

Parent Bank financial statements and reports

PARENT BANK RECLASSIFIED FINANCIAL STATEMENTS

REPORT ON OPERATIONS

**PROPOSAL FOR THE APPROVAL OF THE FINANCIAL STATEMENTS
AND ALLOCATION OF NET INCOME FOR THE YEAR**

REPORT OF THE BOARD OF STATUTORY AUDITORS

INDEPENDENT AUDITORS' REPORT

PARENT BANK FINANCIAL STATEMENTS

ATTACHMENTS

Parent Bank reclassified financial statements

PARENT BANK RECLASSIFIED STATEMENT OF INCOME

PARENT BANK RECLASSIFIED BALANCE SHEET

Parent Bank reclassified statement of income

	2001 (€/mil)	2000 pro forma (1) (€/mil)	Change 2001 / 2000 pro forma (%)	2000 Financial Statement (€/mil)
NET INTEREST INCOME	1,583	1,622	-2.4	1,759
Net commissions and other net dealing revenues	1,271	1,548	-17.9	1,550
Profits and losses from financial transactions and dividends on shares	72	86	-16.3	86
Dividends from shareholdings	946	737	+28.4	737
NET INTEREST AND OTHER BANKING INCOME	3,872	3,993	-3.0	4,132
Administrative costs	-2,004	-1,982	+1.1	-1,987
- <i>personnel</i>	-1,295	-1,277	+1.4	-1,280
- <i>other administrative costs</i>	-582	-567	+2.6	-569
- <i>indirect duties and taxes</i>	-127	-138	-8.0	-138
Other operating income, net	153	167	-8.4	167
Adjustments to tangible and intangible fixed assets	-183	-153	+19.6	-153
OPERATING INCOME	1,838	2,025	-9.2	2,159
Adjustments to goodwill and merger differences	-28	-27	+3.7	-27
Provisions and net adjustments to loans and financial fixed assets	-521	-570	-8.6	-570
INCOME BEFORE EXTRAORDINARY ITEMS	1,289	1,428	-9.7	1,562
Net extraordinary income	801	348	+130.2	348
INCOME BEFORE TAXES	2,090	1,776	+17.7	1,910
Income taxes for the period	-906	-655	+38.3	-712
NET INCOME	1,184	1,121	+5.6	1,198

(1) The pro forma statement of income for 2000 has been prepared assuming control of Banco di Napoli and the transfer of public works and infrastructure business to Banca OPI from 1/1/2000. This provides a more consistent comparison with 2001.

The pro forma statement of income for 2000 is unaudited.

Parent Bank reclassified balance sheet

	31/12/2001 (€/mil)	31/12/2000 (€/mil)	Change 31/12/01-31/12/00 (%)
ASSETS			
Cash and deposits with central banks and post offices	570	443	+28.7
Loans	72,220	75,771	-4.7
- due from banks	12,648	14,011	-9.7
- loans to customers	59,572	61,760	-3.5
Dealing securities	8,508	5,457	+55.9
Fixed assets	10,448	9,236	+13.1
- investment securities	725	629	+15.3
- equity investments	8,687	7,549	+15.1
- intangible fixed assets	177	177	-
- tangible fixed assets	859	881	-2.5
Other assets	8,881	8,629	+2.9
Total assets	100,627	99,536	+1.1
LIABILITIES			
Payables	79,263	75,969	+4.3
- due to banks	23,254	21,706	+7.1
- due to customers and securities issued	56,009	54,263	+3.2
Provisions	1,649	1,870	-11.8
- for taxation	696	948	-26.6
- for termination indemnities	417	408	+2.2
- for risks and charges	493	471	+4.7
- for pensions and similar	43	43	-
Other liabilities	6,904	10,114	-31.7
Subordinated liabilities	5,004	4,581	+9.2
Shareholders' equity (1)	7,807	7,002	+11.5
Total liabilities	100,627	99,536	+1.1
GUARANTEES AND COMMITMENTS			
Guarantees given	24,720	21,219	+16.5
Commitments	12,315	13,005	-5.3

(1) Reserves are net of own shares in portfolio, 39,345,982 at a book value of 697 million Euro at 31 December 2000 and 17,080,403 at a book value of 294 million Euro at 31 December 2001.

Report on Operations

THE BANK'S RESULTS

OPERATING VOLUMES AND ORGANIZATION

CAPITAL AND RESERVES

SUPPLEMENTARY INFORMATION

SIGNIFICANT EVENTS AFTER THE YEAR END

The Bank's results

The Bank's operations and results in 2001 were influenced by the difficult market conditions; revenues showed in general a decrease, partly offset by measures of cost containment and tax optimization. Net income came to 1,184 million Euro, an increase of 5.6% on 2000.

To provide a more consistent comparison, the results of SANPAOLO IMI S.p.A. for 2001 are commented on below taking as a point of reference a pro forma statement of income for 2000, prepared assuming control of Banco di Napoli and the transfer of the public works and infrastructure business to Banca OPI from 1/1/2000.

Note that, as explained in greater detail in the Explanatory Notes, during the year the Bank has changed its method of accounting for dividends from subsidiaries; from 2001, dividends are recorded on an accrual basis, rather than when the dividends are actually received. The 2001 statement of income therefore reflects two years' dividends from subsidiaries: those referring to 2000 earnings, received in 2001 (reclassified to extraordinary income for 433 million Euro) and those that refer to the earnings generated in 2001, based on the distribution proposal authorized by the Boards of Directors of the companies concerned at the time they approved their draft financial statements for 2001.

Net interest income

Net interest income in 2001 amounted to 1,583 million Euro, 2.4% lower than in 2000. Without taking into account the effects of the application of decree law

394/2000, converted into law 24/2001, which led to the booking of 18 million Euro less in interest income from mortgages, the reduction would have been 1.3%.

The trend in net interest income was affected above all by the continuing downward trend in market interest rates and spreads which began towards the end of 2000; in short-term activity carried out in Italy by the Bank, there was a spread contraction of 5 basis points (from 4.25% to 4.20%), brought about by a 13 basis points decline in the yield on loans compared with an 8 basis points reduction in the cost of sight deposits.

As regards customer volumes handled by the Bank, the average amounts of short-term loans granted by the Italian network, excluding repurchase agreements, reported an increase of 3.8%. On the liabilities side, on the other hand, there was a 7.1% slide in the average volume of deposits, net of repurchase agreements, mainly due to a 16.7% drop in the medium- and long-term component.

Net interest and other banking income

Net interest and other banking income came to 3,872 million Euro, 3% less than in 2000.

This was the result of a 17.9% fall in net commissions, down to 1,271 million Euro following a 29.4% drop in commission income from asset management and dealing activities, which were both penalized by the negative trend in financial markets. In contrast, all other types of commissions showed an increase; in particular, the strong growth in the commissions earned by loans and guarantees (+16.3%), helped by syndacated loans carried out at the end of the year, should be noted.

Net interest income

	2001 (€/mil)	2000 pro forma (€/mil)	Change 2001 / 2000 pro forma (%)
Interest income and similar revenues	4,658	5,592	-16.7
Interest expense and similar charges	-3,075	-3,970	-22.5
Net interest income	1,583	1,622	-2.4

Profits from financial transactions and dividends on shares amounted to 72 million Euro compared with 86 million Euro in 2000; again, this reduction is largely attributable to adverse market conditions.

Dividends on equity investments came to 946 million Euro, an increase of 28.4% on 2000; as mentioned previous, the dividends from subsidiaries booked in 2001 refer to the earnings they generated in that year.

Operating income

Operating income showed a reduction of 9.2% compared with 2000, coming to 1,838 million Euro.

The steps taken in the first part of 2001 to hold down costs led to a progressive deceleration in the rate of growth of administrative costs, which amounted to 2,004 million Euro, 1.1% up on 2000.

Net interest and other banking income

	2001 (€/mil)	2000 pro forma (€/mil)	Change 2001 / 2000 pro forma (%)
Net interest income	1,583	1,622	-2.4
Net commissions and other net dealing revenues	1,271	1,548	-17.9
- <i>management, dealing and advisory services</i>	755	1,070	-29.4
- <i>asset management</i>	682	923	-26.1
- <i>brokerage/custody of securities and currencies</i>	73	147	-50.3
- <i>loans and guarantees</i>	186	160	+16.3
- <i>collection and payment services</i>	115	112	+2.7
- <i>deposits and current accounts</i>	187	185	+1.1
- <i>other services and net dealing revenues</i>	28	21	+33.3
Profits and losses from financial transactions and dividends on shares	72	86	-16.3
Dividends from shareholdings	946	737	+28.4
Net interest and other banking income	3,872	3,993	-3.0

Operating income

	2001 (€/mil)	2000 pro forma (€/mil)	Change 2001 / 2000 pro forma (%)
Net interest and other banking income	3,872	3,993	-3.0
Operating costs	-2,034	-1,968	+3.4
- administrative costs	-2,004	-1,982	+1.1
- <i>personnel</i>	-1,295	-1,277	+1.4
- <i>other administrative costs</i>	-582	-567	+2.6
- <i>indirect duties and taxes</i>	-127	-138	-8.0
- other operating income, net	153	167	-8.4
- adjustments to tangible fixed assets	-109	-95	+14.7
- adjustments to intangible fixed assets	-74	-58	+27.6
Operating income	1,838	2,025	-9.2

Adjustments to tangible and intangible fixed assets went up by 19.6% due to the acceleration, in the second half of 2000, in capital expenditure in intangible assets designed to upgrade the distribution channels.

Income before extraordinary items

Income before extraordinary items, 1,289 million Euro, was 9.7% lower than in 2000.

Adjustments to goodwill and merger differences amounted to 28 million Euro compared with 27 million Euro in 2000.

Provisions and net adjustments to loans and financial fixed assets came to 521 million Euro, 8.6% less than 570 million Euro in 2000. In this connection, note that:

- the adjustments made in 2001 reflect the higher provisions for credit risks, prudently taken against the deterioration in the economic scenario and designed both to cover the writedowns to market value of specific positions, such as Enron, and to increase the provisioning for the inherent risk associated with performing loans; at the end of the year, the general adjustments to cover the risk inherent in performing loans amounted to 469 million Euro, providing coverage of 0.80%;

- in contrast, the provisions for risks and charges returned to normal levels, after the peak reached in 2000 to cover the effects of the possible renegotiation of subsidized building mortgages;
- writedowns of 233 million Euro were also made to equity investments, compared with 213 million in 2000.

Net income

Net income, 1,184 million Euro, showed a 5.6% increase on 2000.

Net extraordinary income amounted to 801 million Euro, compared with 348 million Euro in 2000. Leaving aside the 433 million Euro of dividends paid by subsidiaries and related to the net income accrued in 2000, extraordinary income includes the economic effects that follow the operation of shortening of Banco di Napoli's control structure, for a net total amount of 368 million Euro. The 30 million Euro capital gain realized on selling own shares to Fondazione Carivenezia as part of the acquisition of a 10.8% interest in Cardine Banca, should also be noted.

Extraordinary income also includes a non operating profit of 1.3 million Euro in connection with the sentence

Income before extraordinary items

	2001 (€/mil)	2000 pro forma (€/mil)	Change 2001 / 2000 pro forma (%)
Operating income	1,838	2,025	-9.2
Adjustments to goodwill and merger differences	-28	-27	+3.7
Provisions and net adjustments to loans and financial fixed assets	-521	-570	-8.6
- provisions for risks and charges	-30	-201	-85.1
- adjustments to loans and provisions for guarantees and commitments	-257	-140	+83.6
- <i>net writedowns</i>	-361	-420	-14.0
- <i>net provisions for guarantees and commitments</i>	-7	-8	-12.5
- <i>recoveries</i>	111	288	-61.5
- net adjustments to financial fixed assets	-234	-229	+2.2
- <i>net adjustments of equity investments</i>	-233	-213	+9.4
- <i>net adjustments of investment securities</i>	-1	-16	-93.8
Income before extraordinary items	1,289	1,428	-9.7

passed by the Rome Court of Appeal on 11 September 2001, which condemned the SIR Banking Consortium (in liquidation) to reimburse to SANPAOLO IMI the sum of 506 million Euro (in addition to interest at the legal rate) paid by IMI several years ago to the heirs of Nino Rovelli by way of damages. Without prejudice to the Bank's ability to take other steps to protect its rights, based on the

information currently available, the estimated realizable value of the receivable was calculated in terms of the entire net worth of the Consortium, namely 1.3 million Euro. Non operating profit was therefore booked for this amount, while at the same time writing off the equity investment that the Bank held in the Consortium (0.5 million Euro).

Net income

	2001 (€/mil)	2000 pro forma (€/mil)	Change 2001 / 2000 pro forma (%)
Income before extraordinary items	1,289	1,428	-9.7
Net extraordinary income	801	348	+130.2
- net gains on disposal of equity investments	4	255	-98.4
- other net extraordinary items	797	93	n.s.
Income before taxes	2,090	1,776	+17.7
Income taxes for the period	-906	-655	+38.3
Net income	1,184	1,121	+5.6

Operating volumes and organization

Customer financial assets

Customer financial assets at the end of 2001 came to 173.2 billion Euro, an increase of 1.4 billion compared with the start of the year as a result of new inflows which more than offset the devaluation of assets under management and administration brought about by the fall in share prices.

In greater detail, direct customer deposits grew by 3.2%, reaching 56 billion Euro by the end of the year. Within direct deposits taken by the Italian network, the positive trend in the short-term component, which most customers preferred given the uncertainty of the markets, should be noted: current accounts and deposits rose by 3.6%, while repurchase agreements went up by 13.2%. In contrast, medium- and long-term funding continued to slide: compared with the end of 2000, bonds were down 5.6% and certificates of deposit fell by 46.7%. Direct customer deposits taken by the foreign network, 10.7 billion Euro, registered a growth of 17.1% on an annual basis.

Customer financial assets

	31/12/2001		31/12/2000		Change 31/12/01-31/12/00 (%)
	Amount (€/mil)	%	Amount (€/mil)	%	
Asset management	64,583	37.3	65,424	38.1	-1.3
Asset administration (1)	52,583	30.4	52,094	30.3	+0.9
Direct deposits	56,009	32.3	54,263	31.6	+3.2
Customer financial assets	173,175	100.0	171,781	100.0	+0.8

(1) To allow a consistent comparison, figures at 31/12/2000 exclude the assets of customers transferred in the first half of 2001 to Sanpaolo Invest's accounts, as a consequence of the operational independence obtained by the subsidiary.

Direct customer deposits

	31/12/2001		31/12/2000		Change 31/12/01-31/12/00 (%)
	Amount (€/mil)	%	Amount (€/mil)	%	
Domestic network	45,318	80.9	45,137	83.2	+0.4
- Current accounts and deposits	26,863	48.0	25,933	47.8	+3.6
- Certificates of deposit	980	1.7	1,838	3.4	-46.7
- Bonds	11,717	20.9	12,414	22.9	-5.6
- Repurchase agreements and securities lending	3,979	7.1	3,516	6.5	+13.2
- Other deposits	1,779	3.2	1,436	2.6	+23.9
Foreign network	10,691	19.1	9,126	16.8	+17.1
Direct customer deposits	56,009	100.0	54,263	100.0	+3.2

Asset management

	31/12/2001		31/12/2000		Change 31/12/01-31/12/00 (%)
	Amount (€/mil)	%	Amount (€/mil)	%	
Mutual funds and fund-based portfolio management	52,310	81.0	55,237	84.4	-5.3
Portfolio management	4,065	6.3	4,249	6.5	-4.3
Life technical reserves	8,208	12.7	5,938	9.1	+38.2
Asset management	64,583	100.0	65,424	100.0	-1.3

At the end of 2001, the Bank had a 4.6% share of the domestic market for direct deposits.

Assets under management came to 64.6 billion Euro, down 1.3% on 12 months; the devaluation of stocks, 3.7 billion Euro, was only partially offset by a net flow of 2.9 billion Euro. Within asset management, the positive performance of the insurance sector should be noted: life technical reserves rose to 8.2 billion Euro, with an increase from the start of the year of 2.3 billion Euro (+38.2%). Mutual funds and fund-based portfolio management at the end of the year came to 52.3 billion Euro (-5.3%); during the year the Bank's market share in Italy went from 10.4% to 10.5%.

Loans to customers

Net loans to customers, excluding non-performing loans, came to 59 billion Euro, a contraction of 3.5% compared with the end of December 2000. Within this total, medium- and long-term loans were the more dynamic component, with growth of 2.3% over the 12 months, compared with a 9.3% reduction in short-term loans.

Within the medium- and long-term segment, the good performance in lending to the retail sector continued: net mortgages disbursements granted to households amounted to 1.7 billion Euro, 8% up on 2000.

Mutual funds by type

	31/12/2001 %	31/12/2000 %
Equity	22.6	28.0
Balanced	23.3	31.0
Bond	54.1	41.0
Total mutual funds	100.0	100.0

Loans to customers

	31/12/2001		31/12/2000		Change 31/12/01-31/12/00 (%)
	Amount (€/mil)	%	Amount (€/mil)	%	
Short-term loans	27,772	46.6	30,613	49.6	-9.3
Medium- and long-term loans	31,224	52.4	30,517	49.4	+2.3
Loans to customers excluding net NPLs	58,996	99.0	61,130	99.0	-3.5
Net non-performing loans	576	1.0	630	1.0	-8.6
Loans to customers	59,572	100.0	61,760	100.0	-3.5

Loans to customers by counterparty

	31/12/2001		31/12/2000		Change 31/12/01-31/12/00 (%)
	Amount (€/mil)	%	Amount (€/mil)	%	
Loans to households	11,579	19.4	10,992	17.8	+5.3
Loans to family businesses and non-financial companies	38,135	64.0	39,563	64.1	-3.6
Loans to financial companies	9,023	15.2	10,009	16.2	-9.9
Loans to governments and public bodies	719	1.2	1,062	1.7	-32.3
Other	116	0.2	134	0.2	-13.4
Loans to customers	59,572	100.0	61,760	100.0	-3.5

Overall, the loans granted in Italy to households, representing around 20% of the total, increased by 5.3% year-on-year.

Doubtful loans

Net doubtful loans decreased by the end of 2001 to 1,362 million Euro compared with 1,498 million at the start of the year, a reduction of 9.1%. This trend was helped by the completion, in May, of a non recourse sale of non-performing loans with a book value of around 110 million Euro. More specifically, in loans to customers:

- net non-performing loans, 576 million Euro, decreased by 54 million Euro on the beginning of the year; the ratio of net non-performing loans to net loans to customers remained stable at 1%. At the end of December, non-performing loans coverage ratio was 76.7%, taking fiscal write-offs into account;
- problem, restructured and in course of restructuring loans came to 704 million Euro, down by 22 million on the beginning of the year; coverage ratio was 27.3%;
- non-guaranteed loans to customers in countries subject to country risk fell from 88 million at the end of 2000 to 26 million Euro at the end of 2001, above all thanks to the repayment of loans to customers resident in Argentina.

Loans to customers by type of lending

	31/12/2001		31/12/2000		Change 31/12/01-31/12/00 (%)
	Amount (€/mil)	%	Amount (€/mil)	%	
Loans to households	11,579	19.4	10,992	17.8	+5.3
- Domestic network	11,570	19.4	10,991	17.8	+5.3
- overdraft	619	1.0	717	1.2	-13.7
- personal loans	586	1.0	571	0.9	+2.6
- mortgage loans	9,924	16.7	9,354	15.1	+6.1
- other	441	0.7	349	0.6	+26.4
- Foreign network	9	0.0	1	0.0	n.s.
Loans to family businesses, companies, governments, public bodies and others	47,993	80.6	50,768	82.2	-5.5
- Domestic network	39,149	65.8	41,733	67.6	-6.2
- overdraft	7,111	11.9	8,446	13.7	-15.8
- repurchase agreements	483	0.8	857	1.4	-43.6
- import/export financing	1,843	3.1	1,905	3.1	-3.3
- mortgage loans	16,013	27.0	17,239	27.9	-7.1
- other	13,699	23.0	13,286	21.5	+3.1
- Foreign network	8,844	14.8	9,035	14.6	-2.1
Loans to customers	59,572	100.0	61,760	100.0	-3.5

Analysis of loan portfolio

	31/12/2001		31/12/2000		Change 31/12/01-31/12/00 (%)
	Amount (€/mil)	%	Amount (€/mil)	%	
Non-performing loans	576	1.0	630	1.0	-8.6
Problem, restructured and in course of restructuring loans	704	1.2	726	1.2	-3.0
Loans to countries at risk - customers	26	0.0	88	0.1	-70.5
Performing loans	58,266	97.8	60,316	97.7	-3.4
Total loans to customers	59,572	100.0	61,760	100.0	-3.5
Non-performing and problem loans - banks	-		1		n.s.
Loans to countries at risk - banks	56		53		+5.7

Activities on financial markets

The Bank's securities portfolio at the end of 2001 amounted to 9.2 billion Euro, a 51.7% year-on-year increase; investment securities, 725 million Euro, represented at the end of December 2001 7.9% of the total compared with 10.3% at the end of 2000. The treasury securities portfolio was 5.7 billion Euro at the end of the year; it was made up for more than 70% by government securities, prevalently CCTs and BOTs.

Equity investments

The equity investment portfolio increased during 2001 by a net of 1.1 billion Euro, rising to 8.7 billion Euro. The most important operations during the year, which are explained in greater detail in the Group Report on Operations, involved the following:

- the completion of the acquisition from Fondazione

Cassa di Risparmio di Venezia of a 10.8% stake in Cardine Banca; SANPAOLO IMI paid for the investment by giving Fondazione Cassa di Risparmio di Venezia 27.5 million of own shares, equal to 1.96% of its share capital, worth 516 million Euro;

- the purchase of a 3.5% interest in CDC Ixis, the investment bank of the CDC Group, for 323 million Euro;
- the acquisition of 21% of Cassa dei Risparmi di Forlì for a total outlay of 169 million Euro;
- the increase from 97.7% to 100% of the stake held in the ordinary capital of Banco di Napoli, for 65 million Euro;
- the acquisition of 15% of Banka Koper, a bank operating in Slovenia, for an outlay of 37 million Euro.

Mention should also be made of the sale of 100% of Sanpaolo Immobiliare, the company that specializes in handling the non-performing mortgage loans acquired without recourse from the Parent Bank in 1994, making a pre-tax capital gain of 5 million Euro.

Securities, interbank position and derivatives

	31/12/2001		31/12/2000		Change 31/12/01-31/12/00 (%)
	Amount (€/mil)	%	Amount (€/mil)	%	
Investment securities	725	7.9	629	10.3	+15.3
Dealing securities	8,508	92.1	5,457	89.7	+55.9
Total portfolio	9,233	100.0	6,086	100.0	+51.7
Loans to banks	12,648		14,011		-9.7
Funding from institutional banking organizations	2,618		3,356		-22.0
Funding from other banks	20,636		18,350		+12.5
Derivatives and forward transactions in foreign currencies (at nominal value)	101,945		86,768		+17.5

Equity investments

	31/12/2001		31/12/2000		Change 31/12/01-31/12/00 (%)
	Amount (€/mil)	%	Amount (€/mil)	%	
Investments	8,687	100.0	7,549	100.0	+15.1
- in Group companies	6,584	75.8	6,335	83.9	+3.9
- others	2,103	24.2	1,214	16.1	+73.2

The distribution network

During the course of 2001, the Bank continued its efforts to reinforce the distribution structure, focusing its action both to the development of innovative channels and to the selective growth in the branch network, accompanied by initiatives designed to introduce a further branch specialization.

As regards innovative channels, at the beginning of March the launch to retail customers of information and statement services through the Internet and mobile phone, was of particular importance; at the end of the year, the number of contracts allowing private customers to operate in an integrated way using both traditional and direct channels amounted to 180,000. Also, companies and small entrepreneurs were provided with Internet services; in this context a remote light service was launched.

The strengthening of the distribution structure was also directed towards the development of the branch networks in terms of both quantity and quality. In terms of quantity, the Bank's Italian network increased by 44 branches, reaching a total of 1,376 by the end of 2001, while, among the initiatives geared to improving service quality,

the launch of a project aimed at specializing each branch in the prevalent customer segment (households and small entrepreneurs on the one hand, and small- and medium-sized companies on the other) was of particular importance. This project, which envisages the opening of 130 business centers, brought to the creation of 35 branches dedicated to entrepreneurs.

The foreign network was involved in buying the Hong Kong branch of Banco di Napoli, as well as in opening three representative offices in Mexico City, Prague and Budapest.

Personnel

The Bank's personnel, which consisted of 20,228 employees at the end of the year, remained more or less stable during the year; the net change was 9 people, the result of 658 new hires and 649 resignations. This is the result of a rationalization policy to accelerate the generation change, encouraging the recruitment of younger employees and specialists, while at the same time continuing the programs of voluntary incentive retirement.

Distribution network

	31/12/2001	31/12/2000	Change 31/12/01-31/12/00 (%)
Banking branches and area offices	1,387	1,342	+3.4
- Italy	1,376	1,332	+3.3
- Abroad	11	10	+10.0
Representative offices	16	13	+23.1

Personnel

	31/12/2001		31/12/2000		Change 31/12/01-31/12/00 (%)
		%		%	
Period-end headcount	20,228	100.0	20,219	100.0	+0.0
- executives (1)	354	1.8	198	1.0	n.s.
- managers (1)	7,854	38.8	7,408	36.6	n.s.
- other employees	12,020	59.4	12,613	62.4	-4.7

(1) The distinction between executives and managers at 31/12/2001 follows the changes in the staff organization introduced by the National Collective Labour Contract for the banking sector. The comparison with the previous periods is therefore inconsistent.

