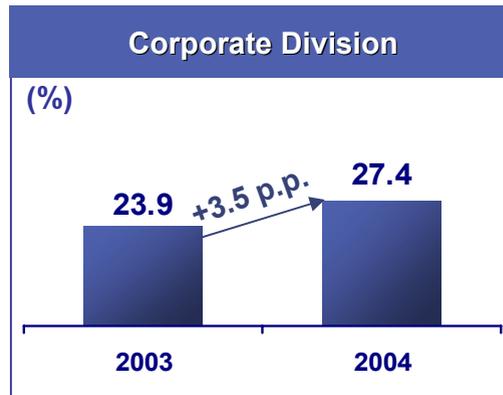
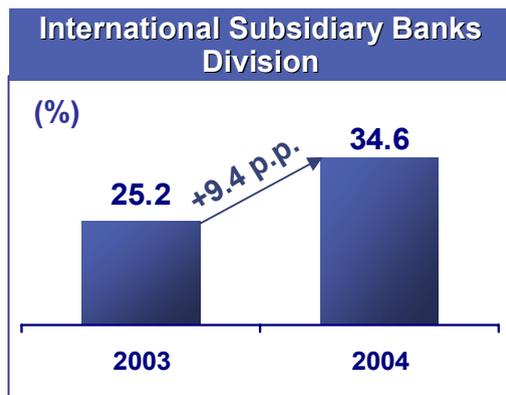
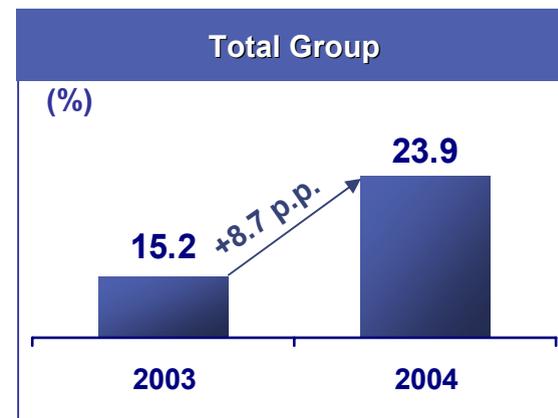
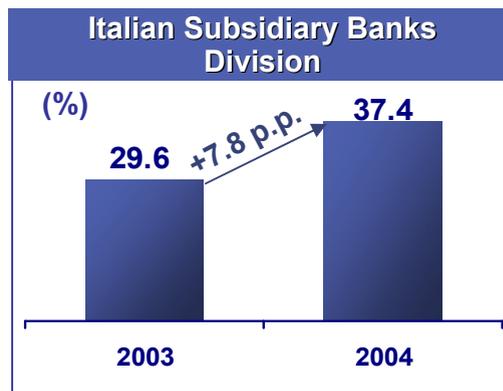
(4) Ordinary Income (before Extraordinary Items and Income Taxes) / Allocated Capital

# Divisional Analysis



# Improved Profitability for all Business Units

## Pretax ROE



# Retail Division & Wealth Management

## Wide Offer, Local Focus

### Business Areas



### Product Companies

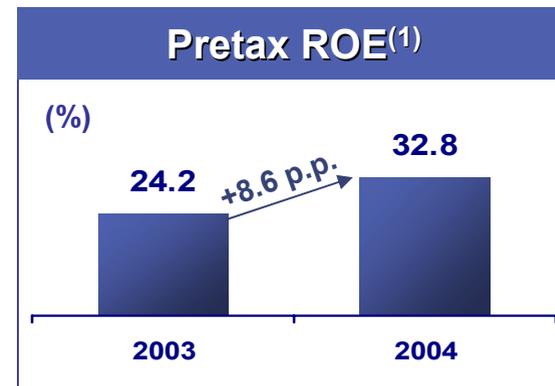
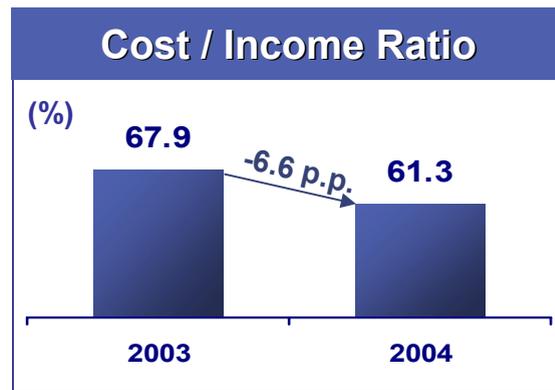
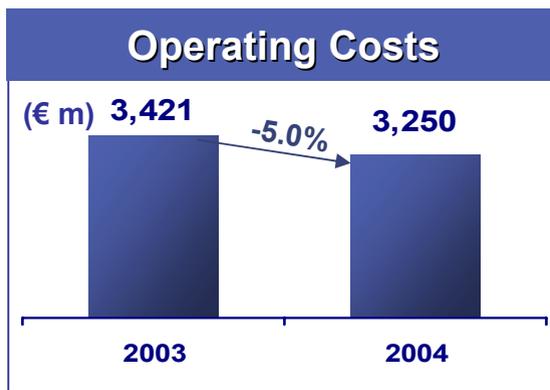
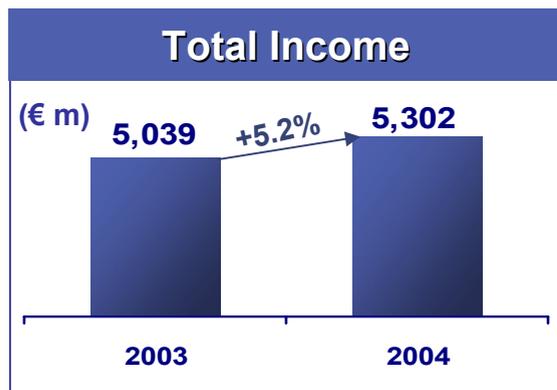
- **Asset Management** 
- **Private Banking** 
- **Bancassurance** 
- **Pension Funds** 
- **Trustee Company** 
- **Payment Systems** 
- **Industrial Credit**  
- **Leasing** 

### Channels of Distribution

Private Banking branches 56	Retail branches 1,943	SME branches 117	On-Line Services •Internet Banking •Telephone Banking •Mobile Banking
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# Retail Division and Wealth Management: FY04 vs FY03

## Significant and Sustainable Improvement in Profitability



■ **FY04 €605m EVA<sup>®</sup> (vs €312m in FY03)**

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, Wealth Management, Industrial Credit and Leasing

