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Pietro Modiano
General Manager

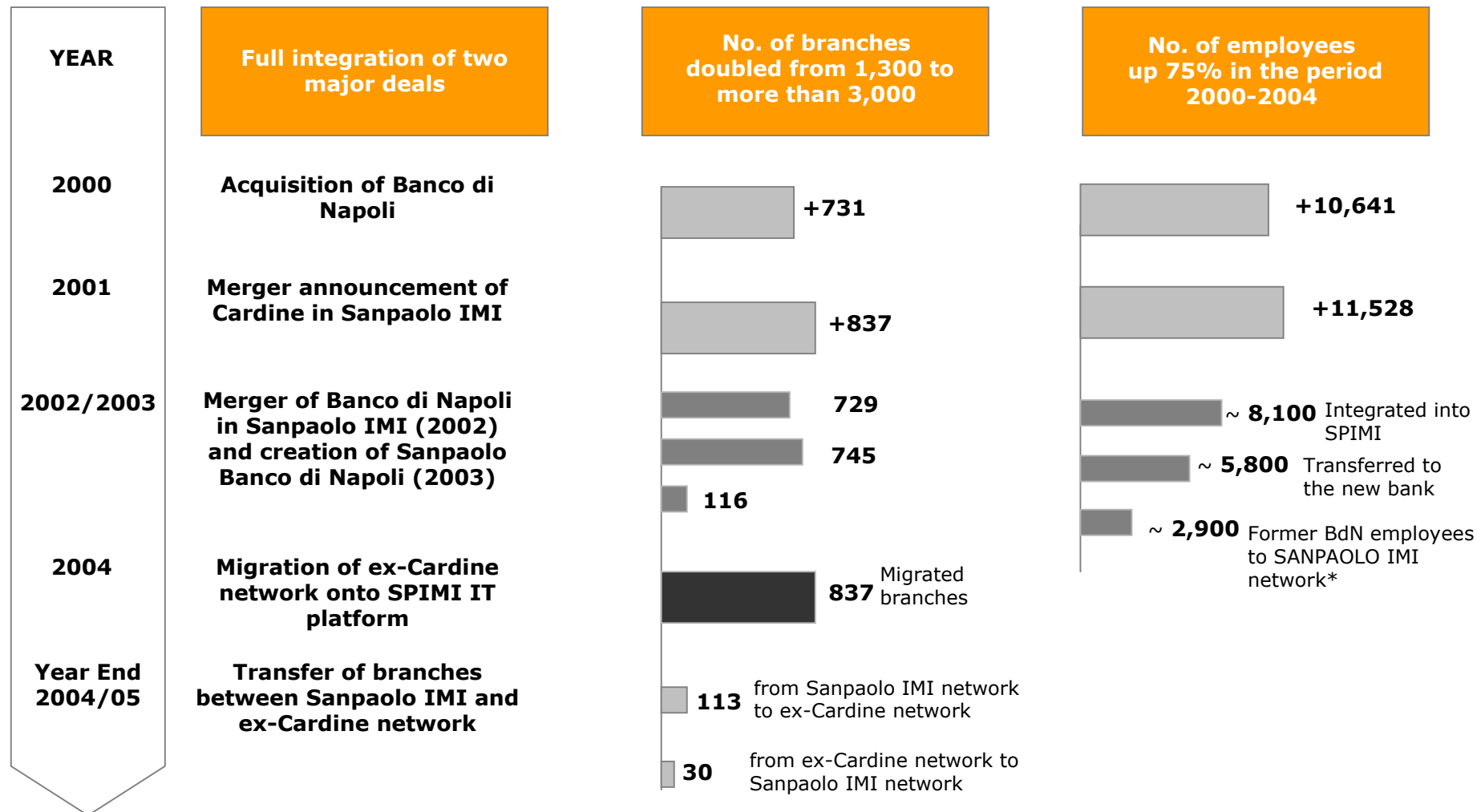
GRUPPO SANPAOLO IMI

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.