Capital and reserves

Net shareholders' equity

The Bank's shareholders' equity at 31 December 2001 was 7,807 million Euro, net of own shares. Movements during the year were as follows:

<i>Movements in the Bank shareholders' equity</i>	<i>€/mil</i>
Net shareholders' equity at 1 January 2001	7,002
Decreases	-787
- Dividends	-787
Increases	1,592
- Capital	1
- Share premium reserve	4
- Decrease in own shares held by the Parent Bank	403
- Net income for the year	1,184
Net shareholders' equity at 31 December 2001	7,807

The increase of 1 million Euro in equity capital and of 4 million Euro in the share premium reserve followed the subscription of 422,916 shares at a unit price of 12.396 Euro by Group senior managers, as part of the stock option plan explained in the Group Report on Operations, to which reference is made.

Own shares

At the end of 2000, the Parent Bank held 39,345,982 shares (for a nominal value of 110 million Euro, with a book value, carried at cost, of 697 million Euro). During 2001, it bought 5,238,150 shares (15 million Euro nominal value, for a total cost of 83 million Euro), and sold 27,503,729

shares (77 million Euro nominal value, for total proceeds of 516 million Euro). At the end of December 2001, the Bank held 17,080,403 shares (48 million Euro nominal value, with a book value of 294 million Euro). On 15 March 2002 the Bank held 34,409,672 own shares, 2.45% of the equity capital, with a book value of 498 million Euro.

Regulatory capital and capital adequacy

The ratio of regulatory capital to total risk-weighted assets for credit and market risk showed a total solvency ratio at the end of 2001 of 12.6%. The ratio between Tier 1 capital and total risk-weighted assets came to 10%.

Regulatory capital and capital adequacy (1)

	31/12/2001	31/12/2000
Regulatory capital (€/mil)		
Tier 1 capital	7,829	7,027
Tier 2 capital	2,957	2,659
less: prescribed deductions	-1,010	-297
Regulatory capital	9,776	9,389
Subordinated Tier 3 capital	107	70
Total capital	9,883	9,459
Weighted assets (€/mil)		
Credit risk	77,065	73,429
Market risk	1,529	1,000
Other requirements		
Total assets	78,594	74,429
Capital adequacy ratios (%)		
Tier 1 ratio	10.0	9.4
Total capital ratio	12.6	12.7

(1) The ratios reflect the Bank of Italy's regulatory clarifications made in its technical note of 3 August 2001.

Supplementary information

The Board of Directors, Executive Committee and Management

As required by Consob Recommendation 1574/1997 it should be noted that, in accordance with Art. 15 of the Articles of Association, the Board of Directors appointed an Executive Committee from among its members (with the Chairman, the Deputy Chairmen and the Managing Directors as ex officio members), and defined the number of members, mandates, term in office, as well as its working rules and powers. It also appointed the Managing Directors, laying down their powers and duties.

The Executive Committee exercises powers conferred by the Board of Directors in connection with operations, loan recovery, other economic sacrifices, assets and liabilities in dispute and pre-litigation, not involving recoveries, administrative matters, equity investments, personnel and expenditure, as well as a general authority in urgent cases to take any measures needed to protect the Bank's interests; such action is reported to the Board at its next meeting.

Powers regarding the granting of credit have also been granted to special Committees made up of the Managing Directors and the heads of the relevant departments.

The Managing Directors have also been given powers by the Board of Directors in operational matters, Group system for granting credit limits to banking institutions, country risk, financial risk management and control, loan recovery, other economic sacrifices, assets and liabilities in dispute and pre-litigation, not involving recoveries, administrative matters, equity investments, personnel and structures, and expenditure, as well as - in general terms and within their own decision-making limits or in execution of resolution taken by higher Bodies - all of the powers needed to the ordinary management of the Bank, providing they are not reserved specifically to other Bodies by the Articles of Association or by an exclusive mandate from the Board of Directors.

In accordance with Art. 20 of the Articles of Association, the Board of Directors has appointed a Central Management, deciding on the number of its members,

their powers and how their functions are to be divided up among them.

The Central Management - which reports to the Managing Directors - is responsible for implementing the decisions of the Board of Directors, the Executive Committee, the Chairman and the Managing Directors; it handles all matters of day-to-day management; it supervises the Bank's structure and the functioning of services; it decides on personnel allocations and functions, other than those of executives. It can also delegate certain powers internally and on a continuous basis to executives and other head office personnel, area and branch managers.

Transactions with Group companies and related parties

As explained in greater detail in the Group Report on Operations, transactions between the Bank, subsidiary companies and associated companies take place in accordance with current legislation and are arranged on a mutually equitable basis. Transactions with related parties as defined in the Consob Communications dated 20 February 1997, 27 February 1998 and 6 April 2001 - including those with personnel and officers of the SANPAOLO IMI Group and any companies they control - similarly comply with current legislation and are conducted on an arm's-length basis. Investments in the Bank and in the companies it controls held by the Directors, Statutory Auditors and General Managers of the Bank are detailed in the Group Report on Operations.

The year's intercompany transactions between the Bank and other members of the SANPAOLO IMI Banking Group are summarized in the Explanatory Notes.

The stock option plan

The Bank has developed three stock option plans for its managers. The plans are detailed in the Group Report on Operations, to which reference is made.

The Euro project

The Euro project is also detailed in the Group Report on Operations, to which reference is made.

Significant events after the year end

The Bank's customer financial assets have remained stable at end-2001 levels during the first two months of 2002. Within this overall aggregate, however, there has been a significant shift into asset administration, increased by 1.6 billion Euro from the beginning of the year, against a reduction of 1.3 billion Euro in direct deposits. Net asset management flow, 0.4 billion Euro, has been driven above all by the positive trend in insurance sector: life technical

reserves have risen to 8.7 billion Euro at the end of February (+47.4% year on year).

As regards the prospective trend in the Bank's operating volumes and profit margins, the same considerations apply as were made for the Group. It is worth mentioning that the results for the first two months of the year are mainly in line with budget.

Turin, 26 March 2002

The Board of Directors

Proposal for the approval of the financial statements and allocation of net income for the year

Shareholders,

We submit the 2001 financial statements of Sanpaolo IMI for your approval.

Taking into account the fact that the legal reserve exceeds the maximum limit foreseen by art. 2430.1 of the Civil Code (20% of the share capital) and that it is therefore not necessary to allocate 10% of 2001 net income to the legal reserve, in accordance with the law and art. 22 of the Articles of Association, we would like to propose the following allocation of the net income of € 1,183,725,756.01:

- € 800,531,434.98 to the Shareholders, by means of a dividend of € 0.57 for each of the 1,404,441,114 ordinary shares making up the share capital, to be distributed to the shares in circulation, transferring to the extraordinary reserve any dividends referring to any own shares that the Bank may hold on 20 May 2002, the date that the shares go ex-dividend;
- € 880,861.53 to the reserve ex art. 13.6. of D.Lgs. 124/93 to take advantage of the tax deductibility deriving from the possibility to set up such a reserve in suspense for tax purposes, for an amount equal to 3% of the portions of employee termination indemnities applied to supplementary pension schemes;
- € 382,313,459.50 to the extraordinary reserve.

Dividends will have a full tax credit (56.25%) in accordance with D.Lgs. 467/97 and will be available for collection from 23 May 2002.

The proposed distribution is in line with the positive trends that the Bank is seeing in the early months of 2002, without affecting the adequacy of the Bank's and the Group's regulatory capital and solvency ratios.

If this proposal is approved, the Shareholders' equity of Sanpaolo IMI – after the allocation of net income and without considering the effects of any own shares that may be held by the Bank, the Shareholders' equity will be composed of:

	€
Composition of Shareholders' equity of Sanpaolo IMI after allocation of 2001 net income	
Share capital	3,932,435,119.20
Legal reserve	792,561,421.30
Additional paid-in capital	21,650,168.93
Other reserves	2,217,757,885.43
<i>Reserve D.Lgs. 153/99</i>	641,000,000.00
<i>Reserve art. 7c. 3 L. 218/90</i>	80,359,536.66
<i>Reserve L. 169/83</i>	11,514,113.06
<i>Reserve ex art. 21 D.Lgs. 213/98</i>	41,859,974.96
<i>Reserve ex art. 13.c.6 D.Lgs. 124/93</i>	3,626,950.23
<i>Reserve for purchase of own shares</i>	1,000,000,000.00
<i>Extraordinary reserve</i>	439,397,310.52
Reserve for general banking risks	335,696,984.41
	7,300,101,579.27

Turin, 26 March 2002

The Board of Directors

Report of the Board of Statutory Auditors as per art. 153 of D. Lgs. 58 of 24 February 1998 and art. 2429.3 of the Italian Civil Code

Shareholders,

The 2001 financial statements that you are being asked to approve, together with the consolidated financial statements which have been made available to you for your information, were sent to us within the legal deadline. They have been prepared in accordance with the provisions of D.Lgs. 87 of 27 January 1992 and with the instructions issued by the Bank of Italy on 30 July 1992 and subsequent updates.

The statutory and consolidated directors' reports on operations give a complete and exhaustive picture of the results, assets and liabilities and financial position of the Bank and of the Group, their performance during the course 2001, as well as events after the end of the year.

The annual report includes the report on the system of corporate governance and on the Bank's adoption of the Code of Conduct for Listed Companies promoted by Borsa Italiana S.p.A. This report, which has been prepared in accordance with the guidelines laid down by Borsa Italiana S.p.A., updated on 28 February 2002, indicates that the Bank has confirmed its adherence to the Code. This has entailed, among other things, setting up Technical Committees to handle advisory and investigatory functions with the participation of executive and non-executive directors. They have been assigned the task of monitoring questions of specific interest for effective management of the Bank in relation to matters, such as the system of internal control, the remuneration of directors and top managers, and the completeness of information submitted to the Board of Directors.

In addition to these Committees, which are specifically envisaged by the Code of Conduct, the Bank has also set up two other technical committees to raise the quality and transparency of corporate governance: the Group Technical Risk Committee and the Ethics Committee.

In accordance with the recommendation of the Code, the Bank has also drawn up a set of Regulations Governing Shareholders' Meetings based on the standard version prepared by ABI together with Assonime.

As regards the organizational changes that have been needed, we would also like to point out that on 26 March 2002 the Bank's Board of Directors approved Group Regulations that defines the Group's overall organizational structure, the basic principles according to which it operates, the areas of competence and the responsibilities of the corporate centre, as well as the mechanisms and instruments by which the Group coordinates operations as a whole. These Regulations, integrated by procedures, directives and authorizations, serve to provide a reference framework for the Group's corporate mission, creating a strong sense of management cohesion and unity, in line with the recommendations of the Bank of Italy and the Group's own need for healthy and prudent administration.

The directors' reports on operation and the explanatory notes for the Bank and the Group contain all of the information required by CONSOB and the Bank of Italy. In particular, we have seen that the notes to the statutory and consolidated financial statements contain the information required by CONSOB in its Communication 1011405 of 15 February 2001, sent to banks quoted on regulated markets concerning tax benefits under the Ciampi Law, the renegotiation of subsidized mortgage loans that could be considered "usurious", and the question of "anatocism". As regards this last matter, we have taken note of the information given in the notes that at 31 December 2001 there were 210 lawsuits pending, for which according to current jurisprudence, the Bank is of the opinion that there will not be any future liabilities; any contingent liabilities are in any case covered by the portion of the provision for risks and charges set aside for such matters, amounting to € 36.5 million.

We have also checked that the explanatory notes give all of the information on the change in accounting treatment of dividends from subsidiaries, which from 2001 entails booking dividends in the year they accrue, rather than the year in which they are receivable. In accordance with CONSOB and Bank of Italy instructions on this matter, pro forma statements of income restating the situation as though the new treatment of dividends had been applied consistently over time have been prepared as attachments to the financial statements to permit analysis on a comparable basis.

Details of intercompany transactions and transactions with related companies are given in the reports on operations or in the explanatory notes. They form part of the Bank's normal operations and are conducted on an arm's-length basis, at conditions that are considered mutually beneficial. We can confirm that all significant transactions between the Parent Bank and related parties are approved by the Board of Directors.

We would also like to recall that the sale of equity investments between the Bank and Compagnia di Sanpaolo approved during the year and currently being finalized is to be considered an atypical or unusual intercompany or related party transaction in 2001 (as per CONSOB Communication of 6 April 2001). The Board of Directors has provided adequate information on this transaction in the report on operations. The Bank has in fact applied for Bank of Italy approval for this trans-

action, as required, demonstrating that it is totally in line with the regulatory capital structure.

As regards transactions with directors, managers or statutory auditors of the Bank or of Group companies, we can confirm that they take place in compliance with art. 136 of the Consolidated Banking Act (D. Lgs. 385/93); in other words, such transactions have to be unanimously approved by the Board of Directors with the consent of all the Statutory Auditors, applying the normal rules on abstentions. The same procedure also applies to those who act as directors, managers and statutory auditors at a bank or company belonging to the Group for transactions carried out with the same Bank or with another bank or company belonging to the Group. In such cases, transactions have to be approved by the Board and Statutory Auditors of the bank or contracting company, with the Parent Bank's consent. A particular section of the notes to the financial statements lists, in addition to their remuneration, any loans or guarantees granted to the Directors, Statutory Auditors and General Managers of the Parent Bank.

The information laid down in art. 10 of Law 72/83 have been provided in the sections of the notes on revalued assets.

The 2001 statutory and consolidated half-yearly reports on operations, which were sent to us by the Board of Directors before the legal deadline, were prepared and published as laid down by CONSOB. Quarterly reports were published within the legal deadline.

During the course of the year ended 31 December 2001, we carried out our supervisory activities as laid down by law taking account, among other things, of the Standards of Behaviour for the Board of Statutory Auditors recommended by the Italian Accounting Profession. For example:

- we have taken part in 16 meetings of the Board of Directors and 23 meetings of the Executive Committee held during 2001. In the same period we have met 9 times to do our routine audit checks and, pursuant to art. 150 of D.Lgs. 58/98, have obtained from the directors on a quarterly basis information on the exercise of powers within the Parent Bank, on the Bank's activities and on operations of particular economic or financial importance carried out by the Bank or its subsidiaries, making sure that any action taken was legal and in accordance with the Articles of Association, and that it was not clearly imprudent, risky, in potential conflict of interest or in contrast with resolutions passed by the Shareholders' Meeting;
- we have acquired knowledge about - and monitored - the adequacy of the Bank's organizational structure and compliance with the principles of good management by means of direct observation, information gathered from the heads of the various functions, and meetings with the independent auditors for a reciprocal exchange of relevant data and information; in particular, during 2001 we have acquired detailed knowledge about the checks carried out by the

Internal Auditing function by reading their quarterly reports on the work performed on the Parent Bank and its subsidiaries, as well as the detailed reports made available to us at the end of each audit. In particular, during the course of our periodic meetings, the head of the Internal Auditing function has explained to us the outcome of the audits that they carried out at the subsidiaries Banca Sanpaolo Invest S.p.A., Banco di Napoli S.p.A. and Sanpaolo IMI Wealth Management S.p.A.; these checks mainly involved the organizational structure, the evolution of risk profiles, credit line authorizations and matters regarding expenses, the supervisory regulations and the functioning of the internal control system;

- we have evaluated and monitored the adequacy of the internal control system and of the administrative and accounting system, as well as its reliability to give a true and fair view of operations; we did this by obtaining information from the heads of the various departments, examining company documents and analysing the results of the work performed by the independent auditors. With regard to the organizational structure of the Bank, we would like to point out that the Internal Auditing department verifies that the whole system is adequate to guarantee control over risks from every point of view and that operations are carried out in accordance with official procedures and internal and external regulations; it also has the task of evaluating the whole internal control system and reporting any anomalies. The Internal Auditing department reports quarterly on its work at the Parent Bank, the foreign branches and Group companies to the Board of Directors and provides information to the Board of Statutory Auditors, the Managing Directors and the Audit Technical Committee on the matters that interest them;
- we have checked compliance with the law on the format and preparation of the financial statements and of the report on operations, as well as on the adequacy of the instructions issued by the Bank to its subsidiaries pursuant to art. 114.2 of D.Lgs. 58/98, through direct checks and information received from the independent auditors. These checks showed that the administrative and accounting system is adequate and reliable to give a true and fair view of operations.

Based on our work, no significant matters have emerged that would need to be reported to the Supervisory Authorities or mentioned in this report.

As of the date of this report, no complaints have been received as per art. 2408 of the Civil Code, not from Shareholders.

Given the above, having also examined the reports of PwC S.p.A., the independent auditors, and taken into account that the matters that they highlighted are not critical, we express our opinion in favour of the proposal to approve the 2001 financial statements, confirming that the proposed allocation of net income made by the Board of Directors is in accordance with the law and the Articles of Association, as well as being reasonably justified according to the Bank's economic and capital situation.

Concerning the request for authorization to purchase own shares, we can confirm that the resolution complies with articles 2357 and 2357-ter of the Civil Code, article 132 of D.Lgs. 58 dated 24 February 1998 and with CONSOB's instructions. The reports prepared by the Directors on the other points on the agenda of the Shareholders' Meeting called to approve the financial statements are complete and prepared in accordance with the law and the Articles of Association.

In accordance with CONSOB Recommendation 1025564 of 6 April 2001, we would like to inform you that in 2001 the Bank engaged PwC S.p.A. to carry out the following work in addition to the audit of the annual and half-year reports, for fees of € 384,279, with our approval:

- due diligence of the Cardine Banca group, in relation to the plan to merge with the Sanpaolo IMI;
- the issue of comfort letters in connection with the Offering Circular for the placement of Euro Medium Term Notes and the so-called "Green" Synthetic Securitization.

These engagements form part of the activities for which best practice or foreign market authorities require a compulsory audit by the independent accounting firm which audits the financial statements.

Lastly, we would like to mention that in 2001 the Bank has not made any appointments to entities related to the independent auditors on an ongoing basis. Fees paid during the year to such entities for appointments made in previous years amount to €69,000, including VAT.

Turin, 9 April 2002

The Board of Statutory Auditors

**AUDITORS' REPORT IN ACCORDANCE WITH ARTICLE 156 OF LAW
DECREE N° 58 DATED 24 FEBRUARY 1998**

To the Shareholders of
Sanpaolo IMI SpA

- 1 We have audited the financial statements of Sanpaolo IMI SpA (the "Bank") as of 31 December 2001. These financial statements are the responsibility of Sanpaolo IMI's directors. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2 We conducted our audit in accordance with the Auditing Standards and criteria recommended by CONSOB, the Italian Commission for listed Companies and the Stock Exchange. Those standards and criteria require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The financial statements of certain subsidiaries have been audited by other auditors, who have provided us with their related reports. Our opinion expressed on this report, insofar as it relates to the amounts included for such subsidiaries, representing 49 per cent of the caption "Investment in Group companies" and 3 per cent of "Total assets", is also based upon the audit of other auditors.

For the opinion on the financial statements of the prior period, which are presented for comparative purposes as required by law, reference is made to the auditors' report issued by other auditors on 2 April 2001.

- 3 In our opinion, the financial statements present fairly the financial position of Sanpaolo IMI SpA as of 31 December 2001 and the results of its operations for the year then ended, in accordance with the Italian regulations governing financial statements.
- 4 For a more immediate understanding of the financial statements, we draw your attention to the following circumstances, more widely described in the Report on Operation and in the Explanatory Notes to the financial statements:

- (a) the Bank has modified the accounting policy related to the dividends from direct subsidiaries. In particular, such dividends are booked, from the financial year 2001, on an accrual basis instead of on a cash basis, subject to the condition that the subsidiaries' Boards of Directors have approved the proposals of dividend distribution prior to the Bank's Board of Directors approval of the financial statements. The effect on the net income and on the shareholders' equity arising from the new accounting policy, are described in the Report on Operation, within the comments on the result for the year, and in the Explanatory Notes to the financial statements, under Part C, Section 6 and in the attached pro-forma;
- (b) the Bank holds controlling interests in subsidiaries and has therefore prepared (as required by law) the Group consolidated financial statements. Such consolidated financial statements represent an integration of the Bank's stand alone financial statements, in order to provide adequate information with respect to the financial position and results of operations of the Bank and of the Group. The consolidated financial statements have been examined by us and are presented, with the related audit opinion, together with the Bank's financial statements.

Turin, 9 April 2002

PricewaterhouseCoopers SpA

Signed by
Sergio Duca
(Partner)

“This report has been translated into the English language solely for the convenience of international readers. The original report was issued in accordance with Italian legislation.”

Parent Bank financial statements

PARENT BANK BALANCE SHEET

PARENT BANK STATEMENT OF INCOME

EXPLANATORY NOTES TO THE PARENT BANK FINANCIAL STATEMENTS

Parent Bank balance sheet

(in Euro)

ASSETS	31/12/01	31/12/00
10. Cash and deposits with central banks and post offices	569,593,198	442,495,988
20. Treasury bills and similar bills eligible for refinancing with central banks	2,493,463,658	788,672,699
30. Due from banks	12,648,050,686	14,011,333,447
a) repayable on demand	1,176,452,625	577,796,973
b) other deposits	11,471,598,061	13,433,536,474
40. Loans to customers <i>of which:</i> - <i>loans using public funds</i>	59,571,670,316 63,948,432	61,759,856,289 37,872,695
50. Bonds and other debt securities	6,738,624,834	5,285,551,932
a) public entities	1,972,878,856	2,477,082,377
b) banks <i>of which:</i> - <i>own bonds</i>	3,455,335,761 252,288,291	2,007,175,171 430,337,610
c) financial institutions <i>of which:</i> - <i>own bonds</i>	488,132,178 -	145,057,000 -
d) other issuers	822,278,039	656,237,384
60. Shares, quotas and other equities	1,022,554	11,118,991
70. Equity investments	2,103,693,615	1,214,306,342
80. Investments in Group companies	6,583,616,365	6,335,401,554
90. Intangible fixed assets <i>of which:</i> - <i>start-up costs</i> - <i>goodwill</i>	176,882,931 - 4,574,580	177,303,857 - -
100. Tangible fixed assets	859,046,098	880,650,514
120. Own shares (nominal value € 47,825,125.40)	293,861,409	697,321,064
130. Other assets	7,423,537,246	6,837,506,399
140. Accrued income and prepaid expenses	1,456,331,786	1,791,439,436
a) accrued income	1,246,940,053	1,721,744,067
b) prepaid expenses <i>of which:</i> - <i>discounts on bond issues</i>	209,391,733 6,420,992	69,695,369 7,374,924
Total assets	100,919,394,696	100,232,958,512

(in Euro)

LIABILITIES AND SHAREHOLDERS' EQUITY		31/12/01	31/12/00
10.	Due to banks	23,254,045,034	21,705,486,596
	a) repayable on demand	1,895,644,707	2,112,952,543
	b) time deposits or with notice period	21,358,400,327	19,592,534,053
20.	Due to customers	40,147,114,980	37,608,980,630
	a) repayable on demand	28,433,023,026	26,274,055,703
	b) time deposits or with notice period	11,714,091,954	11,334,924,927
30.	Securities issued	15,774,967,965	16,596,884,648
	a) bonds	11,706,247,136	12,413,740,279
	b) certificates of deposit	3,644,956,254	3,679,072,349
	c) other	423,764,575	504,072,020
40.	Public funds administered	60,764,152	39,320,020
50.	Other liabilities	5,579,327,982	8,068,600,744
60.	Accrued expense and deferred income	1,350,514,069	2,062,742,749
	a) accrued expense	1,115,238,787	1,848,787,456
	b) deferred income	235,275,282	213,955,293
70.	Provision for termination indemnities	416,819,673	407,683,583
80.	Provisions for risks and charges	1,232,035,666	1,462,765,715
	a) pensions and similar commitments	42,834,590	43,338,262
	b) taxation	695,997,407	947,975,345
	c) other	493,203,669	471,452,108
90.	Reserve for possible loan losses	-	-
100.	Reserve for general banking risks	335,696,984	335,696,984
110.	Subordinated liabilities	5,003,172,161	4,580,712,498
120.	Capital	3,932,435,119	3,931,250,954
130.	Additional paid-in capital	21,650,169	17,591,867
140.	Reserves	2,627,124,986	2,216,629,435
	a) legal reserve	792,561,422	792,561,422
	b) reserve for own shares	293,861,409	697,321,064
	c) statutory reserves	-	-
	d) other reserves	1,540,702,155	726,746,949
160.	Retained earnings	-	-
170.	Net income for the year	1,183,725,756	1,198,612,089
Total liabilities and Shareholders' equity		100,919,394,696	100,232,958,512
GUARANTEES AND COMMITMENTS		31/12/01	31/12/00
10.	Guarantees given:	24,720,013,291	21,219,009,169
	<i>of which:</i>		
	- acceptances	113,488,197	153,174,321
	- other guarantees	24,606,525,094	21,065,834,848
20.	Commitments	12,315,412,246	13,005,317,113
	<i>of which:</i>		
	- for sales with obligation to repurchase	-	-

Parent Bank statement of income

(in Euro)

	2001	2000
10. Interest income and similar revenues	4,658,406,673	5,232,693,996
<i>of which:</i>		
– loans to customers	3,678,244,499	4,076,343,587
– debt securities	341,642,894	375,658,729
20. Interest expense and similar charges	-3,078,886,204	-3,476,887,951
<i>of which:</i>		
– deposits from customers	-1,043,414,166	-889,154,886
– debt securities	-946,260,103	-1,313,473,240
30. Dividends and other revenues	2,752,727,185	746,306,729
a) from shares, quotas and other equities	361,475	384,184
b) from equity investments	82,838,978	108,596,278
c) on investments in Group companies	2,669,526,732	637,326,267
40. Commission income	1,349,051,713	1,643,579,509
50. Commission expense	-78,233,586	-93,614,072
60. Profits (losses) on financial transactions	72,045,877	85,600,439
70. Other operating income	160,831,159	172,212,773
80. Administrative costs	-2,004,002,151	-1,987,521,242
a) payroll	-1,294,679,085	-1,280,598,310
<i>of which:</i>		
– wages and salaries	-929,217,538	-917,545,159
– social security charges	-298,815,734	-295,522,325
– termination indemnities	-66,645,813	-67,530,826
– pensions and similar commitments	-	-
b) other	-709,323,066	-706,922,932
90. Adjustments to intangible and tangible fixed assets	-211,192,010	-179,580,858
100. Provisions for risks and charges	-30,223,770	-200,774,931
110. Other operating expenses	-8,106,706	-5,040,373
120. Adjustments to loans and provisions for guarantees and commitments	-449,077,566	-494,479,028
130. Writebacks of adjustments to loans and provisions for guarantees and commitments	192,160,127	354,528,717
140. Provisions to the reserve for possible loan losses	-	-
150. Adjustments to financial fixed assets	-1,666,577,938	-229,829,831
160. Writebacks of adjustments to financial fixed assets	1,054,490	236,408
170. Income from operating activities	1,659,977,293	1,567,430,285
180. Extraordinary income	492,696,260	374,247,806
190. Extraordinary expenses	-62,616,454	-32,042,652
200. Extraordinary net income	430,079,806	342,205,154
220. Income taxes	-906,331,343	-711,023,350
230. Net income for the period	1,183,725,756	1,198,612,089

Explanatory notes to the Parent Bank financial statements

Introduction – Background information

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Introduction - Background information

Form and content of the statutory financial statements

The Bank's statutory financial statements for 2001 have been prepared pursuant to Decree 87 of 27 January 1992, which implemented EEC Directive 86/635. They also take account of the requirements contained in the Bank of Italy regulations dated 30 July 1992, and subsequent amendments. For all matters not governed by special regulations, reference has been made to the Italian Civil Code and to Italian accounting standards.