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

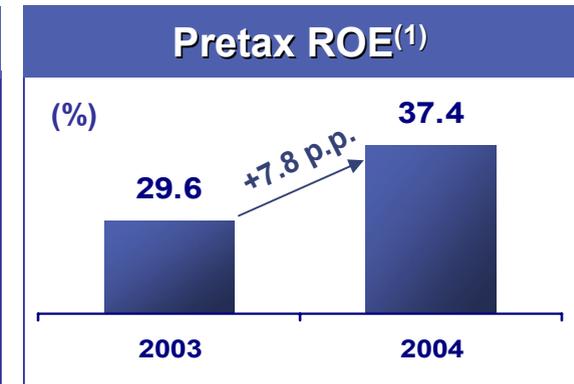
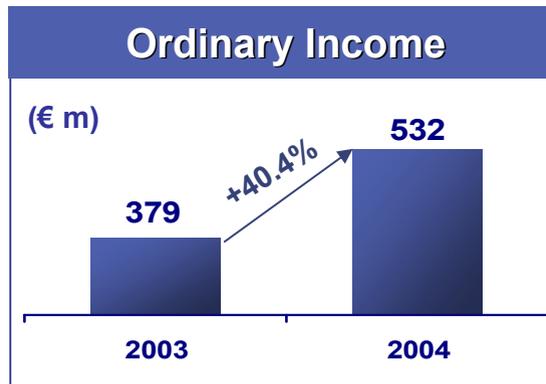
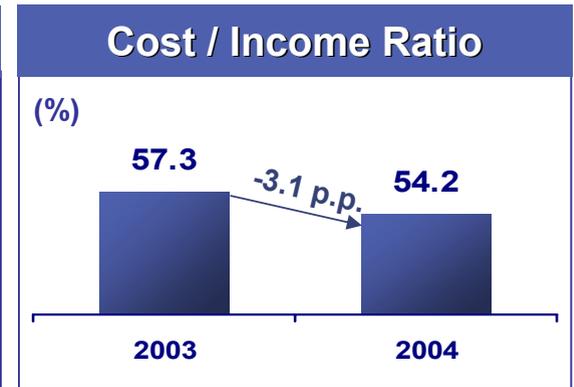
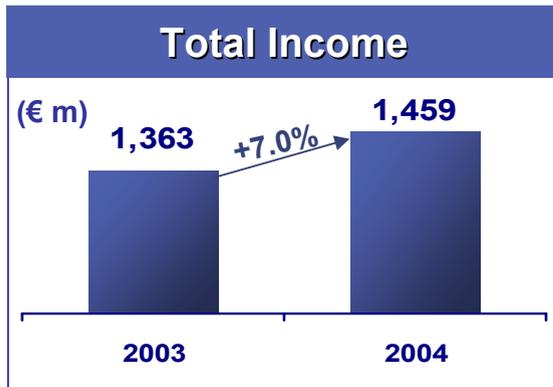
# Italian Subsidiary Banks Division

## Deeply Rooted in Regional Markets



# Italian Subsidiary Banks Division: FY04 vs FY03

## Further Improvement in Efficiency and Profitability



■ **FY04 €179m EVA<sup>®</sup> (vs €83m in FY03)**

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

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

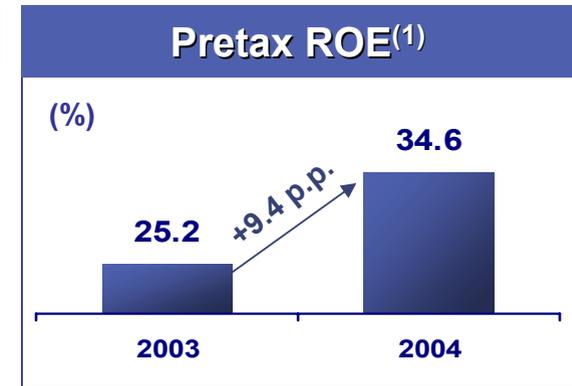
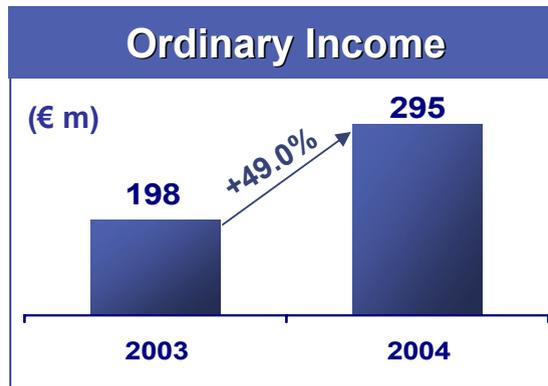
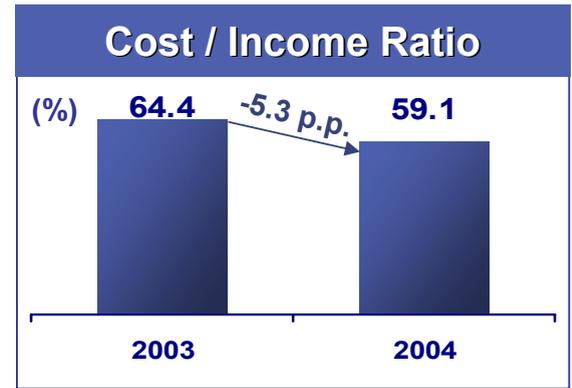
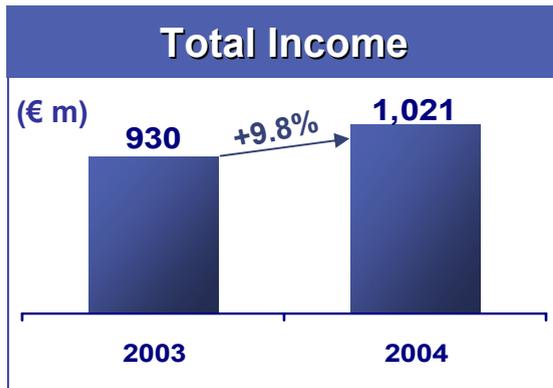
# International Subsidiary Banks Division

## Focus on Central-Eastern Europe



# International Subsidiary Banks Division: FY04 vs FY03

## Brilliant Performance due to Central-Eastern Europe



■ **FY04 €108m EVA<sup>®</sup> (vs -€127m in FY03)**

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

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

# Central-Eastern Europe Highlights: FY04 vs FY03

## Strong Growth in all the Banks

(€ m)	CIB (Hungary)		PBZ (Croatia)		VUB (Slovakia)		TOTAL CEE	
	2003	2004	2003	2004	2003	2004	2003	2004
<b>Total Income</b>	<b>195</b>	<b>278</b>	<b>301</b>	<b>318</b>	<b>185</b>	<b>230</b>	<b>681</b>	<b>826</b>
<b>Operating Costs</b>	<b>(101)</b>	<b>(136)</b>	<b>(157)</b>	<b>(167)</b>	<b>(125)</b>	<b>(138)</b>	<b>(383)</b>	<b>(441)</b>
<b>Operating Margin</b>	<b>94</b>	<b>141</b>	<b>144</b>	<b>151</b>	<b>60</b>	<b>93</b>	<b>297</b>	<b>385</b>
<b>Net Provisions <sup>(1)</sup></b>	<b>(30)</b>	<b>(64)</b>	<b>(24)</b>	<b>(23)</b>	<b>(19)</b>	<b>(10)</b>	<b>(72)</b>	<b>(96)</b>
<b>Ordinary Income</b>	<b>64</b>	<b>77</b>	<b>120</b>	<b>128</b>	<b>41</b>	<b>83</b>	<b>225</b>	<b>288</b>
<b>Net Income</b>	<b>47</b>	<b>58</b>	<b>69</b>	<b>78</b>	<b>63</b>	<b>85</b>	<b>179</b>	<b>220</b>
<b>Customer Deposits</b>	<b>2,187</b>	<b>2,492</b>	<b>3,677</b>	<b>3,939</b>	<b>3,678</b>	<b>4,514</b>	<b>9,542</b>	<b>10,945</b>
<b>Customer Loans</b>	<b>3,232</b>	<b>3,983</b>	<b>3,085</b>	<b>3,191</b>	<b>1,291</b>	<b>1,831</b>	<b>7,608</b>	<b>9,005</b>
<b>Total Assets</b>	<b>4,053</b>	<b>4,915</b>	<b>5,576</b>	<b>5,794</b>	<b>4,642</b>	<b>5,653</b>	<b>14,272</b>	<b>16,362</b>

- **FY04 Total CEE Operating Margin +30% vs FY03**
- **Operating Costs increase due to investments (branch opening, advertising, ...)**
- **FY04 €152m EVA<sup>®</sup> (vs €128m in FY03)**
- **Total CEE Net Income: a 12% contribution to consolidated Net Income**

