



## Q2 2002 RESULTS

1

### DISCLAIMER

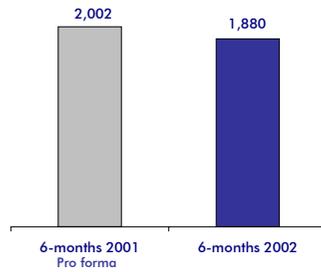
This presentation has been prepared by Sanpaolo IMI and provides information on the management's business plans and strategies. As such, the presentation contains forward-looking information which reflects management's current views with respect to certain future events and the financial performance of the Group. These views are based upon assumptions of future events which may not prove to be accurate and actual results may differ materially from those projected or implied in the forward-looking statements. Undue reliance should not, therefore, be placed on such forward-looking information and Sanpaolo IMI assumes no responsibility to update any such forward-looking information.

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## NET INTEREST INCOME

Euro m

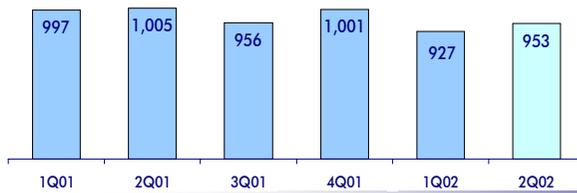


H102/H201

-6.1%

## QUARTERLY ANALYSIS

Euro m



Q202/Q102

+2.8%

Q202/Q201

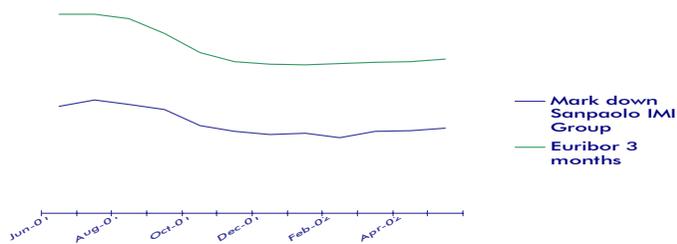
-5.2%

3

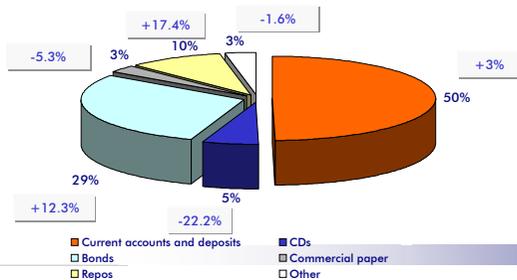


## DETAIL ON CUSTOMER DEPOSITS

### Deposit margin



### Customer deposits breakdown



Group deposits at 30/06/02:

136.690 Euro m

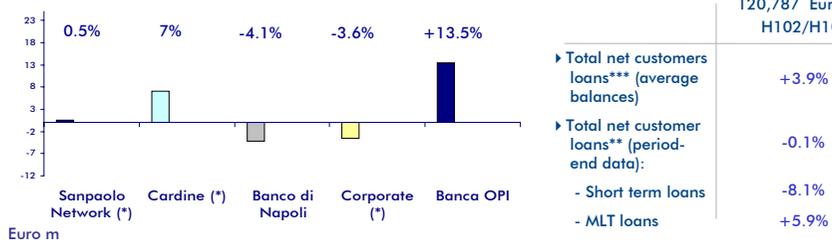
30-06-02/ 30-06-01	+4.5%
30-06-02/ 31-03-02	+0.9%