The statutory financial statements comprise the balance sheet, the statement of income and these explanatory notes, together with the report of the Board of Directors on the results of operations.

The financial statements are consistent with the underlying accounting records, which reflect all of the transactions carried out during the year.

Pursuant to art. 16.3 of Legislative Decree 213/98, effective from 31 December 1999 the Bank has opted for the Euro as its reporting currency, for the preparation of all compulsory accounting documents for publication.

The financial statements for 2001 have therefore been prepared in Euro. More specifically, in line with the regulations issued by the Bank of Italy and by CONSOB, the accounting tables are presented in Euro, whereas the explanatory notes are expressed in millions of Euro.

The explanatory notes are presented with comparative figures as of December 31, 2000. These notes provide all the information required by law, including any additional data considered necessary to give a true and fair view of the financial and operating situation. The tables required by the Bank of Italy are numbered in accordance with Bank of Italy instructions or based on the date of the Instructions.

The following schedules are attached to the financial statements:

- Statement of changes in Shareholders' equity;
- Statement of cash flows;
- Pro forma statements of income for 2001 and 2000 on the assumption that the same accounting policy for booking dividends on an accrual basis had been applied in both years;
- List of properties owned by the Bank.

The financial statements will be lodged at the Bank's registered offices by the legal deadline, together with the latest approved financial statements of subsidiary companies. Any further financial statements used in the preparation of the financial statements for 2001 of subsidiaries prepared by the respective Boards of Directors for subsequent approval by the respective Shareholders' Meetings will also be lodged at the registered offices.

In compliance with CONSOB regulations (Art. 77 Resolution 11971/99), the consolidated financial statements, the auditors' report and the statement of key data of affiliated companies will also be lodged at the Bank's registered offices.

In the notes, Part B - Section 7 - Provisions contain the information on quoted banks required by CONSOB (Communication 1011405 of 15 February 2001).

Changes in accounting policies

The 2001 financial statements have been prepared on the basis of the same accounting policies and principles used for the 2000 financial statements, with the exception of the treatment of dividends from direct subsidiaries, which from 2001 are booked in the year that they accrue, rather than in the year that they are receivable. This treatment was approved by the Board of Directors at the meeting on 10 April 2001.

On application of this new treatment for the first time, the 2001 statement of income includes two amounts of dividends from direct subsidiaries: those referring to 2000 earnings, received in 2001 (reclassified to extraordinary income for € 433 million) and those that refer to the earnings generated in 2001, based on the distribution proposal authorised by the Board of Directors of the companies concerned at the time they approved their draft financial statements for 2001.

Pro-forma statements of income restating the situation as though the new treatment of dividends had been applied consistently over time have been prepared as attachments to the financial statements to permit analysis on a comparable basis.

Restatement of the reclassified financial statements

The reclassified financial statements of the Bank as of 31 December 2001 are compared with the equivalent figures as of 31 December 2000. For ease of comparison between the results for the two periods, the Bank has prepared reclassified pro forma statement of income for the year to 31 December 2000; it takes into consideration the transfer of the public works and infrastructure business to Banca OPI on 1 July 2000, as well as the financial impact on the consolidated financial statements of assuming that the acquisition of Banco di Napoli took effect from 1 January 2000.

Also in the interests of comparison, the reclassified statement of income for 2001 shows the economic impact of the steps taken to simplify Banco di Napoli's chain of control, a net of € 368 million, booked to extraordinary income. Of the total: € 1,800 million for dividends approved by BN Holding (booked by the Bank on an accruals basis and collectible in 2002), net of a capital loss of € 1,432 million on the investment in BN Holding, to bring the carrying value into line with the subsidiary's net equity after distribution of the dividend.

Audit of the statutory financial statements

The Bank's financial statements are audited by PricewaterhouseCoopers S.p.A., in accordance with the Shareholders' resolution dated 28 April 2000, which appointed them as auditors for the three-year period 2001-2003.

Half-year report

SANPAOLO IMI prepared and published a half-year report on operations during the first six months of 2001 as required and in the format prescribed by CONSOB.

This half-year report was subject to a limited audit by PricewaterhouseCoopers S.p.A. according to CONSOB Recommendations 97001574 of 20 February 1997 and 10867 of 31 July 1997 in compliance with the Shareholders' resolution of 28 April 2000.

Part A - Accounting policies

SECTION 1 - DESCRIPTION OF ACCOUNTING POLICIES

As already mentioned in the Introduction, the 2001 financial statements have been prepared on the basis of the same accounting policies used for the 2000 financial statements, with the exception of the treatment of dividends from direct subsidiaries, which from 2001 are booked in the year that they accrue, rather than in the year that they are receivable, which is generally the year in which the dividends are approved and paid.

In accordance with CONSOB instructions and the recommendations of Italian accounting standards, booking dividends on an accruals basis depends on the fact that the proposals for distribution of earnings to be submitted to their respective shareholders' meetings have already been approved by the Boards of Directors of the subsidiaries concerned.

As a result of applying this new policy, the dividends received from direct subsidiaries which refer to previous years have been booked as extraordinary income.

Loans, guarantees and commitments

Loans

Loans, comprising principal not yet due and principal and interest due but not yet collected, are stated at their estimated realizable value, taking account of the solvency of borrowers in difficulty and any debt-servicing problems faced by individual industrial sectors or the countries in which borrowers are resident. The assessment performed also takes into consideration any guarantees received, market prices and negative market trends involving the different categories of borrower. Estimated realizable value is determined following a detailed review of loans outstanding at year-end, considering the degree of risk associated with the various forms of lending and the risk of default inherent in loans that are currently performing normally. The estimated realizable value of non-performing, problem and restructured loans, loans being restructured and loans to companies under observation assessed on a case-by-case basis, takes into consideration not only the likelihood of eventual recovery, but also any total or partial failure to generate income and delayed repayments.

In particular:

- non-performing loans: being loans to borrowers in a state of insolvency or similar, are valued on a case-by-case basis;
- problem loans: being loans to borrowers in temporary difficulties likely to be resolved within a reasonable period of time, are valued on a case-by-case basis;
- restructured loans: being loans for which a syndicate of banks (or a single bank) reschedules the repayment of principal or re-negotiates the applicable terms at lower-than-market rates, are valued on a case-by-case basis;
- loans currently being restructured: being loans for which the borrower has applied for consolidation to a variety of banks within the past 12 months, are valued on a case-by-case basis;
- loans exposed to "country risk": being unsecured loans to borrowers resident in countries with debt-servicing difficulties, are normally adjusted on a general basis by individual country by applying writedown percentages not lower than those specified by the banking association. Certain positions, valued taking into account the level of lending risk hedging offered by underlying guarantees, are an exception to this. They do not include specific positions which are assessed on a case-by-case basis, using objective criteria, with reference to the category of risk concerned;

- performing loans: being loans to borrowers who, at this time, do not present specific insolvency risks, are valued on a general basis, except for the positions of certain companies under observation, which are assessed on a case-by-case basis. With reference to the trading activity on the secondary loan market carried out by the New York and London branches, performing loans purchased as part of this activity form part of a separate homogeneous portfolio, which is valued globally at the lower of cost and market. General adjustments to other performing loans are calculated on a historical/statistical basis, integrated by a portfolio model based on risk management methodologies used for monitoring and controlling lending risks.

The historical/statistical method, which provides a historical valuation of portfolio risk, goes through the following steps:

- at the year-end, the Bank estimates the performing loans which, based on the movements in the last four years, are likely to become doubtful loans during the next year;
- calculation of the potential losses likely to be incurred on the amount mentioned in point 1, assuming that the loss percentage is the same as the average loss on performing loans transferred to doubtful loans in the last four years.

This portfolio model, which provides the extent of the loss that the Bank may suffer in a year, is essentially based on the following elements:

- the rating attributed to each counterparty that has a credit line with the Bank, which reflects the risk of insolvency (or the transfer to doubtful loans) over the next twelve months;
- the "loss given default", which measures the average loss percentage in the case of insolvency.

The loss resulting from these two models constitutes the minimum general writedown to cover the inherent risk in performing loans. This is increased by applying a multiplying factor to a value considered adequate to take into account the various phases of the economic cycle.

As regards the method of calculating writedowns by means of discounting, note that they are equal to the difference between:

- estimated realizable value;
- the net present value of future financial flows (principal and interest).

The discounted present value of financial flows is determined by reference to expected cash receipts, the timing of such receipts and the applicable discounting rate.

The timing and extent of expected cash receipts are determined by input from the department responsible for loan evaluation; if no such input is available, estimates and general statistics deriving from historical data and studies of the business sectors concerned have been used.

With regard to the discounting rate at 31 December 2001, the Bank has used a reference rate of 5.6%. This rate is deemed to reflect the best approximation of the original average yield on the doubtful loan portfolio – considering the contractual rates currently applied by the Bank on medium-long term loans (fixed and floating rate) and on short-term ones (floating rate).

For the purpose of classifying loans as non-performing, problem, restructured or exposed to country-risk, the Bank has made reference to current Bank of Italy regulations on the subject. These have been supplemented by internal instructions which lay down rules for the automatic transfer of loans between the various risk categories. Doubtful loans are classified in the various risk categories (non-performing, problem, restructured and being restructured) by the operating structures, working together with the central functions responsible for credit control.

Following a review by the central functions responsible for the control and recovery of loans, the resulting estimated realizable values are formally approved by the committees and other levels within the organization empowered to take such decisions.

Default interest accrued during the period is eliminated from the statement of income since, for the sake of prudence, collection is considered unlikely.

Writedowns, both specific and general, are made by an adjustment to reduce the value of the asset recorded in the balance sheet on the basis discussed above. The original values may be reinstated by means of writebacks, should the reasons for any writedowns cease to apply.

The discounting process automatically means that there will be writebacks to discounted loans: in fact, the mere passage of time, with the consequent approach of the expected collection deadlines, implies an automatic reduction in the implicit financial charges previously deducted from the value of the loans.

Loans for which the Bank acquired protection against the risk of non-performance as part of derivative contracts ("buyer protection") continue to be booked in the financial statements among loans secured by personal guarantees.

Loans deriving from financing and deposit contracts

These are recorded at the amount disbursed. Loans backed by discounted notes, acquired within the scope of lending activities, are recorded in the financial statements at their nominal value, while the portion pertaining to future years is recorded among deferred income.

Reverse repurchase agreements on securities

Reverse repurchase agreements that require the holder to resell securities when the agreement matures are treated as lending transactions. The amounts disbursed in this way are therefore recorded as loans. Income from lending, comprising interest coupons on securities and the differential between the spot and forward prices for such securities, are recorded on an accruals basis as interest in the statement of income.

Loan of securities

Transactions involving the loan of securities guaranteed by funds freely available to the lender, are treated in the same way as repurchase agreements on securities. Securities loaned, not guaranteed by sums of money, are reported in the financial statements as a combination of two functionally-linked transactions: a loan to and a deposit from a third party (or vice versa). These transactions are essentially the same as repurchase agreements, which means that the securities loaned remain in the portfolio of the lender.

Guarantees and commitments

Guarantees given and commitments taken on by the Bank giving rise to lending risk are recorded at the total value of the exposure, while the related risk is assessed on the basis described in relation to loans. Expected losses in relation to guarantees and commitments are covered by the related provision. Commitments include exposures to debtors underlying loan derivatives in which the Bank has taken over the lending risk ("seller protection").

Securities and off-balance sheet transactions (other than foreign currency transactions)

Investment securities

Investment securities, due to be held long term by the Bank as stable investments, are valued at cost, determined according to the "average daily cost" method, as adjusted by accrued issue discounts and accrued dealing discounts (the latter being the difference between the purchase cost of the securities and the related redemption price, net of issue discounts yet to mature).

Such securities are written down to reflect any lasting deterioration in the solvency of the issuers and the ability of the related nations to repay debt. Investment securities can also be written down to take account of market trends (art. 18.1 of D.Lgs. 87/92). The original value of investment securities is reinstated when the reasons for any writedowns cease to apply.

Dealing securities

Securities held for dealing and treasury purposes are stated at their average daily cost as adjusted to reflect accrued issue discounts. Cost is determined as follows:

- securities quoted in organized markets: the official price quoted on the last trading day of the period;
- securities not quoted in organized markets: at the lower of cost or market value. The latter is calculated by actualizing future financial flows, using current market rates when valuing similar instruments by type and credit risk of the issuer. These estimates, where possible, are also compared with the prices of securities that have similar financial characteristics. The original value of investment securities is reinstated when the reasons for any writedowns cease to apply. Unquoted securities which are economically linked to derivative contracts are valued at market price, consistent with the accounting treatment of the contracts concerned.

Any transfers between the investment and dealing portfolios are made on the basis of the book value of the securities transferred at the time of the transaction; book value is determined using the method applicable to the originating portfolio. The related economic effects are booked to caption 60. "Profits/(losses) on financial transactions" in the case of dealing securities and to caption 150. "Adjustments to financial fixed assets" in the case of investment securities. Securities transferred and still held at year-end are valued using the method applicable to the destination portfolio.

Commitments to buy or sell for securities transactions to be settled

Commitments to buy are valued on the basis applicable to the destination portfolio. The value of commitments to sell, on the other hand, takes also into consideration the contractual forward sale price.

Equity investments

Equity investments are stated at cost, as revalued in the past at the time of transformation into a limited company or as a result of mergers, determined on a LIFO basis with annual increments. Cost is written down to reflect any permanent losses in value, taking into account, among others, any reductions in the equity of the companies concerned. The original value of equity investments is reinstated if the reasons for any writedowns cease to apply.

Equity investments can also be written down to take account of market trends pursuant to art. 18.1 of D.Lgs 87/92, or solely for fiscal purposes as allowed by art. 15.3 of D.Lgs 87/92.

Differences between the carrying value of "significant investments" and the corresponding proportion of their shareholders' equity as shown in the latest set of financial statements, if lower, represent normally goodwill and the higher market value of the assets owned by the companies concerned.

Dividends from direct subsidiaries are booked, inclusive of the related tax credit, on an accruals basis, providing the Boards of Directors of the subsidiaries concerned approve the proposals to distribute earnings to be submitted to their respective Shareholders' meetings prior to the approval of the draft financial statements by the Bank's Board of Directors.

Dividends from companies other than direct subsidiaries are booked together with the related tax credit when the tax credit becomes collectible, which is usually in the year that the dividends are approved and paid.

Stock option plans

The stock option plans approved by the Bank, which do not foresee the assignment of own shares, involve the assignment

of rights to subscribe to paid increases in capital. Given that neither Italian law nor the accounting principles generally accepted in Italy provide specific instructions on how to account for such plans, they are recorded at the time of the subscription, booking the increase in share capital along with any share premium.

Own shares

Own shares purchased by the Bank are valued at cost, determined according to the "average daily cost" method, as they are considered long-term investments. The main purpose for the Bank buying its own shares is to use them in strategic deals that require the availability of own shares (e.g. share exchanges as part of the acquisition of equity investments, cooperation agreements and other corporate finance deals).

In the event that own shares are used as part of incentive plans or stock option plans, they are classified specifically in separate portfolios valued at market price in the same way as dealing securities.

Foreign currency assets and liabilities (including off-balance sheet transactions other than derivatives)

With the introduction of the Euro, the term "foreign currency" refers to all currencies outside the EMU.

Assets and liabilities denominated in foreign currency

Assets and liabilities denominated in foreign currencies or indexed to foreign exchange movements, as well as financial fixed assets funded in foreign currencies, or indexed to foreign exchange movements, are valued using the spot exchange rates applying at period-end. Equity investments denominated in foreign currencies subject to local exchange-control restrictions (non-convertible currencies) funded in currencies different from the functional one and those which are neither entirely or partially hedged by deposits in the same currency are stated, only for the portion funded in currencies other than the functional one, at the historical rates of exchange applying at the time of acquisition.

Foreign currency costs and revenues are stated using the exchange rates applying at the time they arose .

Unsettled spot and forward currency transactions

Unsettled spot and forward currency transactions carried out for hedging purposes are valued in the same way as the assets and liabilities being hedged, whether they are recorded on or off the balance sheet.

Transactions not carried out for hedging purposes are valued:

- at period-end spot exchange rates, in the case of spot transactions still to be settled;
- at year-end forward exchange rates for the maturity dates concerned, in the case of forward transactions.

The effect of these valuations is debited or credited to the statement of income.

Tangible fixed assets

Tangible fixed assets are stated at purchase cost, including related charges and the cost of improvements. In certain cases, purchase cost may have been restated on transformation of the Bank at the time of mergers or as a result of applying monetary revaluation laws.

Operating assets are depreciated on a straight-line basis over their residual useful lives. Tangible fixed assets are written down in cases where there is a permanent loss in value, regardless of how much depreciation has already been accumulated. The value of such assets is reinstated in future accounting periods if the reasons for any writedowns no longer apply.

Ordinary maintenance and repairs, which do not lead to an increase in their usefulness and/or useful life, are expensed in the year they are incurred.

Intangible fixed assets

Intangible fixed assets are stated at purchase or production cost, including related charges, and amortized over the period they are expected to benefit, as described below:

- formation and capital increase expenses and other deferred charges are generally amortized on a straight-line basis over five years;
- costs incurred for the purchase of software or for its development using external resources are generally amortized on a straight-line basis over three years, taking account of the residual period such software is expected to benefit. Software development costs incurred prior to the year in which the project is finished are capitalized if the software in question is expected to be of use to the Bank and its usefulness is expected to extend over a number of years. In these circumstances, the costs are amortized over a maximum of 5 years. In the year in which the software is completed, the expenses incurred and not yet amortized are booked to intangible fixed assets and the cost is amortized over three years;
- the differences arising on the merger of Banca Provinciale Lombarda and Banco Lariano in 1993, net of the portion allocated to more closely reflect the value of the related assets, are amortized on a straight-line basis. Amortization is provided over a period of ten years. These amortization periods are justifiable in view of the durability of the goodwill accumulated by the merged banks, as assessed in expert appraisals prepared for the respective mergers.

Payables

Payables are stated at their nominal value. The difference between the face value of loans received, or securities placed, and the amount actually received, is recorded in the financial statements among deferrals and released to the statement of income on an accruals basis, in accordance with the repayment plan implicit in the funding transaction. Zero-coupon securities issued are stated at their issue price plus accrued interest. Consistent with the policies described above, funding repurchase agreements that require the holder to resell the securities acquired when the agreement matures are recorded among payables, as are related securities borrowing transactions.

Provision for employee termination indemnities

The provision for employee termination indemnities represents the liability to each employee at period-end, accrued in accordance with current legislation and payroll agreements.

Provisions for risks and charges

Provisions for risks and charges cover known or likely liabilities whose timing and extent cannot be determined at year-end or at the time the financial statements are prepared.

Pensions and similar commitments

This fund, which can be qualified as an "internal" pension fund, is made up of provisions for supplementary pensions due to retired employees of the former IMI S.p.A. with rights to such benefits. The contingent liability that arises is assessed at the end of the year on the basis of independent actuarial appraisals, in order to determine the provisions to technical reserves needed to cover future pensions.

Taxation

The provision for taxation covers income taxes (IRPEG) and the regional tax on business activities (IRAP), taking account of taxes applicable in the countries in which Bank's foreign branches operate. The provision also takes into consideration deferred taxation and current or potential fiscal disputes with the tax authorities.

Income taxes for the period are prudently determined on the basis of current fiscal legislation with reference to the expected taxable income for the full year.

Deferred taxation, determined according to the so called "balance sheet liability" method, reflects the tax effect of timing differences between the book value of assets and liabilities and their value for tax purposes, which will lead to taxable and deductible amounts in future years when there is reasonable probability that such differences will reversal. To this end, taxable timing differences are defined as those which will give rise to taxable income in future years (deferred capital gains, for example); while deductible timing differences are defined as those which will give rise to deductible amounts in future years (such as provisions and costs that can be deducted for tax purposes over a period of years, e.g. general loan write-downs in excess of the fiscally deductible amount).

Deferred tax liabilities are calculated by applying the average tax rate taking into account standard rates of tax and special tax benefits established by law to taxable timing differences likely to generate a tax burden. Deferred tax assets are calculated on deductible timing differences if these are likely to be recovered. Deferred tax assets and liabilities relating to the same kind of tax and reversing in the same period are offset against each other.

In years when deductible timing differences are higher than taxable timing differences, the resulting net deferred tax asset is booked to the balance sheet under caption 130 "Other assets" as the contra-entry to income taxes.

In years when taxable timing differences are higher than deductible timing differences, the resulting deferred tax liability is booked to the balance sheet under sub-caption 80.b "Taxation", again as a contra-entry to income taxes. The tax credits booked in connection with dividends recorded on an accruals basis are offset by the reserve for deferred taxation: this in application of Par. C.II of Italian Accounting Standard 25 "The accounting treatment of income taxes", in the same way that IAS 12 envisages offsetting deferred tax assets and liabilities that reverse in the same year. If a balance remains on the reserve for deferred taxation on dividends, it reflects the portion of the limited tax credits that are considered non-recoverable.

If the deferred tax (assets or liabilities) relates to transactions directly involving Shareholders' equity without affecting the statement of income, it is debited or credited to Shareholders' equity.

The deferred taxation on equity reserves that will become taxable "however used" is charged against Shareholders' equity. Deferred taxation relating to revaluations arising on conversion to the euro, credited to a specific reserve pursuant to art. 21 of Decree 213/98, is charged directly against this reserve.

No provision is made for equity reserves subject to deferred taxation only in the event of distribution. This is because such reserves are allocated to accounts not available for distribution and because the events which would give rise to such taxation are not expected to occur.

Other provisions

Provisions for guarantees and commitments cover losses in respect of guarantees given and, more generally, the contingencies associated with the Bank's guarantees and commitments.

Other provisions for risks and charges cover estimated losses arising from legal action and, in particular, from repayments claimed by the receivers of bankrupt customers; possible charges in connection with guarantees given on the sale of equity investments; possible charges in connection with the Bank's commitment to support the Interbank Deposit Guarantee Fund; possible charges in connection with the renegotiation of low-interest housing mortgage loans (Law 133/99 and provisions dictated by Budget Law 2001) and fixed-rate mortgage loans without special interest terms (Decree Law 394 of 29 December 2000, converted into Law 24 of 28 February 2001); charges in connection with other potential liabilities.

The provision for other personnel charges mainly comprises:

- provisions made on the basis of an independent actuarial report to an independent supplementary pension fund (Cassa di Previdenza del Personale) to cover unfunded pension liabilities, obligatory supplementary insurance provision fund with legal autonomy as well as provisions for contributions that may be due in relation to the personnel of a merged company;
- provisions made on an actuarial basis to set up the technical reserve needed to cover long-service bonuses payable when staff celebrate twenty-five and thirty-five years of employment with the Bank;
- provisions for discretionary bonuses to employees and other potential liabilities, including those for personnel leaving incentives.