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

(1) Excluding goodwill amortisation

# Corporate Division

## Leverage on the New Commercial Organisation

### Business Areas



### Product Companies

- **Capital Markets** 
- **Factoring** 
- **Tax Collection**   
  


### Channels of Distribution

#### Domestic Network

48 Corporate Branches

#### International Network

6 Branches

14 Representative Offices

3 Subsidiaries specialised in corporate banking

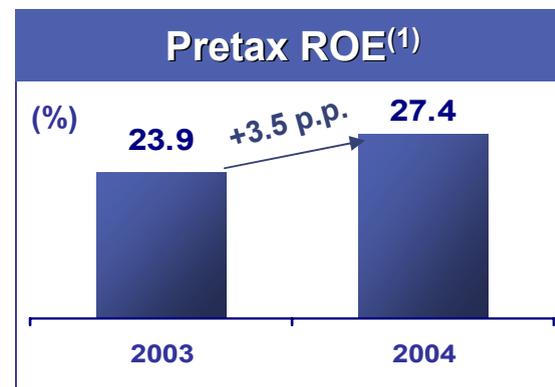
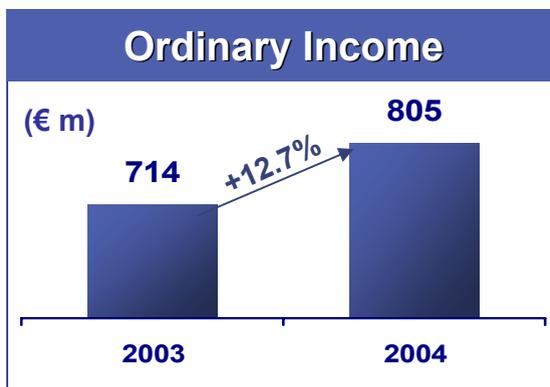
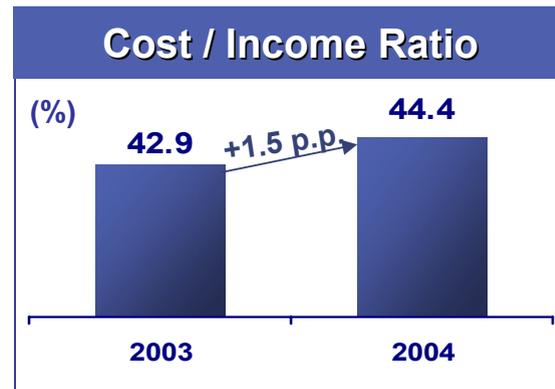
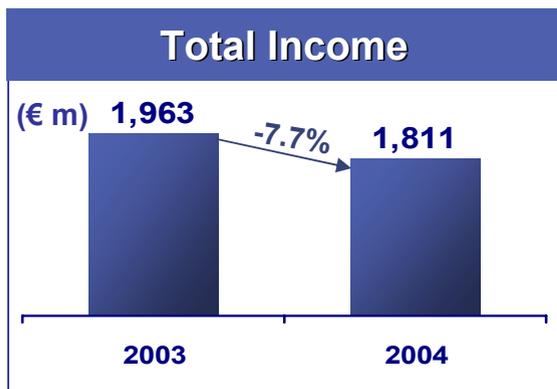


#### On-Line Services

Corporate Banking

# Corporate Division: FY04 vs FY03

## Sustained Increase in Ordinary Income



- Decrease in Total Income due to the planned reduction of loans to Large Corporates (-€5bn RWA vs FY03) and to lower revenues from Capital Market activities (-€86m vs FY03)
- FY04 €259m EVA<sup>®</sup> (vs €194m in FY03)

Figures may not add up exactly due to rounding differences

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

# 2003-2005 Business Plan: Delivery on Promises in a Tougher Macroeconomic Scenario

Priorities	Status
■ Reduce risk profile	<input checked="" type="checkbox"/>
■ Improve asset quality	<input checked="" type="checkbox"/>
■ Strengthen capital base	<input checked="" type="checkbox"/>
■ Enhance profitability and Shareholders' value	<input checked="" type="checkbox"/>
■ Implement platforms for sustainable growth	<input checked="" type="checkbox"/>



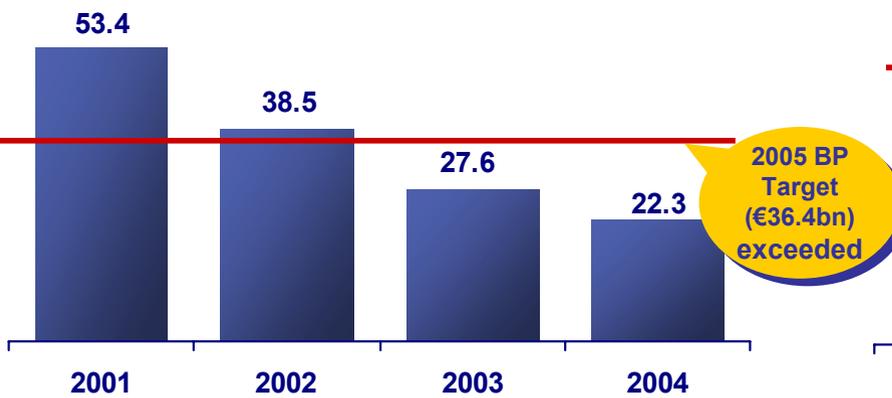
**A committed and cohesive management team fully supported by the Board has ensured delivery: over the last two years ROE from 2% to 13%**

# Delivery on Promises

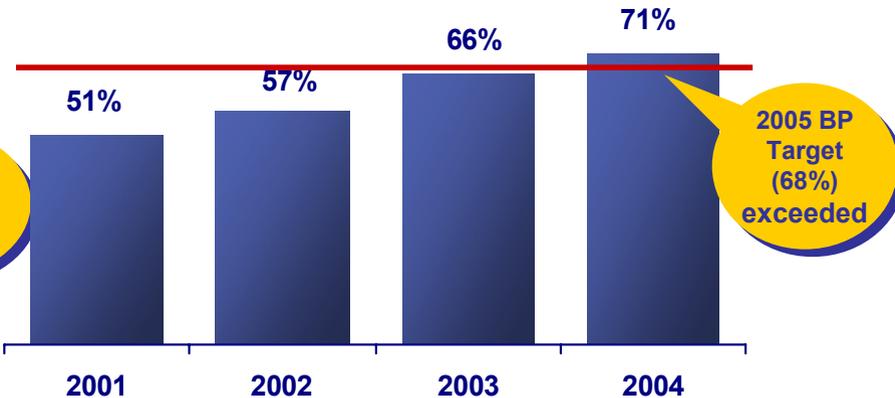
## Reduce Large Corporate Exposure

Reduce Risk Profile
Improve Asset Quality
Strengthen Capital Base
Enhance Profitability
Ensure Sustainable Growth

Large Corporate - RWA (€ bn)



Retail / Corporate Mix (%) <sup>(1)</sup>



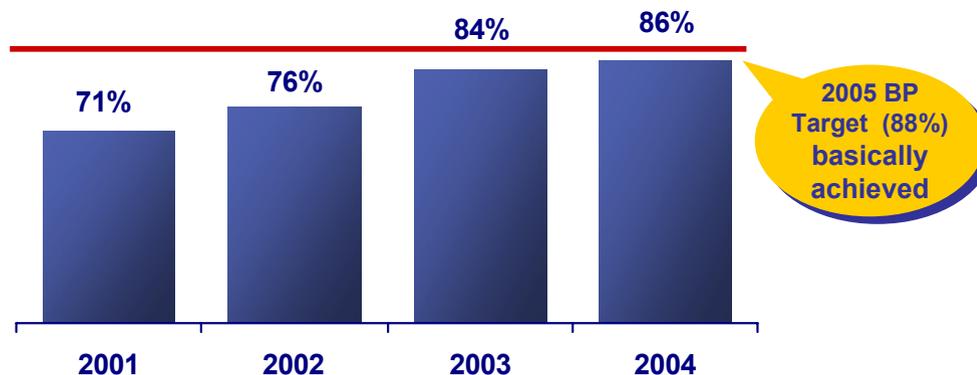
(1) Excluding Central Functions and Market Risks

# Delivery on Promises

## Increase Assets Allocated to Domestic Market

Reduce Risk Profile
Improve Asset Quality
Strengthen Capital Base
Enhance Profitability
Ensure Sustainable Growth

### Italy / Other Countries Mix (%)



### Exit from LatAm and Non-Strategic Countries

Argentina	Finalised the merger between Sudameris Argentina and Banco Patagonia (with Gruppo Intesa retaining a 19.95% minority stake)
Brazil	Finalised the sale of Sudameris Brasil to Banco ABN AMRO Real
Chile	Finalised the sale of Sudameris Chilean operations to Banco del Desarrollo
Colombia	Finalised the sale of Sudameris Colombia to Gilex Holding B.V.
Uruguay	Finalised the sale of Banque Sudameris S.A.'s operations in Uruguay to BANCO ACAC Crédit Agricole
Paraguay	Finalised the sale of Banco Sudameris Paraguay to Abbeyfield & Co. Ltd
Others LatAm	Finalised the sale of Banque Sudameris S.A. operations in Panama, Grand Cayman and Miami
Canada	Finalised the sale of Intesa Bank Canada to HSBC Bank Canada
Germany	Finalised the sale of Bankhaus Loebbecke to M.M. Warburg & Co.

