Banca Intesa

2002 Results

March 10th, 2003

Business Plan Targets Confirmed

1. The 2002 operating results are in line with our forecasts. The extraordinary negative events have been offset by extraordinary income from transactions not included in the Plan

2. The 2002 strategic objectives have been met or even exceeded: Core Tier1 Ratio at 5.9% vs. 5.2% BP Target and Tier1 Ratio at 6.8% vs. 6.0% BP Target

3. The over 100 turnaround and re-launching projects are under way with significant achievements regarding integration, credit quality and costs reduction

4. 2003-2005 EPS targets are confirmed

BP= Business Plan

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2002 Operating Results in Line with our Forecasts

- **Reduction in operating costs (-7.7% YoY, -4.4% net of forex effect on Sudameris) mainly due to the actions undertaken in the second half of the year (-11.7% 2H02 vs. 2H01, -7.5% net of forex effect on Sudameris)**

- **Increase in operating margin in the second half of the year (+11.8% 2H02 vs. 2H01, +16.5% net of forex effect on Sudameris)**

Quarterly Analysis

(€ m)	1Q 2002	2Q 2002	3Q 2002	4Q 2002	Δ% 4Q/3Q
	Pro-forma				
Net Interest Income	1,501	1,396	1,418	1,438	1.4
Dividends & Eq. Profits	31	115	16	31	93.8
Net Commissions	860	850	801	824	2.9
Other Non-Interest Income	213	216	46	168	n.m.
Total Income	**2,605**	**2,577**	**2,281**	**2,461**	**7.9**
Operating Costs	(1,779)	(1,656)	(1,595)	(1,786)	12.0
Operating Margin	**826**	**921**	**686**	**675**	**(1.6)**
Goodwill Amortisation	(23)	(25)	(60)	(33)	(45.0)
Net Provisions	(268)	(1,113)	(339)	(1,306)(1)	n.m.
Ordinary Income	**535**	**(217)**	**287**	**(664)**	**n.m.**
Extraordinary Items	232	(216)	(351)	621(2)	n.m.
Net Income	**425**	**(311)**	**(58)**	**144**	**n.m.**

Note: *Quarterly pro-forma results to reflect 4Q consolidation area (including VUB and excluding Banco di Chiavari and Sudameris Argentina)*

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

(2) *Including €437m provisions for restructuring charges and €281m for Crédit Lyonnais stake mark to market*

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Quarterly Analysis

(€ m)	4Q 2001 Pro-forma	4Q 2002	Δ% Official	Δ% Restated[(1)]
Net Interest Income	1,618	1,438	(11.1)	(5.3)
Dividends & Eq. Profits	37	31	(16.2)	(13.9)
Net Commissions	923	824	(10.7)	(7.0)
Other Non-Interest Income	146	168	15.1	44.3
Total Income	**2,724**	**2,461**	**(9.7)**	**(3.8)**
Operating Costs	(2,157)	(1,786)	(17.2)	(11.7)
Operating Margin	**567**	**675**	**19.0**	**26.4**
Goodwill Amortisation	(65)	(33)	(49.2)	
Net Provisions	(1,625)	(1,306)[(2)]	(19.6)	
Ordinary Income	**(1,123)**	**(664)**	**(40.9)**	
Extraordinary Items	753	621[(3)]	(17.5)	
Net Income	**(135)**	**144**	**n.m.**	

Note: *4Q 2001 pro-forma results to reflect 4Q 2002 consolidation area (including VUB and excluding Banco di Chiavari and Sudameris Argentina)*
(1) *Excluding forex effect on Sudameris*
(2) *Including €133m exit costs from Argentina, €300m charges for Peru, €100m generic provisions for LatAm and €165m for the Commerzbank and HVB stakes write-down*
(3) *Including €437m provisions for restructuring charges and €281m for Crédit Lyonnais stake mark to market*

Six-Month Analysis

(€ m)	2001 1H	2001 2H	2002 1H	2002 2H	Δ% Official 1H02 / 1H01	Δ% Official 2H02 / 2H01	Δ% Rest.(1) 2H02 / 2H01
	Pro-forma						
Net Interest Income	3,017	3,007	2,897	2,856	(4.0)	(5.0)	(0.4)
Dividends & Eq. Profits	147	65	146	47	(0.7)	(27.7)	(26.6)
Net Commissions	1,866	1,811	1,710	1,625	(8.4)	(10.3)	(7.8)
Other Non-Interest Income	515	164	429	214	(16.7)	30.5	62.3
Total Income	**5,545**	**5,047**	**5,182**	**4,742**	**(6.5)**	**(6.0)**	**(1.7)**
Operating Costs	(3,558)	(3,830)	(3,435)	(3,381)	(3.5)	(11.7)	(7.5)
Operating Margin	**1,987**	**1,217**	**1,747**	**1,361**	**(12.1)**	**11.8**	**16.5**
Goodwill Amortisation	(40)	(85)	(48)	(93)	20.0	9.4	
Net Provisions	(910)	(2,248)	(1,381)	(1,645)(2)	51.8	(26.8)	
Ordinary Income	**1,037**	**(1,116)**	**318**	**(377)**	**(69.3)**	**(66.2)**	
Extraordinary Items	868	328	16	270(3)	(98.2)	(17.7)	
Net Income	**1,386**	**(458)**	**114**	**86**	**(91.8)**	**n.m.**	

Note: *Pro-forma results to reflect 4Q consolidation area (including VUB and excluding Banco di Chiavari and Sudameris Argentina)*

(1) *Excluding forex effect on Sudameris*

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

(3) *Including €437m provisions for restructuring charges and €281m for Crédit Lyonnais stake mark to market*

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Annual Results

(€ m)	2001 Pro-forma	2002	Δ%	
			Official	Restated [1]
Net Interest Income	6,024	5,753	(4.5)	(1.2)
Dividends & Eq. Profits	212	193	(9.0)	(8.5)
Net Commissions	3,677	3,335	(9.3)	(8.5)
Other Non-Interest Income	679	643	(5.3)	3.9
Total Income	**10,592**	**9,924**	**(6.3)**	**(3.6)**
Operating Costs	(7.388)	(6,816)	(7.7)	(4.4)
Operating Margin	**3,204**	**3,108**	**(3.0)**	**(1.9)**
Goodwill Amortisation	(125)	(141)	12.8	
Net Provisions	(3,158)	(3,026) [2]	(4.2)	
Ordinary Income	**(79)**	**(59)**	**(25.3)**	
Extraordinary Items	1,196	286 [3]	(76.1)	
Net Income	**928**	**200**	**(78.4)**	

Note: *2001 pro-forma results to reflect 2002 consolidation area (including VUB and excluding Banco di Chiavari and Sudameris Argentina)*

(1) *Excluding forex effect on Sudameris*

(2) *Including €168m exit costs from Argentina, €473m charges for Peru, €100m generic provisions for LatAm and €165m for the Commerzbank and HVB stakes write-down*

(3) *Including €437m provisions for restructuring charges and €281m for Crédit Lyonnais stake mark to market*

Balance Sheet

(€ m)	2001 Pro-forma	2002	Δ%	
			Official	Restated[1]
Total Assets	**317,248**	**280,733**	**(11.5)**	**(10.1)**
Customer Loans	**182,772**	**168,532**	**(7.8)**	**(6.7)**
Net Interbank Funds	**36,633**	**14,155**	**(61.4)**	**(59.9)**
Customer Direct Deposits	**186,850**	**182,033**	**(2.6)**	**(1.5)**
Customer Indirect Funds	**328,150**	**301,749**	**(8.0)**	**(7.0)**
of which Assets under Management	***138,336***	***125,552***	***(9.2)***[2]	***(8.0)***
Total Customer Administered Funds	**515,000**	**483,782**	**(6.1)**	**(5.0)**
Shareholders' Equity	**14,141**	**13,951**	**(1.3)**	**0.7**

Note: *2001 pro-forma to reflect 2002 consolidation area (including VUB and excluding Banco di Chiavari and Sudameris Argentina)*

(1) *Excluding forex effect on Sudameris*

(2) *-3% excluding negative market performance*

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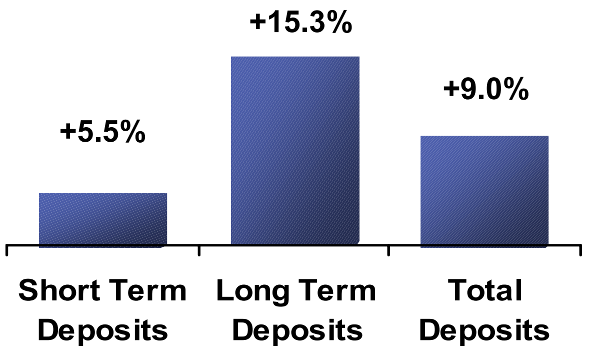
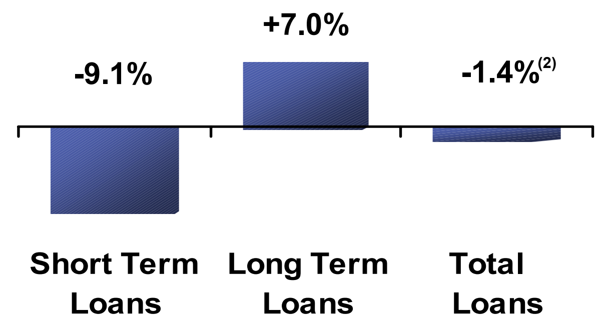
Funding and Lending in the Domestic Market (1)

Δ% 12 Month Customer Deposits

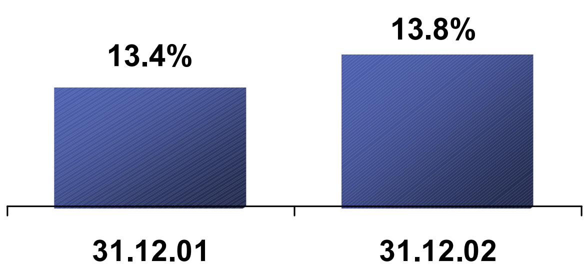


Δ% 12 Month Customer Loans



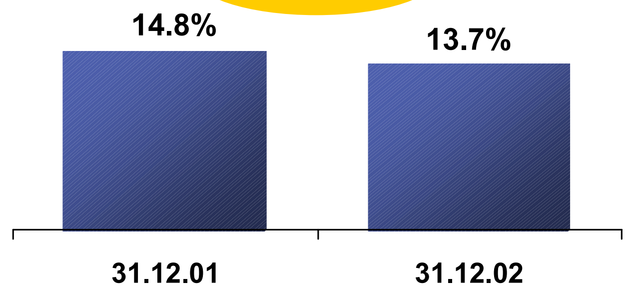
Customer Deposits Market Share

Rank: 1st



Customer Loans Market Share

Rank: 1st



- **Market share increase in customer deposits due to improved customer relationship**
- **Focus on EVA® rather than on volume of loans**

(1) *Average figures – Domestic Network accounts with domestic customers*
(2) *+0.7% before mortgage securitisation and excluding "Italy to Italy" large corporate reduction*