Reserve for general banking risks

This reserve covers the general business risks of the Bank and, as such, forms part of Shareholders' equity in compliance with international supervisory standards and Bank of Italy instructions.

Accruals and deferrals

Accruals and deferrals are recognized in accordance with the matching principle.

Other aspects

Derivatives on currency, securities, interest rates, stockmarket indices and other assets

Derivative contracts are valued individually using the methods applicable to the portfolio concerned (hedging contracts and non-hedging contracts). The methods of accounting for and valuing derivative contracts are also applied to "embedded" derivatives, which represent components of hybrid financial instruments that include both derivative and "primary" contracts. To this end, "embedded" derivatives are separated from primary contracts and accounted for and valued according to the following methods.

The values determined by valuation are recorded separately in the balance sheet without off-setting assets and liabilities. Agreements between the parties for the compensation of reciprocal receivables and payables in the case of default by one of the counterparts ("master netting agreement") is not relevant for disclosure purposes, but is taken into consideration when assessing the counterparty's lending risk.

The values determined by the contract valuation process (hedging and non-hedging) are written down on a case-by-case and/or general basis, as appropriate, to reflect the lending risk (counterparty and/or country risk) inherent in the contracts.

Hedging derivative contracts

These are entered into with the aim of protecting the value of individual assets or liabilities, as well as any groups of assets or liabilities, on or off the balance sheet, from the risk of market fluctuations. In the case of off-balance sheet items, the hedging objective is achieved via the use of asset and liability management techniques. A transaction is considered to be a hedge in the presence of the following documented conditions:

- a) intent to enter into a hedge;
- b) high degree of correlation between the technical and financial characteristics of the assets and liabilities hedged and those inherent in the hedging contract.

If just one of the conditions above ceases to apply, then the contract is re-qualified as “non-hedging”.

Hedging derivatives are valued on a basis consistent with the assets and liabilities being hedged. The related procedures for presentation in the financial statements are summarized below:

Balance sheet: the period element of differentials or interest margins on contracts hedging the interest arising from interest-earning / bearing assets and liabilities is classified among “Accrued income” and/or “Accrued expenses”. The period element of differentials on forward rate agreements hedging the interest arising from interest-earning / bearing assets and liabilities is classified among “Prepaid expenses” and/or “Deferred income”. The market value of contracts hedging the risk of price fluctuations, and the effect of valuing contracts hedging the exchange risk on lending and funding activities (principal portion) using year-end spot exchange rates, are classified among “Other assets” and/or “Other liabilities”. Contracts hedging investment securities, or loans and deposits considered as a whole, are valued at cost.

Statement of income: where derivative contracts are intended to hedge the interest arising from interest-earning / bearing assets and liabilities, the related economic effect will form part of the interest margin on an accruals basis. In this case, the related differentials and margins are allocated either to interest income or to interest expense, depending on their nature. If, on the other hand, the derivative contract hedges the risk of market price or exchange fluctuations (principal portion), then the revenues or costs generated are treated as “Profits (losses) on financial transactions”. More specifically, differentials and margins earned on derivative contracts hedging dealing securities are treated as interest, if they relate to multiple-flow contracts (e.g. IRS) or to single-flow contracts where the duration of the underlying asset is less than one year (e.g. FRA); but as profits (losses) on financial transactions, if they relate to single-flow contracts where the duration of the underlying asset is more than one year (e.g. futures and options).

Non-hedging derivative contracts

These are valued as follows:

Derivative contracts on securities, interest rates, stockmarket indices or other assets: contracts quoted in organized markets are stated at their market value on the last day of the period. Contracts linked to reference indicators subject to official observation are stated on the basis of their financial value (replacement cost), determined with reference to the market quotations for those indicators on the last day of the year. Other contracts are valued with reference to other elements determined on an objective and consistent basis.

Foreign currency derivatives: these are stated using the forward exchange rates ruling at year-end for the maturity dates of the transactions subject to valuation.

The related procedures for presentation in the financial statements are summarized below:

Balance sheet: the amounts determined from the valuation of non-hedging contracts are classified as “Other assets” or “Other liabilities”.

Statement of income: the economic effects of non-hedging derivative contracts are classified as “Profits (losses) on financial transactions”. This caption is analyzed in a specific table within the explanatory notes with regard to the portfolios in which the transactions took place (securities, currency, other financial instruments) and to the nature of the income / costs arising (from valuations or elsewhere).

Internal deals

The Bank has adopted an organizational structure based on specialized trading desks that have exclusive authorization to deal in specific derivatives. The arrangement is inspired mainly by the goals of efficiency (lower transaction costs), improved management of market and counterparty risks, and the optimal allocation of specialized human resources. These desks manage portfolios consisting of various types of derivatives (and sometimes securities) and operate within defined limits on net risk.

These desks serve as counterparties to other desks (which are also autonomous from an accounting point of view) that are not authorized to deal in the market, by means of internal deals in derivatives at market prices.

With regard to the accounting treatment of internal deals and their effect on income, it should be noted that:

- internal deals involving derivatives held in specialized desk portfolios are stated at market value if their purpose is dealing/brokerage;
- internal deals involving derivatives held in nonspecialized desk portfolios are treated on a basis consistent with the assets or liabilities being hedged (for example, at market value if they hedge listed dealing securities and at cost if they hedge investment securities and/or deposits).

Settlement date

Currency and security transactions, interbank deposits and loans and the bills portfolio are recorded with reference to their settlement dates.

SECTION 2 - ADJUSTMENTS AND PROVISIONS RECORDED FOR FISCAL PURPOSES

Value adjustments recorded solely for fiscal purposes

With reference to the investment in Cassa di Risparmio di Firenze S.p.A., the last paragraph of art. 15 of D.Lgs. 87/92 has been applied, as it enables value adjustments to be made solely for fiscal purposes. Since the tax regulations allow quoted equity investments to be written down to the average market price for the last six months of the year, this treatment involved a writedown of € 21 million, reducing income taxes for the year by € 7.6 million.

Provisions recorded solely for fiscal purposes

No provisions have been recorded solely for fiscal purposes.

Part B - Balance sheet

SECTION 1 - LOANS

Due from banks (caption 30)

Amounts due from banks are analyzed below by type of counterparty and technical form:

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
Due from central banks			
– compulsory reserve	378	135	+180.0
– other	778	30	n.s.
Due from other banks			
– repurchase agreements and securities borrowed	2,233	2,393	-6.7
– current accounts	685	246	+178.5
– deposits	7,508	9,963	-24.6
– loans	876	1,091	-19.7
– subordinated loans	184	147	+25.2
– other	6	6	-
Total	12,648	14,011	-9.7

The compulsory reserve with the Bank of Italy identified above reflects the year-end position.

Detail of caption 30 "Due from banks" (table 1.1 B.I.)

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
a) deposits with central banks	1,156	165	n.s.
b) bills eligible for refinancing with central banks	-	-	-
c) repurchase agreements	2,233	2,393	-6.7
d) securities loaned	-	-	-

Loans to customers (caption 40)

Loans to customers are analyzed below, by technical form:

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
Mortgage loans	25,965	26,281	-1.2
Other forms of finance not flowing through current accounts – Italian branches	10,668	10,016	+6.5
Current accounts	7,873	9,229	-14.7
Other forms of finance not flowing through current accounts – foreign branches	7,448	7,986	-6.7
Import-export loans	1,848	1,910	-3.2
Advances with recourse	1,480	1,689	-12.4
Repurchase agreements and securities loaned	1,334	1,609	-17.1
Risk on portfolio	654	712	-8.1
Loans purchased by third parties	798	707	+12.9
Non-performing loans	576	630	-8.6
Personal loans	618	601	+2.8
Other loans to customers	310	390	-20.5
Total	59,572	61,760	-3.5

Detail of caption 40 "Loans to customers" (table 1.2 B.I.)

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
a) Bills eligible for refinancing with central banks	-	-	-
b) Repurchase agreements	1,334	1,609	-17.1
c) Securities loaned	-	-	-

The detail of “secured loans to customers” excluding those granted directly to State or public entities for € 719 million (€ 1,062 million at 31 December 2000), is the following:

Secured loans to customers (table 1.3 B.I.)

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
a) Mortgages	16,764	16,844	-0.5
b) Pledged assets:			
1. cash deposits	18	103	-82.5
2. securities (*)	2,845	2,999	-5.1
3. other instruments	366	110	n.s.
c) Guarantees given by:			
1. Governments	1,636	1,703	-3.9
2. other public entities	11	124	-91.1
3. banks	1,108	1,350	-17.9
4. other operators	7,173	8,031	-10.7
Total	29,921	31,264	-4.3

(*) These include € 1,334 million at 31/12/01 and € 1,609 million at 31/12/00 of repurchasing agreements and similar operations guaranteed by securities.

Loans to customers guaranteed by banks and other operators include € 151 million of positions for which the Bank bought buyer protection against the risk of non-performance, by means of derivative contracts.

Secured loans to customers and those granted directly to Governments or other public entities represent 51% of total loans to customers (52% as of 31 December 2000).

Degree of risk in loan portfolio

The principal and interest elements of loans are stated at their estimated realizable value by applying the policies described in detail in Part A, Section 1 of these notes. The related writedowns are effected via direct reduction of the balance sheet asset value of the loans concerned.

The estimated realizable value of problem loans takes into account not only the likelihood of recovery, but also their total or partial lack of income generation and late repayment. Total adjustments as of 31 December 2001 for actualization total € 105 million.

Analysis of loans to customers

(Bank of Italy instructions dated 17.12.98)

	31/12/01 (€/mil)			31/12/00 (€/mil)		
	Gross value	Total adjustments	Net book value	Gross value	Total adjustments	Net book value
A. Doubtful loans	2,817	1,511	1,306	3,430	1,986	1,444
A.1 Non-performing loans	1,811	1,235	576	2,201	1,571	630
A.2 Problem loans	785	209	576	988	355	633
A.3 Loans currently being restructured	66	21	45	16	5	11
A.4 Restructured loans	117	34	83	111	29	82
A.5 Unsecured loans exposed to country risk	38	12	26	114	26	88
B. Performing loans	58,758	492	58,266	60,656	340	60,316
Total loans to customers	61,575	2,003	59,572	64,086	2,326	61,760

Non-performing loans include unsecured loans to residents of nations exposed to country risk, held in portfolio by the Bank, for a gross exposure of € 1 million, written down in full.

The percentage of coverage on non-performing loans, gross of write-offs, is 76.7%. It was 82.9% at 31/12/2000 following the disposal during the year of short-term loans with high coverage by loan loss provisions. The same index applies to problem loans and is 26.7%. As regards the various types of loan, the highest level of coverage is for ordinary loans, while the percentages on construction loans are lower given the existence of mortgage guarantees on these positions.

Analysis of loans to banks

(Bank of Italy instructions dated 17.12.98)

	31/12/01 (€/mil)			31/12/00 (€/mil)		
	Gross value	Total adjustments	Net book value	Gross value	Total adjustments	Net book value
A. Doubtful loans	81	25	56	69	15	54
A.1 Non-performing loans	7	7	-	11	10	1
A.2 Problem loans	-	-	-	-	-	-
A.3 Loans currently being restructured	-	-	-	-	-	-
A.4 Restructured loans	-	-	-	-	-	-
A.5 Unsecured loans exposed to country risk	74	18	56	58	5	53
B. Performing loans	12,592	-	12,592	13,957	-	13,957
Total loans to banks	12,673	25	12,648	14,026	15	14,011

Non-performing loans are essentially unsecured loans to residents in nations subject to country risk.

(Non-performing loans (table 1.4.B.1.))

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
Non-performing loans (net amount, including default interest)	576	631	-8.7

Movements during the year in gross doubtful loans to customer

(Bank of Italy instructions dated 17.12.98) €/mil

Description/Categories	Non-performing loans	Problem loans	Loans being restructured	Restructured loans	Unsecured loans exposed to country risk
A. Gross value as of 1/1/01	2,201	988	16	111	114
<i>A.1 including: for default interest</i>	554	33	3	-	-
B. Increases	537	665	68	18	2
B.1 inflows from performing loans	71	521	56	-	-
B.2 default interest	78	6	-	-	-
B.3 Transfer from other categories of doubtful loans	343	31	8	10	-
B.4 other increases	45	107	4	8	2
C. Decreases	927	868	18	12	78
C.1 outflows to performing loans	9	110	-	-	-
C.2 write-offs	618	46	1	1	-
C.3 collections	157	350	17	10	78
C.4 disposals	112	2	-	-	-
C.5 Transfers to other categories of doubtful loans	31	360	-	1	-
C.6 other decreases	-	-	-	-	-
D. Gross value as of 31/12/01	1,811	785	66	117	38
<i>D.1 including: for default interest</i>	376	25	-	-	-

The decrease in non-performing loans is mainly due to the assignment without recourse during the year of 18,577 short-term loans. These loans, recorded for a gross value of € 640 million and a net value of € 111 million, have been factored for € 113 million.

Movements during the year in gross doubtful amounts due from banks

(Bank of Italy instructions dated 17.12.98) €/mil

Description/Categories	Non-performing loans	Problem loans	Loans being restructured	Restructured loans	Unsecured loans exposed to country risk
A. Gross value as of 1/1/01	11	-	-	-	58
<i>A.1 including: for default interest</i>	-	-	-	-	-
B. Increases	-	-	-	-	21
B.1 inflows from performing loans	-	-	-	-	-
B.2 default interest	-	-	-	-	-
B.3 Transfer from other categories of doubtful loans	-	-	-	-	-
B.4 other increases	-	-	-	-	21
C. Decreases	4	-	-	-	5
C.1 outflows to performing loans	-	-	-	-	-
C.2 write-offs	4	-	-	-	-
C.3 collections	-	-	-	-	5
C.4 disposals	-	-	-	-	-
C.5 Transfers to other categories of doubtful loans	-	-	-	-	-
C.6 other decreases	-	-	-	-	-
D. Gross value as of 31/12/01	7	-	-	-	74
<i>D.1 including: for default interest</i>	-	-	-	-	-

Changes in adjustments made to loans to customers

(Bank of Italy instructions dated 17.12.98)

Description/Categories	Non-performing loans	Problem loans	Loans being restructured	Restructured loans	Unsecured loans exposed to country risk	Performing loans
A. Total adjustments as of 1/1/01	1,571	355	5	29	26	340
<i>A.1 including: for default interest</i>	<i>554</i>	<i>33</i>	<i>3</i>	<i>-</i>	<i>-</i>	<i>4</i>
B. Increases	368	163	21	12	-	188
B.1 adjustments	171	138	19	2	-	185
<i>B.1.1 including: for default interest</i>	<i>78</i>	<i>6</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>2</i>
B.2 use of reserves for possible loan losses	-	-	-	-	-	-
B.3 Transfer from other categories of doubtful loans	196	24	2	6	-	-
B.4 other increases	1	1	-	4	-	3
C. Decreases	704	309	5	7	14	36
C.1 writebacks from valuations	29	25	-	4	14	8
<i>C1.1 including: for default interest</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
C.2 writebacks of collections	39	35	4	2	-	2
<i>C2.1 including: for default interest</i>	<i>10</i>	<i>7</i>	<i>2</i>	<i>-</i>	<i>-</i>	<i>2</i>
C.3 write-offs	618	46	1	1	-	19
C.4 Transfers to other categories of doubtful loans	18	203	-	-	-	7
C.5 other decreases	-	-	-	-	-	-
D. Total adjustments as of 31/12/01	1,235	209	21	34	12	492
<i>D.1 including: for default interest</i>	<i>376</i>	<i>25</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>3</i>

As already discussed, total adjustments include € 105 million relating to the adoption of a policy of discounting doubtful loans. Writedowns for discounting purposes total € 77 million on non-performing loans, € 21 million on problem loans, € 6 million on restructured loans and € 1 million on loans being restructured.

Performing loans include balances of € 233 million, specifically under observation, covered by writedowns totalling € 20 million.

The intrinsic risk associated with other performing loans is covered by a general writedown of € 469 million.

The default interest accrued on performing loans and written down 100% amounts to € 3 million.

Changes in adjustments to loans granted to banks

(Bank of Italy instructions dated 17.12.98)

Description/Categories	Non-performing loans	Problem loans	Loans being restructured	Restructured loans	Unsecured loans exposed to country risk	Performing loans	€/mil
A. Total adjustments as of 1/1/01	10	-	-	-	5	-	
<i>A.1 including: for default interest</i>	-	-	-	-	-	-	
B. Increases	1	-	-	-	13	-	
B.1 adjustments	-	-	-	-	13	-	
<i>B.1.1 including: for default interest</i>	-	-	-	-	-	-	
B.2 use of reserves for possible loan losses	-	-	-	-	-	-	
B.3 Transfer from other categories of doubtful loans	-	-	-	-	-	-	
B.4 other increases	1	-	-	-	-	-	
C. Decreases	4	-	-	-	-	-	
C.1 writebacks from valuations	-	-	-	-	-	-	
<i>C.1.1 including: for default interest</i>	-	-	-	-	-	-	
C.2 writebacks of collections	-	-	-	-	-	-	
<i>C.2.1 including: for default interest</i>	-	-	-	-	-	-	
C.3 write-offs	4	-	-	-	-	-	
C.4 Transfers to other categories of doubtful loans	-	-	-	-	-	-	
C.5 other decreases	-	-	-	-	-	-	
D. Total adjustments as of 31/12/01	7	-	-	-	18	-	
<i>D.1 including: for default interest</i>	-	-	-	-	-	-	

Loans to customers and banks resident in nations exposed to country risk

Country	€/mil		
	Total	Gross value	
		of which: unsecured	
		book value	weighted value
Brazil	100	66	63
Venezuela	19	15	15
Egypt	13	11	11
Morocco	18	7	7
Argentina	53	5	5
Cameroon	2	2	2
Algeria	4	2	2
Yugoslavia	1	1	1
Russia	349	1	1
Indonesia	1	1	1
Philippines	20	1	1
Iran	59	-	-
Cayman Islands	34	-	-
Bermuda	30	-	-
Other countries	38	-	-
Total gross exposure	741	112	109
Total adjustments		30	
Net exposure as of 31/12/01		82	

For the purposes of these notes, the countries considered are those listed by the Italian Banking Association, for which, in the absence of specific guarantees, general adjustments have to be made. Adjustments have been made as normal by applying the weighting criteria and the writedown percentages agreed industry-wide by the Italian Bankers' Association, as mentioned above. Such writedowns are to cover all of the losses that might arise from those events that are typical to "country risk".

Secured loans amount to € 629 million, of which € 374 million are insured by SACE or equivalent entities and by sureties from banking operators in the OECD area. The remaining € 255 million refers to loans granted to a prime customer resident in Russia that are guaranteed by receivables deriving from supply contracts with leading West European companies. This collateral is deemed adequate to cover the lending risk. In compliance with Bank of Italy regulations, these loans are included in the calculation of country risk, which is deducted from the Bank's capital for supervisory purposes.

Other information relating to loans

Information regarding the distribution of loans, by category of borrower, industry, geographical area, currency and maturity, is provided in Part B, Section 11 of these notes.

SECTION 2 - SECURITIES

Securities owned by the Bank are analyzed as follows:

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
Treasury bills and similar bills eligible for refinancing with central banks (caption 20)	2,493	789	n.s.
Bonds and other debt securities (caption 50)	6,739	5,286	+27.5
Shares, quotas and other equities (caption 60)	1	11	-90.9
Total	9,233	6,086	+51.7
<i>of which:</i>			
– investment securities	725	629	+15.3
– dealing securities	8,508	5,457	+55.9

“Treasury bills and similar bills eligible for refinancing” represent securities which may be used for refinancing purposes; at the balance sheet date, securities had not been used for this purpose.

Investment securities

Investment securities, totalling € 725 million, are held for the long term as a stable investment and, as such, are generally held through to redemption. The allocation to the investment portfolio is made on the basis of criteria defined in a specific framework resolution approved by the Board of Directors in the following circumstances:

- when there are related forms of funding;
- when there are specific control regulations;
- the securities are not readily marketable.

Investment securities (table 2.1 B.I.)

	31/12/01 (€/mil)		31/12/00 (€/mil)	
	Book value	Market value	Book value	Market value
1. Debt securities				
1.1 Government securities				
– quoted	339	348	414	428
– unquoted	-	-	-	-
1.2 other securities				
– quoted	121	124	47	49
– unquoted	265	268	168	167
2. Equities				
– quoted	-	-	-	-
– unquoted	-	-	-	-
Total	725	740	629	644

A comparison between the market value and book value of the securities reveals a net unrealized, unrecorded gain of € 9 million on securities not hedged by derivative contracts and € 6 million on securities hedged by interest rate swaps. The valuation of these derivatives reveals an unrealized loss of € 5 million.

A comparison between the market value and book value reveals losses of € 11 million (issue and dealing discounts) which will be recorded in the statement of income on an accrual basis.

<i>Changes in investment securities during the year (table 2.2 B.1.)</i>		<i>€/mil</i>
A. Opening balance		629
B. Increases		
B1. purchases		208
B2. writebacks		1
B3. transfers from dealing portfolio		-
B4. other changes		18
C. Decreases		
C1. sales		-
C2. redemptions		120
C3. adjustments		2
<i>of which:</i>		
<i>permanent writedowns</i>		-
C4. transfers to dealing portfolio		-
C5. other changes		9
D. Closing balance		725

No transfers were made from the investment portfolio to the dealing portfolio during the year, or vice versa.

The "writebacks" in subcaption B2., of € 1 million, refer to the revaluation of debt securities previously written down to market pursuant to art. 18 of D.Lgs. 87/92.

Subcaptions B4. "Increases - other changes" and C5. "Decreases - other changes" reflect exchange differences on securities denominated in foreign currency got € 11 million, less accrued issue and dealing discounts € 2 million.

The "adjustments" in subcaption C3., of € 2 million, refer to the writedown of debt securities to market pursuant to art. 18 of D.Lgs. 87/92.

It is worth remembering that by board resolution the maximum size of the investment securities portfolio is the lower of:

- 25% of the total securities owned;
- the Bank's regulatory capital.

Dealing securities

These securities, held for treasury and dealing purposes, amount to € 8,508 million, and comprise:

- € 2,848 million linked to derivative contracts;
- € 5,660 million not linked to derivative contracts.

Dealing securities (table 2.3 B.I.)

	31/12/01 (€/mil)		31/12/00 (€/mil)	
	Book value	Market value	Book value	Market value
1. Debt securities				
1.1 Government securities				
– quoted	3,885	3,885	2,378	2,378
– unquoted	-	-	227	227
1.2 other securities				
– quoted	690	690	580	580
– unquoted	3,932	3,933	2,261	2,263
2. Equities				
– quoted	1	1	11	11
– unquoted	-	-	-	-
Total	8,508	8,509	5,457	5,459

Unquoted dealing securities not linked to derivative contracts, valued at the lower of cost and market, have led to writedowns amounting to € 4 million.

Changes in dealing securities during the year (table 2.4 B.1.)

€/mil

A. Opening balance	5,457
B. Increases	
B1. purchases	
– debt securities	
– government securities	18,394
– other securities	11,836
– equities	239
B2. writebacks and revaluations	12
B3. transfers from investment portfolio	-
B4. other changes	259
C. Decreases	
C1. sales and redemptions	
– debt securities	
– government securities	17,196
– other securities	10,189
– equities	245
C2. adjustments	15
C3. transfers to investment portfolio	-
C5. other changes	44
D. Closing balance	8,508

Subcaption B4. "Increases - other changes" is detailed as follows:

B4. "Increases - other changes"	€/mil
Exchange differences	88
Capitalization of accrued interest on treasury bills (BOT) and zero coupon bonds (BTZ)	58
Gains on disposal	54
Accrued issue discounts	4
Other	55
Total other changes	259

Subcaption C5. C3 "Decreases - other changes" is detailed as follows:

C5. "Decreases - other changes"	€/mil
Exchange differences	14
Losses on disposals	12
Other	18
Total other changes	44

Other information relating to securities

The composition of the securities portfolio is analyzed by geographical area, currency and liquidity in Part B, Section 11 of these notes.