# Delivery on Promises

## Central-Eastern Europe as the Second “Domestic” Market

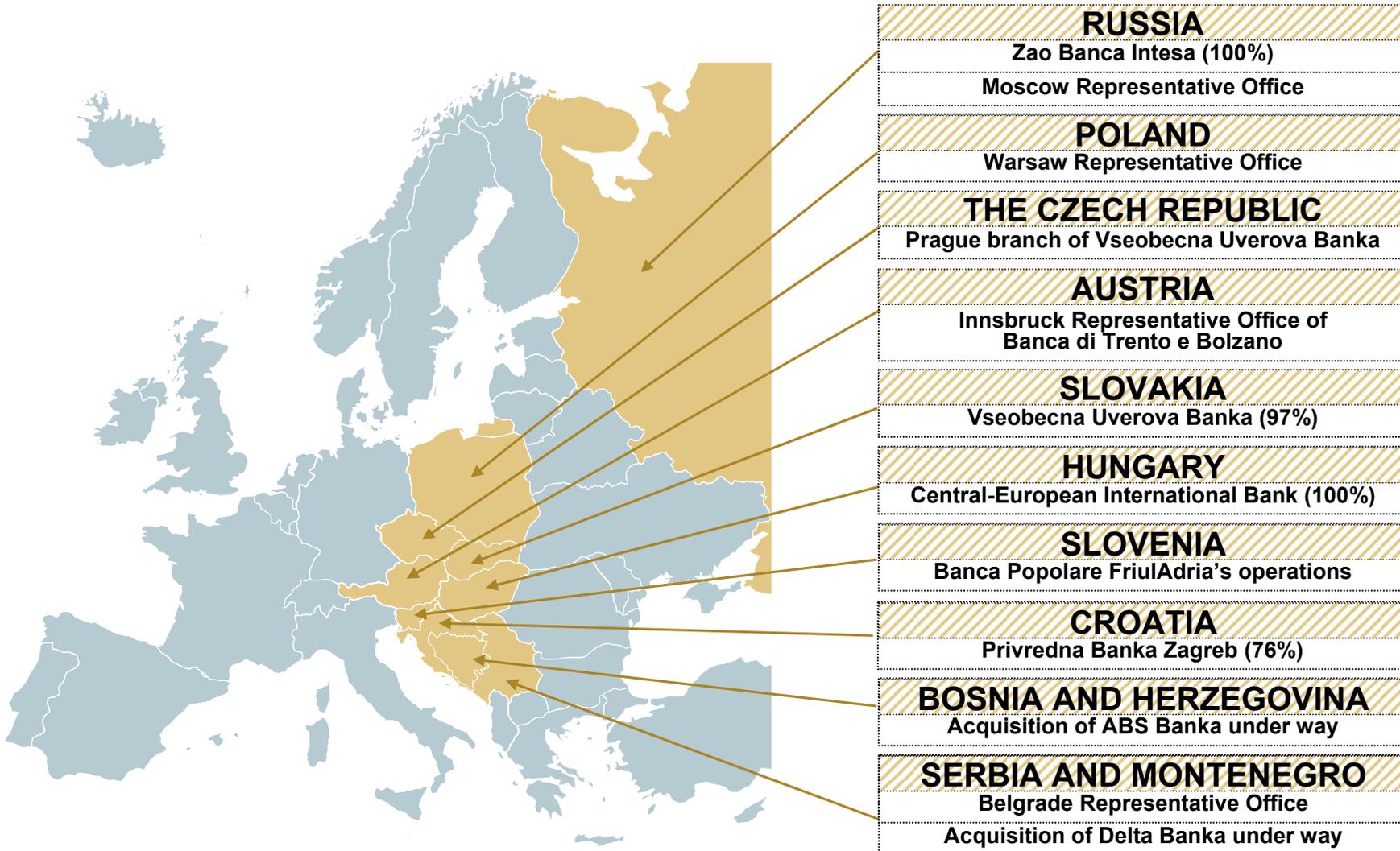
Reduce Risk Profile

Improve Asset Quality

Strengthen Capital Base

Enhance Profitability

Ensure Sustainable Growth

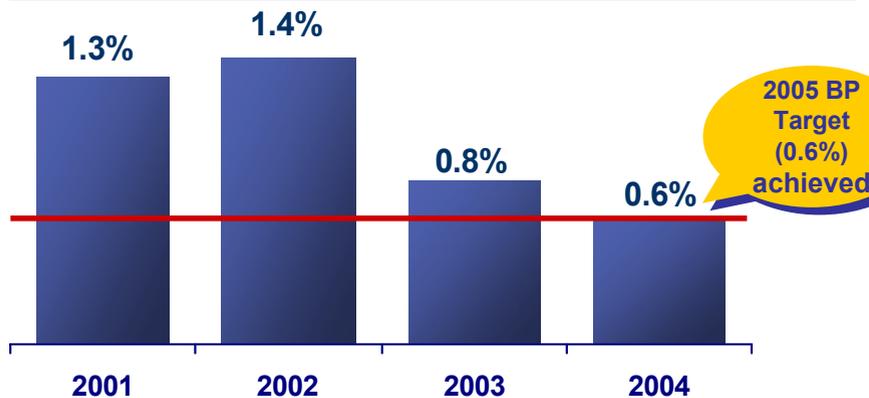


# Delivery on Promises

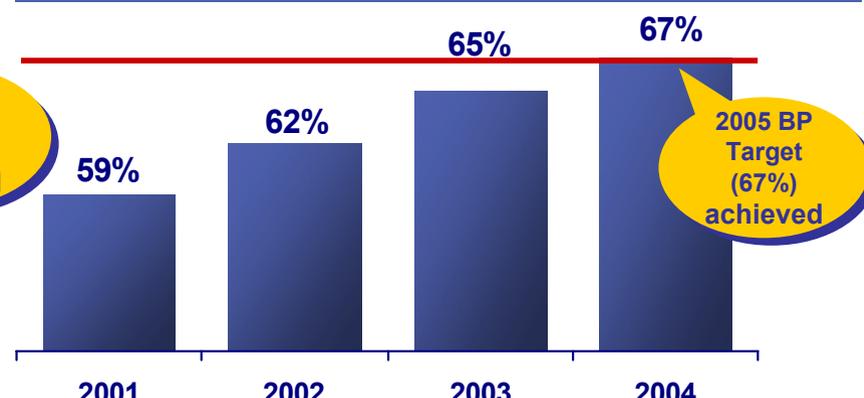
## Improve Asset Quality

Reduce Risk Profile
Improve Asset Quality
Strengthen Capital Base
Enhance Profitability
Ensure Sustainable Growth

