

SANPAOLO IMI S.p.A.
Shareholders' Meeting of 28 and 29 April 2004

REPORT OF THE BOARD OF DIRECTORS
AGENDA POINT 4

Authorization for the purchase and sale of own shares

Shareholders,

The Board of Directors has called you to this ordinary meeting to deliberate upon the proposal for the authorization for the purchase and disposition of own shares, to renew the authorization already given in the preceding Shareholders' Meeting of 29 April 2003 before its next falling due.

In the Report on Operations and Explanatory Notes to the Financial statements for the year 2003 you will find illustrated the operations carried out by SANPAOLO IMI S.p.A. in its own shares in the year.

Transactions in own shares allow various objectives which from time to time may result in the interests of the Company. In particular, there is the opportunity that the directors may be authorized to purchase or sell own shares to allow general consistency between quoted prices and the presumable economic value of the share, in the domestic and international market, improving market liquidity and the regular performance of dealings.

Equally, it is appropriate that the directors may be authorized also to take further opportunities, among which those connected to extraordinary financial transactions involving share exchanges or the availability of own shares for various financial transactions.

Purchase transactions will be made according to the methods envisaged and allowed by the first paragraph of Article 132 of D. Lgs 24 February 1998 n. 58, to ensure equal treatment of Shareholders and except as envisaged by 3 paragraph of Article 132 cited. Transactions, in general, will be made in line with current Consob regulations.

Having taken account of the above, we propose to the motion, pursuant to Article 2357 c.c. and Article 132 of D. Lgs. 24 February 1998 n. 58, and for 18 months from the date of the deliberation, the authorization for the purchase of own ordinary shares of nominal Euro 2.80 at a price, net of ordinary purchase charges, no less than the minimum of 30% and no more than maximum of 10% on the reference price of the share recorded in the trading day preceding each transaction, up to a maximum of 180 million shares and in any case within legal limits, taking account, within the Group, of suitable procedures to monitor the total shareholding held. Purchases may be made one or more times.

We propose to you to confirm the amount of the Reserve for the Purchase of own shares, Euro 1,000 million, corresponding to the Reserve for the Purchase of own shares already existing. The amount of shares held from time to time will be held within that amount.

We also propose you to authorise, pursuant to Article 2357-ter c.c. the sale, in whole or in part, of own shares held, at an amount no less than 10% compared to the reference price on the day preceding each sale. Other parameters may instead be used, in line with international best practice, for transfers in whatever form made in acquisitions of shareholdings made by the Bank, or related to stable cooperation relationships or connected to extraordinary financial transactions which may involve the availability of own shares.

To serve the above ends, further purchase and sale transactions may be made.

Own shares may also be used in the context of incentives aimed towards:

- assignments free of charge, to employees of the Company or controlled Companies, also in substitution of other forms of remuneration, taking account of the advantages envisaged in current tax regulations;
- sales paid for following the exercise of option rights and at a price of " normal value " of the share calculated according to current tax regulations, to employees of the Company or controlled Companies as well as, in respect of Article 2389 c.c., to Directors of the Company.

In this regard, as recorded in the Report to the consolidated financial statements, we inform you that the Board of Directors, while it remains to the Shareholders' Meeting to authorise the use of own shares, with specific resolutions:

- has deliberated – pursuant to Article 15, paragraph 9, of the Articles and By-laws - that the remuneration of the Chairman Dr Rainer Maserà and Managing Directors Dott. Alfonso Iozzo and Rag. Luigi Maranzana may be integrated through recourse to a stock option plan which envisages the attribution to each of 450,000 fixed rights for the three years of office 2001/2002/2003, plus further 150,000 rights on condition that SANPAOLO IMI shares reach a price of 20 Euro at the end of the three-year period;
- has deliberated, again pursuant to Article 15, paragraph 9, of the Articles and By-laws, on occasion of nomination as Managing Director of Rag. Pio Bussolotto that his remuneration may be integrated through recourse to a stock option plan which envisages the attribution of 300,000 fixed rights for the two years of office 2002/2003, plus further 100,000 rights on condition that SANPAOLO IMI shares reach a price of 20 Euro at the end of the two-year period;

In both cases the purchase price is 12.6244 euro, while the rights exercise period is expected for the end of three years 2001/2003, from the ex-dividend related to the year 2003 and conclusion with the approval by the Board of Directors of the financial statements 2005 and in any case the 31 March 2006.

We invite you, therefore, to approve the above - and consequently to revoke, for the part not executed, the authorization for the purchase and sale of own shares taken on 29 April 2003 – authorizing further the Board of Directors to delegate, in whole or in part, purchase and sale transactions.

Turin, 26 March 2004

THE BOARD OF DIRECTORS