SECTION 3 - EQUITY INVESTMENTS

Equity investments, reported in asset captions 70 and 80 are detailed below:

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
Equity investments (caption 70)	2,103	1,214	+73.2
Investments in Group companies (caption 80)	6,584	6,335	+3.9
Total	8,687	7,549	+15.1
<i>of which:</i>			
– significant investments	7,053	6,648	+6.1
– other holdings	1,634	901	+81.3

Significant investments

Significant investments held by the Bank, being those in subsidiary companies or in companies subject to significant influence, as defined in articles 4 and 19 of Decree 87/92, are indicated in the table below:

<i>Significant investments (table 3.1 B.I.)</i>							<i>€/mil</i>
Name of company	Registered offices	Activity	Shareholders' equity (a)	Net income (loss)	Percentage ownership	Book value	
A. Subsidiary companies							
Banca Fideuram S.p.A.	Milan	banking	733	239	61.29	23	
Banca IMI S.p.A.	Milan	banking	347	-5	100.00	304	
Banca OPI S.p.A.	Rome	banking	349	32	100.00	239	
Banca Sanpaolo Invest S.p.A.	Rome	banking	93	15	100.00	61	
Banco di Napoli S.p.A. (b)	Naples	banking	1,353	3	93.63	2,738	
Banque Sanpaolo S.A.	Paris	banking	386	37	100.00	386	
BNH S.p.A.	Turin	finance	302	1,156	100.00	302	
Consorzio Studi e Ricerche Fiscali	Rome	tax consultancy	-	-	50.00	-	
Invesp S.p.A.	Turin	finance	231	211	100.00	153	
NHS - Nuova Holding Sanpaolo Imi S.p.A.	Turin	finance	758	63	51.00	374	
Prospettive 2001 S.p.A.	Turin	non-finance	14	-	100.00	13	
Rsp S.r.l.	Turin	non-finance	-	-	100.00	-	
Sanpaolo Imi Bank (International) S.A.	Madeira	banking	176	7	69.01	95	
Sanpaolo Imi Bank Ireland Plc	Dublin	banking	469	20	100.00	459	
Sanpaolo Imi Capital Company I L.L.C. (b)	Wilmington	finance	1,047	-	4.31	45	
Sanpaolo Imi International S.A.	Luxembourg	finance	1,043	7	100.00	987	
Sanpaolo Imi Us Financial Co.	Wilmington	finance	-	-	100.00	-	
Sanpaolo Imi Wealth Management S.p.A.	Milan	finance	533	320	100.00	338	
Sanpaolo Leasint S.p.A.	Milan	leasing	52	8	100.00	54	
Sanpaolo Riscossioni Genova S.p.A.	Genoa	tax collection	7	-	100.00	6	
Sanpaolo Riscossioni Prato S.p.A. (c)	Prato	tax collection	4	-	36.24	1	
Sep - Servizi e Progetti S.p.A.	Turin	operating	2	-	100.00	2	
Gedit S.A. - in liquidation	Luxembourg	holding company	-	-	90.00	-	
Imifin S.p.A. - in liquidation	Rome	finance	-	-	100.00	-	
Sanpaolo Us Holding Co. - in liquidation (d)	Wilmington	finance	3	-	100.00	4	
Total						6,584	
B. Joint ventures							
Centradia Group Ltd	London	finance	44	-	29.03	11	
Finconsumo Banca S.p.A.	Turin	finance	51	8	50.00	17	
Total						28	

(a) Excluding share of net income and reserves due for distribution

(b) The percentage ownership refers to the total capital. The percentage ownership on ordinary capital amounts to 100%.

(c) The percentage ownership in Sanpaolo Riscossioni Prato has decreased as a result of the increase in capital reserved for Sanpaolo Riscossioni Genova; the company is therefore wholly owned if both direct and indirect interests are taken into consideration.

(d) Financial statements as of 31/12/00.

Significant investments (table 3.1 B.I.)

						<i>€/mil</i>
Name of company	Registered offices	Activity	Shareholders' equity (a)	Net income (loss)	Percentage ownership	Book value
C. Companies subject to significant influence						
Cassa dei Risparmi di Forlì S.p.A. (b)	Forlì	banking	190	18	21.02	169
Cassa di Risparmio di Firenze S.p.A.	Florence	banking	809	85	18.73	222
Cbe Service S.p.r.l.	Bruxelles	non-finance	-	-	26.70	-
CR Firenze Gestion Internationale S.A. (b)	Luxembourg	finance	-	-	20.00	-
Esatri S.p.A.	Milan	tax collection	44	17	31.50	4
HDI Assicurazioni S.p.A. (b)	Rome	insurance	137	-19	28.32	38
Inter-Europa Bank Rt (b)	Budapest	banking	37	3	32.51	8
Consorzio Bancario Sir S.p.A. - in liquidation (b)	Rome	finance	1	-	32.49	-
Finexpance S.p.A. - in liquidation (b)	Chiavari	non-finance	-8	-	30.00	-
Galileo Holding S.p.A. - in liquidation (b)	Venice	holding company	-25	-6	31.52	-
Total						441

(a) Excluding share of net income and reserves due for distribution

(b) Financial statements as of 31/12/00.

As described in Part A, Section 1 of these notes, the difference between the book value of significant investments and the value of the Bank's share of their latest reported shareholders' equity, if lower, can generally be justified as goodwill and the higher market value of their tangible fixed assets. In particular:

- the difference of € 1,471 million, relating to Banco di Napoli S.p.A., acquired after a series of take-over bids, reflects the goodwill inherent in the difference between the bid price set on each occasion and the portion of the company's net equity held;
- the differences of € 129 million for Cassa dei Risparmi di Forlì, € 70 million for Cassa di Risparmio di Firenze and € 2 million for Sanpaolo Leasint, reflect purchased goodwill representing the income-earning potential of these companies;
- as regards the investment in Galileo Holding, acquired as part of the restructuring of that group, the company's equity deficit should be offset on completion of the debt restructuring, which entails the shareholder banks waiving their receivables.

Other equity investments

The remaining major equity investments of the Bank, are:

Name and location of registered offices	Activity	Percentage ownership	Book value	€/mil
Cardine Banca S.p.A.	banking	10.81	516	
SCH S.A.	banking	1.15	458	
CDC Finance IXIS	banking	3.88	323	
Banca Agricola Mantovana S.p.A. (a)	banking	8.49	206	
Banca d'Italia	banking	2.00	55	
Banka Koper d.d.	banking	15.00	37	
Other			39	
Total			1,634	

(a) Financial investment made in 1999 as part of the placement of 19% of the company's share capital by the SANPAOLO IMI Group.

Composition of investment portfolio

Analysis of caption 80 "Investments in Group companies" (table 3.5 B.I.)

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
a) Investment in banks			
1. quoted	23	1,252	-98.2
2. unquoted	4,282	1,598	+168.0
b) Investment in financial institutions			
1. quoted	-	-	-
2. unquoted	2,264	3,269	-30.7
c) other			
1. quoted	-	-	-
2. unquoted	15	216	-93.1
Total	6,584	6,335	+3.9

Analysis of caption 70 "Equity investments" (table 3.4 B.I.)

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
a) Investment in banks			
1. quoted	939	923	+1.7
2. unquoted	1,098	80	n.s.
b) Investment in financial institutions			
1. quoted	-	-	-
2. unquoted	23	29	-20.7
c) other			
1. quoted	1	138	-99.3
2. unquoted	42	44	-4.5
Total	2,103	1,214	+73.2

Changes during the year in the equity investment portfolio

<i>Investments in Group companies (table 3.6.1 B.I.)</i>	<i>€/mil</i>
A. Opening balance	6,335
B. Increases	
B1. purchases	2,268
B2. writebacks	-
B3. revaluations	-
B4. other changes	27
C. Decreases	
C1. sales	8
C2. adjustments	1,640
<i>of which:</i>	
- <i>permanent writedowns</i>	1,640
C3. other changes	398
D. Closing balance	6,584
E. Total revaluations	43
F. Total adjustments	1,882

The subcaption B.1 "Purchases" is made up of the following transactions:

- acquisition by BNH SpA of 1,045,379,528 ordinary shares of Banco di Napoli SpA for € 1,706 million;
- acquisition by means of a residual take-over bid of 35,754,765 ordinary shares of Banco di Napoli SpA for an outlay of € 55.4 million and the subsequent acquisition, by exercising the "squeeze out" right as per Art. 111 of Lgs. 58/98, of the residual outstanding ordinary shares of Banco di Napoli SpA (6,348,782) for € 9.8 million; as of 31 December 2001, the Bank holds 100% of the ordinary shares and 0.85% of the savings shares, the equivalent of 93.63% of the entire capital;
- acquisition from Invesp SpA of 100% of Sanpaolo IMI WM SpA at a price that reflected its net worth (€ 1.6 million); subsequent transfer to Sanpaolo IMI WM SpA of the following investments: Sanpaolo Fiduciaria, Sanpaolo Vita, Sanpaolo IMI Asset Management SGR, Sanpaolo Bank, Sanpaolo Gestion Internationale and Sanpaolo Services Luxembourg at a total book value of € 336.5 million. This led to the creation of a wealth management holding company that specializes in the provision of integrated products (funds, portfolio management, insurance policies, etc.).
- subscription of an increase in capital of Invesp SpA for € 150.6 million by transferring the following investments to it at book value: Banca Agrileasing, Beni Stabili, Finnat Investments, UBAE, Mediocredito Fondiario Centroitalia, Banca Mediocredito and Banca Fideuram (12.9% of the share capital).

Subcaption C.1 "Sales" refers to the sale of 100% of Sanpaolo Immobiliare SpA to Naviglio 11 Srl (a member of the Intek Group) for € 7.6 million, making a capital gain of € 4.6 million.

Subcaption C.2 "Adjustments" reflects above all:

- for € 1,432 million the writedown of the investment in BNH, in order to bring the carrying value into line with the company's net equity after the distribution of earnings approved by the shareholders' meeting;
- for € 206 million the writedown of the investment in Banco di Napoli in proportion to the reduction in the Banco's net equity after the investment was acquired. The amount of the adjustment reflects the maximum amount recognized for tax purposes.

Subcaptions B4. "Increases - other changes" and C3. "Decreases - other changes" are detailed below:

<i>B4. "Increases - other changes"</i>		<i>€/mil</i>
Translation effect		22
Gains on disposals		5
Total		27

<i>C3. "Decreases - other changes"</i>		<i>€/mil</i>
Transfer of investments to Invesp S.p.A. (a)		61
Transfer of investments to Sanpaolo IMI Wealth Management S.p.A. (b)		337
Total		398

(a) transfer to Invesp SpA of the 12.9% interest in Banca Fideuram at a book value of € 61.1 million.

(b) transfer to Sanpaolo IMI WM SpA of the following investments at book value: Sanpaolo Vita (€ 198.4 million), Sanpaolo IMI Asset Management SGR (€ 58.2 million), Sanpaolo Gestion Internationale (€ 2.7 million), Sanpaolo Bank (€ 75.7 million), Sanpaolo Services Luxembourg (€ 0.3 million) and Sanpaolo Fiduciaria (€ 1.2 million).

<i>Other equity investments (table 3.6.2 B.I.)</i>		<i>€/mil</i>
A. Opening balance		1,214
B. Increases		
B1. purchases		1,063
B2. writebacks		-
B3. revaluations		-
B4. other changes		62
C. Decreases		
C1. sales		60
C2. adjustments		24
<i>of which:</i>		
- permanent writedowns		3
C3. other changes		152
D. Closing balance		2,103
E. Total revaluations		104
F. Total adjustments		459

Subcaption C.2 "Adjustments" mainly reflects the writedown of € 21 million of the investment in Cassa di Risparmio di Firenze; this writedown was made exclusively for fiscal purposes, as explained in the Introduction, Part A Section 2, of these notes.

The subcaption B.1 "Purchases" is made up of the following transactions:

- acquisition from "Fondazione Cassa di Risparmio di Venezia" of 29,718,340 ordinary shares of Cardine Banca SpA representing 10.81% of the share capital, for a total of € 516.5 million; this price may be revised depending on the difference between the values of Cardine and SANPAOLO IMI shares in the 24 months after the closing date (12 January 2001), subject to a deductible of € 31 million. This price revision could lead to an increase in the book value of the investment;

- acquisition from Caisse des Depots et Consignations of 3.88% of CDC IXIS, the French group's investment bank, at a price of € 323 million; the CDC Group made a similar investment (through CDC Ixis Italia Holding, a subsidiary of CDC Ixis), purchasing 2% of SANPAOLO IMI on the market;
- acquisition from Fondazione Cassa dei Risparmi di Forlì of 2,775,000 ordinary shares of Cassa dei Risparmi di Forlì, representing 15% of the share capital, for an outlay of € 122 million; subsequent acquisition by means of a take-over bid of 483,600 ordinary shares and 630,750 ordinary shares with preferred yield of Cassa dei Risparmi di Forlì for a total of € 46.7 million. The Bank's holding amounts to 21.02%;
- acquisition from Luka Koper of 15% of the share capital of Banka Koper d.d. for SIT 8 billion (€ 37 million); the exchange risk on this investment was partially hedged by taking deposits of SIT 5.2 billion (approx. € 23 million);
- creation together with SCH, RBS-Natwest and SocGen of a joint venture called Centradia Group Ltd to offer treasury and capital market products via Internet to companies, SMEs, large corporate customers and institutional investors; this investment, which entailed an outlay of € 11.3 million, gave the Bank 29.03% of the share capital and joint control of the company, thanks to the agreements signed with the other shareholders.

Subcaption C1. "Sales" refers to the disposal to Invesp SpA of the investment in Olivetti SpA for € 60.3 million, almost the same as its book value.

Subcaption B4. "Increases - other changes" refers for € 61 million to the exchange of Tecnost shares with which Olivetti transferred the carrying value from the first to the second, while for € 1 million it refers to capital gains on disposal or transfer. Subcaption C3. C3 "Decreases - other changes" is as follows :

<i>C. "Decreases - other changes"</i>	<i>€/mil</i>
Transfer of investments to Invesp S.p.A. (a)	90
Tecnost/Olivetti share exchange	61
Capital loss on disposal or transfer	1
Total	152

(a) transfer to Invesp SpA of the following investments: Finnat (€ 0.1 million), Beni Stabili (€ 80.7 million), UBAE (€ 2.1 million), Mediocredito Fondiario Centroatalia (€ 0.9 million), Banca Mediocredito (€ 3.1 million) and Banca Agrileasing (€ 2.6 million).

Amounts due to and from Group companies and investments (non-Group companies)

The following table sets out the amounts due to and from companies belonging to the Group as of 12/31/00, as defined pursuant to article 4 of Decree 87/92, and the amounts due to and from investments subject to significant influence:

Group companies	€/mil				
	Assets (a)	Liabilities	Guarantees and commitments (b)	Income (c)	Expenses
Banca Fideuram S.p.A.	1	-	-	1	3
Banca IMI S.p.A.	276	66	351	40	55
Banca OPI S.p.A.	7,276	162	1,011	276	17
Banca Sanpaolo Invest S.p.A.	3	79	-	6	5
Banco di Napoli S.p.A.	505	16	-	33	3
Banque Sanpaolo S.A.	166	-	-	10	1
BNH S.p.A.	-	1,462	-	-	1
Consorzio Studi e Ricerche Fiscali	-	-	-	-	1
Fideuram Bank (Suisse) A.G.	-	-	10	-	-
Fideuram Bank S.A.	-	-	-	-	1
Imi Bank (Lux) S.A.	78	146	-	2	4
Imi Capital Markets USA Corp.	136	-	-	8	-
Imiweb Bank S.p.A.	-	1	7	-	-
Invesp S.p.A.	-	1	2	-	-
Ldv Holding B.V.	-	2	-	-	-
NHS - Nuova Holding Sanpaolo Imi S.p.A.	103	-	2	1	-
Prospettive 2001 S.p.A.	-	14	-	-	-
Rsp S.r.l.	1	1	-	-	-
Sanpaolo Bank (Austria) A.G.	-	1	-	-	-
Sanpaolo Bank S.A.	135	382	30	5	25
Sanpaolo Fiduciaria S.p.A.	-	2	-	-	-
Sanpaolo Gestion Internationale S.A.	-	-	-	99	-
Sanpaolo Imi Alternative Investments Sgr	-	1	-	-	-
Sanpaolo Imi Asset Management Sgr S.p.A.	-	91	1	481	3
Sanpaolo Imi Bank (International) S.A.	3	6,293	6,824	-	224
Sanpaolo Imi Bank Ireland P.l.c.	87	8	20	3	1
Sanpaolo Imi Capital Company I L.l.c.	-	1,000	-	-	79
Sanpaolo Imi Institutional Asset Management	-	4	-	1	-
Sanpaolo Imi International S.A.	-	-	127	-	-
Sanpaolo Imi Us Financial Co.	-	3,402	3,402	-	127
Sanpaolo Leasint GmbH	7	-	-	-	-
Sanpaolo Leasint S.p.A.	1,793	6	116	67	6
Sanpaolo Riscossioni Genova S.p.A.	142	3	-	2	1
Sanpaolo Riscossioni Prato S.p.A.	19	-	4	-	-
Sanpaolo Vita S.p.A.	152	67	1	22	3
Sep - Servizi e Progetti S.p.A.	-	1	-	1	7
Sanpaolo Imi Wealth Management S.p.A.	-	31	-	-	-
Total Group companies	10,883	13,242	11,908	1,058	567
Joint ventures					
Finconsumo Banca S.p.A.	85	11	30	5	-
Fc Factor S.p.A.	2	-	-	-	-
Total	10,970	13,253	11,938	1,063	567

(a) Excluding the book value of the investment

(b) Excluding commitments to subscribe to increases in capital

(c) Excluding dividends received

	€/mil				
Other significant investments	Assets (a)	Liabilities	Guarantees and commitments (b)	Income (c)	Expenses
HDI Assicurazioni S.p.A.	-	16	1	-	1
Cassa di Risparmio di Firenze S.p.A.	6	2	-	2	-
Esatri S.p.A.	260	-	168	3	-
Inter-Europa Bank Rt	20	105	10	2	1
Total	286	123	179	7	2

(a) Excluding the book value of the investment

(b) Excluding commitments to subscribe to increases in capital

(c) Excluding dividends received

Amounts due to and from Group companies (table 3.2 B.I.)

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
a) Assets			
1. due from banks	6,921	5,939	+16.5
<i>of which:</i>			
– subordinated	148	118	+25.4
2. due from financial institutions	2,200	1,996	+10.2
<i>of which:</i>			
– subordinated	-	-	-
3. due from other customers	153	108	+41.7
<i>of which:</i>			
– subordinated	-	-	-
4. bonds and other debt securities	1,609	200	n.s.
<i>of which:</i>			
– subordinated	44	85	-48.2
Total assets	10,883	8,243	+32.0
b) Liabilities			
1. due to banks	7,154	5,078	+40.9
2. due to financial institutions	5,005	2,657	+88.4
3. due to other customers	83	3	n.s.
4. securities issued	-	-	-
5. subordinated liabilities	1,000	1,000	-
Total liabilities	13,242	8,738	+51.5
c) Guarantees and commitments			
1. guarantees given	11,719	8,525	+37.5
2. commitments	189	31	n.s.
Total guarantees and commitments	11,908	8,556	+39.2

Amounts due to and from investments (non-Group companies) (table 3.3 B.I.)

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
a) Assets			
1. due from banks (*)	1,257	448	+180.6
<i>of which:</i>			
– subordinated	37	20	+85.0
2. due from financial institutions	642	660	-2.7
<i>of which:</i>			
– subordinated	-	17	n.s.
3. due from other customers	19	44	-56.8
<i>of which:</i>			
– subordinated	-	-	-
4. bonds and other debt securities	1	3	-66.7
<i>of which:</i>			
– subordinated	-	-	-
Total assets	1,919	1,155	+66.1
b) Liabilities			
1. due to banks	1,430	1,089	+31.3
2. due to financial institutions	67	85	-21.2
3. due to other customers	26	28	-7.1
4. securities issued	-	-	-
5. subordinated liabilities	-	-	-
Total liabilities	1,523	1,202	+26.7
c) Guarantees and commitments			
1. guarantees given	328	332	-1.2
2. commitments	-	25	n.s.
Total guarantees and commitments	328	357	-8.1

(*) Including the compulsory reserve deposited with the Bank of Italy

Assets and liabilities outstanding at year-end in relation to Group companies and investments in non-Group companies are indicated in Part C, Section 7 of these notes.

Other information relating to equity investments

The information required pursuant to article 10 of Law 72/83 is as follows:

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
Historical cost	8,540	7,400	+15.4
Law 72/83	43	43	-
Law 218/90	74	76	-2.6
Cancellation deficit on merger of Crediop S.p.A.	30	30	-
Total revaluations	147	149	-1.3
Gross book value	8,687	7,549	+15.1

SECTION 4 - TANGIBLE AND INTANGIBLE FIXED ASSETS

Tangible fixed assets (caption 100)

They comprise the following:

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
Property			
– operating	736	763	-3.5
– non-operating	30	33	-9.1
Furniture and installations			
– vehicles	-	-	-
– office furniture and machines	11	10	+10.0
– electronic machines	64	59	+8.5
– general and specific installations	18	16	+12.5
Total	859	881	-2.5

Changes in tangible fixed assets during the year (table 4.1 B.I.)

€/mil

A. Opening balance	881
B. Increases	
B1. purchases	84
B2. writebacks	-
B3. revaluations	-
B4. other changes	6
C. Decreases	
C1. sales	1
C2. adjustments	
a) depreciation	109
b) permanent writedowns	-
C3. other changes	2
D. Closing balance	859
E. Total revaluations	892
F. Total adjustments	
a) accumulated depreciation	1,189
b) permanent writedowns	1

Changes in tangible fixed assets during the year are detailed below:

	€/mil	
	Property	Furniture and installations
Opening balance	796	85
Increases		
– purchases	3	81
– other changes		
– incremental costs	6	-
– gains on disposals	-	-
– exchange differences	-	-
Decreases		
– sales	1	-
– adjustments		
– depreciation	38	71
– permanent writedowns	-	-
– other changes		
– losses on disposals	-	-
– exchange differences	-	2
Closing balance	766	93
Total revaluations	892	-
Total adjustments		
– accumulated depreciation	489	700
– permanent writedowns	1	-

The table attached shows the list of properties, with indication of dimensions and book values.

Intangible fixed assets (caption 90)

They comprise the following:

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
Merger differences (goodwill of merged companies)	27	54	-50.0
Goodwill	5	-	n.s.
Software in use	63	34	+85.3
Software not yet in use	63	73	-13.7
Other deferred charges	19	16	+18.8
Total	177	177	-

The differences arising on the mergers of Banca Provinciale Lombarda and Banco Lariano in 1993 are recorded in the financial statements since they represent goodwill relating to merged companies. Such differences are stated net of the amounts allocated to the related assets acquired.

The goodwill was paid at the time that Banco di Napoli's Hong Kong branch was taken over.

During the year, software investments increased significantly because of the new extraordinary initiatives aimed at strengthening the Bank's data processing system, modernizing branch and central offices hardware, developing new software applications, as well as continuing the development of distribution channels through the Internet.

Other deferred charges include leasehold improvements.

Changes in intangible fixed assets during the year (table 4.2 B.I.)

€/mil

A. Opening balance	177
B. Increases	
B1. purchases	102
B2. writebacks	-
B3. revaluations	-
B4. other changes	52
C. Decreases	
C1. sales	-
C2. adjustments	
a) amortization	102
b) permanent writedowns	-
C3. other changes	52
D. Closing balance	177
E. Total revaluations	-
F. Total adjustments	
a) accumulated depreciation	371
b) permanent writedowns	-

Changes in intangible fixed assets during the year are detailed below:

	€/mil				
	Merger differences (goodwill of merged companies)	Goodwill	Software in use	Software not yet in use	Other deferred charges
Opening balance	54	-	34	73	16
Increases					
– purchases	-	6	22	64	10
– other changes:					
– transfer of software developed in 2001	-	-	52	-	-
– exchange differences	-	-	-	-	-
Decreases					
– sales	-	-	-	-	-
– adjustments:					
– amortization	27	1	45	22	7
– permanent writedowns	-	-	-	-	-
– other changes					
– transfer of software developed in 2001	-	-	-	52	-
– exchange differences and other changes	-	-	-	-	-
Closing balance	27	5	63	63	19
Total revaluations	-	-	-	-	-
Total adjustments					
– accumulated depreciation	244	1	53	61	12
– permanent writedowns	-	-	-	-	-

The item "software in use" relates to the acquisition of new programs to update operating network procedures

The amounts booked as "software not yet in use" relate to programs being developed by third parties and still to be completed.

Costs for the year relating to the introduction of the Euro amount to € 13 million and have been booked €11 million to administrative costs and € 2 million to tangible fixed assets. Total costs incurred for the introduction of the Euro since 1998 amount to € 40 million, split as follows:

- € 30 million booked to administrative costs;
- € 10 million booked to software for € 3 million, net of amortization of € 7 million.

No advances have been paid for the purchase of intangible fixed assets.

Other information relating to tangible and intangible fixed assets

Property revaluations are as follows:

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
Historical cost	364	355	+2.5
Law 823/73 (a)	14	14	-
Law 576/75 (a)	17	17	-
Law 72/83 (a)	167	167	-
Others (a)	8	8	-
Law 218/90 (b)	443	444	-0.2
Law 408/90 (a)	120	120	-
Law 413/91 (a)	29	29	-
Merger of Banca Provinciale Lombarda and Banco Lariano	94	94	-
Total revaluations	892	893	-0.1
Gross book value	1,256	1,248	+0.6

(a) Revaluations carried out by the Bank and by the merged banks.

(b) Higher values attributed on transformation from a public credit institution into a limited company.

SECTION 5 - OTHER ASSETS

Other assets (caption 130)

Analysis of caption 130 "Other assets" (table 5.1 B.I.)