### Net Loan Loss Provisions / Loans (%)

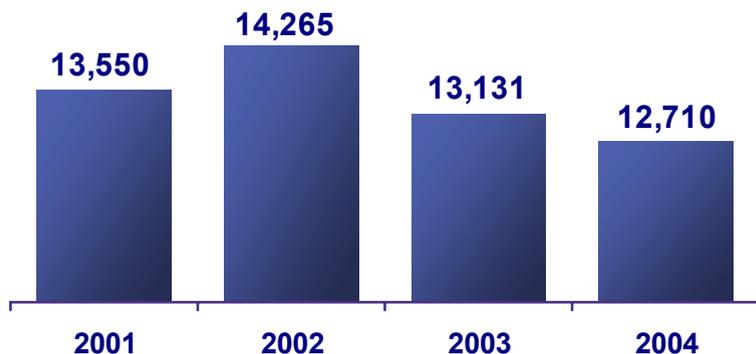


### NPL Coverage (%)



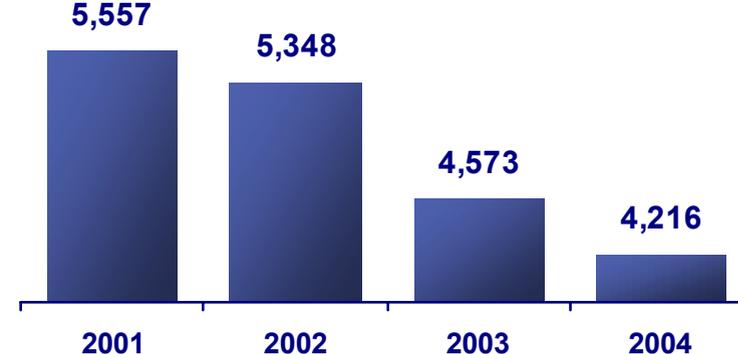
### Gross NPLs (Sofferenze)

(€ m)



### Net NPLs (Sofferenze)

(€ m)

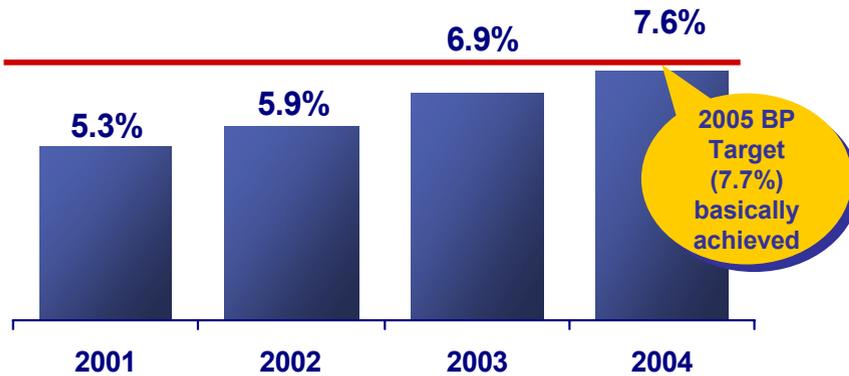


# Delivery on Promises

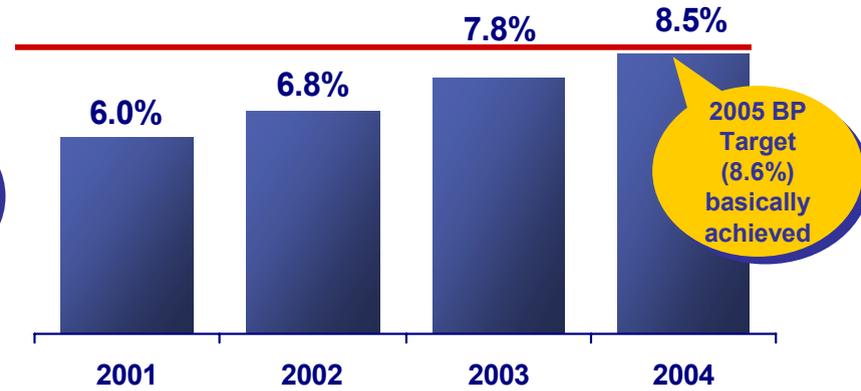
## Strengthen Capital Base

Reduce Risk Profile
Improve Asset Quality
<b>Strengthen Capital Base</b>
Enhance Profitability
Ensure Sustainable Growth

### Core Tier 1 Ratio (%)



### Tier 1 Ratio (%)

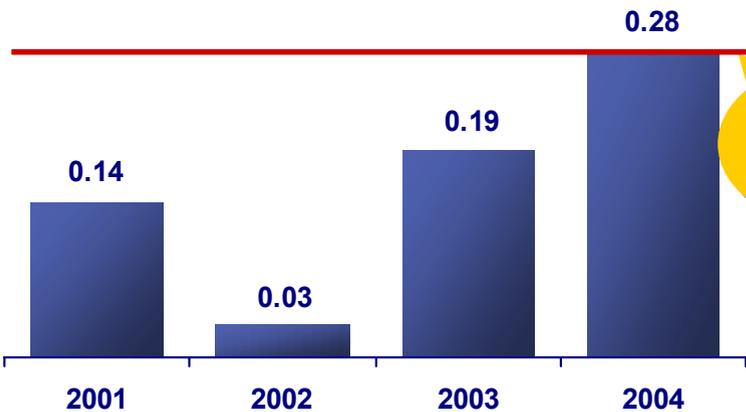


# Delivery on Promises

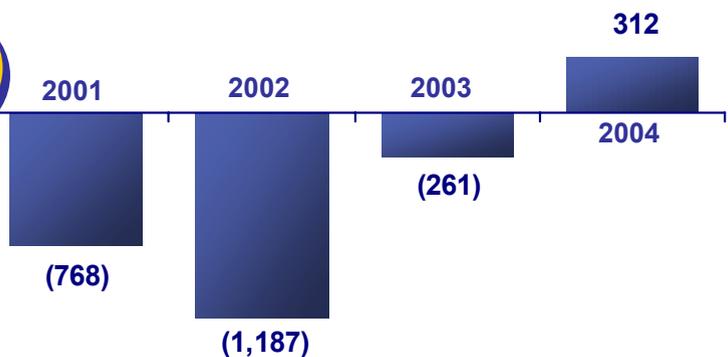
## Enhance Shareholders' Value

- Reduce Risk Profile
- Improve Asset Quality
- Strengthen Capital Base
- Enhance Profitability**
- Ensure Sustainable Growth

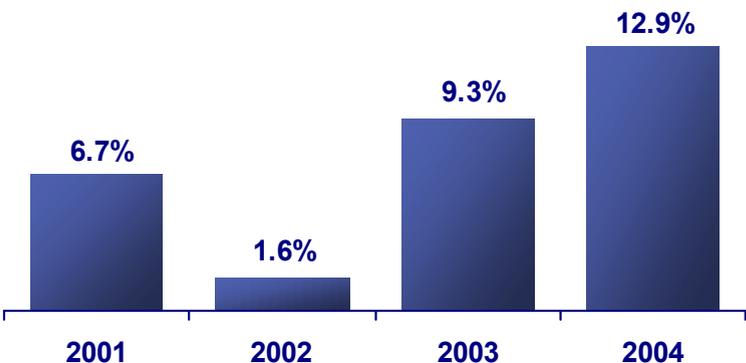
### EPS (€)



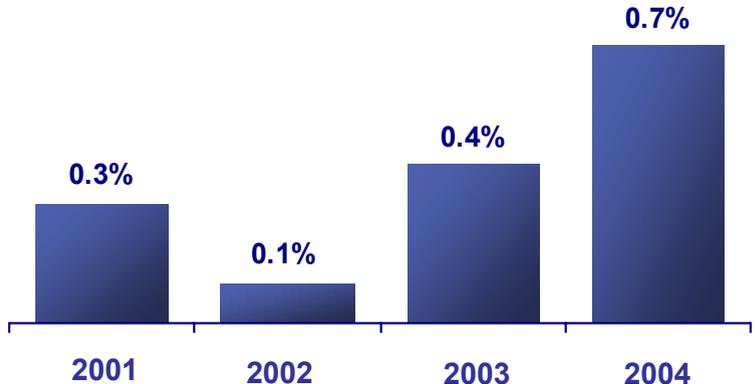
### EVA® (€ m)



