

GRUPPO SANPAOLO IMI

UBS Warburg
Italian Banking & Insurance
Conference

Mr Alfonso Iozzo, CEO
Naples, 7 February 2003

AGENDA

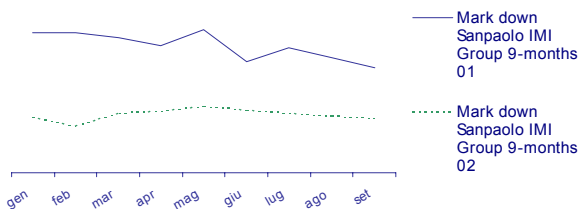
✓ Q3 2002 GROUP RESULTS

STRATEGIC FOCUS ON RETAIL BANKING

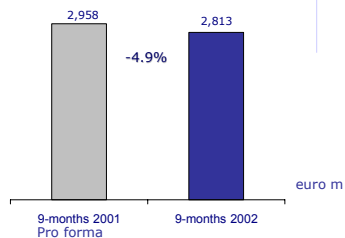
BANCO DI NAPOLI INTEGRATION AND
BRANCH NETWORK REORGANISATION

2002 NINE-MONTH OPERATING RESULTS

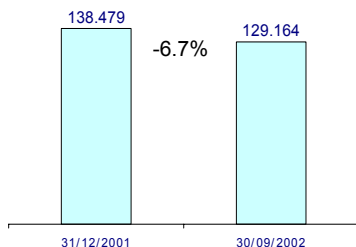
Deposit margin



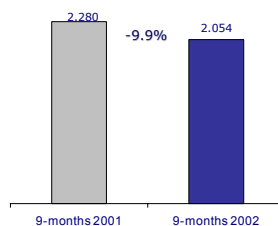
NET INTEREST INCOME



Assets under management



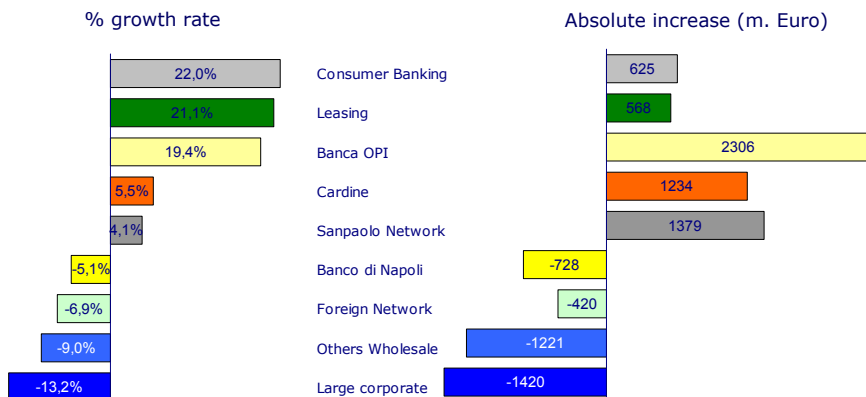
FEE INCOME



2002 NINE-MONTH OPERATING RESULTS

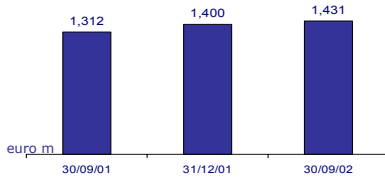
SELECTIVE LOAN GROWTH IN FAVOUR OF SME AND LOW RISK BORROWERS

Loan growth by business unit (y-o-y)



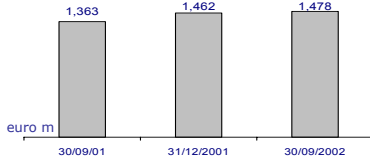
ASSET QUALITY

NET NPL'S

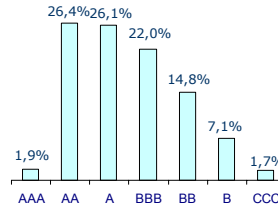


30/09/02	
NPL ratio	1.1%
Net Watchlist ratio	1.2%
General Reserve:	88 basis points of performing loan portfolio
NPL coverage ratio:	71.4%
Watchlist coverage ratio:	25.2%

NET WATCHLIST (*)



PORTFOLIO RATING PROFILE



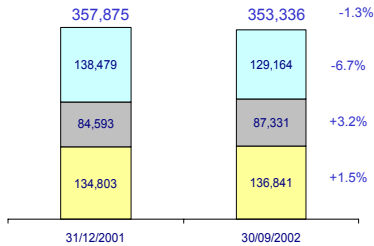
(*) Includes watchlist, restructured and in course of restructuring loans.