- 2005: a year of discontinuity for the Group
- An innovative business plan for Banking
- Strategically positioning Eurizon to unlock value
- Conclusions: from big to better

SANPAOLO IMI has been through a period of great change



*Working in the 116 North and Centre branches of the former Banco di Napoli and in other structures

In 2005 the Bank was ready to start a new phase:

- The operational integration was complete
- The branch network had been re-structured
- The geographical footprint is second to none
- The generational turnaround in the staff base was complete

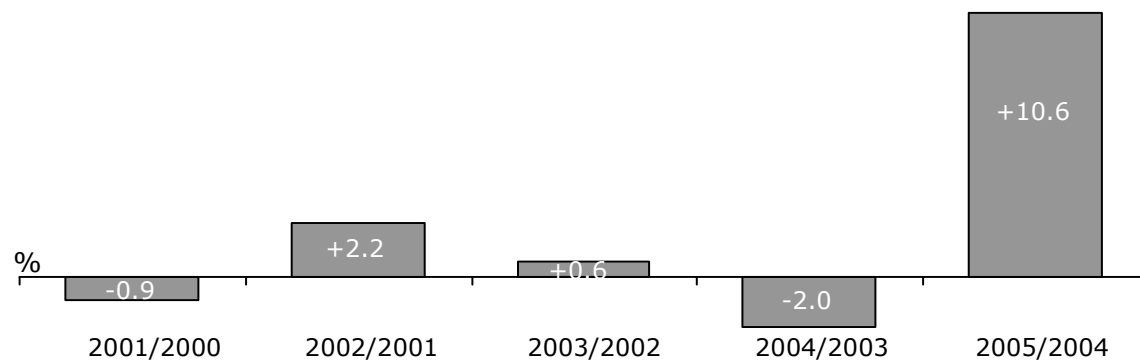
But it was necessary to raise the level of ambition

- Introduce a new incentive scheme
- Revise the budget up

And the transmission mechanism between Corporate Centre and the 20 Areas

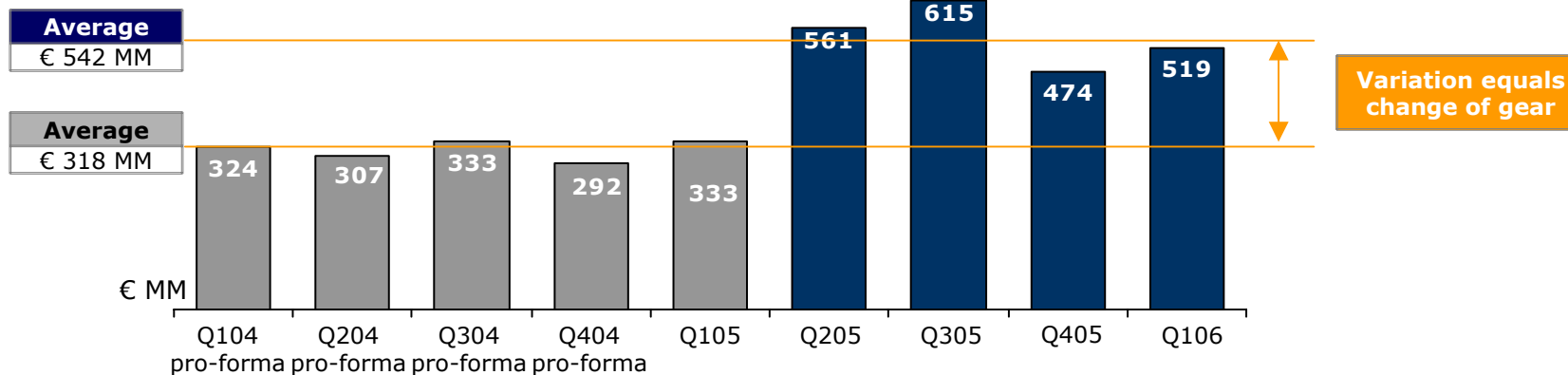
2005 saw real discontinuity in lending trends and profitability

■ Loan growth is the symbol of discontinuity in operating trends



■ Jump in net profit represents change of gear

Net profit



- Asset margins in the key divisions improved relative to the system

Δ ST mark up 31/12/05 - 31/12/04*	SPIMI	System
Households	0.0	-0.52
SMEs	-0.37	-0.46

- Better asset quality both as a result of an improvement in the back book and as a result of the quality of new lending

Analysis of the reduction of the expected loss (bps)	Δ
Δ initial stock rating	-0.3
Δ collateralization (LGD)	-0.7
Marginal cost (EAD)	
increased share of wallet	-1.0
increased market coverage	0.5
other minor effects	-0.3
Total	-1.8