### ROE (%)



### ROA (%)



# Delivery on Promises

## Platforms for Sustainable Growth: New Products (Example 1/2)

Reduce Risk Profile
Improve Asset Quality
Strengthen Capital Base
Enhance Profitability
Ensure Sustainable Growth

Description	Product	Achievements
Current account for Households	<b>Conto Intesa</b> 	<ul style="list-style-type: none"> <li>313,000 accounts opened in 12 months, ~40% of which are new accounts</li> <li>Average number of products held by customers who have switched to Conto Intesa: +33%, from 1.5 to 2.0</li> </ul>
Current account for Affluent	<b>Conto Intesa Personal</b> 	<ul style="list-style-type: none"> <li>41,000 accounts opened in 6 months, ~15% new accounts</li> <li>Average increase in Total Administered Funds from each switched account: +€21,000 in 6 months</li> </ul>
Current account for Small Businesses	<b>Conto Intesa Business</b> 	<ul style="list-style-type: none"> <li>30,000 accounts opened in 6 months, ~35% of which are new accounts</li> <li>Average business volumes (investments + borrowing) for each switched account: +15% in 6 months</li> </ul>
Personal Loan	<b>PrestIntesa</b> 	<ul style="list-style-type: none"> <li>Total personal loans granted over the year +121%, from €653m to €1,445m</li> <li>€406m loan granted in 4Q04</li> </ul>
Debit Card with online authorisation	<b>Carta Intesa</b> 	<ul style="list-style-type: none"> <li>More than 750,000 new cards sold in FY04</li> </ul>

# Delivery on Promises

## Platforms for Sustainable Growth: New Products (Example 2/2)

Reduce Risk Profile
Improve Asset Quality
Strengthen Capital Base
Enhance Profitability
Ensure Sustainable Growth

**IntesaNova**

Financing innovation projects, in the form of 3-5 year loans with no collateral, with the expertise of the most prestigious universities and research institutions

- Innovative entrepreneurs have their ICT and product/process innovation projects assessed by partner universities
- Positively assessed projects will be financed by Banca Intesa - under the usual creditworthiness assessment - within two weeks

**IntesaExport**

Financing strongly export-oriented enterprises willing to strengthen their competitiveness on markets abroad, in collaboration with Italian Export Agency SACE

- Loans with a maximum 5 year maturity with no collateral and 70% guaranteed by SACE
- Loans subsequently securitised and related securities covered by SACE insurance and placed on the market

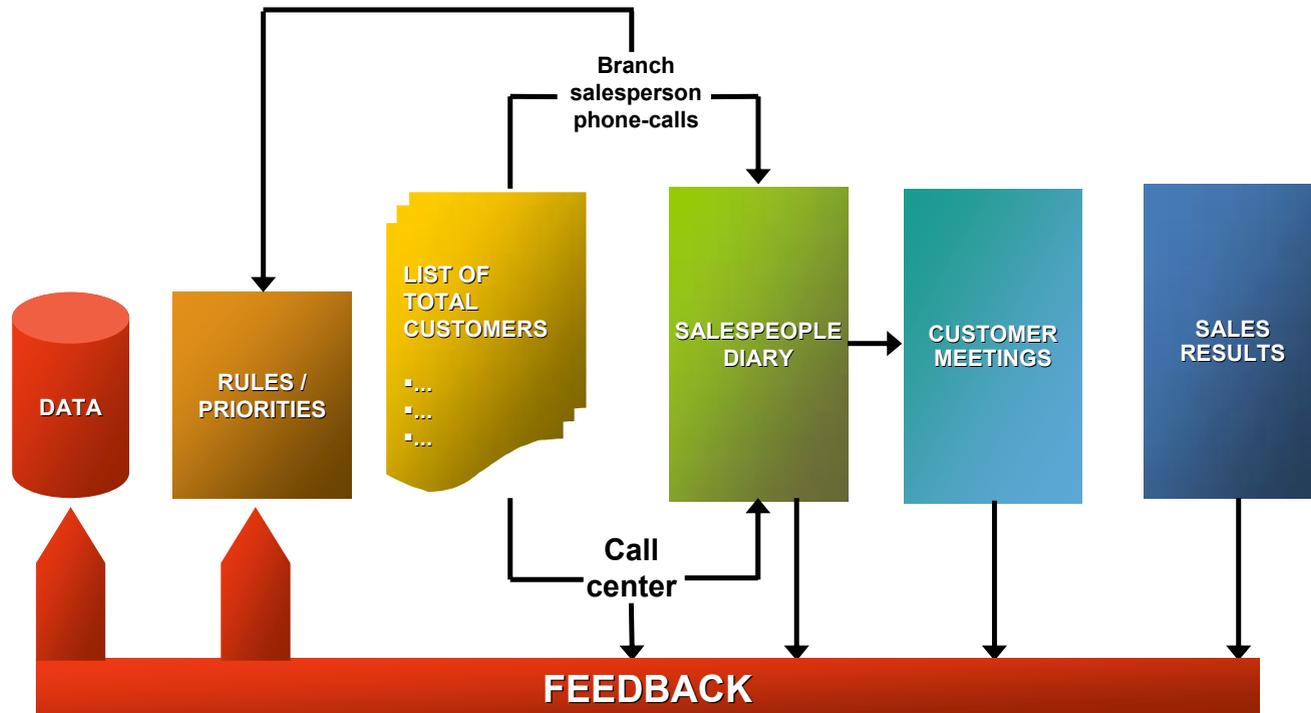
# Delivery on Promises

## Platforms for Sustainable Growth: Systems

Reduce Risk Profile
Improve Asset Quality
Strengthen Capital Base
Enhance Profitability
Ensure Sustainable Growth

- €1.4bn investments for ~2,000 projects in 2002-2004
- €1bn annual average of IT expenditures

Example: Salesforce IT Platform (ISSV) for Data Mining and Commercial Campaign Management



# Delivery on Promises

## Platforms for Sustainable Growth: Training

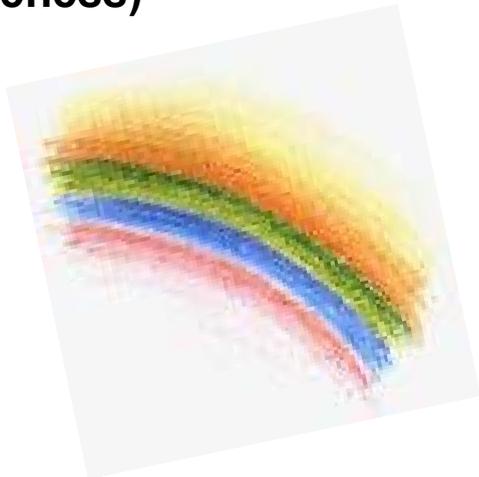
Reduce Risk Profile
Improve Asset Quality
Strengthen Capital Base
Enhance Profitability
Ensure Sustainable Growth

**2003: 255,000 man-day training delivered**

**2004: 335,000 man-day training delivered**

**75% of the 800,000 man-day of training set out for the 2003-2005 period**

**“Progetto Arcobaleno”  
(the Rainbow project, for the improvement of the network’s sales effectiveness)**



**Over 20,000 people involved**

- **Retail branch account managers**
- **SME branch account managers**
- **Cashiers**

**In 2005 branch managers to be involved**

# Delivery on Promises

## Platforms for Sustainable Growth: New Branch Model

Reduce Risk Profile
Improve Asset Quality
Strengthen Capital Base
Enhance Profitability
Ensure Sustainable Growth

Over 120 branches wholly renovated

Over 150 branches restructured



The new branch model is consistent with the new approach based on targeted services for each customer segment