4

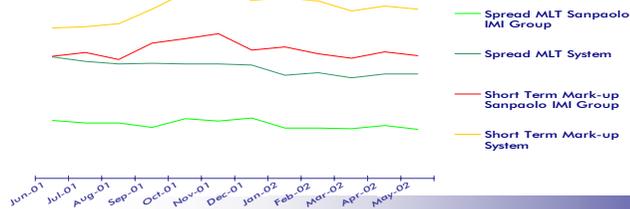


## DETAIL ON CUSTOMER LENDING

### Detail on customer loans (y-o-y)\*\*



### Lending margins



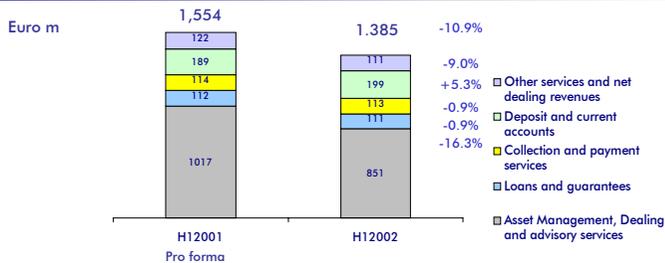
5 \* Old Perimeter

\*\* Excluding SGA and NPLs.

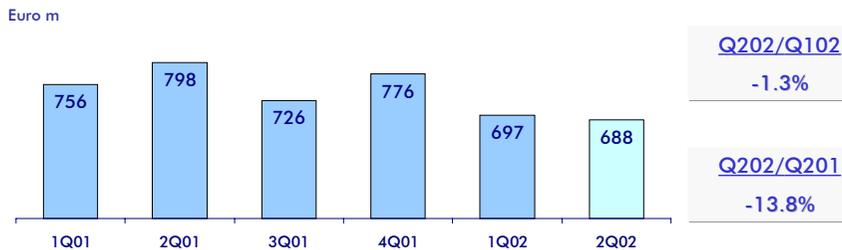
\*\*\* Excluding SGA and NPLs, P/T, Banca IMI loans



## FEE INCOME



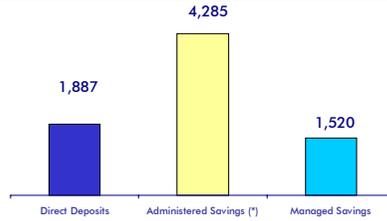
### QUARTERLY ANALYSIS



## DETAIL ON NET INFLOWS OF CUSTOMER FINANCIAL ASSETS

Euro m

TFA net inflows from 31/12/01



Drivers to net inflows and distribution of financial assets

Tax Amnesty

More defensive customer risk profile

		Euro bil
1st	Sanpaolo IMI	5.3
2nd	IntesaBCI	5.0
3rd	Gruppo Unicredit	4.1

- > increase in liquidity within asset allocation
- > capital guarantees on savings products

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(\*) Calculated on difference in period end stock

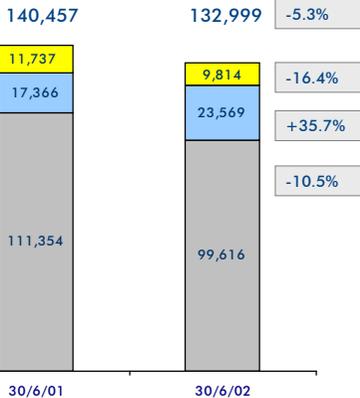


## DETAIL ON ASSETS UNDER MANAGEMENT

Euro m

Assets under Management

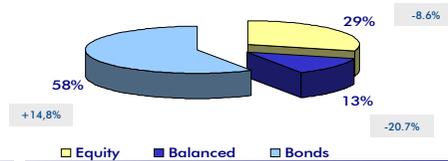
Drivers to asset management fee income



Market performance effect

Product Strategy

Mutual Funds Mix



- Portfolio Management
- Life assurance
- Mutual Funds and GPF

- Equity
- Balanced
- Bonds

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as at 30/06/02 y-on-y



## DETAIL ON PRODUCT STRATEGY

### PRODUCT STRATEGY

#### Reasons

- ▶ to meet customers longer term financial needs
- ▶ to meet customers lower risk propensity

#### Consequences

- ▶ an increase in marginal profitability of the asset under management
- ▶ an increase in the net asset value of the customers base through extended portfolio duration
- ▶ a reduction in the volatility of revenues