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
Unprocessed transactions and transactions by foreign branches:	1,884	3,965	-52.5
– unprocessed transactions - Italian branches (a)	1,421	3,237	-56.1
– amounts in transit between Italian branches (a)	443	674	-34.3
– transactions by foreign branches	20	54	-63.0
Accrued dividends receivable from subsidiaries	1,761	-	n.s.
Amounts related to derivative contracts and foreign exchange transactions	1,137	1,076	+5.7
– amounts related to currency hedges, cross-currency swaps and forex swaps	707	572	+23.6
– valuation of derivatives on interest rates and stockmarket indices	415	492	-15.7
– premiums paid on purchased options	15	12	+25.0
Due from tax authorities :	723	686	+5.4
– prepaid current year direct taxes	356	117	n.s.
– tax credits on dividends and withholding taxes withheld	161	157	+2.5
– tax credits relating to prior years	163	367	-55.6
– taxes paid in advance on termination indemnities - Law 662/96	43	45	-4.4
Net effect of translating funds from international agencies using current rates, with the exchange risk borne by third parties	46	66	-30.3
Checks and other instruments held	19	11	+72.7
Deferred tax assets	925	455	+103.3
Deposits with clearing-houses	173	-	n.s.
Other	755	579	+30.4
Total	7,423	6,838	+8.6

a) mostly settled at the beginning of 2000.

"Other" includes € 1.3 million at estimated realizable value of the receivable arising from the Rome Court of Appeal judgement of 11 September 2002 concerning the IMI-SIR dispute. Reference should be made to Section 6, Part C of these notes for further details on this matter.

Valuation of the assets in question did not give rise to any adjustments.

Accrued income and prepaid expenses (caption 140)*Analysis of caption 140 "Accrued income and prepaid expenses" (table 5.2 B.I.)*

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
Accrued income			
– income from derivative contracts (a)	632	911	-30.6
– interest from loans to customers	476	583	-18.4
– interest on securities	70	111	-36.9
– bank interest	48	109	-56.0
– other	21	8	+162.5
Prepaid expenses			
– charges on derivative contracts	44	15	+193.3
– commission on placement of securities and mortgage loans	122	18	n.s.
– discounts on bond issues	6	7	-14.3
– other	37	29	+27.6
Total	1,456	1,791	-18.7

(a) *Accrued income from derivative contracts is recognized on a contract-by-contract basis with reference to the interest rates applicable at the time.*

Other information*Distribution of subordinated assets (table 5.4 B.I.)*

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
a) Due from banks	185	147	+25.9
b) Loans to customers	-	17	n.s.
c) Bonds and other debt securities	54	91	-40.7
Total	239	255	-6.2

SECTION 6 - PAYABLES

Due to banks (caption 10)

Deposits taken from banks are analyzed as follows:

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
Due to central banks			
– repurchase agreements and securities borrowed	1,000	763	+31.1
– other deposits from the Italian Exchange Office	127	54	+135.2
– other deposits from central banks	1,147	1,081	+6.1
Due to banks			
– deposits	11,369	12,628	-10.0
– repurchase agreements and securities borrowed	166	332	-50.0
– medium and long-term loans from international bodies	2,618	3,356	-22.0
– current accounts	621	334	+85.9
– other	19	24	-20.8
– other loans	6,187	3,134	+97.4
Total	23,254	21,706	+7.1

Detail of "Due to banks" (table 6.1 B.I.)

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
a) Repurchase agreements	1,166	1,095	+6.5
b) Securities borrowed	-	-	-

The changes in the various forms of due to banks are the result of repositioning to Group companies certain types of funding previously carried out by third parties.

Long-term loans from international bodies include loans used by the Bank to finance investment projects in industrial sectors and public utility services.

Due to customers and securities issued (captions 20 and 30)

Funds obtained from customers, comprising deposits from customers and securities issued, are detailed below:

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
Due to customers			
– current accounts	24,366	23,133	+5.3
– repurchase agreements and securities borrowed	3,979	3,516	+13.2
– deposits	10,453	9,976	+4.8
– short-term payables relating to special management services carried out for the government	663	751	-11.7
– other	686	233	+194.4
Securities issued			
– bonds	11,706	12,414	-5.7
– certificates of deposit	3,645	3,679	-0.9
– bankers' drafts	413	489	-15.5
– other securities	11	15	-26.7
Total	55,922	54,206	+3.2

Detail of "Due to customers" (table 6.2 B.I.)

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
a) Repurchase agreements	3,979	3,516	+13.2
b) Securities borrowed	-	-	-

Securities issued comprise those due or ready for repayment totalling € 1 million.

There have been no issues of bonds convertible into shares of the Bank or other companies, or similar securities or bonus shares.

Public funds administered (caption 40)

Public funds administered are provided by the State and other public entities mainly to act as a source of subsidized loans to customers. These funds are analyzed below:

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
Funds provided by the State	17	20	-15.0
Funds provided by regional public agencies	5	5	-
Other funds	39	14	+178.6
Total	61	39	+56.4
<i>of which: funds with risk borne by the Government under Law 19 of 2/6/87</i>	12	13	-7.7

Other information relating to payables

Information regarding the distribution of deposits by geographical area, currency and degree of liquidity is given in Part B, Section 11 of these notes.

SECTION 7 - PROVISIONS

These provisions are analyzed below:

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
Provisions for termination indemnities (caption 70)	417	408	+2.2
Provisions for risks and charges (caption 80)			
– pensions and similar commitments (caption 80a)	43	43	-
– taxation (caption 80b)	696	948	-26.6
– other (caption 80c)			
– provisions for guarantees and commitments	43	36	+19.4
– provisions for other risks and charges	280	312	-10.3
– provisions for other personnel charges	170	123	+38.2
Total	1,649	1,870	-11.8

Provisions for termination indemnities (caption 70)

<i>Changes in the provisions for termination indemnities during the year</i>	<i>€/mil</i>
Opening balance	408
Increases	
– provisions	36
– transfers	-
Decreases	
– advances allowed under Law 297/82	7
– indemnities to employees leaving the Bank	19
– transfers	-
– other changes	1
Closing balance	417

Provisions for risks and charges (caption 80)

Pensions and similar commitments (caption 80.a)

<i>Changes in the provisions for pensions and similar commitments during the year</i>	<i>€/mil</i>
Opening balance	43
Increases	
– provisions	3
Decreases	
– utilizations	3
Closing balance	43

This provision was created to cover supplementary pension liabilities for former IMI S.p.A. personnel already in retirement. Utilizations during the year refer to the payment of supplementary pensions due for the year under review.

The adequacy of the technical reserves of the fund, which can be considered an "internal" pension fund, is calculated annually based on the valuations of an independent professional actuary. After the provision of € 3 million charged to the year, the technical reserves seem adequate to cover the estimated commitments.

Taxation (caption 80.b)

Changes in "Taxation" during the year

	Income taxes	Deferred taxation on the Reserve for General Banking Risks	Deferred taxes on the Reserve ex L. 169/83	Deferred taxes on the Reserve ex Decree 213/98	Deferred taxes on accrued dividends	Total
Opening balance	805	114	4	25	-	948
Increases						
– provisions for 2001 income taxes	328	-	-	-	-	328
– deferred taxation	-	-	-	-	21	21
– exchange differences	-	-	-	-	-	-
– other changes	-	-	-	-	-	-
Decreases						
– payment of income taxes	597	-	-	-	-	597
– exchange differences	-	-	-	-	-	-
– other changes	-	4	-	-	-	4
Closing balance	536	110	4	25	21	696

Current taxes cover income taxes due, including local taxes payable by foreign branches, as well as outstanding and potential fiscal disputes.

The deferred tax reserves refer to certain reserves which are in suspense for tax purposes and booked as the contra-entries to their corresponding asset entries; this with the exception of the reserve for deferred taxes on accrued dividends which refers to an estimate of the portion of limited tax credits on dividends (accounted for under the new accruals principle) considered unrecoverable in the year that the dividends will be collected.

Movements on deferred tax assets credited to the statement of income are as follows:

Deferred tax assets credited to the statement of income (Bank of Italy instructions dated 08.03.99)

	€/mil
1. Opening balance	455
2. Increases	
2.1 Deferred tax assets arising during the year	563
2.2 Other increases	-
3. Decreases	
3.1 Deferred tax assets reversing during the year	92
3.2 Other decreases	1
4. Closing balance	925

The Bank reports in the balance sheet deferred tax assets totalling approximately € 925 million; these taxes refer to timing differences between the book value and fiscal value of assets and liabilities accrued in 2001 and in prior years, which are reasonably certain to reverse in the future to the benefit of the Bank.

The table below reports the fiscal effects of deductible and taxable timing differences at the end of the year, broken down by type, excluding the tax effects of the dividends accrued according to the new accounting principle.

<i>Principal timing differences</i>	<i>€/mil</i>	
	IRPEG (corporate income taxes)	IRAP (regional income taxes)
A. Deductible timing differences		
Adjustments of receivables deductible in future years	208	24
Provision for future charges	141	-
Writedowns of equity investments	521	-
Other	34	-
B. Taxable timing differences		
Accrued capital gains	-3	-
Total	901	24

Deductible timing differences are offset against taxable timing differences if they involve the same type of tax and are going to reverse in the same year. According to our estimates, there will never be taxable timing differences in future years higher than the deductible timing differences.

Deferred tax liabilities have been booked against certain equity reserves that are in suspense for tax purposes, which have already been reported in the table of changes in "Taxation". The following table gives details of the movements in these liabilities:

<i>Deferred tax liabilities charged to shareholders' equity (Bank of Italy instructions dated 3.8.99)</i>	<i>€/mil</i>
1. Opening balance	143
2. Increases	
2.1 Deferred tax liabilities arising during the year	-
2.2 Other increases	-
3. Decreases	
3.1 Deferred tax liabilities reversing during the year	4
3.2 Other decreases	-
4. Closing balance	139

"Deferred tax liabilities reversing during the year" relate to the utilization of the reserve for deferred taxation relating to the reserve for general banking risks to cover losses recorded by the Bank during the year, which cannot be deducted for tax purposes.

<i>Deferred tax liabilities charged to Statement of income (Bank of Italy instructions dated 3.8.99)</i>	<i>€/mil</i>
1. Opening balance	-
2. Increases	
2.1 Deferred tax liabilities arising during the year	21
2.2 Other increases	-
3. Decreases	
3.1 Deferred tax liabilities reversing during the year	-
3.2 Other decreases	-
4. Closing balance	21

The deferred tax liabilities arising during the year relate to the excess of deferred taxes on dividends booked in accordance with the new accruals principle compared with the tax credits recognized on the dividends themselves. This difference is equal to the estimated portion of the limited tax credits on dividends from Italian companies that is considered unrecoverable, as well as the deferred taxes on foreign dividends;

Information as per CONSOB Communication 1011405 of 15 February 2001.

Tax benefits under Decree Law 153 of 17/5/99 (Ciampi Law)

Decree Law 153 of 17 May 1999 –known as the “Ciampi Law” - on the concentration of banks and banking groups, provides for tax at a reduced rate of 12.50% on income allocated to a special reserve up to a maximum amount of 1.2% of the difference between receivables and payables of all of the banks taking part in such operations and the equivalent figures of the largest bank involved in the concentration. The resulting figure then has to be spread over five years.

In December 2001, the European Commission informed the Italian Government of its decision C (2001) 3955, declaring the tax benefits under the Ciampi Law incompatible with Community principles. The Italian Government has appealed against this decision to the European Court of Justice (of first degree in Luxembourg), together with ABI (the Italian Bankers Association) and the banks concerned, which includes SANPAOLO IMI.

The tax benefit in question has been suspended from 2001, as instructed by the Council of Ministers on 11 April 2002. Deferred taxes have been calculated using the average tax rate without considering the tax relief mentioned above.

Provisions for risks and charges - Other provisions (caption 80.c)

Analysis of caption 80c "Provisions for risks and charges - Other provisions" (table 7.3 B.1.)

				€/mil
	Guarantees and commitments	Other risks and charges	Other personnel charges	Total
Opening balance	36	312	123	471
Increases				
– provisions	7	13	49 (*)	69
– other changes	-	-	23 (**)	23
Decreases				
– released to cover losses on guarantees given	-	-	-	-
– used to cover charges on settlement of disputes	-	-	-	-
– used to cover long-service bonuses and other payments	-	-	7	7
– utilization to cover other liabilities	-	45	18	63
Closing balance	43	280	170	493

(*) The provision includes:

- € 9 million for personnel leaving incentives booked to "extraordinary expenses"
- € 25 million as an allowance for possible liabilities, mainly for bonuses and incentives which are at the Bank's discretion; these have been included in "payroll costs".

(**) The other changes relate to the reclassification to the provision for risks and charges of possible liabilities for staff bonuses (€ 17 million), for self-insurance of accidents to the staff (€ 1 million) and for other potential charges that could arise in the future (€ 5 million).

Provisions for guarantees and commitments, € 43 million, cover expected losses in respect of guarantees and, more generally, the contingencies associated with the Bank's guarantees and commitments.

Other provisions for risks and charges amounting to € 280 million include:

- € 117 million, provisions against potential charges deriving from the possible renegotiation of mortgage loans to a specific reserve calculated on the basis of the parameters that are currently available;
- € 163 million provided to cover estimated losses arising from legal action and, in particular, from repayments claimed by the receivers of bankrupt customers. They also cover possible charges in connection with guarantees given on the sale of equity investments, with the Bank's commitment to support the Interbank Deposit Guarantee Fund and with other potential liabilities.

The provisions for other personnel charges, € 170 million, include:

- € 112 million relating to provisions made by the Bank, on the basis of independent actuarial appraisals, to cover the technical deficit of its supplementary pension fund, an independent entity, which integrates the compulsory pension fund;
- € 25 million relating to provisions for potential liabilities principally for staff bonuses and incentives which are left to the discretion of the Bank;
- € 16 million provided to the technical reserves, determined on the basis of mathematical and actuarial criteria, designed to cover long-service bonuses to the Bank's employees;
- € 9 million for personnel leaving incentives;
- € 4 million for the provisions made to the technical reserve under Law 336/70;
- € 1 million in relation to the provision to cover potential contributions for the employees of a merged subsidiary;
- € 3 million to cover accidents to staff and other minor provisions.

Information as per CONSOB Communication 1011405 of 15 February 2001.

Low-interest building mortgage loans

Law 133/99, implemented by Ministerial Decree 110/2000 (against which there is an appeal outstanding before the Regional Administrative Tribunal of Lazio, as well as before the equivalent tribunals in the other regions involved) obliged banks to revise their interest rates, on the request of the borrowers or loan sponsoring entities, on mortgages paid totally or partially by the public sector.

Given that this rule does not prescribe a "threshold interest rate", art. 145. 62 of the Budget Law 2001 made it clear that the renegotiation interest rate "is to be intended as the actual average overall rate on home mortgage loans currently being repaid". The Treasury Ministry issued guidelines on identifying the types of loans to be analysed to establish a renegotiation interest rate and the Bank of Italy issued instructions on how these guidelines should be applied.

This analysis has now been completed, while the regulatory process is not yet ended with the expected Treasury decree establishing the renegotiation interest rate.

Given that the general picture still has to be defined, we have taken account of the Bank of Italy's instructions and estimated the potential cost at € 108 million of which: € 70 million for the period 1 July 1999 - 31 December 2000 and € 38 million for 2001, which is adequately covered by the provision for other risks and charges. In the years after 2001 the negative impact on the statement of income will progressively decline following the expiry of outstanding mortgage loans.

Low-interest agricultural mortgage loans

Art. 128 of Law 388/2000 (Budget Law 2001) gave borrowers the possibility to renegotiate outstanding repayments at the current rates on interest-assisted loans, which are now more favourable. Renegotiation is subject to a Ministerial Decree with the rules on implementation, which has still not been issued.

Fixed-rate unsubsidized mortgage loans (usury):

On 27 February 2001, Decree 394 of 29/12/00 concerning usury was converted into law. This provision concerning fixed-rate mortgage loans, which is applicable to instalments expiring after 2 January 2001, laid down an obligation to renegotiate outstanding loans on the basis of a "substitute rate" set at 9.96% for mortgage loans of households and companies, reduced to 8% for mortgage loans up to 150 million lire for the purchase of the primary residence (provided it is not considered a luxury home).

During 2001, steps were taken to adjust the rate on all loans affected by this law automatically to 9.96%. As regards mortgage loans of up to 150 million lire to buy a non-luxury first home, the renegotiated rate was reduced even further to 8% on the basis of autocertification produced by the borrowers. The expenses for 2001 were booked as a reduction to net interest income for € 18 million; in addition, € 3 million of the provision for other risks and charges remains against mortgage loans still potentially renegotiable at 8%, for which the related documentation has still not been submitted.

The latest intervention on this matter was by the Constitutional Court: on 25 February 2002 it passed sentence declaring that art. 1.2 of Decree Law 394/2000 was unlawful in the part where it laid down that the new interest rate was to be applied to the instalments that fell due after 2 January 2001, rather than to those that fell due on the day that the Decree Law came into effect (31 December). The higher charge deriving from the renegotiation of instalments expiring between 31 December 2000 and 2 January 2001 has been put at € 6 million and has been provided for in the provision for other risks and charges.

Anatocism (interest on interest)

Constitutional Court sentence 425 of 17 October 2000 established that the transitional rule laid down by art. 25 of D.Lgs. 342/99, which declared clauses in bank contracts signed before the adjustments introduced by the decree permitting the capitalization of interest “valid and effective”, was unconstitutional.

However, such judgement did not discuss the legitimacy of quarterly capitalization, merely stating that capitalization was unconstitutional for formal reasons regarding the excess of power of attorney in contrast with art. 76 of the Constitution. In addition, the matter does not involve contracts stipulated after 22/04/2000, when the new instructions imposing the same calculation period for interest income and expense became effective.

In any event, the legal reasons of previously signed contracts remain unprejudiced, as fundamental for the legitimacy of the quarterly capitalization and aimed at contrasting the recent judgements of the Supreme Court which, by changing the previous consolidated law of the same Court, did not recognize the existence of a regulatory use in this matter, thus nullifying the clause in question.

The matter is still under debate and the outcome is uncertain: in fact, there are recent pronouncements which confirm the legality of quarterly capitalization clauses from various aspects, dissenting from the decisions of the Supreme Court. There have not been any significant changes in the legal situation compared with last year, so in general terms the overall value of the lawsuits that have arisen to date continues to be immaterial: there are 210 lawsuits pending for which no estimate has been made of the potential reimbursements that might be requested. In the light of current jurisprudence, and taking into account the current situation of lawsuits pending, no liability is foreseeable for the Bank as of now. Any contingent liabilities are in any case covered by the portion of the provision for risks and charges set aside for lawsuits that have not been quantified or which have an uncertain outcome, amounting to € 36.5 million.

SECTION 8 - CAPITAL, EQUITY RESERVES AND SUBORDINATED LIABILITIES

Shareholders' equity is detailed below:

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
Shareholders' equity			
– capital (caption 120)	3,932	3,931	-
– additional paid-in capital (caption 130)	22	18	+22.2
– reserves (caption 140)			
a) legal reserve	792	792	-
b) reserve for own shares	294	697	-57.8
c) other reserves:	1,541	727	+112.0
– reserve (art. 7.c.3, Law 218/90)	80	80	-
– reserve (art. 13.c.6, Decree 124/93)	3	2	+50.0
– reserve Decree 153/99	641	260	+146.5
– extraordinary reserve	58	35	+65.7
– unrestricted reserve for the purchase of own shares	706	283	+149.5
– reserve Law 169/83	11	11	-
– reserve Decree 153/99 213/98	42	42	-
– merger differences	-	14	n.s.
– reserve for general banking risks (caption 100)	336	336	-
– distributable net income (caption 170)	1,184	1,198	-1.2
Total shareholders' equity	8,101	7,699	+5.2
Own shares in portfolio (*)	294	697	-57.8
Subordinated liabilities (caption 110)	5,003	4,581	+9.2

(*) In the reclassified balance sheet, own shares are shown as a deduction from Shareholders' equity.

Capital and Additional paid-in capital

As part of the 1999/2001 stock option plan, 422,916 subscription options for new shares were exercised during the year. This brought about a capital increase of € 1 million, booking additional paid-in capital of € 4 million.

As of 31 December 2001 the capital amounts to € 3,932,435,119.2 made up of 1,404,441,114 ordinary shares with a par value of € 2.8 each.

Other reserves

Other reserves comprise:

- the reserve ex art. 7 c. 3 Law 218/90 ("Amato Law"), created to take advantage of the tax benefits offered to banks involved in concentrations;
- the reserve art. 13 c. 6 Decree 124/93, created to take advantage of the tax benefits deriving from the allocation of portions of employee termination indemnities to pension funds;
- the reserve Law 169/83, created by the former IMI from gains realized on the Stock Exchange and held in suspense for tax purposes following their reinvestment in properties;
- the reserve ex Decree 213/98, created in 1998 following the revaluation of equity investments expressed in Euro-zone currencies at the fixed Euro exchange rate.

The most significant changes in other reserves concerned:

- the net increase in the extraordinary reserve of € 23 million as a result of the allocation of net income for the year 2000 of € 29 million, net of € 6 million allocated to the reserve for purchase of own shares;
- the increase in the reserve Decree 153/99, ("Law Ciampi"), for € 381 million;
- the increase in the reserve for purchase of own shares from € 980 million to € 1,000 million, following the resolution of the ordinary shareholders' meeting of 30 April 2001, by releasing € 14 million from the merger surplus and € 6 million from the extraordinary reserve. As of 31 December 2001, the restricted portion of this reserve for own shares in portfolio amounted to € 294 million, while the unrestricted portion amounted to € 706 million.

Operations in own shares

During the course of 2001, SANPAOLO IMI bought 5,238,150 shares (€ 15 million at par) for a total cost of € 83 million, and sold 27,503,729 shares (€ 77 million at par) with total proceeds of € 516 million, making a capital gain of € 30 million;

The sale of 27,503,729 SANPAOLO IMI shares was to Fondazione Cassa di Risparmio di Venezia, as part of the acquisition of an interest in the Cardine Group.

As of 31 December 2001, the Bank had 17,080,403 own shares in portfolio (total par value of € 48 million) carried at a cost of € 294 million (€ 17.2 per share compared with an average price in the second half of 2001 of € 12.55).

These own shares are carried at cost as they are considered a long-term investment, also because of the main reason for which they have been purchased: namely for extraordinary financial transactions (mergers, spin-offs, share exchanges, etc.). In fact, all of the shares held at the end of 2001 will be used to service the share exchange involved in the merger of Cardine, in accordance with the merger prospectus, which establishes that SANPAOLO IMI can use own shares for this purpose up to a maximum of 70,000,000.

Taking account of the fact that the purpose of the exchange of own shares as part of the merger with Cardine represents for the Bank a way of achieving a medium-term strategic objective, in line with the shares' inherent nature as a long-term financial investment, we decided that it was not necessary to write them down to market, as the difference is not considered a permanent impairment of value, also bearing in mind that the normal average yield on the shares foreseen by the Group is unlikely to change significantly.

Under resolutions passed by the Board of Directors, the Bank is expected to use own shares to service both the staff incentive plans and the stock option plan reserved for the Managing Directors and the Chairman. The own shares to be used for these purposes will be bought in subsequent years than the one to which these financial statements refer.

Deferred taxation on reserves in suspense for tax purposes

The deferred taxation that refers to shareholders' equity items was booked at the end of '98 to the following captions:

- Reserve for General Banking Risks;
- Reserve Law 169/83;
- Reserve ex D.Lgs. n. 213/98.

As regards the *Reserve for general banking risks*, deferred taxes have been recorded in connection with the probability of loan losses, which given the fiscal nature of the reserve, would not be immediately deductible. This reserve is an equity item that would be taxable however it is used.

Deferred taxes have been charged on the *Reserve ex Law 169/83* because of the various circumstances in which it can be taxed. This reserve is unrestricted for statutory purposes and would be taxed not only in the event of distribution, but also if used in certain other ways.

Deferred taxes have also been booked for the *Reserve ex art. 21 of D.Lgs. 213/98*. At the end of '98, deferred taxes were calculated on the net exchange differences that arose on translation of the equity investments expressed in Euro-participating currencies.

The deferred taxation on these equity items has been booked to specific reserves. Movements and balances are shown in Section 7 of these Explanatory Notes.

For completeness sake, we would also point out that the other items in SANPAOLO IMI's equity that are in suspense for tax purposes, namely the Share Capital (€ 631 million), the Legal Reserve (€ 268 million), the Reserve ex Law 218/90 (€ 80 million) and the Reserve ex D.Lgs. 124/93 (€ 2 million), are taxable solely if distributed. Given the extent to which these items are restricted, no deferred taxes have been calculated on them, as the events that might give rise to them being taxed are not expected to take place in the foreseeable future.

Other information

In line with Bank of Italy guidelines on disclosure of information, we provide below the breakdown of the regulatory capital as well as a description of the minimum requirements for supervisory purposes.

(Bank of Italy instructions dated 17.12.98)

Category/value	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
A. Regulatory capital			
A.1 Tier 1 capital	7,829	7,027	+11.5
A.2 Tier 2 capital	2,957	2,659	+11.2
A.3 Items to be deducted	1,010	297	n.s.
A.4 Regulatory capital	9,776	9,389	+4.2
B. Minimum regulatory requirements			
B.1 Lending risk	5,394	5,140	+4.9
B.2 Market risk (*)	107	70	+52.9
B.2.1 Tier 3 subordinated loans	107	70	+52.9
B.3 Other minimum requirements	-	-	-
B.4 Total minimum requirements	5,501	5,210	+5.6
C. Risk assets and capital-adequacy ratios			
C.1 Risk-weighted assets	78,594	74,429	+5.6
C.2 Tier 1 capital/risk weighted assets	10.0%	9.4%	
C.3 Regulatory capital/risk weighted assets	12.6%	12.7%	

(*) Market risks, amounting to € 107 million of which € 92 million relating to the dealing portfolio and € 15 million to exchange risks, are covered by issues of Tier 3 subordinated liabilities. The latter, equal to € 616 million, cover market risks attributable both to the Parent Bank and to other Group companies.