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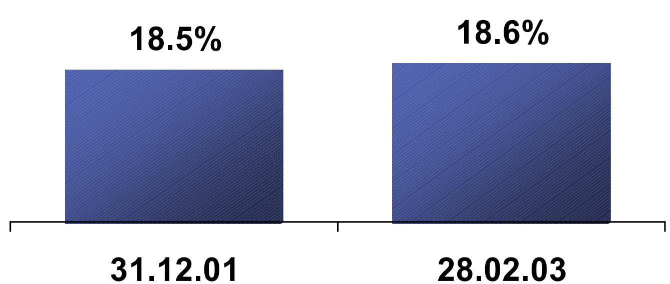
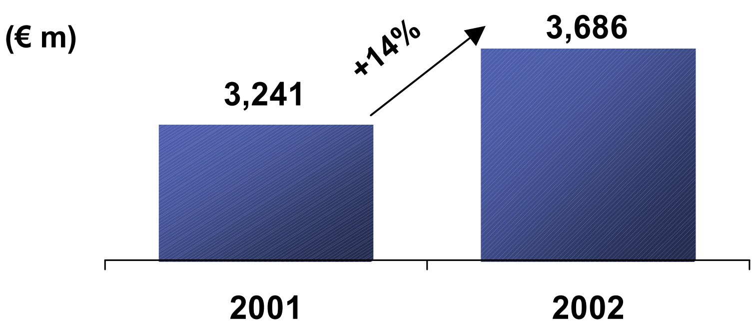
Non-Interest Income

(€ m)	2001 Pro-forma	2002	Δ% Official	Δ% Restated[1]	1Q2002 Pro-forma	2Q2002 Pro-forma	3Q2002 Pro-forma	4Q2002	Δ% 4Q/3Q
Net Commissions	3,677	3,335	(9.3)	(8.5)	860	850	801	824	2.9
P/L on Financial Transact.	194	189	(2.6)	13.2	96	129	(31)	(5)	83.9
Other Net Operat. Income	485	454	(6.4)	0.4	117	87	77	173 [2]	n.m.
Total Non-Interest Income	**4,356**	**3,978**	**(8.7)**	**(6.7)**	**1,073**	**1,066**	**847**	**992**	**17.1**

Mutual Funds Market Share



Bancassurance - New Premium



- **Increase in commissions from plastic cards (+13.3% YoY)**
- **Mutual Funds: 2002 total net outflow lower than competitors. Net inflow of €871m in 2003[3]**
- **Open-ended Pension Funds: 2002 net inflows of ~€400m (1st in Italy with nearly one third of the market and more than 101,000 clients increased by 21% YoY)**

Note: *2001, 1Q, 2Q and 3Q 2002 pro-forma results to reflect 4Q 2002 consolidation area (including VUB and excluding Banco di Chiavari and Sudameris Argentina)*
(1) *Excluding forex effect on Sudameris*
(2) *Including €73m capital gain from securitisation of performing mortgage loans*
(3) *January - February*

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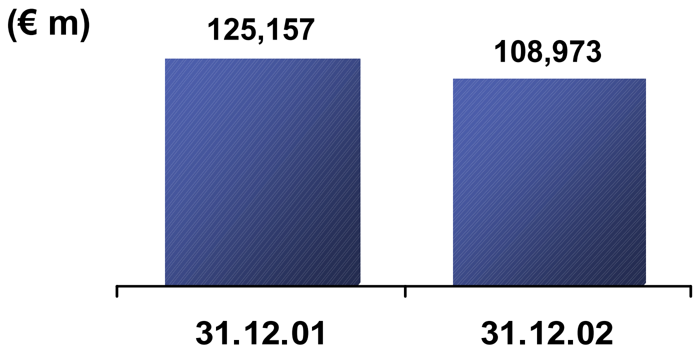
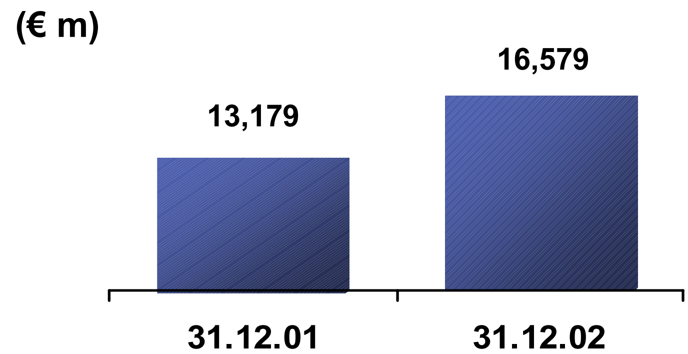
Wealth Management: Total Portfolio €136bn

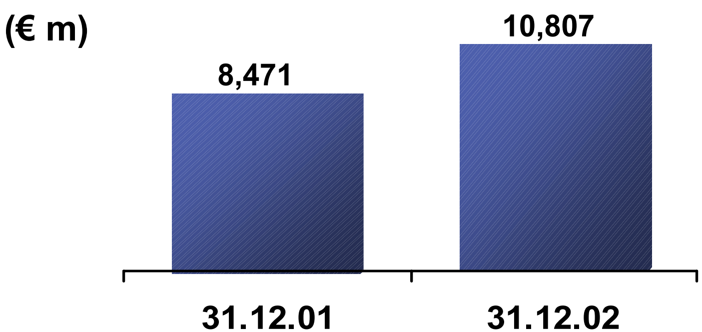
Mutual Funds & Discretionary Accounts[1]
Net Equity



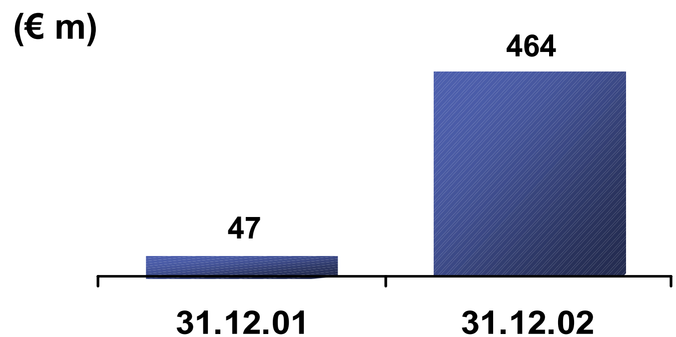
Bancassurance
Technical Reserves



Trustees
Administered Funds



Pension Funds
Net Equity



(1) *Net of double counting*

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Cost Reduction

(€ m)	2001 Pro-forma	2002	Δ% Official	Δ% Restated[(1)]	1Q2002 Pro-forma	2Q2002 Pro-forma	3Q2002 Pro-forma	4Q2002	Δ% 4Q/3Q
Personnel Costs	4,056	3,692	(9.0)	(6.2)	991	952	844	905	7.2
Other Adm. Costs	2,587	2,389	(7.7)	(3.5)	621	563	555	650	17.1
Depreciation	745	735	(1.3)	2.4	167	141	196	231	17.9
Total Costs	**7,388**	**6,816**	**(7.7)**	**(4.4)**	**1,779**	**1,656**	**1,595**	**1,786**	**12.0**

- **4Q vs. 3Q increase due to seasonality (-17.2% 4Q 2002 vs 4Q 2001)**
- **Personnel costs -9% YoY (-6.2% net of forex effect) with a headcount reduction of about 2,400 employees over the year**

Note: *2001, 1Q, 2Q and 3Q 2002 pro-forma results to reflect 4Q 2002 consolidation area (including VUB and excluding Banco di Chiavari and Sudameris Argentina)*
(1) *Excluding forex effect on Sudameris*

Total Net Provisions

(€ m)	2001 Pro-forma	2002	Δ% Official	Δ% Restated[1]	1Q2002 Pro-forma	2Q2002 Pro-forma	3Q2002 Pro-forma	4Q2002
Net Provisions for Risks & Charges	640	354	(44.7)	(41.7)	62	216	18	58
Net Provisions for Loan Losses	2,425	2,384	(1.7)	2.5	194	837	307	1,046
Equity Investments Write Downs	93	288	n.m.	n.m.	12	60	14	202
Total Net Provisions	**3,158**	**3,026**	**(4.2)**	**0.2**	**268**	**1,113**	**339**	**1,306**

- **Total net provisions include "one-off charges" of €740m for LatAm (exit costs from Argentina, charges for Peru and generic provisions; €530m in 4Q). Total full-year provisions for LatAm amount to €950m**
- **4Q equity investment write-downs include €165m for Commerzbank and HVB stakes (down to net equity value)**
- **~40% of total full-year net provisions are related to LatAm & non-core foreign subsidiaries and Commerzbank & HVB stakes write-down**
- **~€300m provisions for Worldcom[2] and Marconi UK[2] and €104m write-back on Enron**

Note: *2001,1Q, 2Q and 3Q 2002 pro-forma results to reflect 4Q 2002 consolidation area (including VUB and excluding Banco di Chiavari and Sudameris Argentina)*
(1) *Excluding forex effect on Sudameris*
(2) *Positions sold-off in 1Q2003 with recoveries*

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2002 Main Extraordinary Events

Negative Events

(€ m)	4Q2002	2002
Treasury shares / Put Warrant M to M	138	(437)
Restructuring charges	(437)	(437)
Argentina exit costs(1)	(133)	(168)
Peru charges(1)	(300)	(473)
LatAm generic provisions(1)	(100)	(100)
Commerzbank and HVB stakes write-downs(1)	(165)	(165)
TOTAL	**(997)**	**(1,780)**

Positive Events

(€ m)	4Q2002	2002
Disposal of Banca Carime stake	0	220
Disposal of Banco Chiavari	246	246
Sale of Borsa Italiana and Monte Titoli stakes	93	93
Monetization of Italenergia Bis Put Option	69	69
Disposal of Real Estate assets	209	253
Mark to Market of Crédit Lyonnais stake	281	281
Mortgage Securitisation(2)	73	73
TOTAL	**971**	**1,235**

(1) *Booked under Net Provisions*
(2) *Booked under Other Operating Income*

Divisional Analysis as of 31.12.02

	Retail(1)	Italian Banks	Product Co's	Corporate	Foreign Banks	Central Functions /Other	Total
Total Income (€ m)	4,533	1,387	720	1,396	1,570	318	9,924
Operating Margin (€ m)	1,078	522	383	797	520	(192)	3,108
Cost/Income (%)	76.2	62.3	46.9	42.9	66.9	n.m.	68.7
RWA (€ bn)	52.9	20.3	24.9	67.3	20.6	13.6	199.6
Allocated Capital (€ bn)	3.5	1.2	1.5	4.0	1.2	0.9	12.3
Pretax ROE (%)	11.8	36.7	14.2	0.4	(39.2)	n.m.	(0.5)
EVA® (€ m)	(6)	104	4	(397)	(645)	(247)	(1,187)

(1) *Includes Individuals (Family, Premium, Private), Businesses with turnover of <€50m (ex €25m), Local Public Administration, Non-Profit Entities and Wealth Management*

EPS Lowered by Higher Loan Provisions

Operating Margin	"Core" Provisions on Loans	Extraordinaries
In line with budget	Higher than budgeted also due to generic provisions	Positive and negative events balanced

"Core" Net loans provisions / Loans in 2H02

No impact on actual vs. budgeted Net Income

53b.p. actual vs. 40b.p. budgeted, i.e. ~ €200m higher provisions in 4Q02, 50% due to generic provisions

No impact on actual vs. budgeted Net Income

Net Income

Lower by ~ €120m

Actual EPS €0.03 vs. budgeted EPS €0.04-0.07

Dividends

- 1.5 euro cents per share cash to circulating ordinary shares
- 2.8 euro cents per share cash to saving shares
- 159m treasury shares assigned to all our shareholders (1 share every 40 ordinary/saving shares held)
- Taking into account the carrying value of €2.049 for each treasury share, the total amount in distribution is:
  - 6.6 euro cents per ordinary share vs. 4.5 euro cents in the previous year
  - 7.9 euro cents per saving share vs. 8.0 euro cents in the previous year