Core capital ratio:	6.5%
Tier 1 ratio:	7.3%
Total capital ratio:	10.2%

2002 NINE-MONTH OPERATING RESULTS

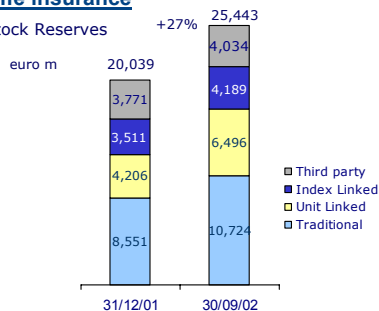
Total customer financial assets

Stocks

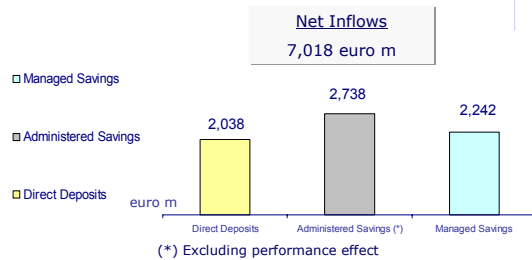


Life insurance

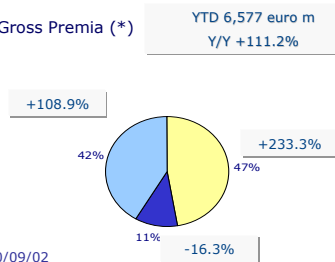
Stock Reserves



TFA net inflows from 31/12/01



Gross Premia (*)