#### Mutual funds

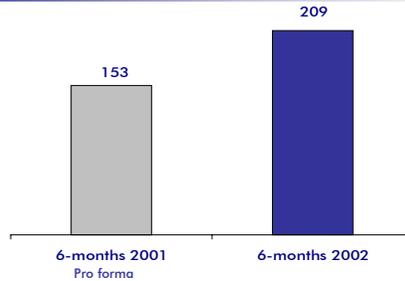
Sanpaolo IMI net flows (from 01/01/02)	-2.237 Euro mil
Market Share	18.5% (as at 30/06/02)
Ranking	1st

#### Life Assurance

Sanpaolo IMI inflows (from 01/01/02)	4.1 Euro bil
Market Share technical reserves	8.5% (as at 31/3/02)
Market share new production	17.4% (as at 31/3/02)

## PROFITS ON FINANCIAL TRANSACTIONS AND DIVIDENDS ON SHARES

Euro m

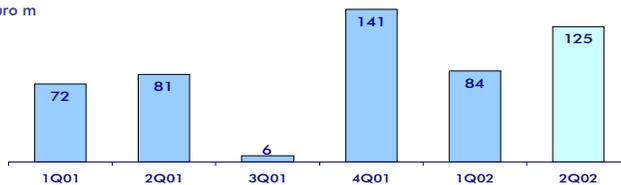


H102/H201

+36.6%

### QUARTERLY ANALYSIS

Euro m



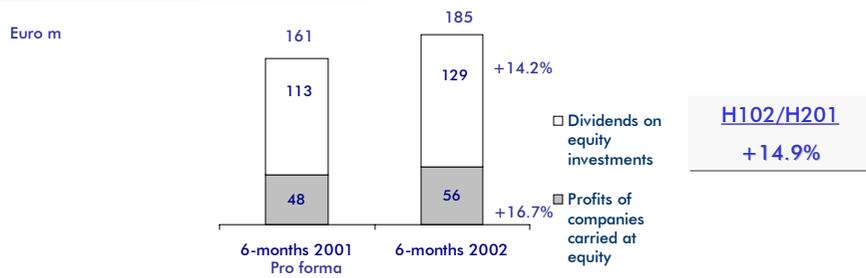
Q202/Q102

+48.8%

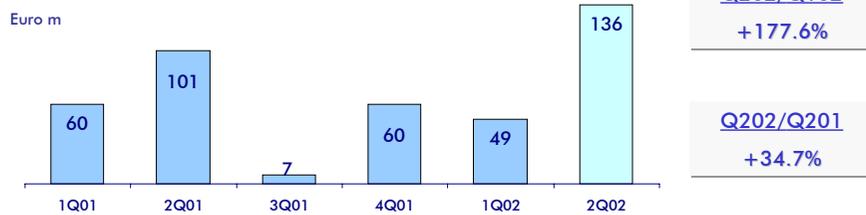
Q202/Q201

+54.3%

