

SANPAOLO IMI

BOARD OF DIRECTORS EXAMINES BANCO DI NAPOLI RELAUNCH PLAN

SANPAOLO IMI approves Group extraordinary internal rationalisation and investment programme:
Macchina Operativa Integrata (Integrated Operating Vehicle or MOI) to be created

Naples, 19 June 2001 - The Board of Directors of SANPAOLO IMI met today in Naples and noted with satisfaction the three-year relaunch plan unveiled yesterday by Banco di Napoli. It is based on strategic lines which aim at making Banco di Napoli a centre of excellence for banking and financial services and a point of reference for households and companies in the south of Italy through growth, efficiency and profitability initiatives.

The Plan confirms the strong potential of Banco di Napoli and identifies growth, efficiency and profitability objectives so as to contribute significantly to the achievement of Group targets. Banco di Napoli's objective is to achieve a Return on Equity of 15% and a cost/income ratio of 57% in 2004 against 6.2% and 78%, respectively, in 2000. This represents a fundamental step in making Banco di Napoli operationally capable of successfully meeting the challenges of growing competition in Europe.

The Board of SANPAOLO IMI also examined an extraordinary rationalisation and investment programme to be carried out within the Group to generate further improvement in efficiency levels and growth opportunities.

In particular, the programme envisages the launch of projects aimed at:

- the creation of a Macchina Operativa Integrata (Integrated Operating Vehicle or MOI) between SANPAOLO IMI and Banco di Napoli, designed to provide a single IT and operating platform for the two businesses, optimising investments in new technologies and human resources;
- a fundamental reorganisation of the Parent Bank's head office functions and subsidiaries with significant structural cuts in costs.

These initiatives, together with the Banco di Napoli relaunch plan, will be launched within the current year and largely completed by 2002 and aim at a reduction in the order of 10% in personnel and costs of the Group. The Board of Directors also approved action designed to develop revenues.

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