Total pay-out of €434m vs. €331m in the previous year

Note: *319m treasury shares remaining*

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Business Plan Targets Confirmed

1. The 2002 operating results are in line with our forecasts. The extraordinary negative events have been offset by extraordinary income from transactions not included in the Plan

2. **The 2002 strategic objectives have been met or even exceeded: Core Tier1 Ratio at 5.9% vs. 5.2% BP Target and Tier1 Ratio at 6.8% vs. 6.0% BP Target**

3. The over 100 turnaround and re-launching projects are under way with significant achievements regarding integration, credit quality and costs reduction

4. 2003-2005 EPS targets are confirmed

BP= Business Plan

Some 2002 Strategic Objectives Even Exceeded

✓ Improvement in Risk Profile

- Reduction in Large Corporate Loans (RWA -€15bn YoY)
- Decrease in Net Interbank Borrowing (-61% YoY)
- Reduction in Credit Derivatives Exposure (open positions -52% vs. June ‘02)
- Improvement in NPLs Coverage (63% vs. 59% as of Dec ’01)
- Disengagement from LatAm (exit from Argentina, charges for Peru and generic provisions)

✓ Strengthening of Capital Base

- Core Tier1 Ratio at 5.9% and Tier1 Ratio at 6.8% well above the 2002 target

Reduction in Large Corporate Loans (RWA)

(€ bn)	31.12.01	30.06.02	30.09.02	31.12.02	BP 2002 Target
Italian Large Corporate RWA	19.7	16.8	15.6	15.3	15.8
Foreign Large Corporate RWA	33.7	31.1	26.1	23.2	24.9
Total Large Corporate RWA	**53.4**	**47.9**	**41.7**	**38.5**	**40.7**
RWA Change in the period		(5.5)	(6.2)	(3.2)	
RWA Cumulated Change		(5.5)	(11.7)	(14.9)	(12.7)
ALLOCATED CAPITAL[1]	**3.2**	**2.9**	**2.5**	**2.3**	**2.4**

- **Reduction of 28% YoY in Large Corporate exposure**

BP= Business Plan

(1) *6% of RWA*

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Reduction in Large Corporate Loans (RWA)

The actions undertaken have led to an improvement in EVA®

	Annual Effect
Decrease in Total Income	€55m
Allocated Capital Saved[(1)]	€891m
Positive Impact on EVA®	**€61m**

(1) *6% of RWA*

Reduction in Large Corporate and Focus on Retail

Retail

	Risk Weighted Assets (1)			
	31.12.01	30.06.02	31.12.02	2005
	42%	45%	49%	~60%
Retail	24%	25%	26%	33%
Italian Banks	9%	9%	10%	11%
Product Companies	9%	11%	12%	15%
Corporate	35%	34%	33%	30%
• *Large & Mid Foreign Co's*	*15%*	*15%*	*13%*	*7%*
• *Large Italian Co's*	*8%*	*7%*	*7%*	*8%*
• *Mid Italian Co's*	*6%*	*6%*	*6%*	*8%*
• *Govt. & Fin. Inst.*	*2%*	*1%*	*2%*	*2%*
Foreign Bank Subsidiaries	12%	11%	10%	4%
Central Functions	11%	10%	8%	7%
Total	100%	100%	100%	100%

(1) *Figures restated to account for the new segmentation criteria. 2005 excluding Banco di Chiavari and IntesaBci Bank Suisse*

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Reduction in Large International Corporate

Intl. Large Corporate Exposure Overview

	31.12.01	31.12.02	31.12.02 BP Target
RWA	€34bn	€23bn	€25bn
Allocated Capital(1)	€2.0bn	€1.4bn	€1.5bn

Problem Loans Coverage

- Write-back of €104m on Enron (ETB)
- WorldCom and Marconi UK sold off in 1Q 2003 with recoveries
- Appropriate coverage demonstrated also by recoveries from other sold-off positions
- €1.1bn "generic" provisions facing total performing loans at Group level
- Each position of the entire Large Corporate portfolio has been audited by the credit department

31.12.02 Loans Breakdown(2) by

Country

Europe	62%
North America	33%
ROW	5%

Industry

Industrials	32%
Consumer/ Retail	25%
Telecom	17%
Tech	4%
Chemicals/ Pharma	3%
Other	19%

Rating

Upper Inv. Grade	51%
Lower Inv. Grade	23%
Non Inv. Grade	12%
Not Rated	14%

(1) *6% of RWA*
(2) *Net of NPLs and substandard loans*

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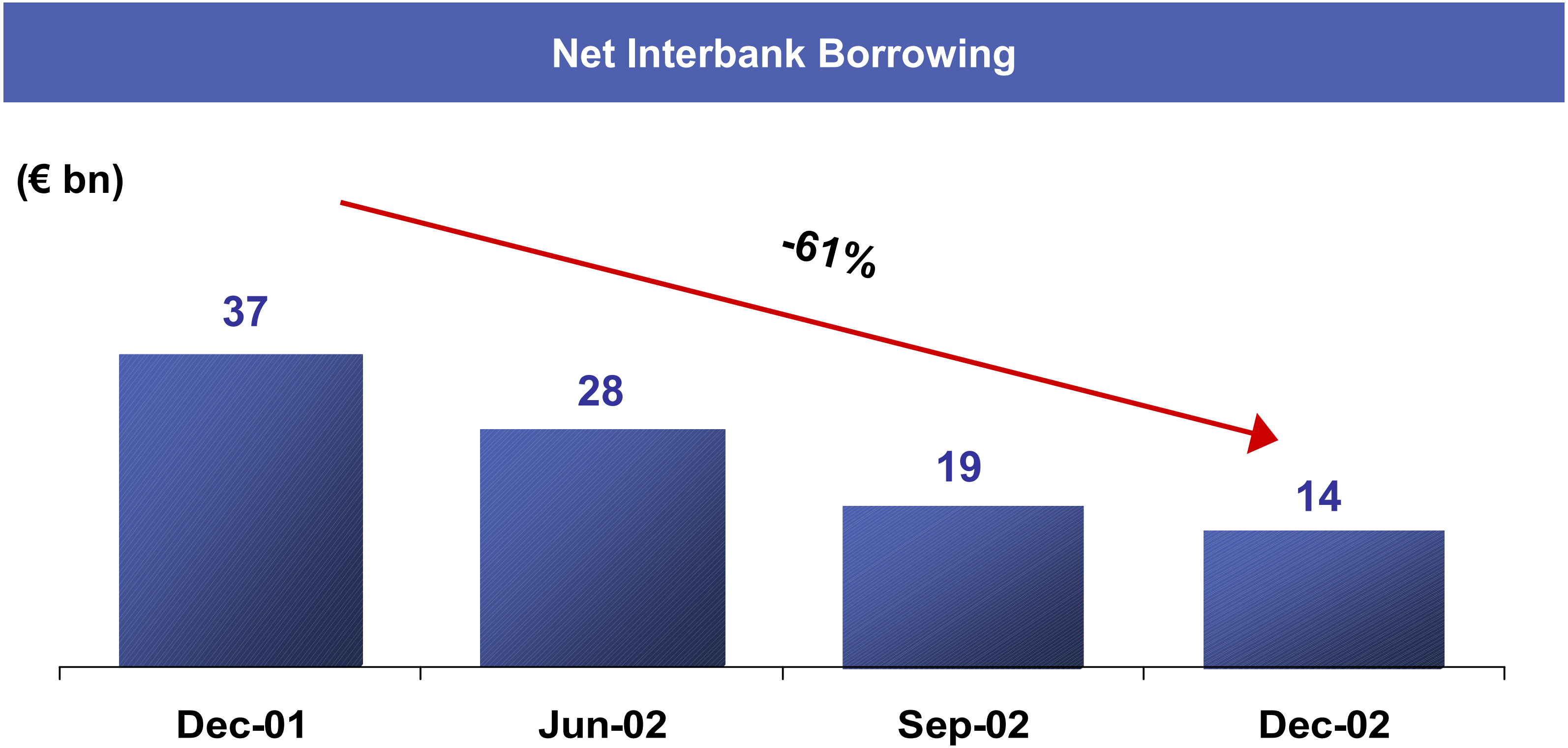
Decrease in Net Interbank Borrowing



- Reduction in Net Interbank Borrowing reached thanks to a decrease in loans and in securities portfolio and to a more effective ALM policy

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Reduction in Credit Derivatives Exposure

(€ bn)	30.06.02	30.09.02	31.12.02	Δ 31.12.02 vs. 30.06.02	Δ 31.12.02 vs. 30.09.02
Super Senior Open Positions	3.6	1.8	1.8	(50.0)%	0.0%
Other Open Positions	8.1	5.3	3.8	(51.9)%	(26.4)%
- of which Banking Book	*7.0*	*4.3*	*3.0*	*(57.0)%*	*(29.4)%*
Partially Hedged Super Senior	5.3	5.4	5.1	(3.8)%	(5.6)%
Fully Hedged	57.1	57.4	57.5	0.5%	0.0%
Protection Bought	6.9	7.3	8.3	20.3%	13.7%
Total Portfolio	**81.0**	**77.2**	**76.5**	**(5.6)%**	**(0.9)%**

Open Positions

	Investment Grade	Maturity by 2003
Super Senior ("AAAA")	100%	0%
Other (Avg. Rating A2 / A)	93%	22%

Value at Risk[1] / Stress Test

(€m)	30.06.02	30.09.02	31.12.02
VAR	19	22	22
Stress Test	42	35	34

- **The quarterly independent audit confirms the sound quality of the portfolio**

(1) *Confidence level: 99%*

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Improvement in NPLs Coverage

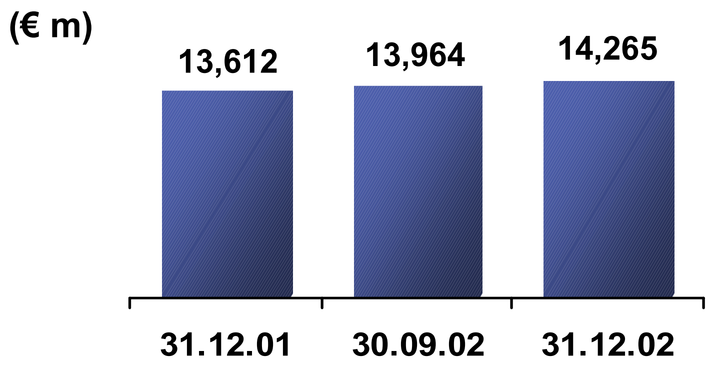
	Ratios		
	2001 Pro-forma	2002	2005
Net Loan Provisions/Op. Margin	76%	77%	18.0%
Net Loan Provisions/Loans	1.3%	1.4%	0.6%
Net NPLs/Loans	3.0%	3.2%	2.0%
NPLs Coverage	59%	63%	67%

- **Domestic NPL portfolio is a legacy from the past**
  - **One third originates from the former subsidiaries located in Southern Italy**
  - **70% of the total is represented by positions dating back before 1998**
- **Including write-off domestic NPLs coverage ratio in Intesa Gestione Crediti: ~80%**
- **2002 Loan Provisions/Loans at 1% excluding LatAm & non-core foreign subsidiaries**