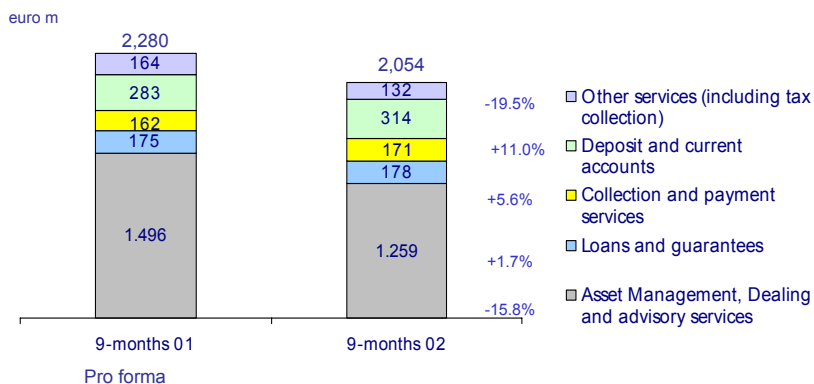


As at 30/09/02

(*) Includes Sanpaolo Vita, Sanpaolo Life and Fideuram Vita

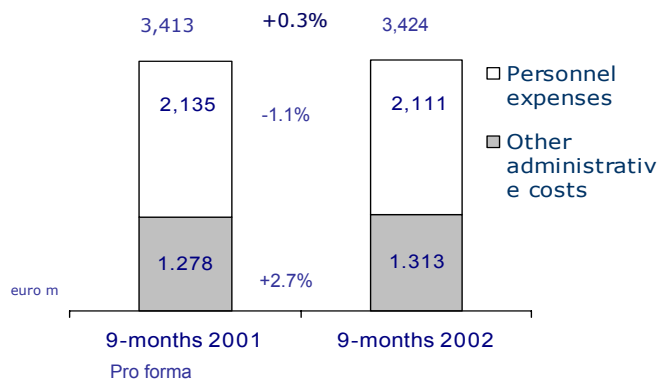
2002 NINE-MONTH OPERATING RESULTS

FEE INCOME BREAKDOWN



2002 NINE-MONTH OPERATING RESULTS

ADMINISTRATIVE COSTS



AGENDA

Q3 2002 GROUP RESULTS

✓ **STRATEGIC FOCUS ON RETAIL BANKING**

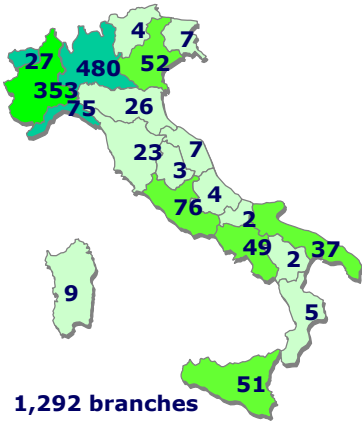
BANCO DI NAPOLI INTEGRATION AND
BRANCH NETWORK REORGANISATION

FOCUS ON DOMESTIC RETAIL BANKING

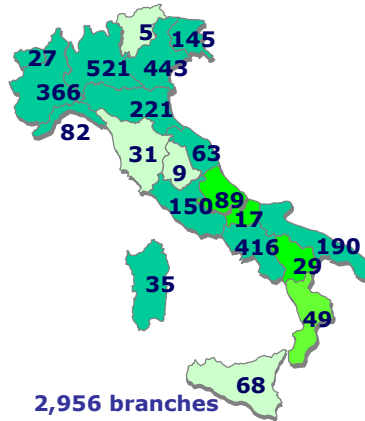
- ✓ complete and strengthen the branch distribution network
- ✓ re-address the loan policy in favour of SME, de-emphasising corporate and international lending
- ✓ maintain a strong focus on household savings
- ✓ increase efficiency and integrate the acquired or merged banks

EXPAND DISTRIBUTION

Branch banking network



1,292 branches
4 million clients
(as of 31/12/99)

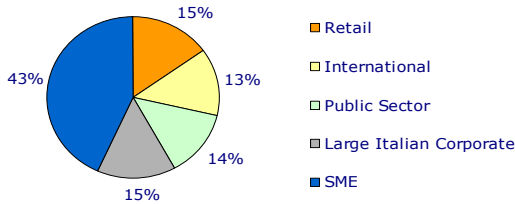


2,956 branches
6.5 million clients
(as of 31/12/02)

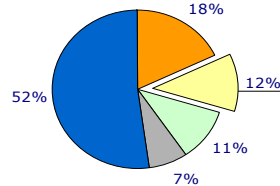
REFOCUSING THE LOAN BOOK

Divisional breakdown

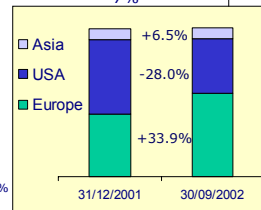
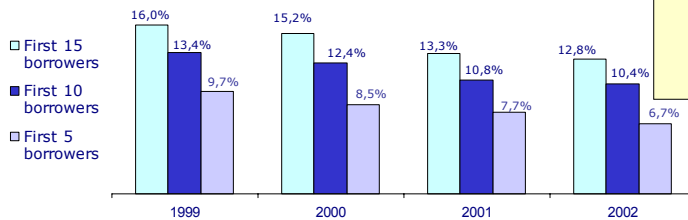
As at 31/12/1999



As at 30/06/2002



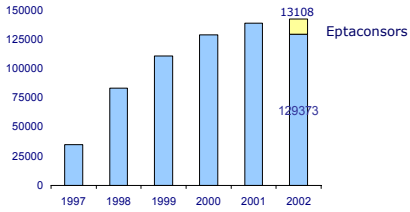
Concentration(*)



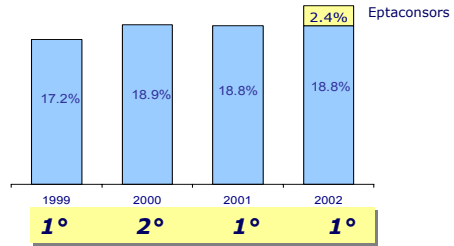
(*) In terms of loans, commitments and guarantees on net customer loans