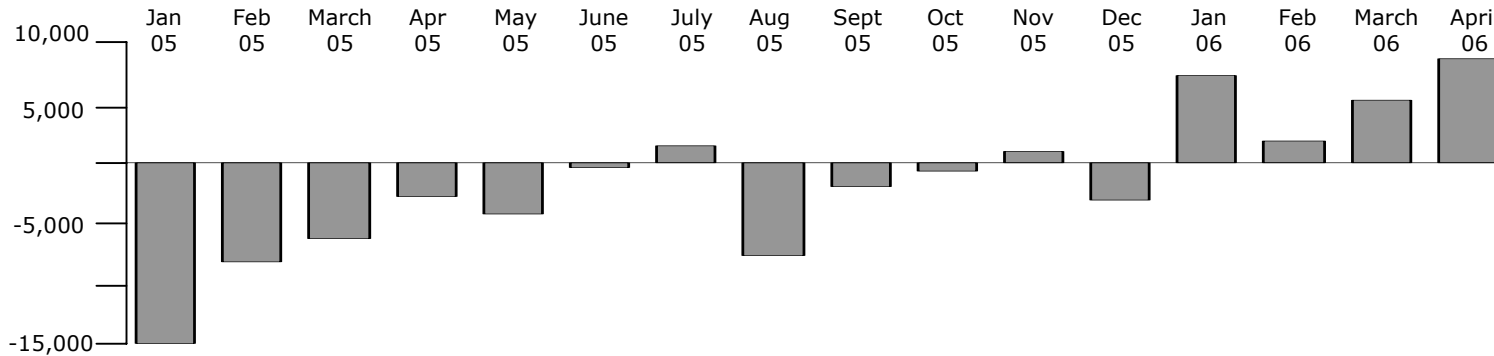
- However the provisioning policy remains prudent and closely aligned to expected rather than incurred loss

Cost of credit and expected loss (bps)	YE 2004	YE 2005	Δ
Net adjustments to loans (€ MM)	539	489	
Cost of credit on performing loans	43.9	36.0	-7.9
Incurring loss	38.4	21.8	-16.2
Expected loss (EL)	46.1	44.3	-1.8

* Source: BoI Ten Day Reports

2005 also saw a turnaround or acceleration in other key aggregates

■ Inversion in retail customer trends with progressive reduction of effective net losses through 05 to positive inflows in 06



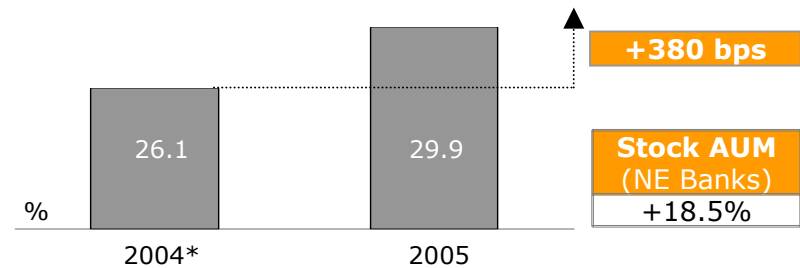
■ Aligning retail customer investment portfolio to the appropriate risk profile

■ Increasing penetration of saving products in NE Banks

Money market funds as a % of mutual funds
(as at 31/12/2005)



AUM as a % of TFAs (NE Banks)
as at 31/12/2005



* Calculated on Italian GAAP data

Finally 2005 saw the platform put in place for medium term growth

- Strengthening the management team and introducing a simple and flat business model to leverage on the Bank's strengths – **La Banca dei Territori**

- Setting business plan targets which reflect ongoing commitment to excellence and discontinuity in operating growth