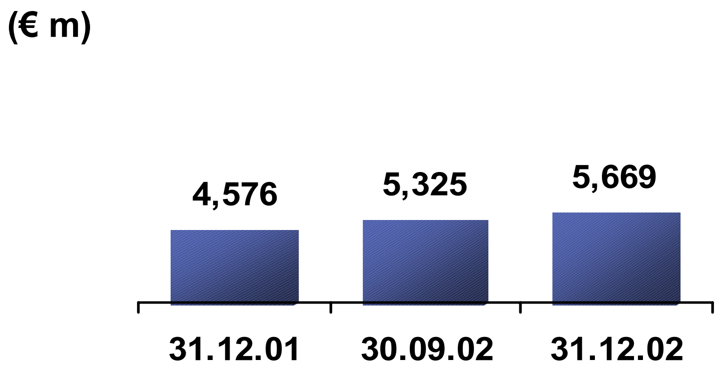
Note: *Pro-forma to be consistent with 2002 consolidation area (including VUB and excluding Banco di Chiavari and Sudameris Argentina)*

NPLs & Substandard Loans

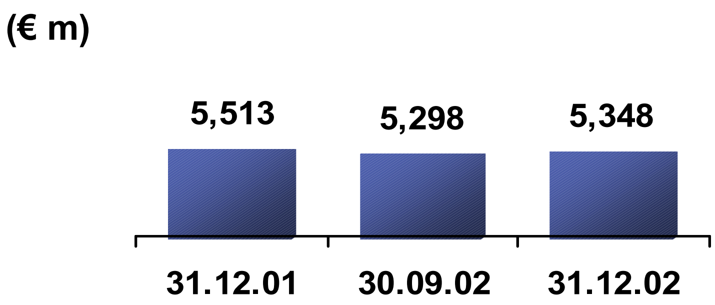
Gross NPLs (Sofferenze)



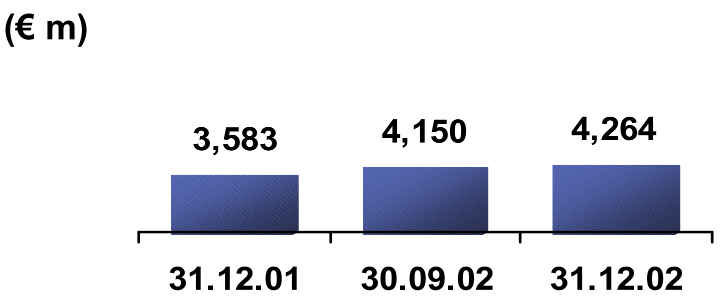
Gross Substandard (Incagli)



Net NPLs (Sofferenze)



Net Substandard (Incagli)



- **Quarterly increase in NPLs due to LatAm**

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Disengagement from LatAm

	Business Plan Targets	As of 31.12.2002
Argentina	Disposal of our subsidiary with exit costs of about €150m	Merger of Sudameris Argentina with Banco Patagonia under way with €133m charges in 4Q02 (Intesa will hold a stake below 20%)
Peru	Provisions for about €250/300m for disengagement from Peru	Audit completed, €300m charges in 4Q02, new development plan to re-launch the local subsidiary with a €150m injection of new funds in 1Q03
Brazil	Offset the exit costs from Argentina and Peru with expected capital gains from the sale of Sudameris Brasil	Capital gains in 3Q02 and 4Q02 from disposal of non-core assets, not forecasted in the Business Plan, have widely offset charges for Argentina and Peru, also allowing a €100m generic provision for LatAm

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Strengthening of Capital Base: 2002 Targets Exceeded

	31.12.01	30.06.02	31.12.02	2002 BP Target	2005 Target
Core Tier 1	5.3%	5.6%	5.9%	5.2%	7.7%
Tier 1	6.0%	6.4%	6.8%	6.0%	8.6%
Total Capital	9.3%	10.2%	11.1%	10.0%	11.0%

- **Saved €1.5bn capital[(1)] in six months: RWA -€26bn vs. June 2002**

BP = Business Plan
(1) 6% of RWA

Business Plan Targets Confirmed

1. The 2002 operating results are in line with our forecasts. The extraordinary negative events have been offset by extraordinary income from transactions not included in the Plan

2. The 2002 strategic objectives have been met or even exceeded: Core Tier1 Ratio at 5.9% vs. 5.2% BP Target and Tier1 Ratio at 6.8% vs. 6.0% BP Target

3. **The over 100 turnaround and re-launching projects are under way with significant achievements regarding integration, credit quality and costs reduction**

4. 2003-2005 EPS targets are confirmed

BP= Business Plan

Over 100 Turnaround and Re-Launching Projects

Retail

- New products by client segments
- CRM
- Customer Satisfaction Monitoring
- Training Programmes
- …

Product Companies

- Wealth Management Holding
- Group's Bancassurance Company
- New Plastic Cards services
- …

Corporate

- *Ad hoc* products for Government needs
- Investment Banking for Mid Corporates
- Training Programmes
- …

Italian Banks

- Adoption of Retail Division CRM & Products
- Integration of IT Systems
- Training Programmes
- …

Foreign Banks

- New IT Systems
- Development of Retail Business
- Training Programmes
- …

Central Functions

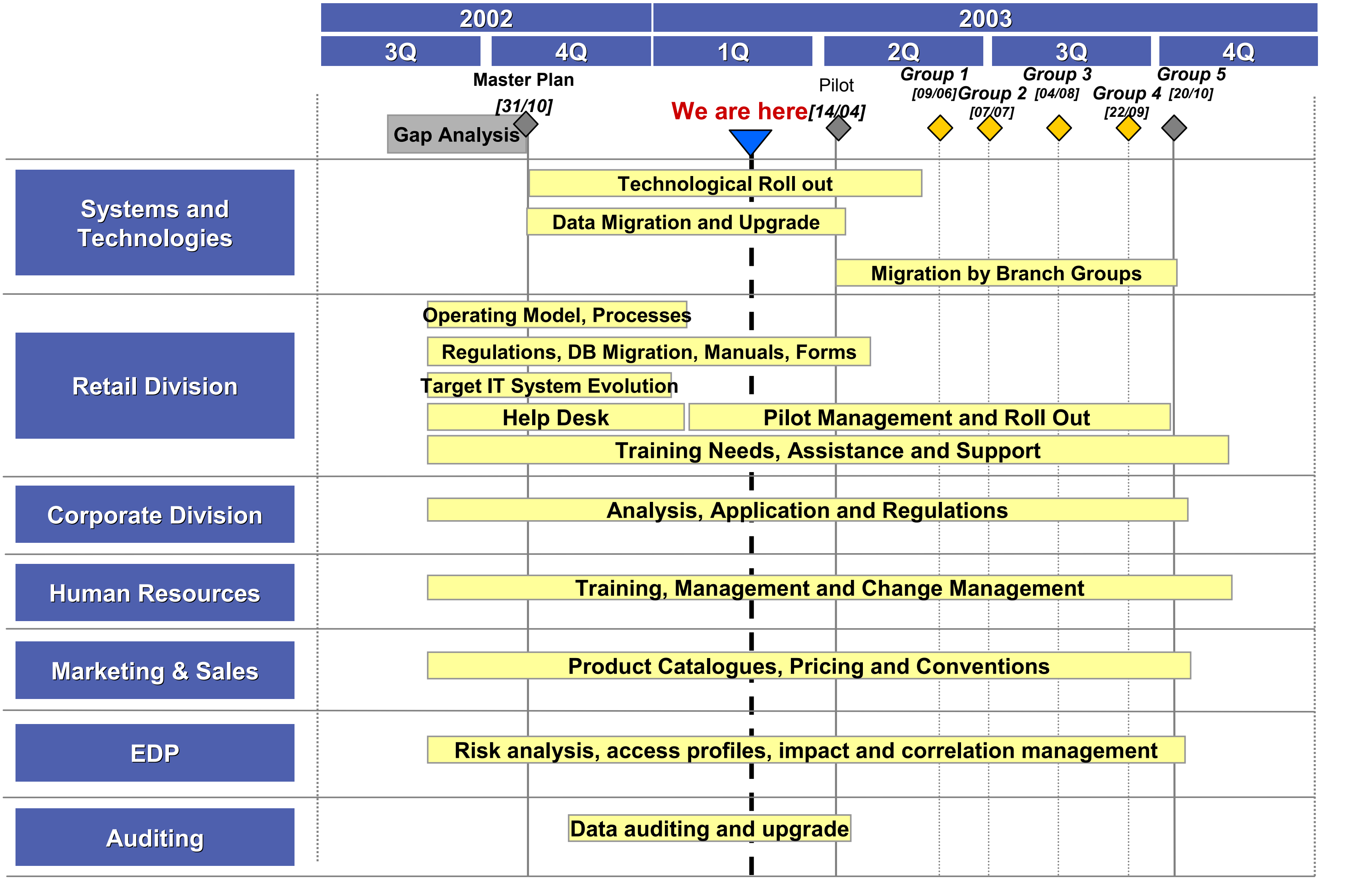
- Training Programmes
- Centralisation of ALM Policies
- Real Estate rationalisation
- …

Integration Project

➢ **By 2003 the three former banks' branches will be operating as a single network**

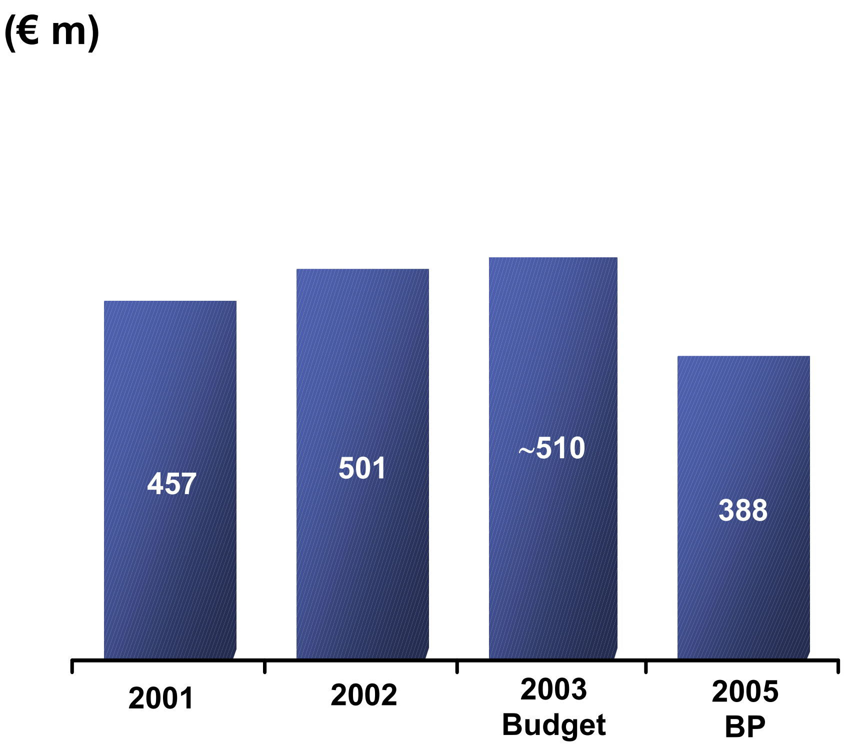
- **Former BCI branches migration to the Target system (200 branches roll-out per month from April; already installed ~40% of the workstations required by the migration of the former BCI IT System)**
- **Unification of product portfolio: new products already launched through the whole network (€1.4bn structured bonds already sold)**
- **New Group logo launched**
- **Rationalisation of branch network on the territory (one third of the 150 redundant branches already closed)**
- **"Total Circularity": a customer falling under the responsibility of a given branch will be able to have his transactions carried out by all the 2,000 branches of Intesa network**
- **New branch lay-out (pilot branches by July)**
- **Massive communication plan, sizeable training programme, development of a common culture**