COLLECTING AND MANAGING HOUSEHOLD SAVINGS

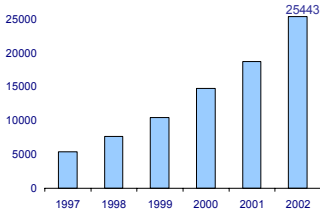
AUM



Mutual funds market share



Life Reserves



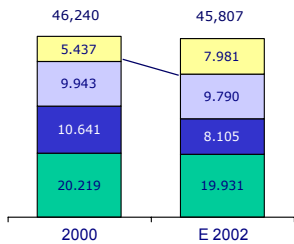
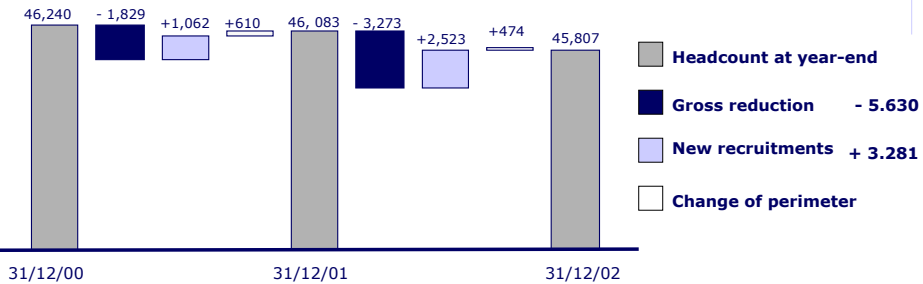
	New production	market share
1999	2,279 euro/mil	8.92%
09/2002	5,762 euro/mil	18.11%

Embedded value (30/06/2002) : 1,641 Euro/mil

1° 2° 1° 1°

SEARCH OF EFFICIENCY AND RATIONALISATION

Employees turnover



Category	Change
Group employees	-0.5%
Other Companies	+46.8%
Cardine	-1.5%
Banco di Napoli	-23.8%
Sanpaolo IMI S.p.A.	-1.4%

Domestic banking
- 7.3%
- 2.977 headcount

AGENDA

Q3 2002 GROUP RESULTS

STRATEGIC FOCUS ON RETAIL BANKING

- ✓ BANCO DI NAPOLI INTEGRATION AND
BRANCH NETWORK REORGANISATION

SOUTHERN ITALY: MACRO-ECONOMIC TRENDS

	2001		2002(P)		2003(E)	
<i>(growth rates)</i>	Italy	South	Italy	South	Italy	South
GDP	1.8	2.2	0.5	1.0	1.5	2.0
Internal demand	1.6	1.6	0.9	1.4	1.9	2.4
Employment	2.1	2.7	1.1	1.3	1.3	1.6
Unemployment (ratio)	9.5	19.3	9.2	19.1	9.2	18.9

	2000		2001		2002(P)	
<i>(growth rates)</i>	Italy	South	Italy	South	Italy	South
Banking loans	14.3	9.3	7.6	4.7	4.7	4.0
Banking funding	1.7	1.0	6.0	8.1	6.1	5.7
Current accounts	4.8	4.7	9.3	17.9	5.5	8.7
Financial Assets	7.4	7.0	-7.9	-4.2	-0.5	0.2

SOUTHERN ITALY - MARKET OPPORTUNITIES: CREDIT MARKET

	market size 2002		growth rates		
	bn. Euro	% of nat. mkt.	2000	2001	2002
Total lending	95.2	9.8	9.3	4.7	4.0
<i>of which:</i>					
Companies (>20 employees)	45.9	7.0	6.0	2.7	-2.4
Companies (<20 employees)	5.6	9.2	8.3	5.8	3.6
Family business	9.9	17.8	7.0	3.2	4.2
Households	33.8	17.4	11.4	7.9	7.3
<i>of which Mortgages</i>	21.5	15.7	11.4	5.9	9.1