# Delivery on Promises

## Platforms for Sustainable Growth: Equity Investments

Reduce Risk Profile  
Improve Asset Quality  
Strengthen Capital Base  
Enhance Profitability  
Ensure Sustainable Growth

### Newly Established Product Companies

- **Subsidiary Bank specialised in Private Banking**
- **Transformation of the subsidiary Securities House into a Bank specialised in Capital Markets**



### Joint Ventures

- **Life Insurance (partner Gruppo Generali)**
- **Pension Funds (partner Gruppo Generali)**
- **Consumer Credit (partner Crédit Agricole)**
- **M&A (partner Lazard)**



Lazard Italia

# Outlook

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- **Successful restructuring phase almost completed; new phase of sustainable growth and profitability with very low risk profile and structural cost control**
- **Revenue increase from all customer segments to stem from the “growth platforms” already implemented (management, organisation, training, new products, CRM tools, IT Systems)**
- **A great potential yet to be exploited with the present customer base in an untapped market both in Italy and CEE**
- **The 2005-2007 Business Plan’s disclosure has been scheduled at the beginning of June, after the presentation of the 2005 first-quarter results compliant with IAS, scheduled at the beginning of May**

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# Appendix

# Quarterly Analysis

## Upward Trend in Net Income

	4Q03	1Q04	2Q04	3Q04	4Q04
(€ m)	Pro-forma				
Net Interest Income	1,211	1,246	1,204	1,260	1,252
Dividends & Eq. Profits	21	38	82	42	58
Net Commissions	890	822	859	849	917
Other Non-Interest Income	253	308	312	243	234
<b>Total Income</b>	<b>2,375</b>	<b>2,414</b>	<b>2,457</b>	<b>2,394</b>	<b>2,461</b> ←
Operating Costs	(1,592)	(1,436)	(1,471)	(1,393)	(1,530)
<b>Operating Margin</b>	<b>783</b>	<b>978</b>	<b>986</b>	<b>1,001</b>	<b>931</b>
Goodwill Amortisation	(36)	(32)	(32)	(33)	(33)
Net Provisions	(672) <sup>(1)</sup>	(260)	(302) <sup>(2)</sup>	(174)	(337)
<b>Ordinary Income</b>	<b>75</b>	<b>686</b>	<b>652</b>	<b>794</b>	<b>561</b>
Extraordinary Items	53	4	(13)	(61) <sup>(3)</sup>	9
Taxes, Minorities, ΔRGBR <sup>(3)</sup>	48	(272)	(181)	(268)	(27) <sup>(4)</sup>
<b>Net Income</b>	<b>176</b>	<b>418</b>	<b>458</b>	<b>465</b>	<b>543</b> ←

Note: 4Q03, 1Q04 and 2Q04 pro-forma figures to reflect 4Q04 consolidation area (excluding Sudameris Paraguay and Intesa Bank Canada)

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

(2) Including €28m for Parmalat provisions

(3) Including €160m charges for the Nextra/Parmalat settlement and €110m gains from real estate transactions

(4) Δ RGBR = Change in Reserve for General Banking Risks. 4Q04 figure includes the use of RGBR and otehr allowances for €142m

# Quarterly Analysis: 4Q04 vs 4Q03

## Significant Rise in Ordinary Income and Net Income

	4Q03	4Q04	Δ%	
(€ m)	Pro-forma			
Net Interest Income	1,211	1,252	3.4	←
Dividends & Eq. Profits	21	58	176.2	
Net Commissions	890	917	3.0	
Other Non-Interest Income	253	234	(7.5)	
<b>Total Income</b>	<b>2,375</b>	<b>2,461</b>	<b>3.6</b>	
Operating Costs	(1,592)	(1,530)	(3.9)	←
<b>Operating Margin</b>	<b>783</b>	<b>931</b>	<b>18.9</b>	←
Goodwill Amortisation	(36)	(33)	(8.3)	
Net Provisions	(672) <sup>(1)</sup>	(337)	(49.9)	
<b>Ordinary Income</b>	<b>75</b>	<b>561</b>	<b>648.0</b>	←
Extraordinary Items	53	9	(83.0)	
Taxes, Minorities, ΔRGBR <sup>(2)</sup>	48	(27)	n.m.	
<b>Net Income</b>	<b>176</b>	<b>543</b>	<b>208.5</b>	←

Note: 4Q03 pro-forma figures to reflect 4Q04 consolidation area (excluding Sudameris Paraguay and Intesa Bank Canada) and the new discipline of tax credit mechanism on dividends

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

(2) Δ RGBR = Change in Reserve for General Banking Risks. 4Q04 figure includes the use of RGBR and other allowances for €142m

# Quarterly Analysis: 4Q04 vs 3Q04

## Record Net Income and Total Income in the Last Eleven Quarters

	3Q04	4Q04	Δ%
(€ m)			
Net Interest Income	1,260	1,252	(0.6)
Dividends & Eq. Profits	42	58	38.1
Net Commissions	849	917	8.0
Other Non-Interest Income	243	234	(3.7)
<b>Total Income</b>	<b>2,394</b>	<b>2,461</b>	<b>2.8</b>
Operating Costs	(1,393)	(1,530)	9.8
<b>Operating Margin</b>	<b>1,001</b>	<b>931</b>	<b>(7.0)</b>
Goodwill Amortisation	(33)	(33)	-
Net Provisions	(174)	(337)	93.7
<b>Ordinary Income</b>	<b>794</b>	<b>561</b>	<b>(29.3)</b>
Extraordinary Items	(61) <sup>(1)</sup>	9	n.m.
Taxes, Minorities, ΔRGBR <sup>(2)</sup>	(268)	(27)	(89.9)
<b>Net Income</b>	<b>465</b>	<b>543</b>	<b>16.8</b>

(1) Including €160m charges for the Nextra/Parmalat settlement and €110m gains from real estate transactions

(2) Δ RGBR = Change in Reserve for General Banking Risks. 4Q04 figure includes the use of RGBR and otehr allowances for €142m

# Non-Interest Income

## No Up-front Revenues on Structured Bonds Issued by Banca Intesa from 3Q04

(€ m)	FY03	FY04	Δ%	4Q03	1Q04	2Q04	3Q04	4Q04
	Pro-forma			Pro-forma				
Net Commissions	3,326	3,447	3.6	890	822	859	849	917
P/L on Financial Transact.	717	737	2.8	136	220	209	160	148
Other Net Operat. Income	373	360	(3.5)	117	88	103	83	86
<b>Total Non-Int. Income</b>	<b>4,416</b>	<b>4,544</b>	<b>2.9</b>	<b>1,143</b>	<b>1,130</b>	<b>1,171</b>	<b>1,092</b>	<b>1,151</b>

### Net Commissions - Breakdown

		(€ m)	FY03 Pro-forma	FY04	Δ%
	Commercial Banking		1,431	1,447	1.1
	- Credit & Debit cards		245	268	9.4
	- Current accounts		756	767	1.5
	Brokerage & AUM		1,339	1,453	8.5
	- Dealing and Placem. of Securities		154	235	52.6
	- Bancassurance		134	221	64.9
	- Portfolio management		835	804	(3.7)
	Tax Collection		291	278	(4.5)
	Others		265	269	1.5
	<b>Total</b>		<b>3,326</b>	<b>3,447</b>	<b>3.6</b>

Note: 2003, 1Q04 and 2Q04 pro-forma figures to reflect 4Q04 consolidation area (excluding Sudameris Paraguay and Intesa Bank Canada) and the new discipline of tax credit mechanism on dividends