Migration of Former BCI to the Target System

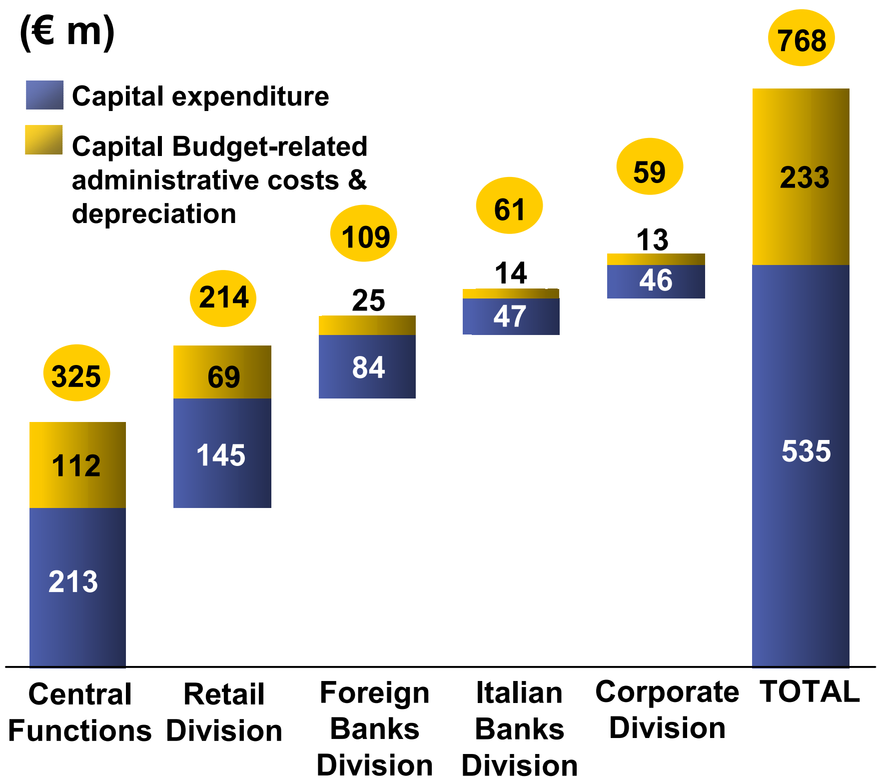


Three-year Huge Investment Programme to Ensure Service & Cost Leadership

IT-Related Administrative Costs



2003 Capital Budget



- €1.2bn investment plan in 2003-2005
- €0.5bn investment in 2003 related to over 850 projects

BP = Business Plan

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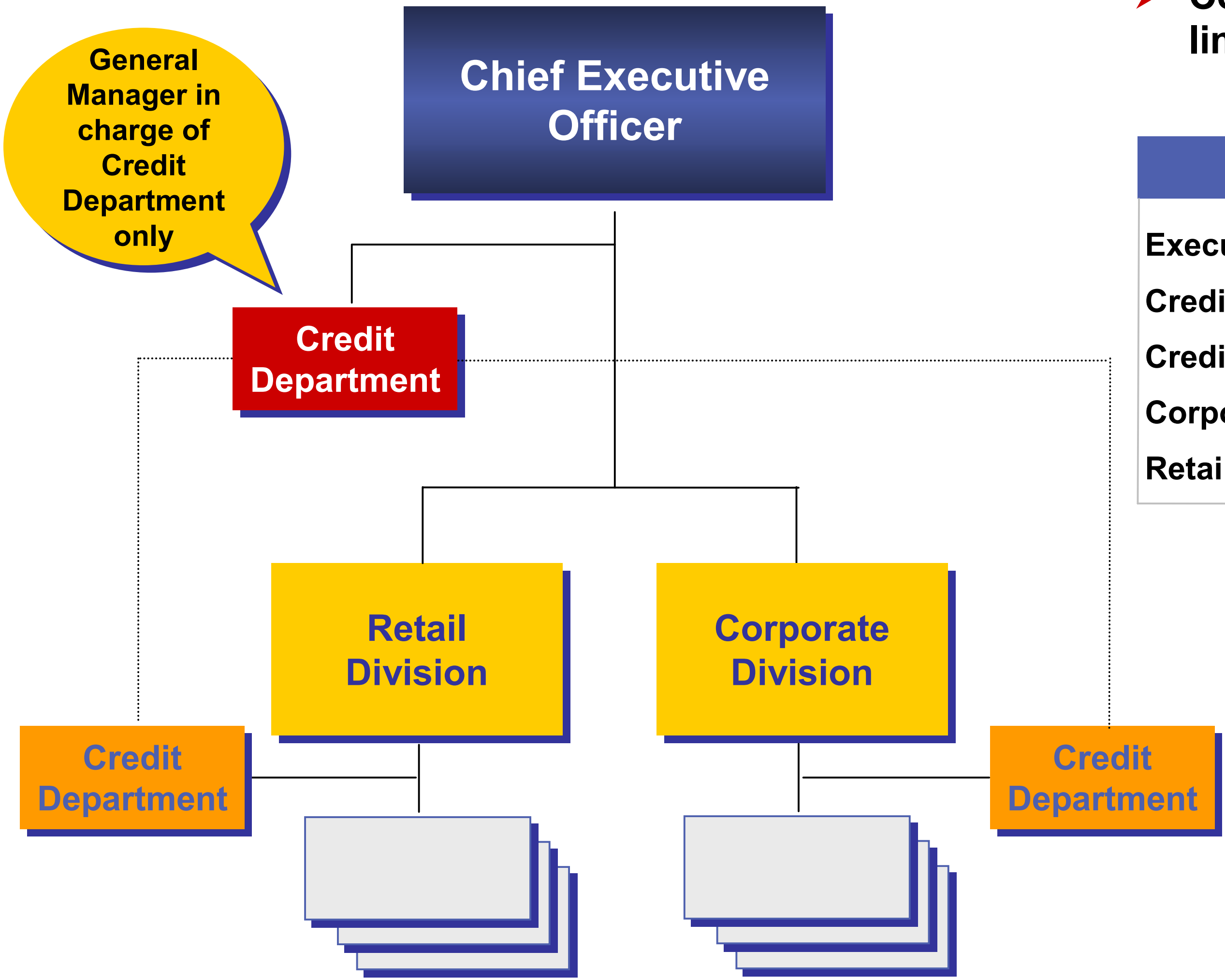
Credit Quality Project

- Our capability of evaluating and monitoring credit quality will be crucial for the success of our Business Plan both on revenues and on costs sides. We have acted rigorously to
  - Set up a strong Credit Department independent from marketing and sales
  - Establish clearer credit policies (size, industry, country)
  - Introduce more sophisticated criteria and tools of credit evaluation (the global on-line customer position has been made available as scheduled)
  - Adopt more tightening mechanisms for credit quality monitoring (in the short term it has led to higher NPLs and substandard loans)
- Today our credit portfolio is sounder and our target to reach 60b.p. provisioning level by 2005 can thus be confirmed

Empowerment of a Fully Independent Credit Department

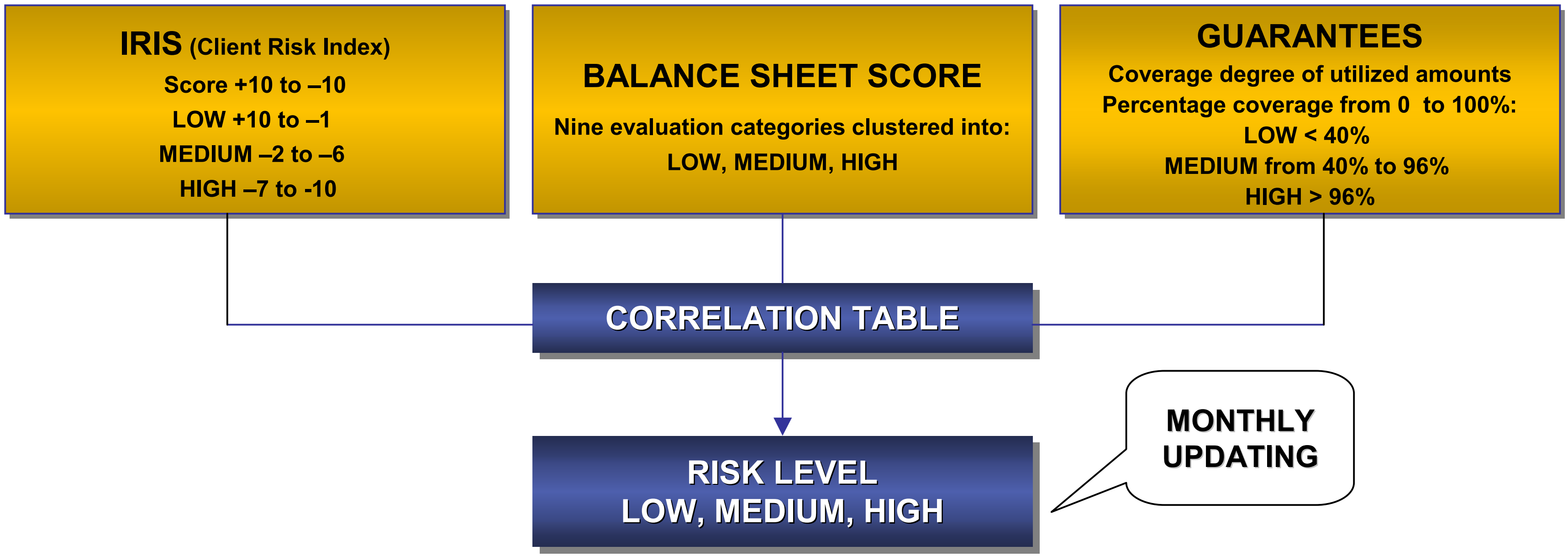


- Corporate division lending limits lowered

Lending Limits (€ m)	
Executive Committee	>100
Credit Committee	≤100
Credit Department	≤25
Corporate Division	≤15 (ex 25)
Retail Division	≤10

Banca Intesa

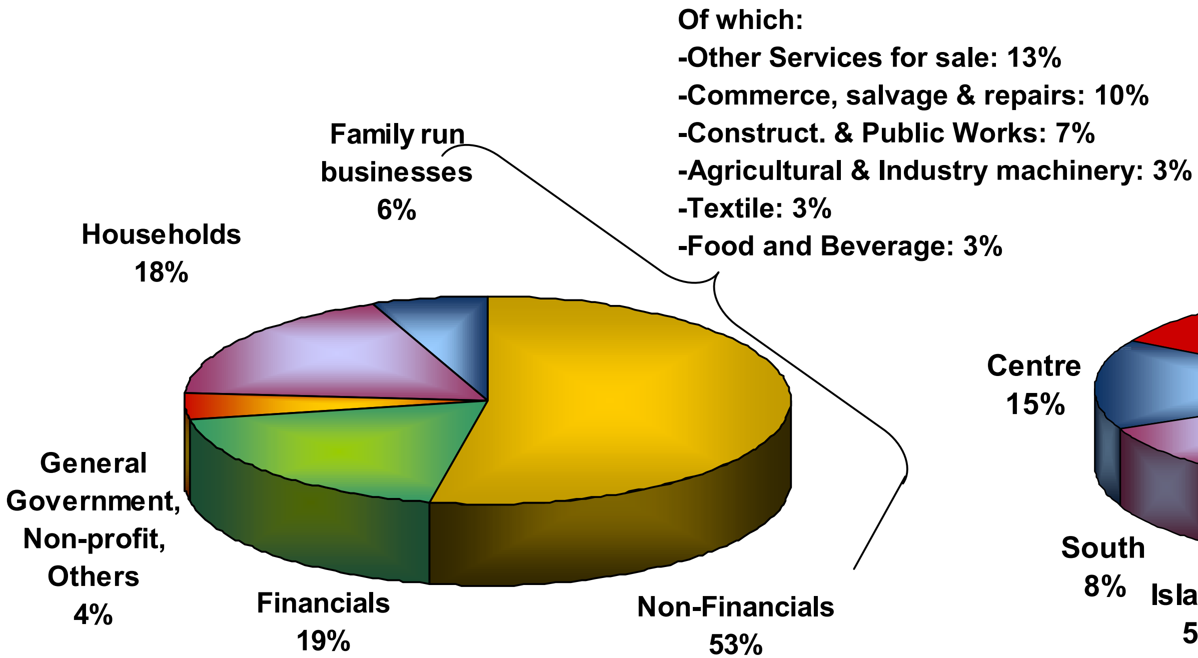
Advanced Credit Quality Monitoring System