Source: Prometeia

SOUTHERN ITALY - MARKET OPPORTUNITIES: FINANCIAL WEALTH

	market size 2002		growth rates		
	bn. Euro	% of nat. mkt.	2000	2001	2002
Household financial assets	410.0	16.4	7.0	-4.2	0.2
<i>composition:</i>					
- banking deposits	94.8	19.6			
- postal deposits	63.9	41.3			
- bonds	146.1	12.1			
- mutual funds	55.5	12.4			
- Life Insurance reserves	45.6	14.1			
- Other	4.5	15.2			
Banking direct funding	142.8	16.3	1.0	8.1	5.7
Banking custodian funds	60.1	13.0	15.1	9.1	9.5
Managed savings	72.0	12.6	3.3	-5.2	9.6
Life premia	8.7	16.4	5.3	22.0	20.8

Source: Prometeia

BANCO DI NAPOLI ACQUISITION: STRATEGIC OBJECTIVES (2000)

Acquisition industrial plan (2000-2003) guidelines:

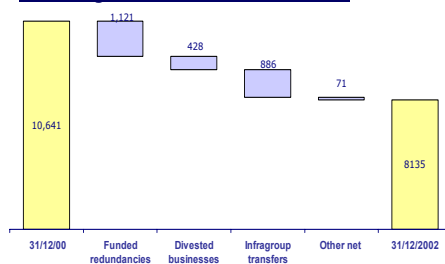
- ✓ Re-focus Bdn business towards retail & SME
- ✓ Rationalise the bank and increase efficiency
- ✓ Focus on financial products & increase fee revenues
- ✓ Maintain interest income in core business with strict control on credit risk

BANCO DI NAPOLI: REFOCUS AND RATIONALISATION

Re-focus the business:

- ✓ sell of foreign branches
- ✓ reduction of corporate loans
- ✓ sell of subsidiaries (Dataitalia, Soldan Fumagalli)

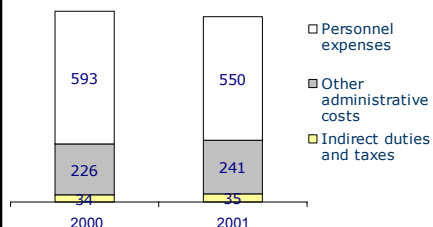
Re-sizing the cost base: headcount



Trend in operating costs:

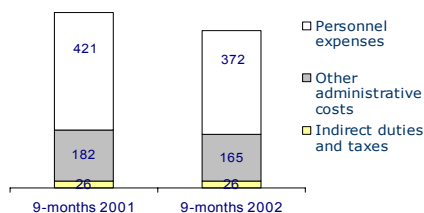
Dec 2001/Dec 2000

-3.1%

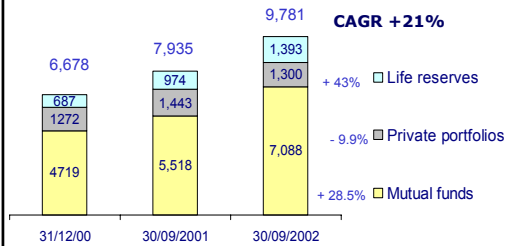
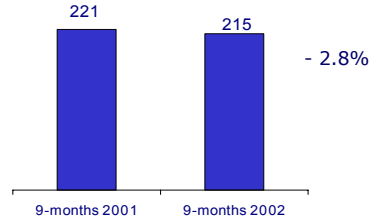
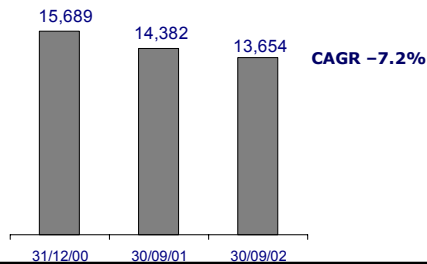
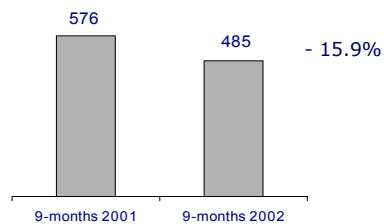


9 months 2002 / 9 months 2001

-10.5%



BANCO DI NAPOLI: PRESSURE ON REVENUES

Asset under management:Fee income:Re-focus and downsizing of loan book:Net interest income:

BANCO DI NAPOLI MERGER: GUIDELINES

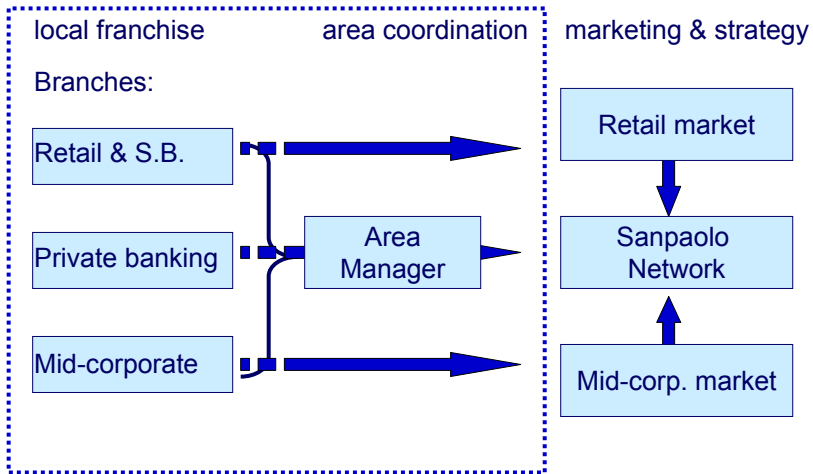
Post-merger guidelines:

- ✓ Streamline Banco di Napoli headquarters
- ✓ Single branch network and single operating system
- ✓ Branch specialisation according to customer segments, locally coordinated
- ✓ Rationalisation of area management structures

NETWORK INTEGRATION AND DISTRIBUTION MODEL IN THE SOUTH

Group presence in Southern Italy

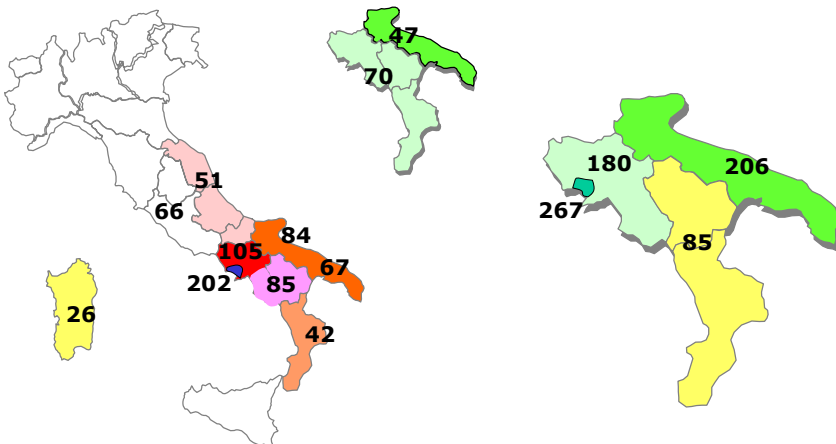
Turin H.Q.



RATIONALISATION OF AREA MANAGEMENT STRUCTURES

Banco di Napoli
branch management areas:

11 areas of which **8 in continental South** + Sanpaolo **2 areas** = Post merger : **4 areas**

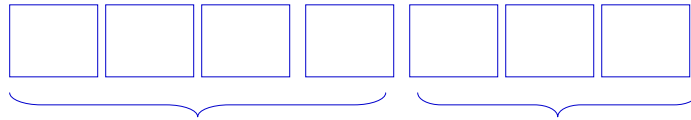


NATIONAL DISTRIBUTION MODEL

Strategic guidelines
Commercial policies
Credit policies
Control Systems
HR management

Parent

Branch local
co-ordination



Sanpaolo & former B.d.N. Areas

Cardine banks

Front office:

- 3.000 branches
- Market segmentation
- Brand differentiation

Mid-
corporate

Retail &
small business

Private
banking

TIMING OF THE INTEGRATION PROCESS

STEPS:

DEADLINES:

Banco di Napoli Merger	31/12/02
Rationalisation of SP & BdN Areas	31/12/02
Former BdN branches on SP system	03/06/03
Integration of Cardine Finanziaria	31/12/03
Former Cardine banks on SP system	01/07/04