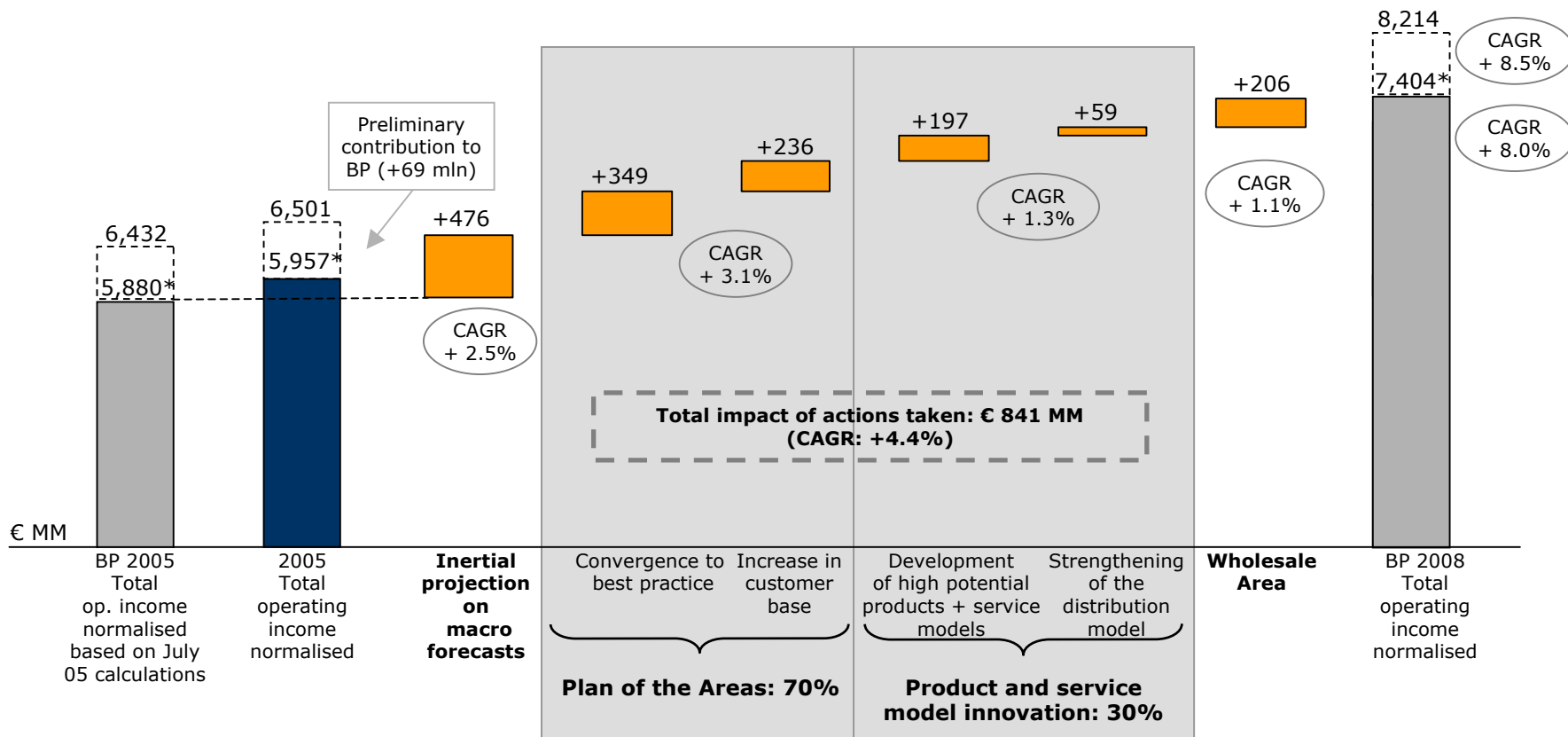
Drivers	CAGR 2005-2008
■ TFA	+6.0%
■ Loans	+9.4%

Limits	
■ Core Tier 1 ratio	~ 7%
■ Costs	0% (in real terms)
■ Cost of credit to finance growth	+4bps (on portfolio model)

Targets	2008
■ Pre-tax operating profit	4.1 bln
■ Net profit	2.5 bln
■ ROE	18%
■ Cost/ Income ratio	52%

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Good start to BP thanks to strong H205 performance