## PROFITS OF COMPANIES CARRIED AT EQUITY AND DIVIDENDS ON EQUITY INVESTMENTS



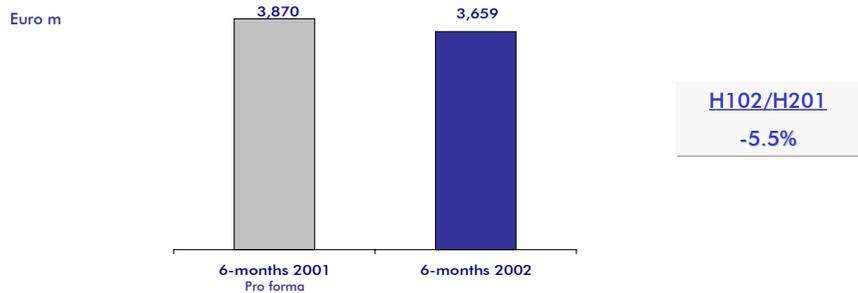
### QUARTERLY ANALYSIS



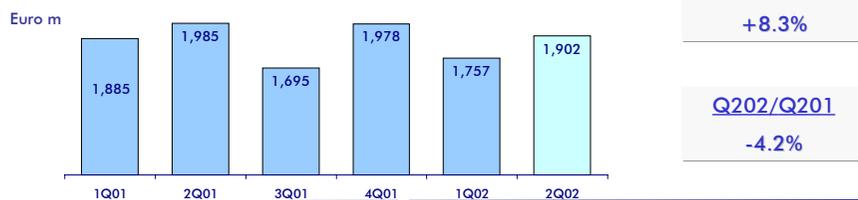
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## NET INTEREST AND OTHER BANKING INCOME



### QUARTERLY ANALYSIS

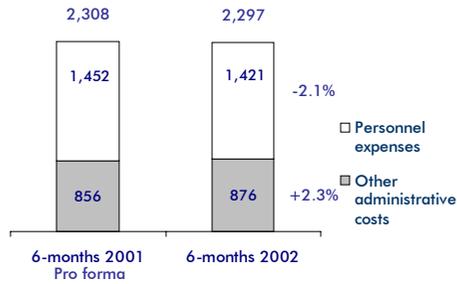


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## ADMINISTRATIVE COSTS

Euro m

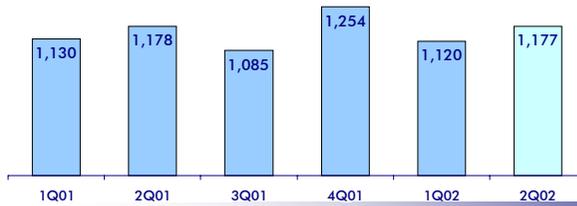


H102/H201

-0.5%

## QUARTERLY ANALYSIS

Euro m



Q202/Q102

+5.1%

Q202/Q201

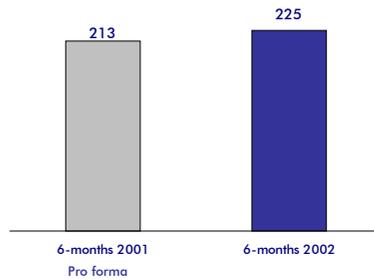
-0.1%

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## DEPRECIATION AND AMORTISATION