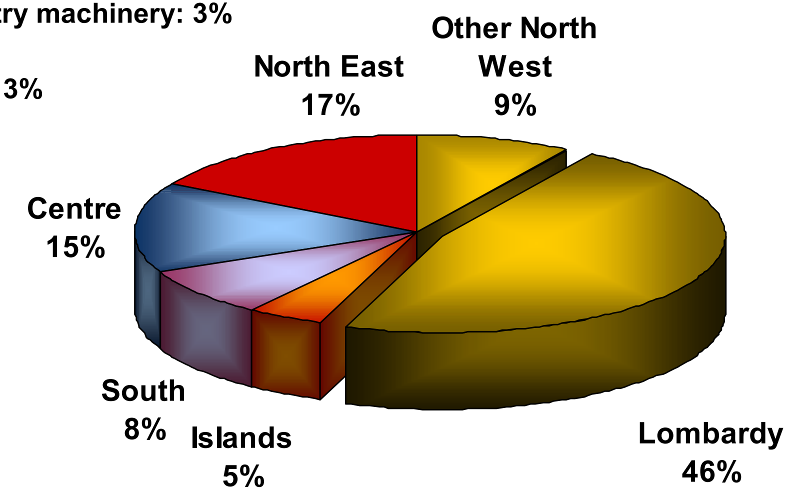
- **Advanced credit quality monitoring system (adoption of this instrument from 1997 to 2000 by BAV has produced – after the immediate cleaning up – a 71% reduction of the new positions transferred to bad and doubtful loans)**
- **Development of new risk Management tools (new internal rating system; new credit scoring for retail business)**
- **Integration of procedures and controls from three former banks completed**

Well Diversified Domestic Loan Portfolio

Breakdown by Sector



Breakdown by Geographical Area



- 46% of our loan portfolio is concentrated in Lombardy (72% in the North)
- Nearly 40% of our loan portfolio is represented by mortgages

Agreement with Trade Unions on Headcount Reduction

- An important agreement with the Trade Unions has been signed ahead of schedule providing for a personnel cost reduction of €500m within 2005 vs. 2001, also due to staff reduction of ~7,200 employees within 2005

  - ~3,500 April / July 2003
  - ~2,900 April 2004
  - ~800 April 2005

€437m of restructuring charges already provisioned in 4Q02

Business Plan Targets Confirmed

1. The 2002 operating results are in line with our forecasts. The extraordinary negative events have been offset by extraordinary income from transactions not included in the Plan

2. The 2002 strategic objectives have been met or even exceeded: Core Tier1 Ratio at 5.9% vs. 5.2% BP Target and Tier1 Ratio at 6.8% vs. 6.0% BP Target

3. The over 100 turnaround and re-launching projects are under way with significant achievements regarding integration, credit quality and costs reduction

4. **2003-2005 EPS targets are confirmed**

BP= Business Plan

2003 Outlook: More Conservative Assumptions

Macroeconomy

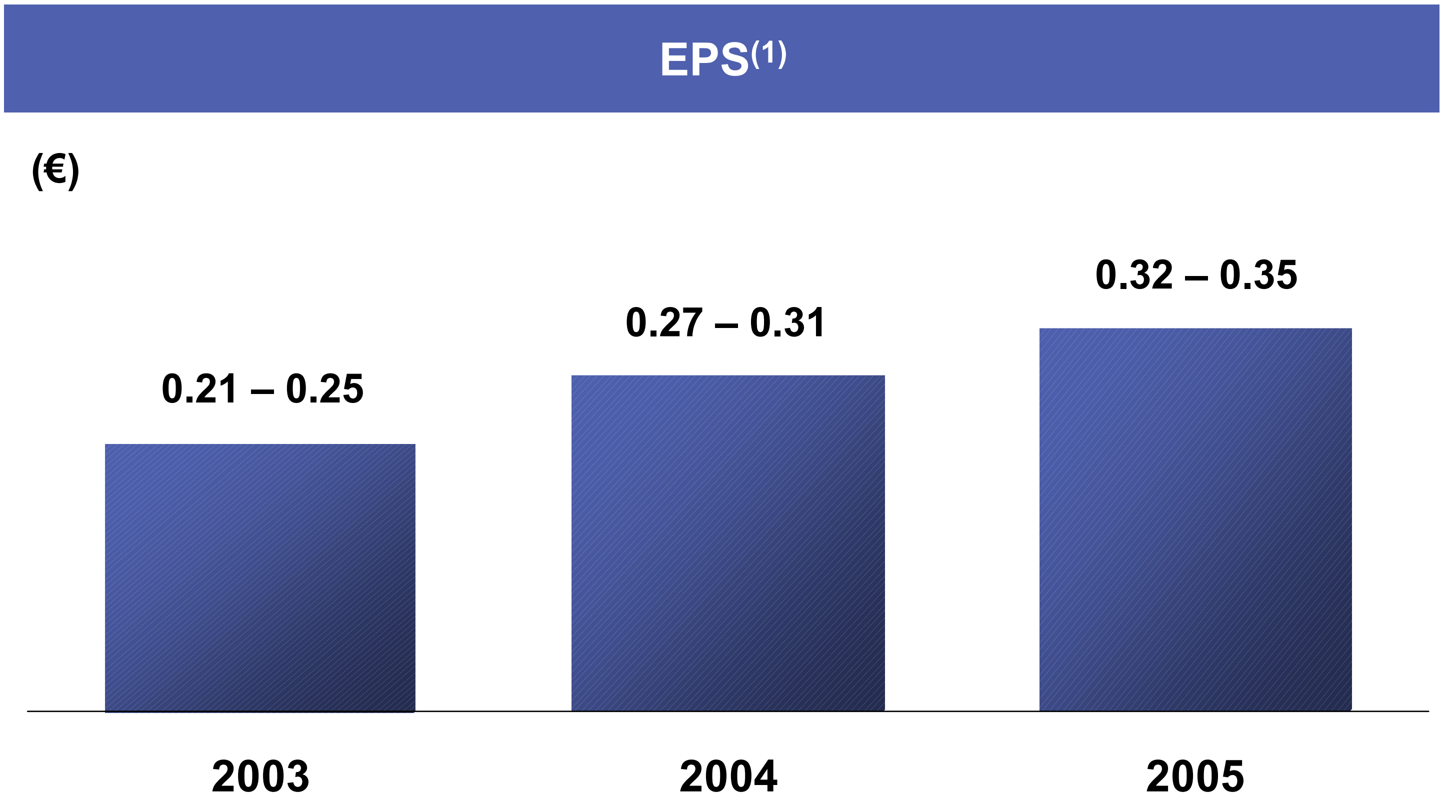
	2003 Budget	2003 BP Target
Italy's GDP	1.2%	1.9%
Euro Zone's GDP	1.1%	2.2%
Investments (Italy)	3.3%	1.7%
Consumer Prices Index	2.4%	1.9%
ECB Main Refinancing Rate(1)	2.25%	4.0%

Industry

	2003 Budget	2003 BP Target
Loans	4.9%	4.7%
Deposits	5.2%	5.1%
Mutual Funds(1)	6.0%	6.0%
Technical Reserves(1)	19.7%	18.5%
Average Customer Spread	-4 b.p.	+13 b.p.