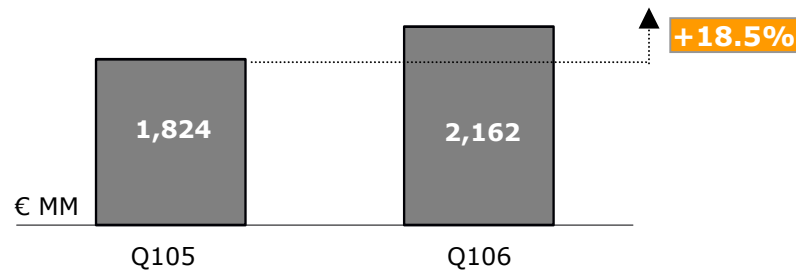


* Management reporting numbers for Commercial Banks and Wholesale Activity

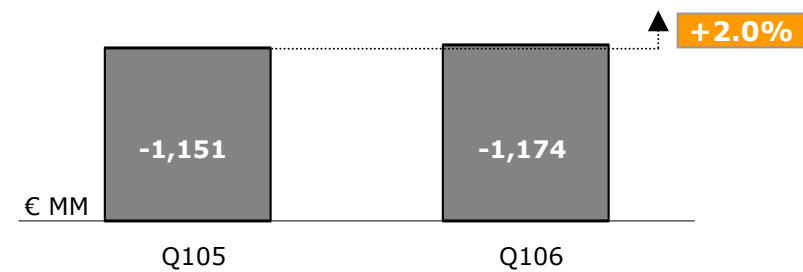
- Excellent results across the board
- Discontinuity in operating trends driving step change in bottom line results
- Sustainable character of the business drivers and results a key point
 - Loan growth not at the expense of either margins or quality
 - Revenues not being generated by exploiting shrinking customer base
 - Cost of growth negative in commercial banking thanks to tight control on normalised operating expenses
- Remarkably the jump in profitability still leaves the potential intact

- Results driven by discontinuity in operating growth thanks to completion of integration process and continuity in management of asset quality, costs and balance sheet strength
- Strong trends across all lines of the P&L