An attachment provides a statement of changes in shareholders equity for the year.

Subordinated liabilities (caption 110)

Loan	Amount in the financial statements as of 31/12/01 (€/mil)	Original currency (in millions)	Interest rate	Issue date	Maturity date	Amount in the financial statements as of 31/12/00 (€/mil)
Subordinated deposit linked to the issuance of Preferred Shares in euro	1,000	1,000	(a)	10/11/2000	(a)	1,000
Total innovative capital instruments (Tier 1)	1,000					1,000
Notes in Luxembourg francs	-	1,000	7.63%	09/07/1993	09/07/2001	25
Notes in US dollars (b)	188	165	floating	12/07/1993	30/07/2003	178
Notes in US dollars (b)	101	89	floating	24/09/1993	24/09/2003	96
Notes in US dollars (b)	107	94	floating	30/11/1993	30/11/2005	101
Notes in Canadian dollars (b)	107	151	floating	10/11/1993	10/11/2003	108
Notes in Euro (b)	361	362	floating	30/06/1994	30/06/2004	361
Notes in Euro (b)	27	27	floating	30/12/1996	20/01/2002	27
Subordinated loan in Italian lire	26	50,000	5.10%	01/06/1998	01/06/2003	39
Subordinated loan in Italian lire	62	120,000	5.30%	01/01/1998	01/01/2003	93
Subordinated loan in Italian lire	58	112,000	floating	01/02/1998	01/02/2003	87
Subordinated loan in Euro	500	500	6.38%	06/04/2000	06/04/2010	500
Subordinated loan in Euro	350	350	floating	06/04/2000	06/04/2010	350
Subordinated loan in Euro	1,000	1,000	floating	27/09/2000	27/09/2010	1,000
Subordinated loan in Euro	300	300	5.55%	31/07/2001	31/07/2008	-
Subordinated loan in Euro	200	200	5.16%	02/10/2001	02/10/2008	-
Total subordinated liabilities (Tier 2)	3,387					2,965
Subordinated loan in Euro	466	466	5.63%	03/10/2000	03/04/2003	466
Subordinated loan in Euro	150	150	floating	06/11/2000	06/05/2003	150
Total Tier 3 subordinated liabilities	616					616
Total	5,003					4,581

(a) The deposit expires on 31/12/2100 and can be reimbursed early from 10/11/2010, date of review of the interest rate, which is set at a fixed rate of 7.88% for the period 10/11/2000-10/11/2010 and floating for subsequent periods.

(b) These are issues made on a fiduciary basis against deposits of the Bank's Nassau branch.

During the year, SANPAOLO IMI issued new subordinated loans per € 500 million in the form of subordinated loans (Tier 2) to support the Group's equity investment plans.

Note that subordinated liabilities not included in the calculation of regulatory capital amount to € 369 million.

Contractually, subordinated loans included in Tier 2 may not be redeemed prior to maturity, nor converted into capital or any other type of liability. In particular, such contracts lay down that:

- early redemption can only take place on the issuer's initiative and with Bank of Italy authorization;
- the loan period must not be less than five years; if no maturity is stated, the contract must state that a notice period of at least five years has to be given;
- in the event that the issuer is put into liquidation, these subordinated loans can only be reimbursed once all other creditors, not similarly subordinated, have been satisfied.

Other information on subordinated liabilities

Information regarding the distribution of subordinated liabilities by geographical area, currency and degree of liquidity is reported in Part B, Section 11 of these notes.

SECTION 9 - OTHER LIABILITIES

Other liabilities (caption 50)

Analysis of caption 50 "Other liabilities" (table 9.1 B.I.)

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
Unprocessed transactions and transactions by foreign branches:	1,914	3,183	-39.9
- <i>unprocessed transactions (a)</i>	1,557	2,419	-35.6
- <i>amounts in transit between Italian branches (a)</i>	341	718	-52.5
- <i>transactions by foreign branches</i>	16	46	-65.2
Amounts related to derivative contracts and foreign exchange transactions	918	923	-0.5
- <i>Effect of currency hedges, cross-currency swap and forex swap transactions</i>	444	414	+7.2
- <i>Valuation of derivatives on interest rates and stockmarket indices</i>	459	496	-7.5
- <i>Premiums collected on options sold</i>	15	13	+15.4
Amounts available for third parties	1,300	2,672	-51.3
Due to the tax authorities	120	165	-27.3
Non-liquid balances from portfolio transactions	332	8	n.s.
Amounts due to employees	122	199	-38.7
Amounts payable due to settlement value date	-	366	-100.0
Deposits guaranteeing agricultural and construction loans	33	37	-10.8
Items relating to securities transactions	26	19	+36.8
<i>of which "short position"</i>	26	17	+52.9
Other	814	497	+63.8
Total	5,579	8,069	-30.9

(a) Mostly settled at the beginning of 2002.

Accrued expenses and deferred income (caption 60)*Analysis of caption 60 "Accrued expenses and deferred income" (table 9.2 B.I.)*

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
Accrued expenses			
– charges on derivative contracts (a)	455	819	-44.4
– interest on securities issued	397	632	-37.2
– interest on amounts due to banks	162	249	-34.9
– interest on amounts due to customers	57	108	-47.2
– payroll and other operating costs	36	34	+5.9
– other	9	7	+28.6
Deferred income			
– interest on discounted notes	30	38	-21.1
– income from derivative contracts	134	141	-5.0
– bond issue discount/premium	2	-	n.s.
– other	69	35	+97.1
Total	1,351	2,063	-34.5

(a) Accrued expenses relating to derivative contracts are recorded on a contract-by-contract basis with reference to the interest rates ruling at the time.

SECTION 10 - GUARANTEES AND COMMITMENTS

Guarantees given (caption 10)

Analysis of caption 10 "Guarantees given" (table 10.1 B.I.)

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
a) Commercial guarantees	7,987	10,068	-20.7
b) Financial guarantees	16,726	11,145	+50.1
c) Assets lodged in guarantee	7	6	+16.7
Total	24,720	21,219	+16.5

Unsecured guarantees given by the Bank, together with assets lodged to guarantee third-party commitments, comprise the following:

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
Endorsements and sureties	14,599	12,907	+13.1
Documentary credits	515	445	+15.7
Acceptances	113	153	-26.1
Other	9,486	7,708	+23.1
Assets lodged in guarantee :			
– securities	-	-	-
– other	7	6	+16.7
Total	24,720	21,219	+16.5

Commitments (caption 20)

Analysis of caption 20 "Commitments" (table 10.2 B.I.)

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
a) Commitments to grant finance (certain to be called on)	1,158	1,718	-32.6
b) Commitments to grant finance (not certain to be called on)	11,157	11,287	-1.2
Total	12,315	13,005	-5.3

Firm commitments are detailed below:

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
Undrawn lines of credit granted	10,168	10,383	-2.1
Deposits and loans to be made	92	302	-69.5
Purchase of securities	85	623	-86.4
Put options issued	126	12	n.s.
Mortgage loans to be disbursed	798	803	-0.6
Membership of Interbank Deposit Guarantee Fund	63	63	-
Other commitments certain to be called on	981	792	+23.9
Other commitments not certain to be called on	2	27	-92.6
Total	12,315	13,005	-5.3

Assets lodged to guarantee the Group's liabilities

(Table 10.3 B.I.)

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
Portfolio securities lodged with third parties to guarantee repurchase agreements	2,897	1,823	+58.9
Securities lodged with central banks to guarantee advances	67	65	+3.1
Securities lodged with the Bank of Italy to guarantee bankers' drafts	64	55	-
Total	3,028	1,943	+55.8

Unused lines of credit

The Bank has unused lines of credit, excluding operating limits, as detailed below:

(Table 10.4 B.I.)

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
a) Central banks	27	27	-
b) Other banks	215	120	+79.2
Total	242	147	+64.6

Forward transactions

Forward transactions, excluding transactions between the Bank's head office and foreign branches as well as those carried out within organizational units and on behalf of third parties, are detailed below:

(Table 10.5 B.I.)

	Hedging transactions	Dealing transactions	Other transactions	€/mil Total
1. Purchase/sale of				
1.1 securities				
– purchases	-	85	-	85
– sales	-	157	-	157
1.2 currency				
– currency against currency	1,429	593	-	2,022
– purchases against euro	9,599	1,182	-	10,781
– sales against euro	2,599	551	-	3,150
2. Deposits and loans				
– to be disbursed	-	-	92	92
– to be received	-	-	1,235	1,235
3. Derivative contracts				
3.1 With exchange of capital				
a) securities				
– purchases	-	268	-	268
– sales	421	-	-	421
b) currency				
– currency against currency	226	152	-	378
– purchases against euro	2,682	715	-	3,397
– sales against euro	185	714	-	899
c) other instruments				
– purchases	-	-	-	-
– sales	-	-	-	-
3.2 Without exchange of capital				
a) currency				
– currency against currency	-	-	-	-
– purchases against euro	11	-	47	58
– sales against euro	-	-	-	-
b) other instruments				
– purchases	38,423	9,646	150	48,219
– sales	15,449	12,762	4,141	32,352
Total (a)	71,024	26,825	5,665	103,514

(a) Interest rate related basis swaps (shown in point 3.2 b) are included in both purchases and sales for a total of € 6,254 million.

At year end, hedging derivative contracts show an unrecognized net loss of € 426 million. In compliance with the accounting policies, this amount has not been recorded in the financial statements since the purpose of the derivatives contracts in question is to hedge interest and exchange rate risks with regard to funding activities (particularly deposit-taking transactions made via the issue of bonds with a structured yield) or lending activities. These contracts are in fact recorded on a consistent basis with those adopted for hedging transactions, booking accruals in the financial statements for the interest rate and/or exchange rate differential accruing up to the balance sheet date.

Derivative transactions hedging trading transactions and shown under dealing transactions amount to € 2,846 million.

Derivative contracts included under structured financial instruments amount to € 4,338 million, at nominal value.

Internal deals

Internal deals come to a total of € 453 million at nominal value. The following table provides a breakdown of internal deals, reporting the same contract in both purchases and sales.

	€/mil	
	Hedging transactions	Dealing transactions
Derivative contracts with exchange of capital		
a) securities		
– purchases	-	-
– sales	-	-
b) currency		
– currency against currency	-	-
– purchases against euro	414	12
– sales against euro	414	12
Derivative contracts without exchange of capital		
b) other instruments		
– purchases	26	1
– sales	26	1
Total	880	26

Marking to market internal deals made to hedge assets or liabilities valued at cost gives rise to unrealized gains and losses that more or less offset each other.

The valuation of derivative contracts is described in the note concerning profits and losses on financial transactions in Part C, Section 3.

Financial information relating to derivative contracts and forward currency purchase/sale transactions

This section offers supplementary information on operations in derivative contracts according to the standards established by the Basel Committee for Bank Supervision, together with the International Organization of Securities Commissions (IOSCO).

The table below shows the notional nominal capital, by type, of purchase/sale of currency and derivative contracts on interest rates, exchange rates and stockmarket index.

<i>Notional amounts</i>	<i>€/mil</i>				
	Interest rate related	Exchange rate related	Stockmarket index related	Other	Total
OTC trading contracts					
- Forward (a)	108	734	-	-	842
- Swap (b)	17,154	484	-	-	17,638
- Options purchased	1,681	549	305	-	2,535
- Options sold	1,681	549	305	-	2,535
Exchange traded contracts					
- Futures purchased	-	-	-	-	-
- Futures sold	-	-	-	-	-
- Options purchased	-	-	-	-	-
- Options sold	-	-	-	-	-
Total trading contracts	20,624	2,316	610	-	23,550
Total non-trading contracts	48,999	16,679	7,899		73,577
Total contracts (c)	69,623	18,995	8,509	-	97,127
- including OTC contracts	69,623	18,995	8,509	-	97,127

(a) Including FRAs and forward currency purchase/sale transactions.

(b) Mainly comprising IRS and CIRS contracts, and basis swap transactions.

(c) Including basis swaps for € 3,127 million and excluding forward currency transactions with an original duration of less than 2 working days, which total € 1,691 million.

The table below shows the residual duration of the above OTC transactions.

<i>Residual maturity of notional amounts underlying OTC derivative contracts</i>	<i>€/mil</i>			
	Up to 12 months	Between 1 and 5 years	Beyond 5 years	Total
Interest rate related	35,272	18,754	15,597	69,623
Exchange rate related	15,745	2,806	444	18,995
Stockmarket index related	2,239	4,730	1,540	8,509
Other contracts	-	-	-	-

The table below reports the credit risk equivalent related to OTC contracts broken down into their various components: positive market value and add on.

Notional amounts, market values and similar add on

	€/mil				
	Interest rate related	Exchange rate related	Stockmarket index related	Other	Total
Notional amounts	69,623	18,995	8,509	-	97,127
A. Market value of OTC trading contracts					
A.1 positive market value	405	85	9	-	499
A.2 negative market value	-462	-84	-15	-	-561
B. Add on	131	33	9	-	173
C. Market value of OTC non-trading contracts:					
C.1 positive market value	777	440	360	-	1,577
C.2 negative market value	-1,046	-252	-269	-	-1,567
D. Add on	153	287	313	-	753
Credit risk equivalent (A.1+B+C.1+D)	1,466	845	691	-	3,002

Market values of hedging and dealing derivatives arranged with third parties have been calculated using the criteria established by the Bank of Italy to determine the credit risk of off-balance sheet items for solvency ratio purposes. The market values identified in the table above derive from applying such criteria. In particular, such market values include the calculation of the market value of accrued income and expenses currently maturing as well as the result deriving from the current rate revaluation of the principal amount of cross-currency interest rate swaps to be exchanged at maturity.

The above transactions are not backed by secured or personal guarantees. No losses were incurred during the year on loans linked to derivatives and there are no outstanding derivative contracts matured, but not settled.

Lastly, the table below shows the breakdown of credit risk equivalent on OTC contracts by type of counterparty.

Credit quality of OTC derivative contracts, by counterparty

	€/mil		
	Positive market value	Add on	Credit risk equivalent (a) (current value)
Governments and central banks	10	-	10
Banks	1,801	790	2,591
Other operators	265	136	401
Total	2,076	926	3,002

(a) The credit risk equivalent reported in this table includes transactions with an original life not exceeding 14 days. The existence of Master Netting Agreements allows a reduction in the equivalent credit risk of € 1,166 million relative to other operators.

Derivative contracts on loans

In relation to the derivative contracts through which the lending risk inherent in certain outstanding loans is transferred, the following table shows the notional capital referring to contracts signed by the Bank

(Table 10.6 B.I.)

Categories of operations	Negotiation	Other transactions	€/mil Total
1. Hedging purchases			
1.1 With exchange of capital			
– credit default swap	-	368	368
2. Hedging sales			
2.1 With exchange of capital			
– credit default swap	-	401	401
Total	-	769	769

Other information relating to guarantees

The classification of guarantees given by category of counterparty is provided in Part B, Section 11 of these notes, while forward transactions related to dealing on behalf of third parties are described in Part B, Section 12.

SECTION 11 - CONCENTRATION AND DISTRIBUTION OF ASSETS AND LIABILITIES

Significant exposures

Major lines of credit that exceed 10% of the Bank's equity and defined by the Bank of Italy as "significant exposures", are as follows:

(Table 11.1 B.I.)

	31/12/01
a) Amount (in millions of euro)	6,918
b) Number	4

These positions comprise total assets at risk (loans, shares, bonds, etc.) outstanding in relation to customers and groups of related customers (including banks).

Distribution of loans to customers, by category of borrower

Loans to customers are distributed as follows:

(Table 11.2 B.I.)

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
a) Governments	413	626	-34.0
b) Other public entities	306	436	-29.8
c) Non-financial businesses	35,965	37,282	-3.5
d) Financial institutions	9,023	10,009	-9.9
e) Family businesses	2,170	2,281	-4.9
f) Other operators	11,695	11,126	+5.1
Total	59,572	61,760	-3.5

Distribution of loans to resident non-financial and family businesses

The distribution of loans to non-financial and family businesses resident in Italy is detailed below, by industry:

(Table 11.3 B.I.)

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
a) Sales and distribution services	5,028	5,902	-14.8
b) Commerce, salvage and repairs	4,415	4,488	-1.6
c) Construction and public works	2,717	2,791	-2.7
d) Energy products	2,633	2,768	-4.9
e) Transport	2,065	2,315	-10.8
f) Other sectors	14,017	14,790	-5.2
Total	30,875	33,054	-6.6

Distribution of derivative contracts on loans by category of borrower

Derivative contracts on loans are distributed as follows:

(Bank of Italy instructions dated 31.7.00)

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
Banks	671	288	+133.0
Financial institutions	98	60	+63.3
Other operators	-	-	n.s.
Total	769	348	+121.0

Distribution of guarantees given, by category of counterparty

Guarantees given by the Bank are classified by category of counterparty as follows:

(Table 11.4 B.I.)

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
a) Governments	-	6	-100.0
b) Other public entities	21	17	+23.5
c) Banks	8,782	6,504	+35.0
d) Non-financial businesses	10,673	10,427	+2.4
e) Financial institutions	4,883	3,921	+24.5
f) Family businesses	88	89	-1.1
g) Other operators	273	255	+7.1
Total	24,720	21,219	+16.5

Geographical distribution of assets and liabilities

The geographical distribution of the Bank's assets and liabilities is detailed below, by reference to the countries of residence of the counterparties concerned:

(table 11.5 B.I.)

	31/12/01				31/12/00				€/mil
	Italy	Other EU countries	Other countries	Total	Italy	Other EU countries	Other countries	Total	
1. Assets									
1.1 due from banks	8,859	3,084	705	12,648	9,304	3,271	1,436	14,011	
1.2 loans to customers	49,647	4,498	5,427	59,572	51,272	4,717	5,771	61,760	
1.3 securities	7,042	227	1,964	9,233	4,390	405	1,291	6,086	
Total	65,548	7,809	8,096	81,453	64,966	8,393	8,498	81,857	
2. Liabilities									
2.1 due to banks	3,034	12,749	7,471	23,254	2,908	8,680	10,118	21,706	
2.2 due to customers	32,027	1,838	6,282	40,147	29,867	1,562	6,180	37,609	
2.3 securities issued	13,109	1,117	1,549	15,775	14,756	453	1,388	16,597	
2.4 other accounts	3,172	892	1,000	5,064	2,723	897	1,000	4,620	
Total	51,342	16,596	16,302	84,240	50,254	11,592	18,686	80,532	
3. Guarantees and commitments	12,103	11,213	13,719	37,035	12,222	9,200	12,802	34,224	

Maturities of assets and liabilities

The residual maturities of assets and liabilities are detailed in the following table:

(Table 11.6 B.I.)

									€/mil
	On demand	Up to 3 months	Specified duration				Unspecified duration	Total	
			Between 3 and 12 months	Between 1 and 5 years		Beyond 5 years			
				Fixed rate	Indexed rate	Fixed rate	Indexed rate		
1. Assets									
1.1 Treasury bonds eligible for refinancing	30	554	889	279	727	10	4	-	2,493
1.2 due from banks	1,202	5,308	1,330	107	1,610	147	2,564	380	12,648
1.3 loans to customers	10,546	13,911	6,821	8,414	9,422	3,803	5,857	798	59,572
1.4 bonds and other debt securities	13	412	1,982	638	2,673	146	875	-	6,739
1.5 off-balance sheet transactions	852	27,627	23,625	10,893	2,583	8,802	378	-	74,760
Total assets	12,643	47,812	34,647	20,331	17,015	12,908	9,678	1,178	156,212
2. Liabilities									
2.1 due to banks	1,945	9,125	4,652	911	4,587	383	1,651	-	23,254
2.2 due to customers	28,737	9,368	1,884	81	3	5	69	-	40,147
2.3 securities issued:									
– bonds	315	288	1,325	5,069	2,131	1,796	782	-	11,706
– certificates of deposit	31	2,898	671	13	32	-	-	-	3,645
– other securities	424	-	-	-	-	-	-	-	424
2.4 subordinated liabilities	-	87	478	44	1,044	1,000	2,350	-	5,003
2.5 off-balance sheet transactions	588	31,552	24,237	8,532	2,598	6,830	423	-	74,760
Total liabilities	32,040	53,318	33,247	14,650	10,395	10,014	5,275	-	158,939

Assets and liabilities denominated in foreign currencies

The Bank's assets and liabilities denominated in foreign currencies are detailed below:

(Table 11.7 B.I.)

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
a) Assets			
1. due from banks	1,691	3,651	-53.7
2. loans to customers	8,757	9,516	-8.0
3. securities	2,006	1,835	+9.3
4. equity investments	487	426	+14.3
5. other accounts	23	25	-8.0
Total assets	12,964	15,453	-16.1
b) Liabilities			
1. due to banks	12,378	9,421	+31.4
2. due to customers	7,619	7,781	-2.1
3. securities issued	2,593	1,538	+68.6
4. other accounts	503	483	+4.1
Total liabilities	23,093	19,223	+20.1

The principal spot exchange rates, as of 31 December 2001, used to translate the Bank's foreign currency assets and liabilities are indicated below on a comparative basis with the exchange rates as of 31 December 2000:

	31/12/01	31/12/00	% Change
US dollar	0.8813	0.9305	-5.3
Swiss franc	1.4829	1.5232	-2.6
Pound sterling	0.6085	0.6241	-2.5
Japanese yen	115.33	106.92	+7.9

Securities in portfolio representing third-party securitizations (Bank of Italy Letter 10155 of 3/8/2001)

The Bank holds securities classified in the investment portfolio which represent securitizations carried out by third parties on SACE receivables from foreign public sector debtors; they are senior securities carried in the balance sheet at a value of € 14 million, which reflects their market value.

The Bank also holds securities representing securitizations which are booked to the dealing portfolio:

- carried out by the State on receivables deriving from the sale of public real estate assets; they are senior securities carried in the balance sheet at a value of € 304 million, which reflects their market value.
- carried out by banks on receivables from the SEAT Pagine Gialle Group; they are senior securities carried in the balance sheet at a value of € 1 million, which reflects their market value.

SECTION 12 - ADMINISTRATION AND DEALING ON BEHALF OF THIRD PARTIES

Dealing in securities

No transactions have taken place during the year. Purchases and sales of securities on behalf of third parties during 2000 related exclusively to futures contracts.

(Table 12.1 B.I.)

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
a) Purchases			
1. settled	-	3	n.s.
2. not settled	-	-	-
Total purchases	-	3	n.s.
b) Sales			
1. settled	-	4	n.s.
2. not settled	-	-	-
Total sales	-	4	n.s.

Custody and administration of securities

The nominal value of securities held in custody and for administration, including those received as guarantees, is detailed below:

(Table 12.3 B.I.)

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
a) Third-party securities held on deposit (excluding portfolio management)			
1. securities issued by the Bank that prepares the financial statements	8,919	9,929	-10.2
2. other securities	134,688	113,806	+18.3
b) Third-party securities deposited with third parties	93,981	79,027	+18.9
c) Portfolio securities deposited with third parties	10,089	7,377	+36.8

Third party securities deposited as of 31 December 2001 include securities on deposit with the Bank acting as a depositary bank, broken down as follows:

- € 50 million of securities issued by the Bank;
- € 37,292 million of other securities.

Collection of receivables on behalf of third parties: debit and credit adjustments

The Bank has received instructions to collect third-party receivables as part of its portfolio transactions. The nominal value of such receivables is € 8,457 million.

The notes portfolio has been reclassified on the basis of the related settlement dates, by recording the following adjustments:

(Table 12.4 B.I.)

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
a) Debit adjustments			
1. current accounts	567	718	-21.0
2. central portfolio	31	72	-56.9
3. cash	-	-	-
4. other accounts	-	-	-
b) Credit adjustments			
1. current accounts	31	72	-56.9
2. transferors of notes and documents	567	718	-21.0
3. other accounts	-	-	-

Other transactions

Reserve for Research Grants

From January 2000 the Ministry of Education, Universities and Research took over direct management of the Reserve for Research Grants, while SANPAOLO IMI continues to manage applications that arrived before 31 December 1999.

As of 31 December 2001 there is a balance of loans granted for € 615 million and loans still to be granted for € 1,140 million under contracts already stipulated, in addition to those to be stipulated for € 343 million.

On the subject of R&D Incentives, SANPAOLO IMI continued to operate in 2001 as a bank authorized by the Ministry to evaluate and supervise the implementation of industrial research projects and training programmes for researchers; it also initiated cooperation with the Ministry of Productive Activities with a view to financing development projects out of the "Technology Innovation Fund".

The Bank received 350 applications for R&D funding worth a total of € 1,420 million, and commissions of more than € 14 million were earned.

Guarantee Fund for small and medium-sized enterprises in Southern Italy (Law 341/95)

Under the Convention dated 21 December 1995 between the Italian Treasury and the Bank, as approved and activated by Decree of the Director-General of the Treasury dated 5 January 1996, SANPAOLO IMI has been granted the concession to this Fund established under Law 341/95.