Euro m

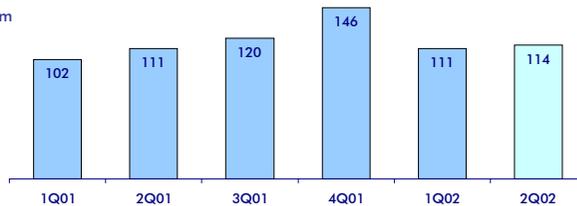


H102/H201

+5.6%

## QUARTERLY ANALYSIS

Euro m



Q202/Q102

+2.7%

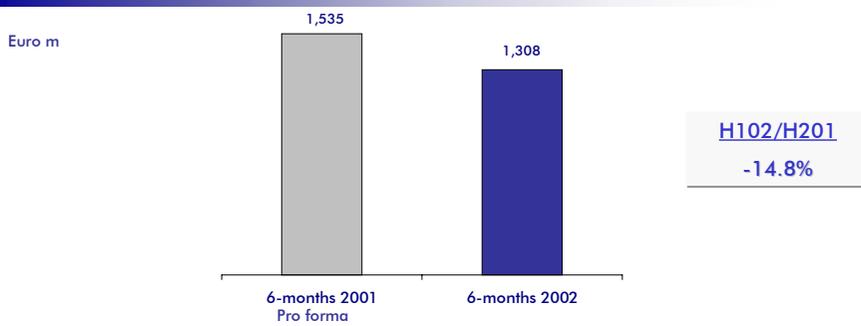
Q202/Q201

+2.7%

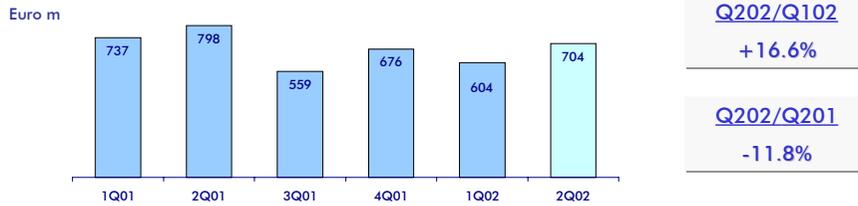
14



## OPERATING INCOME<sup>(1)</sup>



## QUARTERLY ANALYSIS

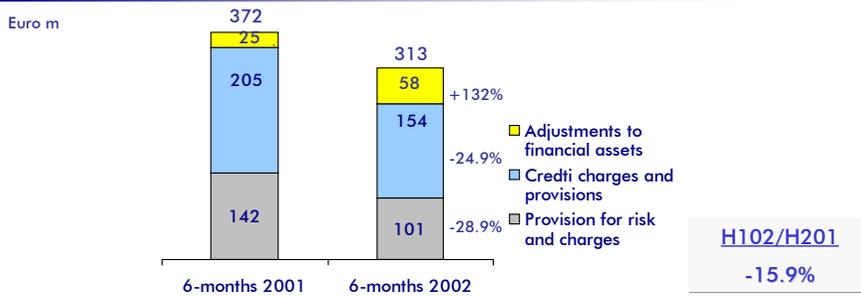


15

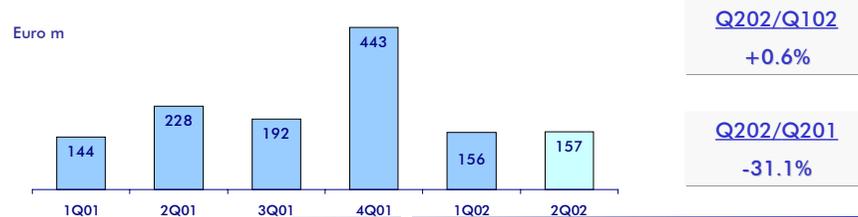
<sup>(1)</sup> Before amortisation of goodwill.



## TOTAL NET PROVISIONS



## QUARTERLY ANALYSIS



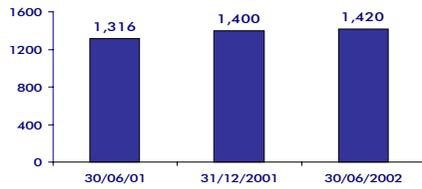
16



## ASSET QUALITY

Euro m

### Net NPLs



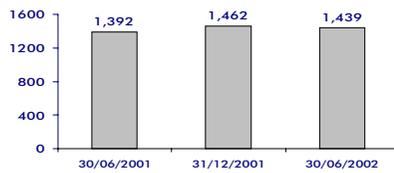
NPL ratio as at 30/6/02:  
1.1%

General Reserve: 73 basis points  
of performing loan portfolio

NPL coverage ratio: 70.8%

Watchlist coverage ratio: 25.6%

### Net Watchlist



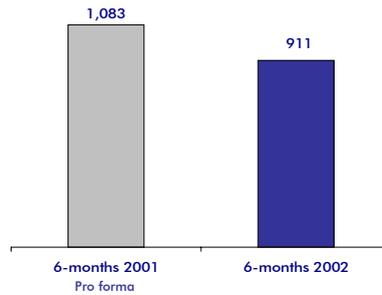
Net Watchlist ratio as at 30/6/02:  
1.2%