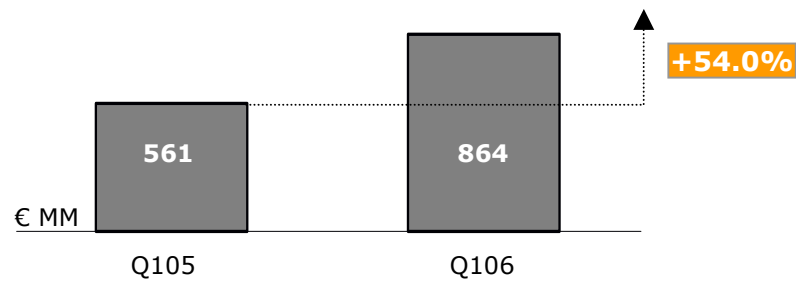
Total operating income



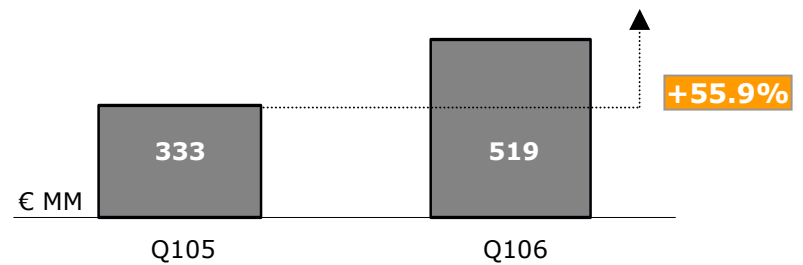
Operating costs



Pre-tax operating profit

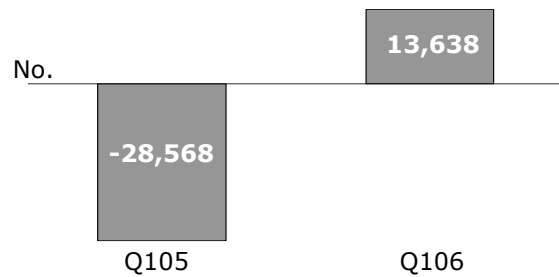


Net profit

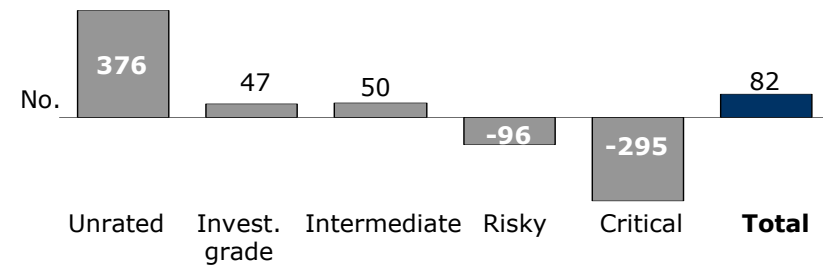


Sustainable character of the business drivers and results a key point

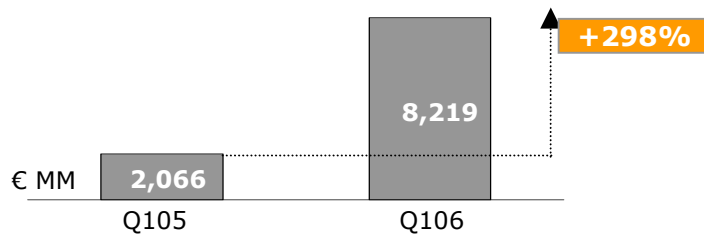
■ In Retail division turnaround in net new customer flows completed in Q106



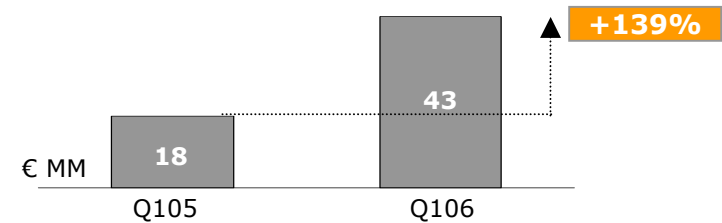
■ In Q106 positive net customer flow in the SME segment both in terms of number and of quality