BP = Business Plan
(1) *Year end*

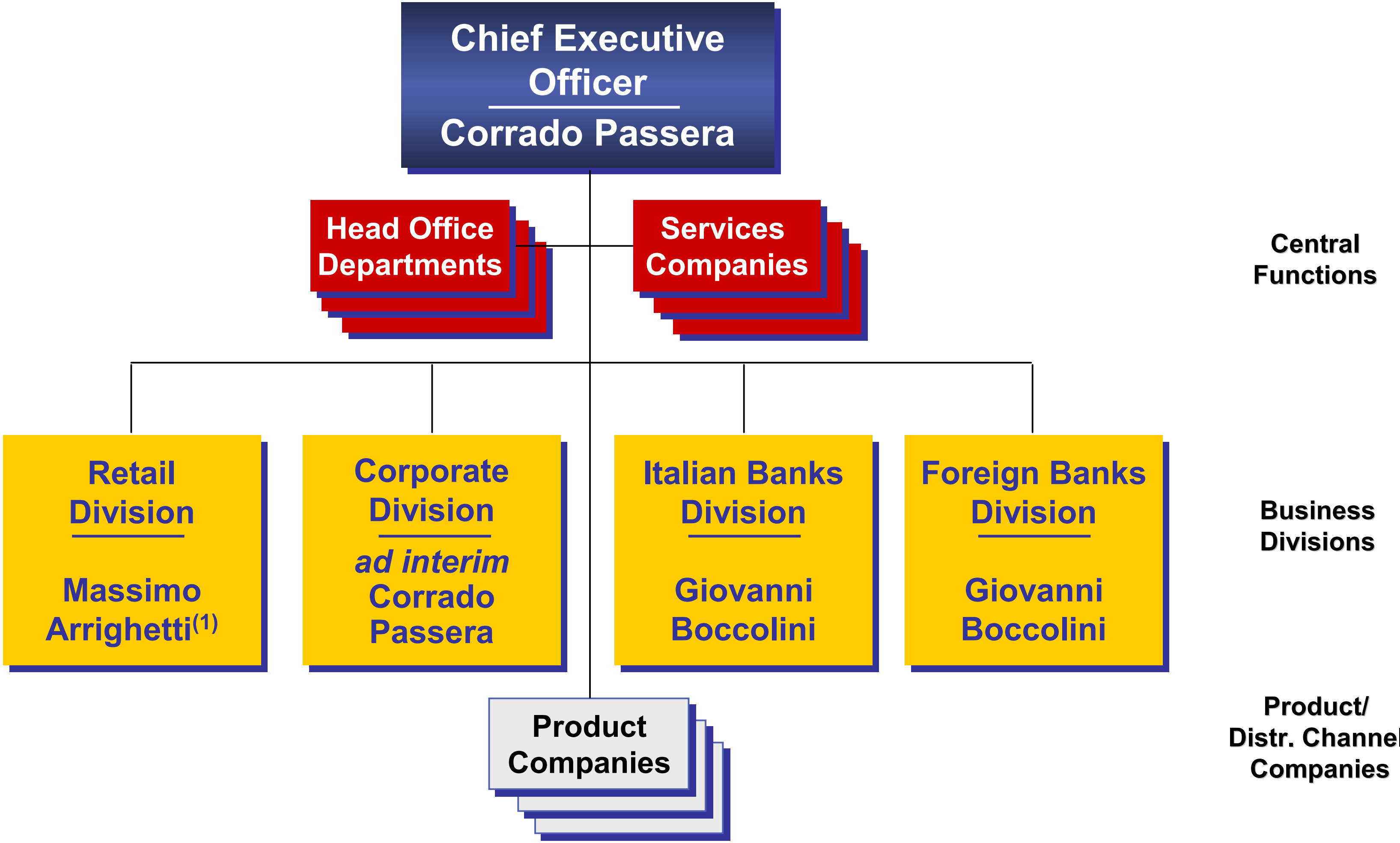
We Confirm Our EPS Targets



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

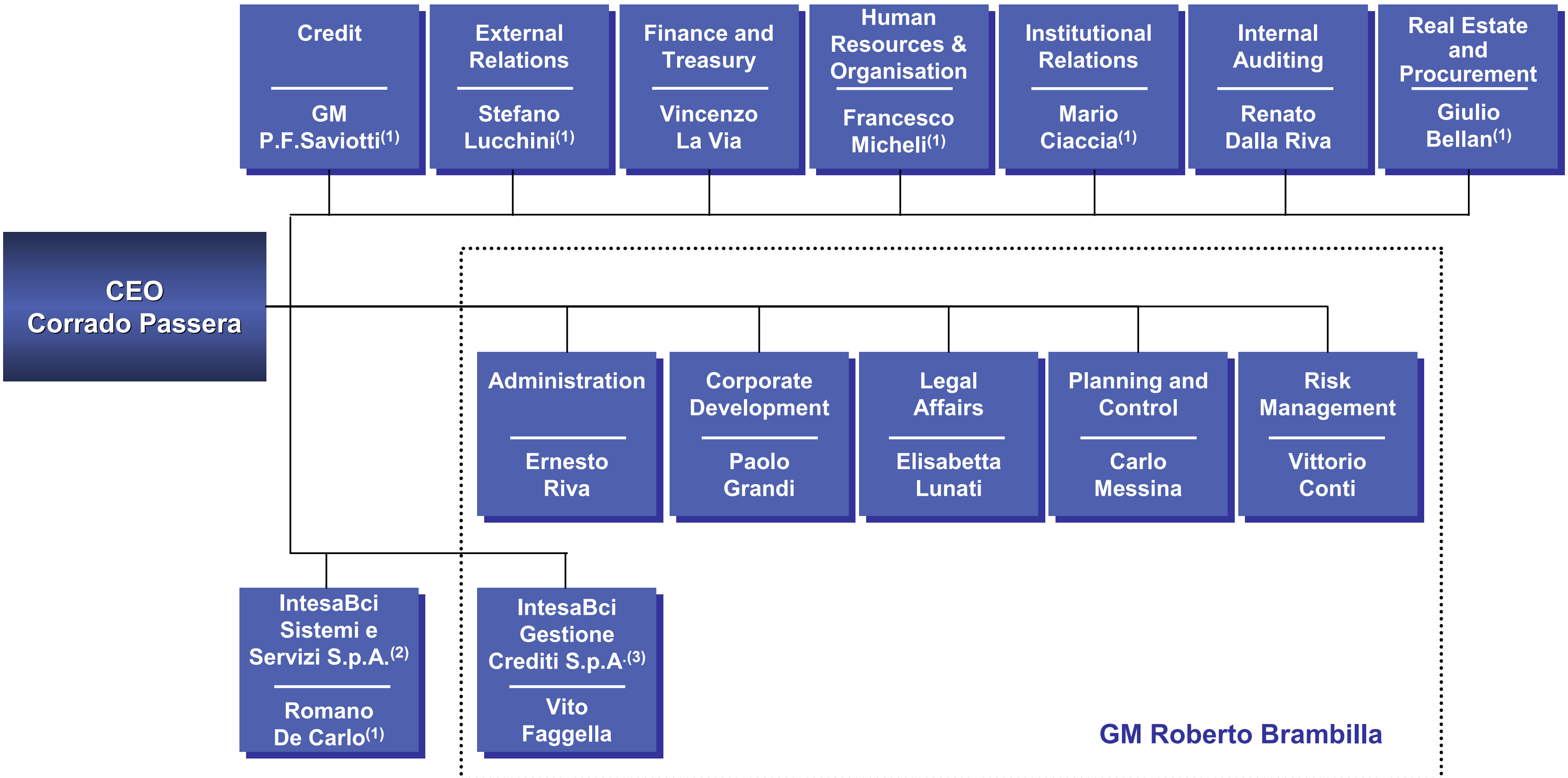
Appendix

Organisational Structure Further Streamlined



(1) *External Hires*

Further Strengthening of Management Team - Central Functions



(1) *External Hires*
(2) *IT Group Company*
(3) *Distressed Loans Management Company*

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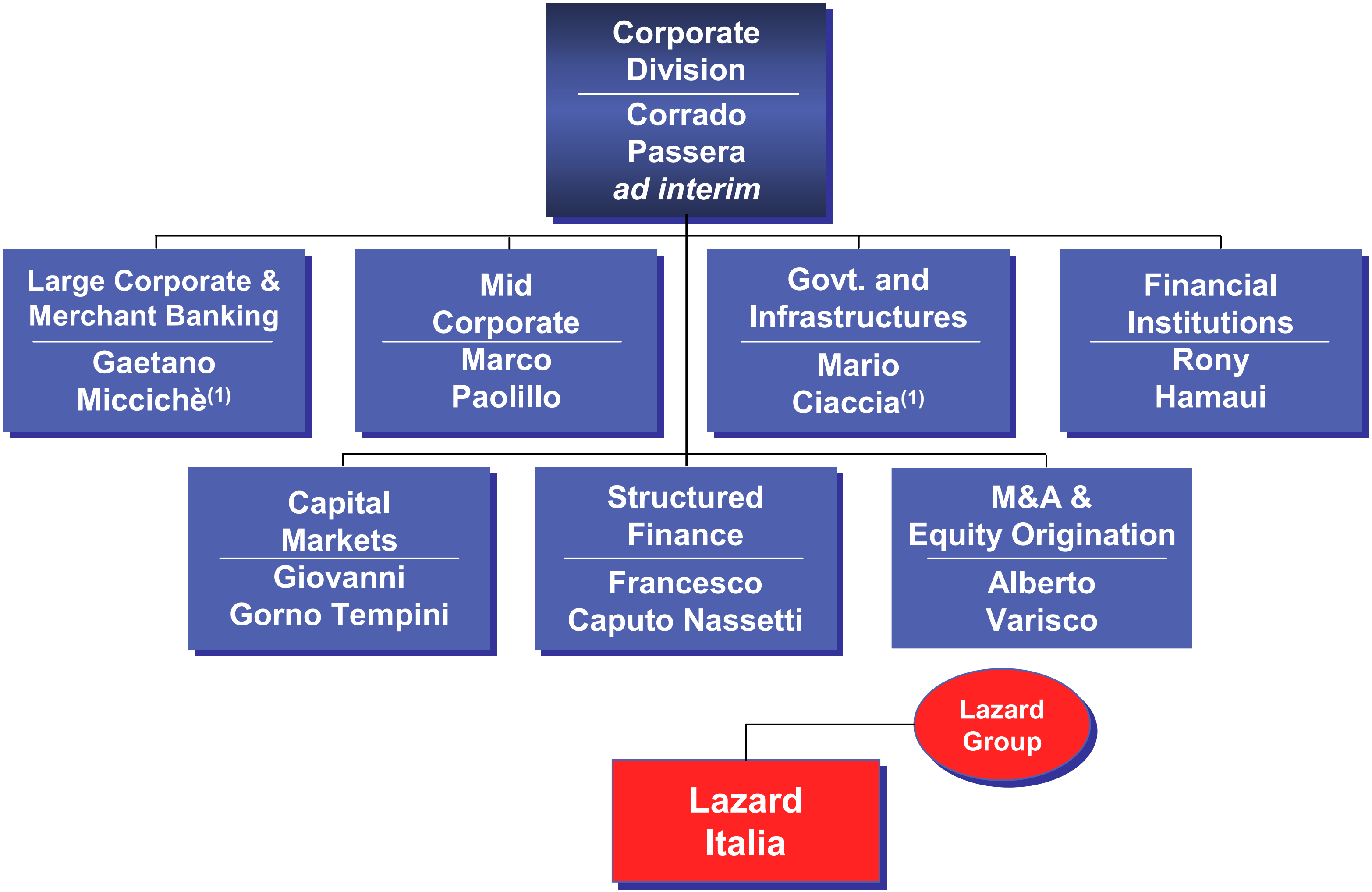
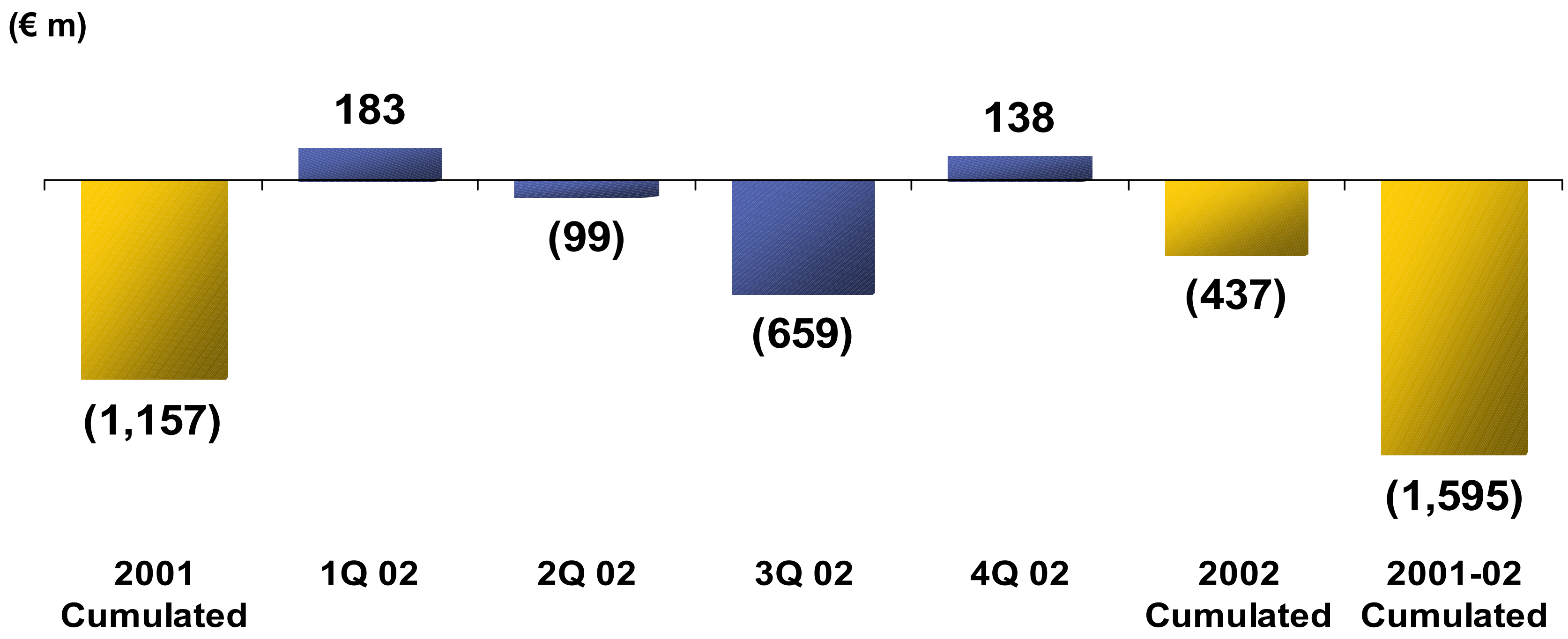
Further Strengthening of Management Team - Corporate Division