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## ORDINARY INCOME

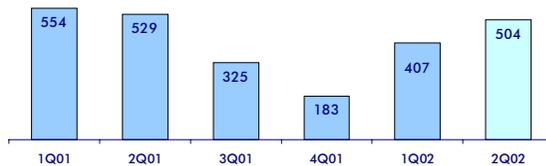
Euro m



H102/H201  
-15.9%

### QUARTERLY ANALYSIS

Euro m



Q202/Q102  
+23.8%

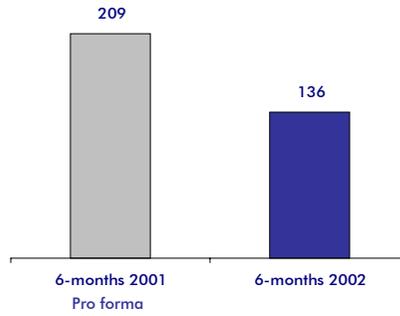
Q202/Q201  
-4.7%

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## NET EXTRAORDINARY INCOME

Euro m

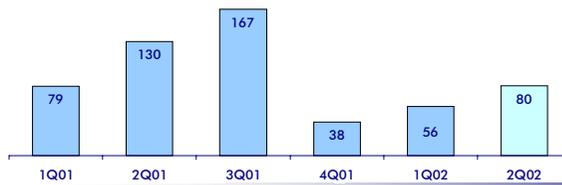


[H102/H201](#)

-34.9%

## QUARTERLY ANALYSIS

Euro m



[Q202/Q102](#)

+42.9%

[Q202/Q201](#)

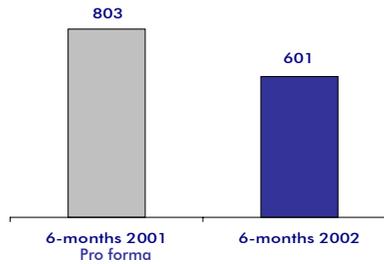
-38.5%

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## NET INCOME

Euro m

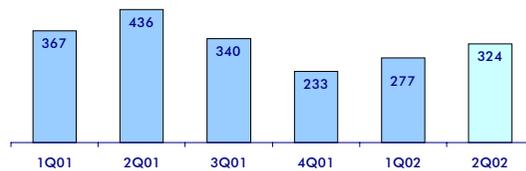


[H102/H201](#)

-25.2%

## QUARTERLY ANALYSIS

Euro m



[Q202/Q102](#)

+16.9%

[Q202/Q201](#)

-25.7%

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## CONCLUSIONS

- ▶ H2 will be characterised by a continuation of the difficult operating environment
- ▶ The underlying business is solid with a growing customer base - TFA: 358.3 billion Euro (+1.1% year to date)
- ▶ Clear long term value creation strategy in Wealth Management
- ▶ Well placed to take advantage of focused lending strategy
- ▶ Good track record in cost control

▶ ANNEX

## NEW GROUP PERFORMANCE HIGHLIGHTS: P&L

Euro m	6 months 2002 pro forma	6 months 2001 pro forma	% change
Net interest income	1,880	2,002	-6.1%
Net commissions	1,385	1,554	-10.9%
Net interest and other banking income	3,659	3,870	-5.5%
Administrative costs	-2,297	-2308	-0.5%
Operating income	1,308	1,535	-14.8%
Net adjustments and provisions	-313	-372	-15.9%
Income before extraordinary items	911	1,083	-15.9%
Net extraordinary income	136	209	-34.9%
Net income	601	803	-25.2%

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## NEW GROUP OPERATING VOLUMES

Euro m	30/06/2002 pro forma	30/06/2001 pro forma	% change
Total financial assets	358,567	358,533	0.0%
Asset management	132,999	140,457	-5.3%
▶ Mutual funds and GPF	99,616	111,354	-10.5%
▶ GPM	9,814	11,737	-16.4%
▶ Life assurance	23,569	17,366	+35.7%
Asset administration	88,878	87,249	+1.9%
Direct customer deposits	136,690	130,827	+4.5%
Net Customer loans(*)	120,787	120,867	-0.1%

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(\*) Excluding SGA