■ Strong increase in flows of new net financial assets

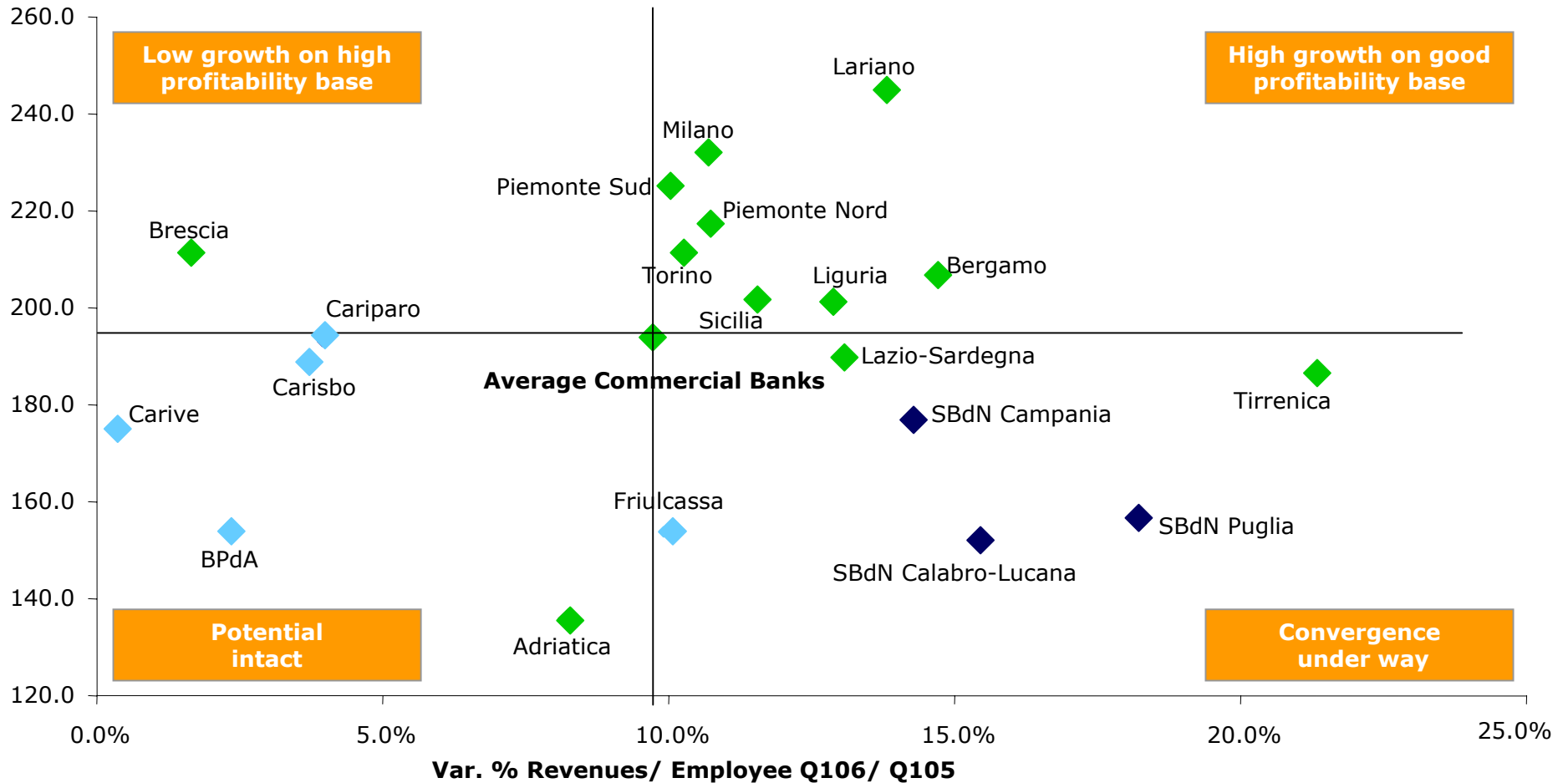


■ Derivative revenues up but average revenues per customer stable



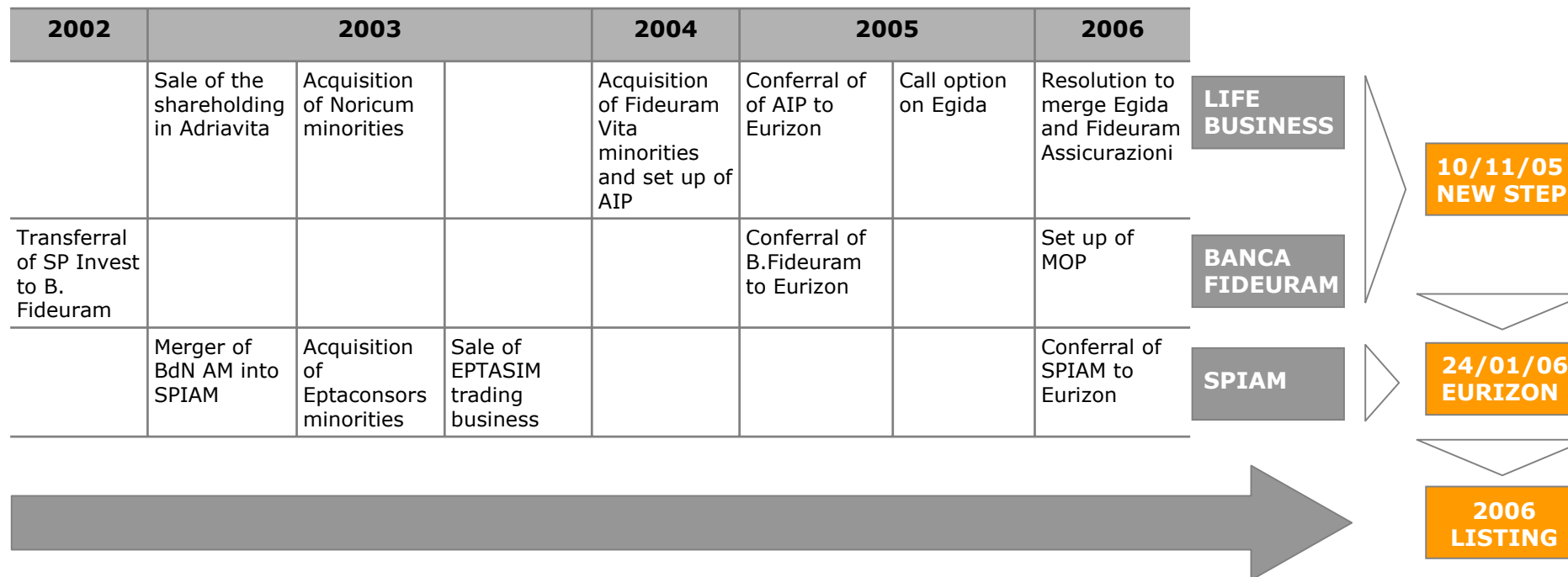
Remarkably the jump in profitability still leaves the potential intact

Revenues / Employee (€/000)