(1) *External Hires*

Put Warrant & Treasury Shares Mark to Market

Put Warrant / Treasury Shares Mark to Market



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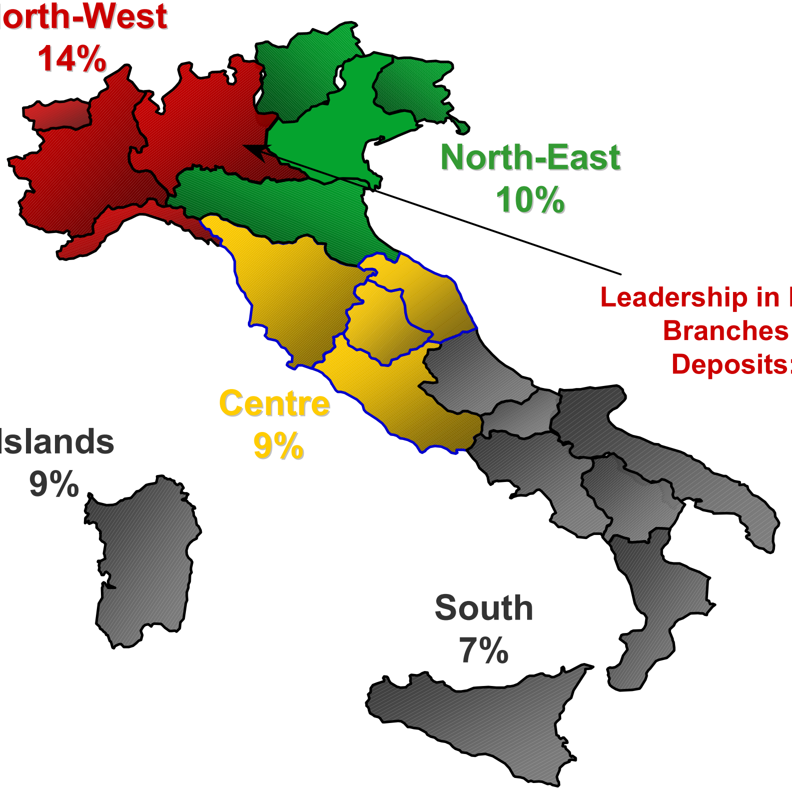
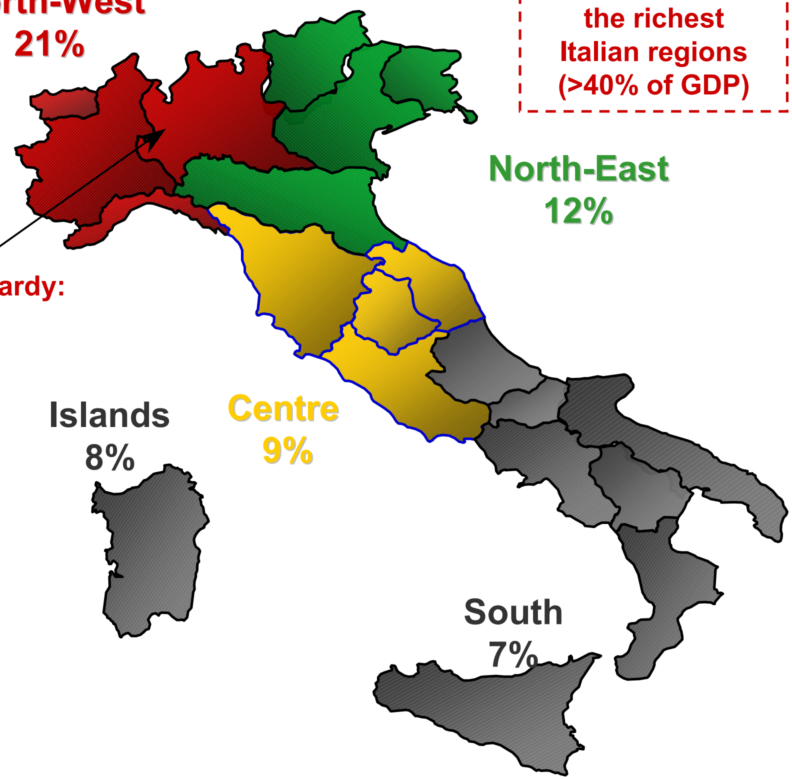
Strong Presence in the Richest Italian Regions

Branches(1)



Leadership in Lombardy:
Branches: 16%
Deposits: 25%

Deposits(2)



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

	Branches(1)	Deposits(2)
Market Share	10.5%	13.5%

(1) *Data as of September 2002*
(2) *Excluding bonds and repos - Data as of September 2002*

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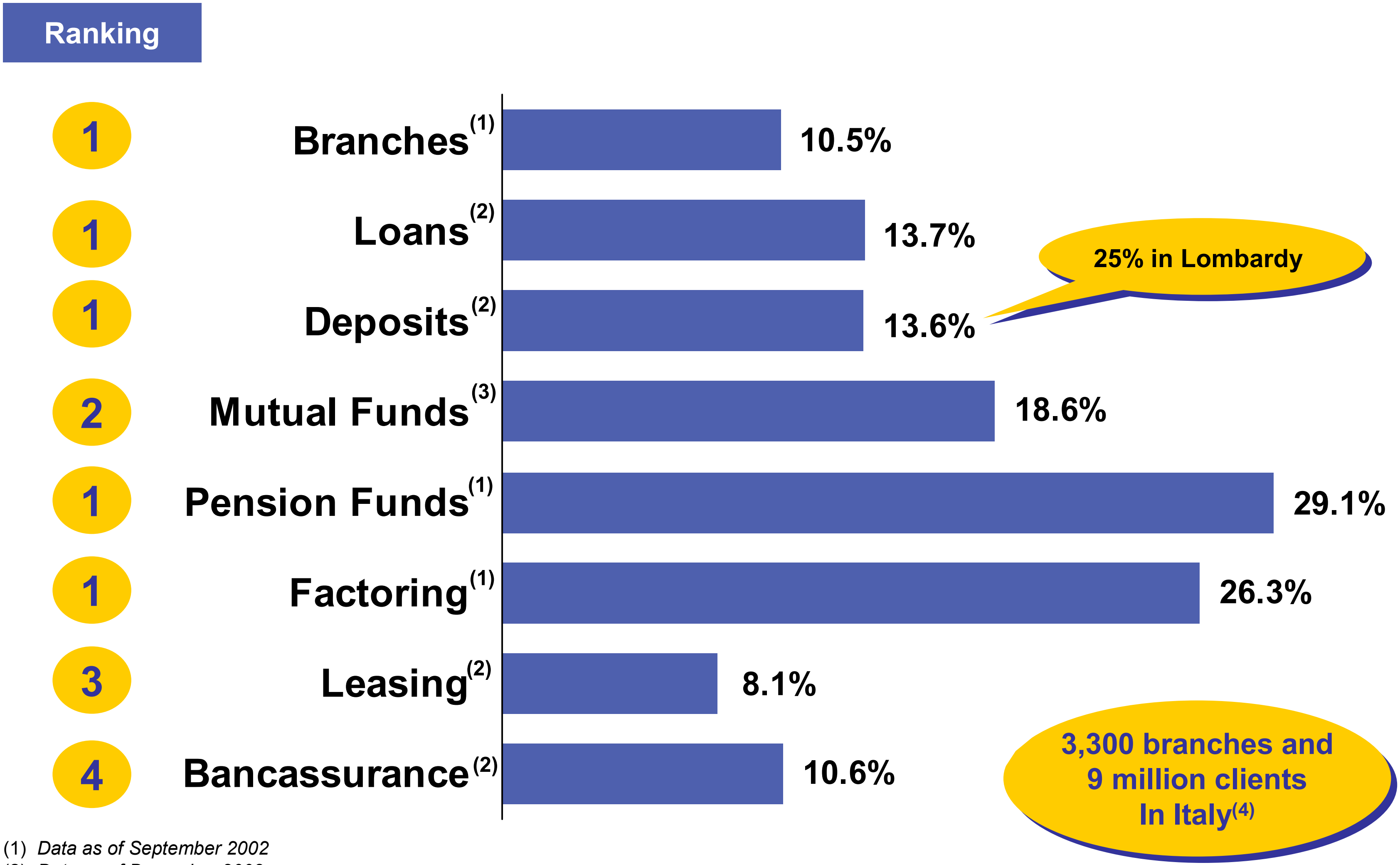
Leverage on Retail Leading Market Position



(1) *Data as of September 2002*
(2) *Data as of December 2002*
(3) *Data as of February 2003*
(4) *Including controlled banks*

Sudameris Highlights as of 31.12.2002[1]

(€ m)	Peru Group	Δ%[2] vs 31.12.01	Brazil Group	Δ%[2] vs 31.12.01	Others[3]	Δ%[2] vs 31.12.01	Sudameris Group	Δ%[2] vs 31.12.01
Total Income	202	*23.2*	416	*7.5*	120	*15.4*	738	*12.7*
Operating Costs	(204)	*15.3*	(272)	*0.0*	(96)	*(15.8)*	(572)	*1.6*
Operating Margin	(2)	*84.6*	144	*24.1*	24	*n.m.*	166	*80.4*
Ordinary Income	(433)	*(50.3)*	0	*n.m.*	(168)	*42.3*	(601)	*(0.2)*
Net Income	(517)	*(45.2)*	31	*(3.1)*	(222)	*45.9*	(708)	*3.5*
Customer Deposits	2,128	*(17.2)*	2,087	*16.0*	1,647	*(38.7)*	5,862	*(16.9)*
Customer Loans	1,468	*(26.6)*	1,957	*(5.8)*	1,375	*(44.0)*	4,800	*(26.6)*
Total Assets	3,366	*(18.4)*	4,054	*(16.9)*	2,515	*(27.3)*	9,935	*(20.3)*

(1) *Contribution to Intesa consolidated accounts*
(2) *Net of forex effect*
(3) *Chile, Panama, Uruguay, Colombia and Paris and consolidation adjustments*

Eastern Europe Highlights as of 31.12.2002

(€ m)	CIB Group	Δ% vs 31.12.01	Privredna Group	Δ% vs 31.12.01	VUB	Δ% vs 31.12.01
Total Income	**170**	***19.3***	**276**	***12.1***	**211**	***22.4***
Operating Costs	**(99)**	***17.9***	**(148)**	***12.4***	**(135)**	***5.2***
Operating Margin	**71**	***21.3***	**128**	***11.8***	**75**	***73.0***
Ordinary Income	**53**	***17.5***	**101**	***13.3***	**26**	***(16.3)***
Net Income	**44**	***28.2***	**86**	***8.5***	**48**	***47.6***
Customer Deposits	**2,105**	***19.1***	**3,445**	***6.3***	**3,668**	***8.1***
Customer Loans	**2,310**	***26.1***	**2,581**	***43.6***	**1,122**	***15.2***
Total Assets	**3,162**	***17.5***	**4,702**	***9.5***	**4,677**	***13.6***