# Operating Costs and Total Net Provisions

## Structural Decline

(€ m)	FY03	FY04	Δ%	4Q03	1Q04	2Q04	3Q04	4Q04
	Pro-forma			Pro-forma				
<b>Personnel Costs</b>	<b>3,298</b>	<b>3,147</b>	<b>(4.6)</b>	<b>822</b>	<b>804</b>	<b>793</b>	<b>772</b>	<b>778</b>
<b>Other Administrative Costs</b>	<b>2,100</b>	<b>2,100</b>	<b>-</b>	<b>568</b>	<b>499</b>	<b>540</b>	<b>484</b>	<b>577</b>
<b>Depreciation</b>	<b>690</b>	<b>583</b>	<b>(15.5)</b>	<b>202</b>	<b>133</b>	<b>138</b>	<b>137</b>	<b>175</b>
<b>Total Costs</b>	<b>6,088</b>	<b>5,830</b>	<b>(4.2)</b>	<b>1,592</b>	<b>1,436</b>	<b>1,471</b>	<b>1,393</b>	<b>1,530</b>

(€ m)	FY03	FY04	Δ%	4Q03	1Q04	2Q04	3Q04	4Q04
	Pro-forma			Pro-forma				
<b>Net Prov. for Risks&amp;Charges</b>	<b>199</b>	<b>167</b>	<b>(16.1)</b>	<b>43</b>	<b>39</b>	<b>57</b>	<b>11</b>	<b>60</b>
<b>Net Prov. for Loan Losses</b>	<b>1,180<sup>(1)</sup></b>	<b>887<sup>(3)</sup></b>	<b>(24.8)</b>	<b>452<sup>(1)</sup></b>	<b>213</b>	<b>258<sup>(3)</sup></b>	<b>157</b>	<b>259</b>
<i>of which Gross Prov.</i>	<b>2,024<sup>(1)</sup></b>	<b>1,598<sup>(3)</sup></b>	<b>(21.0)</b>	<b>674<sup>(1)</sup></b>	<b>395</b>	<b>469<sup>(3)</sup></b>	<b>309</b>	<b>425</b>
<i>Recoveries</i>	<b>(844)</b>	<b>(711)</b>	<b>(15.8)</b>	<b>(222)</b>	<b>(182)</b>	<b>(211)</b>	<b>(152)</b>	<b>(166)</b>
<b>Equity Inv. Write-Downs</b>	<b>204<sup>(2)</sup></b>	<b>19</b>	<b>(90.7)</b>	<b>177<sup>(2)</sup></b>	<b>8</b>	<b>(13)</b>	<b>6</b>	<b>18</b>
<b>Total Net Provisions</b>	<b>1,583</b>	<b>1,073</b>	<b>(32.2)</b>	<b>672</b>	<b>260</b>	<b>302</b>	<b>174</b>	<b>337</b>

Note: 2003, 1Q04 and 2Q04 pro-forma figures to reflect 4Q04 consolidation area (excluding Sudameris Paraguay and Intesa Bank Canada)

(1) Including €288m for Parmalat provisions

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

(3) Including €28m for Parmalat provisions

# Growth in Total Customer Administered Funds and Customer Loans

	31.12.03	31.12.04	Δ%
(€ m)	Pro-forma		
<b>Total Assets</b>	<b>259,678</b>	<b>274,598</b>	<b>5.7</b>
<b>Customer Loans</b>	<b>154,614</b>	<b>157,698</b>	<b>2.0</b>
<b>Direct Customer Deposits</b>	<b>171,870</b>	<b>180,237</b>	<b>4.9</b>
<b>Indirect Customer Funds</b>	<b>287,523</b>	<b>293,001</b>	<b>1.9</b>
<i>of which Assets under Management</i>	<b>121,869</b>	<b>117,906</b>	<b>(3.3)</b>
<b>Total Customer Administered Funds</b>	<b>459,393</b>	<b>473,238</b>	<b>3.0</b>
<b>Shareholders' Equity <sup>(1)</sup></b>	<b>15,093</b>	<b>15,564</b>	<b>3.1</b>

+3%  
excluding  
€1.5bn  
securitisation  
of lease  
receivables

Note: 2003 pro-forma figures to reflect 2004 consolidation area (excluding Sudameris Paraguay and Intesa Bank Canada)

(1) Including Net Income before dividends

# Wealth Management

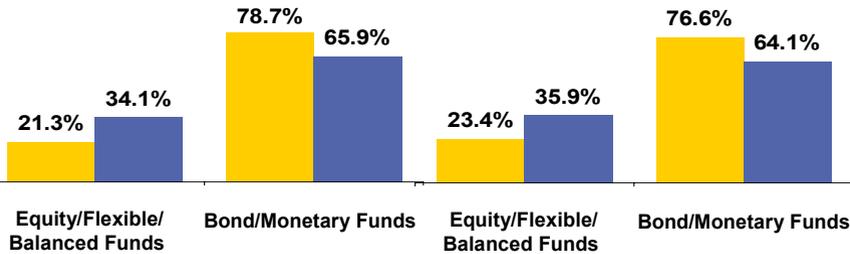
## Indirect Funds Increase of 2% FY04 vs FY03

### Mutual Funds Asset Mix

31.12.03

31.12.04

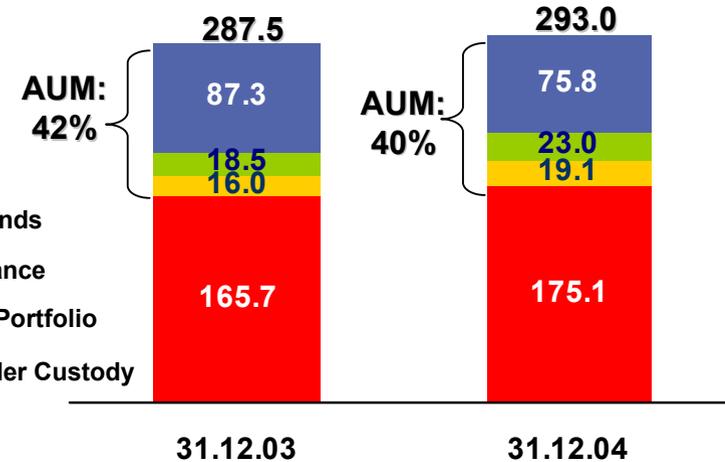
Intesa  
Industry



### Indirect Funds Composition

(€ bn)

Mutual Funds  
Life Insurance  
Managed Portfolio  
Asset Under Custody



Figures may not add up exactly due to rounding differences

# Reduction in Large Corporate Loans (RWA)

(€ bn)	31.12.01	31.12.02	31.12.03	31.12.04
Large Italian Corporate RWA	19.7	15.3	15.9	13.7
→ Large Foreign Corporate RWA	33.7	23.2	11.7	8.6
<b>Total Large Corporate RWA</b>	<b>53.4</b>	<b>38.5</b>	<b>27.6</b>	<b>22.3</b>
RWA Change in the period		(14.9)	(10.9)	(5.3)
RWA Cumulated Change vs 31.12.01		(14.9)	(25.8)	(31.1) ←
<b>ALLOCATED CAPITAL<sup>(1)</sup></b>	<b>3.2</b>	<b>2.3</b>	<b>1.7</b>	<b>1.3</b>

(1) 6% of RWA

# Increase in Capital Allocated to Retail

Retail	Risk Weighted Assets <sup>(1)</sup>				
	2001	2002	2003	2004	2005 BP Target
<b>Retail</b>	51%	57%	66%	71%	68%
<b>Italian Subsidiary Banks</b>	38%	42%	48%	50%	51%
<b>CEE Subsidiary Banks</b>	10%	11%	13%	14%	12%
<b>Other Int. Subsidiary Banks</b>	3%	4%	5%	7%	5%
<b>Other Int. Subsidiary Banks</b>	10%	7%	3%	2%	0%
<b>Large &amp; Mid International Co's</b>	17%	14%	7%	5%	6%
<b>Large Italian Co's</b>	10%	9%	10%	9%	9%
<b>Mid Italian Co's</b>	7%	7%	7%	7%	9%
<b>Govt. &amp; Fin. Inst's</b>	2%	2%	2%	2%	2%
<b>Others<sup>(2)</sup></b>	3%	4%	5%	4%	6%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

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

(2) Merchant Banking, Private Equity and Capital Markets