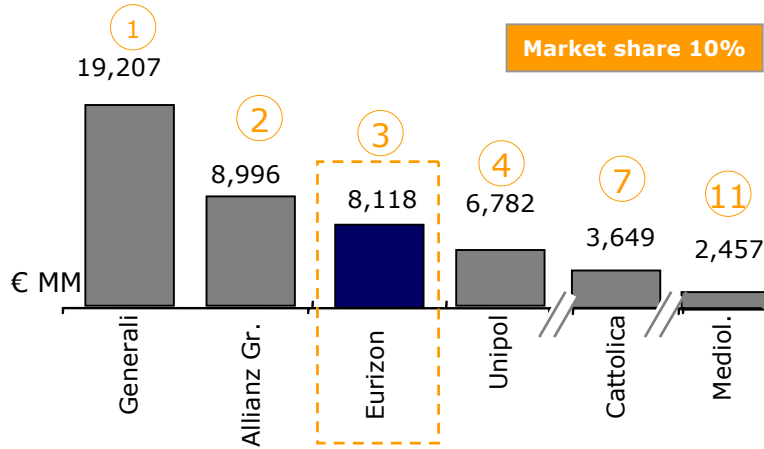
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Eurizon is the result of a long term process

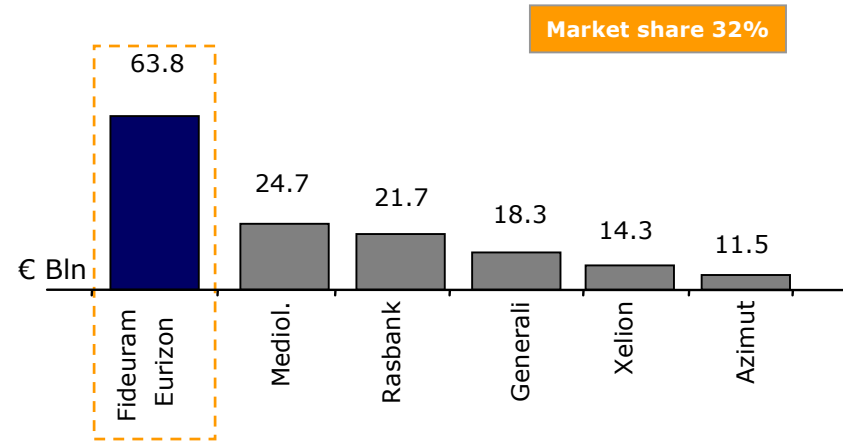


Leading position in Italy

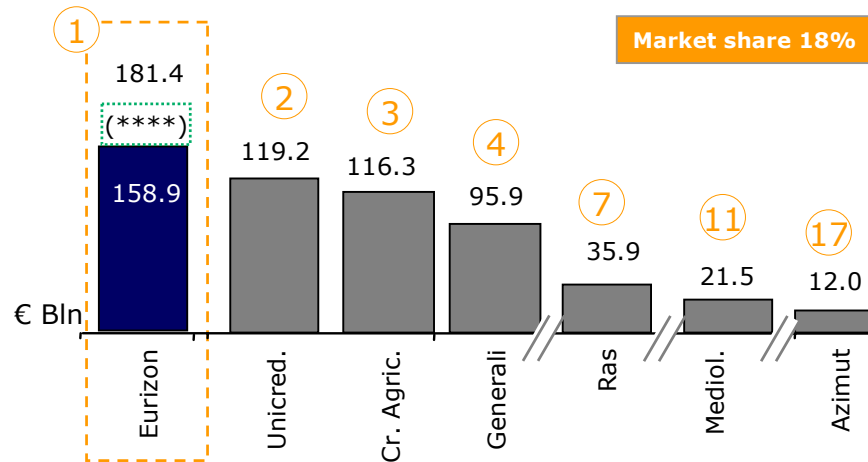
Life Insurance – Gross underwriting volumes(*)
as at 31/12/2005



Asset Gathering – Assets under Administration()**
as at 31/12/2005



Asset Management – AuM(*)**
as at 31/12/2005



(*) Gross premia (Source: ANIA) and Irish Business
(**) Assets under administration (Source: ASSORETI)

(***) Source: ASSOGESTIONI
(****) AUM, net of duplications within the group and other adjustments, excluding third party products

Eurizon is strategically positioned to unlock value and exploit market opportunities:

- a high quality and high profile management team
- a complementary multi-business group enabling economies of scale and scope
- necessary critical mass and model to take strategic opportunities
- greater market visibility for these assets
- a transparent model for capital management

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The new Group is not just bigger but better positioned to create value