The purpose of Law 341/95 is to promote rationalization of the financial situation of small and medium-sized enterprises in Southern Italy, as defined by EU parameters. This involves measures of various types, from interest-relief grants on financing designed to convert short-term bank borrowing into long-term loans, to the granting of supplementary guarantees on participating loans, for the purchase of equity investments and for the debt consolidation described above.

As of 31 December 2001, 3,900 applications are outstanding for € 1,590 million, broken down as follows:

- € 1,432 million relating to the consolidation of short-term debt (of which € 1,428 million already being paid and € 4 million waiting for the final documentation);
- € 158 million for participating loans;

Management activities carried out on behalf of the Treasury were recompensed with commission totalling € 0.9 million.

Third-party portion of syndicated loans

The portion of syndicated loans arranged by the Bank for third parties without a representation mandate totalled € 795 million at year end (€ 901 million in 2000).

Asset management services rendered by third parties

The value of asset management services rendered to customers by Group companies amounts to € 4,065 million (€ 4,309 million as of 31/12/2000).

Part C - Statement of income

SECTION 1 - INTEREST

Interest income and similar revenues (caption 10)

Analysis of caption 10 "Interest income and similar revenues" (table 1.1 B.I.)

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
a) On amounts due from banks	633	688	-8.0
<i>of which:</i>			
– deposits with central banks	39	33	+18.2
b) On loans to customers	3,678	4,076	-9.8
<i>of which:</i>			
– loans using public funds	-	-	-
c) On debt securities	342	376	-9.0
d) Other interest income	5	4	+25.0
e) Net differential on hedging transactions	-	88	n.s.
Total	4,658	5,232	-11.0

Detail of caption 10 "Interest income and similar revenues" (table 1.3 B.I.)

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
a) On assets denominated in foreign currency	160	293	-45.4

Default interest accrued during 2001 amounting to € 86 million has been prudently eliminated from the statement of income, since collection is considered unlikely.

Interest income includes € 172 million relating to repurchase agreements with an obligation to resell.

Interest expense and similar charges (caption 20)*Analysis of caption 20 "Interest expense and similar charges" (table 1.2 B.I.)*

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
a) On amounts due to banks	1,038	1,234	-15.9
b) On amounts due to customers	951	862	+10.3
c) On securities issued	796	1,247	-36.2
<i>of which:</i>			
– certificates of deposit	123	303	-59.4
d) On public funds administered	-	-	-
e) On subordinated liabilities	283	134	+111.2
f) Net differential on hedging transactions	11	-	n.s.
Total	3,079	3,477	-11.4

Detail of caption 20 "Interest expense and similar charges" (table 1.4 B.I.)

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
a) On liabilities denominated in foreign currency	314	417	-24.7

Interest expense includes the annual charge of € 1 million relating to issue discounts on bonds and certificates of deposit. The caption also includes charges of € 211 million relating to repurchase agreements with an obligation to resell.

Other information relating to interest

Information concerning the interest arising on transactions with Group companies is reported in part C, section 7 of these notes.

SECTION 2 - COMMISSIONS

The following tables have been prepared on the basis of the new reporting format required by the Bank of Italy in its letter no. 14815 dated 21 November 2001. In the interests of comparability, the 2000 figures have also been reclassified on the basis of this new format.

Commission income (caption 40)

Analysis of caption 40 "Commission income" (table 2.1 B.I.)

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
a) Guarantees given	47	43	+9.3
b) Derivative contracts on loans	2	-	n.s.
c) Management, dealing and advisory services	766	1,092	-29.9
1. dealing in securities	7	11	-36.4
2. dealing in currency	21	23	-8.7
3. portfolio management	-	-	-
3.1. individual	-	-	-
3.2. collective	-	-	-
4. custody and administration of securities	20	23	-13.0
5. custodian bank	48	51	-5.9
6. placement of securities (a)	445	660	-32.6
7. acceptance of instructions	33	99	-66.7
8. consultancy services	1	1	-
9. distribution of third-party services:	191	224	-14.7
9.1. portfolio management:	129	164	-21.3
a) individual	129	164	-21.3
b) collective	-	-	-
9.2. insurance products	60	58	+3.4
9.3. other products	2	2	-
d) Collection and payment services	164	162	+1.2
e) Servicing securitization operations	-	-	-
f) Tax collection services	-	-	-
g) Other services	370	347	+6.6
Total	1,349	1,644	-17.9

a) The commission earned on the placement of securities also includes the commission earned on the placement of mutual fund units for € 442 million as of 31/12/01 and € 648 million as of 31/12/00.

Subcaption g) "Other services" are made up as follows:

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
Loans granted	147	129	+14.0
Deposits and current account overdrafts	133	128	+3.9
Current accounts	54	58	-6.9
Other services - Italy	34	25	+36.0
Other services - foreign branches	2	7	-71.4
Total	370	347	+6.6

Analysis of caption 40 "Commission income" (table 2.2 B.I.) - distribution channels for products and services

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
a) At own branches:			
1. portfolio management	-	-	-
2. placement of securities	445	660	-32.6
3. third-party products and services	191	224	-14.7
b) Door-to-door:			
1. portfolio management	-	-	-
2. placement of securities	-	-	-
3. third-party products and services	-	-	-
Total	636	884	-28.1

Commission expense (caption 50)

Analysis of caption 50 "Commission expense" (table 2.3 B.I.)

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
a) Guarantees received	6	5	+20.0
b) Derivative contracts on loans	-	-	-
c) Management, dealing and advisory services	12	22	-45.5
1. dealing in securities	1	5	-80.0
2. dealing in currency	-	-	-
3. portfolio management	-	-	-
3.1. own account	-	-	-
3.2. third-party account	-	-	-
4. custody and administration of securities	11	17	-35.3
5. placement of securities	-	-	-
6. door-to-door sales of securities and financial products and services	-	-	-
d) Collection and payment services	49	50	-2.0
e) Other services	11	17	-35.3
Total	78	94	-17.0

Subcaption (e) “Other services” comprises, in particular:

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
Intermediation on financing transactions	-	1	n.s.
Loans obtained	2	6	-66.7
Loan arrangement activities	1	1	-
Other services - Italy	7	8	-12.5
Other services - foreign branches	1	1	-
Total	11	17	-35.3

Other information relating to commission

Details of commission arising from transactions with Group companies are included in Part C, Section 7 of these notes.

SECTION 3 - PROFITS (LOSSES) ON FINANCIAL TRANSACTIONS

Profits (losses) on financial transactions (caption 60)

Analysis of caption 60 "Profits (losses) on financial transactions" (table 3.1. B.I.)

	Security transactions	Currency transactions	Other transactions	Total
A1. Revaluations	16 (a)	-	464	480
A2. Writedowns	-15 (b)	-	-465	-480
B. Other profits and losses	42 (c)	35 (d)	-5	72
Totals	43	35	-6	72
<i>of which:</i>				
1. on government securities	19			
2. on other debt securities	23			
3. on equities	1			
4. on security derivatives	0			

(a) Of which € 12 million on securities and € 4 million on securities transactions to be settled.

(b) The writedowns of € 15 million relate to capital losses on securities.

(c) The other profits and losses of € 42 million relate to net gains from dealing in securities.

(d) Includes exchange gains of € 30 million and income on transactions in foreign currency derivative contracts of € 5 million.

SECTION 4 - ADMINISTRATIVE COSTS

Payroll (caption 80a)

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
Wages and salaries	929	918	+1.2
Social security charges	299	295	+1.4
Termination indemnities			
– provision for termination indemnities	36	33	+9.1
– indemnities accrued and paid during the year	1	1	-
– provisions for supplementary pension fund	30	33	-9.1
Total	1,295	1,280	+1.2

Average number of employees by category (table 4.1 B.I.)

	31/12/01	31/12/00	% Change
a) Executives	276	202	n.s.
b) Supervisors	7,631	7,357	n.s.
c) Other employees	12,316	12,556	-1.9
Total	20,223	20,115	+0.5

The split between executives and supervisors at 31/12/2001 takes into account the category changes contained in the collective national labour contract for banks; the comparison with 31/12/2000 is not, therefore, homogeneous.

Other administrative costs (caption 80b)

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
IT costs	166	138	+20.3
Software maintenance and upgrades	62	45	+37.8
Maintenance of hardware, other fixed assets and plant	33	33	-
External data processing	31	26	+19.2
Data transmission charges	20	17	+17.6
Databank access charges	14	11	+27.3
Equipment leasing charges	6	6	-
Property management expenses	134	140	-4.3
Rented property:	87	85	+2.4
- rental of premises	80	77	+3.9
- maintenance of leasehold premises	7	8	-12.5
Property owned:	10	17	-41.2
- maintenance of properties owned by the Bank	10	17	-41.2
Security services	20	22	-9.1
Cleaning of premises	17	16	+6.3
General expenses	77	77	-
Postage and telegraph charges	24	25	-4.0
Office supplies	14	13	+7.7
Transport and counting of valuables	10	9	+11.1
Courier and transport services	6	7	-14.3
Other expenses	23	23	-
Professional and insurance fees	94	103	-8.7
Consultancy services	51	61	-16.4
Legal and judiciary expenses	24	21	+14.3
Investigation/commercial information costs	12	13	-7.7
Insurance premiums - banks and customers	7	8	-12.5
Utilities	38	45	-15.6
Telephone	15	20	-25.0
Energy	23	25	-8.0
Promotion, advertising and marketing expenses	33	27	+22.2
Advertising and entertainment	29	23	+26.1
Contributions and membership fees to trades unions and business associations	4	4	-
Indirect payroll costs	40	39	+2.6
Other expenses for personnel training, travel and assignments	40	39	+2.6
Total	582	569	+2.3
Indirect duties and taxes			
- stamp duties	98	105	-6.7
- taxes on stock exchange contracts	4	4	-
- local property taxes	7	7	-
- substitute tax (Pres. Decree 601/73)	11	15	-26.7
- other	7	7	-
Total	127	138	-8.0
Total other administration costs	709	707	+0.3

Consultancy services include fees paid to PricewaterhouseCoopers S.p.A., both for compulsory audit work and for engagements approved by the Bank's Board of Directors in accordance with CONSOB Recommendation 97001574 of 20/2/97, as detailed below:

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
Statutory and consolidated financial statements	0.6	0.5	+20.0
Audit of foreign branches	0.3	0.6	-50.0
Statutory and consolidated half-year reports	0.2	0.2	-
Half-year audit of foreign branches	0.1	0.1	-
Other activities:			
- Form 20-F (a)	-	0.4	n.s.
- activities related to the merger with Cardine Banca	0.3	-	n.s.
- other (b)	0.1	0.5	-80.0
Total	1.6	2.3	-30.4

(a) Fee included in the costs of the audit of the 2001 financial statements.

(b) This item includes the fees for issuing a Comfort Letter in connection with the Offering Circular for the placement of Euro Medium Term Notes and a Comfort Letter in connection with the so-called "Green" Synthetic Securitization.

SECTION 5 - ADJUSTMENTS, WRITEBACKS AND PROVISIONS

Adjustments to intangible and tangible fixed assets (caption 90)

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
Adjustments to intangible fixed assets			
– amortization of merger differences representing the goodwill of merged banks	27	27	-
– amortization of goodwill	1	-	n.s.
– amortization of software in use	45	27	+66.7
– amortization of software not yet in use	22	24	-8.3
– amortization of other deferred charges	7	7	-
Adjustments to tangible fixed assets			
– depreciation of property	38	37	+2.7
– depreciation of furniture and installations	71	58	+22.4
Total	211	180	+17.2

Individual assets have been written down with reference to their remaining useful lives using, in most cases, the maximum fiscally-allowed rates, including the provision of accelerated depreciation.

Provisions for risks and charges (caption 100)

Provisions for risks and charges, € 30 million, recorded during the year, include the following:

- € 13 million, for potential charges deriving from the possible renegotiation of mortgage loans, as explained in Part B - Section 7 of these Notes, option transactions and other potential liabilities;
- € 14 million designed to increase the coverage of the reserve for other payroll costs, pension and similar commitments, including € 6 million to cover long-service bonuses to the Bank's employees, and € 6 to integrate the provisions established to balance the technical deficit of the Bank's employee pension fund and € 2 million for other potential liabilities;
- € 3 million to increase the supplementary pension fund for former IMI S.p.A. personnel in retirement, as shown in Part B - Section 7 of the notes.

Adjustments to loans and provisions for guarantees and commitments (caption 120)

Analysis of caption 120 "Adjustments to loans and provisions for guarantees and commitments" (table 5.1 B.I.)

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
a) Adjustments to loans	442	486	-9.1
<i>of which:</i>			
– general adjustments for country risk	13	16	-18.8
– other general adjustments	169	114	+48.2
b) Provisions for guarantees and commitments	7	8	-12.5
<i>of which:</i>			
– general provisions for country risk	-	-	-
– other general provisions	3	8	-62.5
Total	449	494	-9.1

Adjustments to loans include losses on transactions and disposals for € 11 million.

In addition to the above adjustments, default interest of € 86 million due during the year has been reversed from interest income.

Writebacks of adjustments to loans and of provisions for guarantees and commitments (caption 130)

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
Revaluation of loans previously written down	80	66	+21.2
Revaluation of loans previously written off	1	1	-
Revaluation of provisions for guarantees and commitments	-	-	-
Collection of default interest previously written down	21	49	-57.1
Collection of loans previously written off	29	44	-34.1
Collection of loan principal previously written down	61	195	-68.7
Total	192	355	-45.9

Adjustments to financial fixed assets (caption 150)

Adjustments to investment securities

The adjustments, totalling € 2 million, relate to the writedown of debt securities to market, pursuant to Art. 18 of D.Lgs 87/92.

Adjustments to equity investments

Adjustments to equity investments relate to the writedown of holdings in the following companies:

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
BNH S.p.A.	1,432	-	n.s.
Banco di Napoli S.p.A.	206	19	n.s.
Cassa di Risparmio di Firenze S.p.A.	21	189	-88.9
HDI Assicurazioni S.p.A.	1	6	-83.3
Sanpaolo Riscossioni Prato S.p.A.	1	-	n.s.
Giraglia Immobiliare S.p.A.	1	-	n.s.
Other	3	-	n.s.
Total	1,665	214	n.s.

In detail:

- BNH S.p.A. has been written down to bring its book value into line with its net equity after approval of the proposed distribution of earnings;
- Banco di Napoli S.p.A. has been written down in proportion to the reduction in net equity since the time that the investment was acquired;
- Cassa di Risparmio di Firenze S.p.A. has been written down solely for fiscal purposes by adjusting its carrying value to the average Stock Exchange price for the last six months of the year;
- HDI Assicurazioni S.p.A. has been written down based on the company's earnings prospects;
- Sanpaolo Riscossioni Prato S.p.A. has been written down to bring the book value into line with the company's new capital valuation and earnings prospects;
- Giraglia Immobiliare S.p.A. has been written down to zero to eliminate the impact of an increase in capital.

SECTION 6 - OTHER STATEMENT OF INCOME CAPTIONS

Dividends and other revenues (caption 30)

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
Equity investments			
- BNH S.p.A.	1,161	-	n.s.
- Invesp S.p.A.	134	-	n.s.
- Banca Fideuram S.p.A.	128	63	+103.2
- Wealth Management S.p.A.	125	25	n.s.
- Sanpaolo Imi International S.A.	69	248	-72.2
- Banque Sanpaolo S.A.	54	2	n.s.
- NHS S.p.A.	27	10	n.s.
- Banca OPI S.p.A.	25	-	n.s.
- Sanpaolo Imi Bank Ireland P.l.c.	20	27	-25.9
- Banca Sanpaolo Invest S.p.A.	12	19	-36.8
- Sanpaolo Imi Bank (International) S.A.	9	14	-35.7
- Sanpaolo Leasint S.p.A.	8	5	+60.0
- Banca IMI S.p.A.	-	61	n.s.
- Sanpaolo Vita S.p.A.	-	22	n.s.
- SCH S.A.	17	12	+41.7
- Cardine Banca S.p.A.	17	-	n.s.
- Cassa di Risparmio di Firenze S.p.A.	11	21	-47.6
- other dividends received	15	65	-76.9
- tax credits	920	152	n.s.
Total	2,752	746	+268.9

In 2000, the dividends paid by direct subsidiaries shown in the table are accounted for on a cash basis, so the comparison with the 2001 figures is not homogeneous.

As mentioned in the introduction to these notes, from 2001 the Bank now books dividends from subsidiaries on an accruals basis. When applying this new accounting principle, in accordance with CONSOB's instructions, dividends from subsidiaries have to have been approved by the Boards of Directors and shareholders' meetings of the companies concerned, prior to the date that the Bank's Board of Directors approves the draft financial statements. The following table shows the date on which the subsidiaries' boards and AGMs approved the distribution of 2001 dividends to the Bank.

Dividends approved by subsidiaries	31/12/01 (€/mil)	Date Board	Date AGM
- BNH S.p.A.	1,161	10/10/01	15/10/01
- Invesp S.p.A.	134	06/03/02	09/04/02
- Banca Fideuram S.p.A.	128	12/03/02	29/04/02
- Wealth Management S.p.A.	125	12/03/02	12/04/02
- Sanpaolo Imi International S.A.	69	11/03/02	27/03/02
- Banque Sanpaolo S.A.	54	11/03/02	12/04/02
- NHS S.p.A.	27	12/03/02	12/04/02
- Banca OPI S.p.A.	25	08/03/02	05/04/02
- Sanpaolo Imi Bank Ireland P.l.c.	20	12/03/02	28/03/02
- Banca Sanpaolo Invest S.p.A.	12	07/03/02	09/04/02
- Sanpaolo Imi Bank (International) S.A.	9	05/02/02	28/02/02
- Sanpaolo Leasint S.p.A.	8	06/03/02	05/04/02

Other operating income (caption 70)

(table 6.1 B.I.)

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
Expenses recovered from customers			
– stamp duties	94	101	-6.9
– other taxes	14	17	-17.6
– legal costs	7	13	-46.2
– other recoveries	1	1	-
Reimbursement of services rendered to third parties	30	20	+50.0
Property rental income	4	4	-
Other income	11	16	-31.3
Total	161	172	-6.4

Other operating expenses (caption 110)

(table 6.2 B.I.)

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
Finance leasing charges	8	5	+60.0

Extraordinary income (caption 180)

(table 6.3 B.I.)

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
Out-of-period income	23	17	+35.3
Dividends received from subsidiaries (including tax credit):	433	-	n.s.
- Banca Fideuram	148	-	n.s.
- Banca IMI	77	-	n.s.
- Banque Sanpaolo	62	-	n.s.
- NHS	58	-	n.s.
- Sanpaolo Bank S.A.	47	-	n.s.
- Banca Sanpaolo Invest	22	-	n.s.
- Sanpaolo Leasint	10	-	n.s.
- Sanpaolo Riscossioni Genova	5	-	n.s.
- Sanpaolo Riscossioni Prato	1	-	n.s.
- Other	3	-	n.s.
Gains on disposal of:			
- financial fixed assets - equity investments	6	256	-97.7
- financial fixed assets - investment securities	-	10	n.s.
- tangible fixed assets	1	8	-87.5
- Own shares in portfolio	30	83	-63.9
Total	493	374	+31.8

Out-of-period income includes € 1.3 million, which is the estimated realizable value of the receivable involved in the sentence passed by the Rome Court of Appeal on 11 September 2001. This sentence condemned Consorzio Bancario Sir S.p.A. (in liquidation) to reimburse to the Bank the sum of € 506 million (as well as interest at the legal rate) previously paid by IMI (as it then was) to the heirs of Nino Rovelli as compensation for damages, in accordance with the sentence passed by the Rome Court of Appeal on 26 November 1990. This sentence sustained the request for indemnity presented by the Consorzio vis-à-vis Primarosa Battistella (Nino Rovelli's heir) and Eurovalori S.p.A., obliging them to protect the Consorzio from having to pay this amount.

A recourse to the Supreme Court has been filed against the Court of Appeal's sentence with a request for its annulment; so even though the sentence is enforceable, it is not definitive.

In preparing the financial statements, the value of the receivable deriving from the sentence of the Rome Court of Appeal, quantified at € 596 million - taking account of the nominal value of the receivable (€ 506 million), legal interest accruing up to 31 December 2001 (€ 73 million) and the tax payable on registration of the sentence (€17 million) which can be claimed back from the loser - has been calculated in accordance with national and international accounting standards for contingent assets and revenue recognition, as confirmed by authoritative opinions, on the basis of its estimated realizable value.

Indeed, based on expert opinions regarding the type of recovery measures that could be taken and the probability of them being successful, the Bank decided that the estimated realizable value of this receivable should be within the bounds of the Consorzio's ability to pay, namely its book net equity as shown in its financial statements as of 31 December 2000, the latest that are available. In fact, the Consorzio's net equity as of 31 December 2000 amounts to € 1.3 million; the only asset in the Consorzio's financial statements is an investment in SIR Finanziaria S.p.A., which is carried at a book value of zero,

based on a valuation of the consolidated net worth of the SIR Group; this is due to a considerable amount of litigation, above all with the tax authorities, involving numerous companies of the SIR Group in relation to which the Consorzio does not exclude that there could be additional charges, even of a substantial amount, over and above the provisions that have already been made.

In support of its decision, the Bank has above all considered the opinion of the Bank's legal defence team, namely that (among other things):

- the sentence of the Court of Appeal allows the Bank to take action only against the Consorzio;
- the chances of recovering the receivable are limited to the assets of the Consorzio, which is in liquidation, with prospects that would certainly not improve if it went bankrupt;
- the Consorzio has a claim against Primarosa Battistella and Eurovalori S.p.A. (though it is not clear if this is a right to indemnity or merely a right to reimbursement). In this connection, the sentence merely ascertains that there is an obligation, without pronouncing a sentence that requires payment to be made.

As further support for the approach taken, the Bank also considered particularly significant the affirmations made on various occasions by the board and management of the Consorzio, both in correspondence with the Bank, which took place between October 2001 and the present day, and at the Shareholders' Meeting of the Consorzio held on 20 December 2001 regarding its economic and financial situation. In these documents, the Consorzio affirms that it is "without personnel and practically without resources" and it is "in no way able to cope with the consequences of the sentence, even if provisional and reversible". Similar statements are made in the reports contained in the Consorzio's financial statements of recent years, in which the liquidator (report as of 31/12/2000) affirms that: "once again this year it was decided not to make any provisions for the dispute in question (litigation with the former I.M.I.) in connection with - among other things - well-known amounts of such a size that not even the whole of the Consorzio's net worth would be able to cover a reasonable portion of them".

Therefore, given that this sentence is of uncertain outcome, also because it is not definitive, involving a receivable due by an entity that is in effect insolvent, it was decided to value the receivable within the limits of its estimated realizable value, as explained above. Taking a consistent approach, the investment held in the Consorzio was written down to zero.

The approach taken in booking the receivable was also applied in calculating current and deferred taxes.

Extraordinary expense (caption 190)

(table 6.4 B.I.)

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
Tax for registration of the IMI-SIR sentence	17	-	n.s.
Severance bonus incentive for voluntary redundancy	29	5	n.s.
Other out-of-period expenses	15	20	-25.0
Losses on disposal of:			
– financial fixed assets - equity investments	2	1	+100.0
– financial fixed assets - investment securities	-	4	n.s.
– tangible fixed assets	-	1	n.s.
Loss on transfer of a business	-	1	n.s.
Total	63	32	+96.9

Income taxes for the year (caption 220)*Breakdown of caption 220 "Income taxes for the year" (Bank of Italy instructions dated 03.08.99)*

€/mil

1. Current income taxes	462
2. Change in deferred tax assets	-470
3. Change in deferred tax liabilities	914
4. Income taxes	906

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
Current income taxes and charges from possible fiscal disputes	446	689	-35.3
Local taxes applicable to foreign branches	16	18	-11.1
Total current income taxes and charges from possible fiscal disputes	462	707	-34.7
Deferred tax assets that reversed during the year	92	111	-17.1
Deferred tax assets that arose during the year	-562	-100	n.s.
Deferred taxes on accrued dividends	918	-	n.s.
Use of the deferred tax reserve on the Reserve for general banking risks	-4	-6	-33.3
Income taxes for the year	906	712	+27.2

Given that there is a difference between the income taxes shown in the statement of income and the amount that would result from applying the standard rates of tax (IRPEG - corporation tax at 36% and IRAP - regional business tax at 5%) to the Bank's pre-tax income, the following table explains the reasons for this difference.

Reconciliation	Income taxes	%
Income taxes at standard rate	851	41.0%
Increases in taxes		
Substitute tax on INA spin-off deficit	134	6.5%
Non-deductible costs (ICI, payroll costs, etc.)	10	0.5%
Income taxes related to limited tax credit	6	0.3%
Other changes	15	0.7%
Decreases in taxes		
Lower tax base for IRAP	-13	-0.6%
Foreign dividends taxed at a lower rate	-80	-3.9%
Benefit under "Visco Law" (L. 133/99)	-10	-0.5%
Income subject to special rate	-7	-0.3%
Total changes in tax	55	2.6%
Income taxes shown in statement of income	906	43.6%

SECTION 7 - OTHER INFORMATION REGARDING THE STATEMENT OF INCOME

Other information provided below regarding the statement of income covers the geographical distribution of the Bank's revenues and transactions with companies of the SANPAOLO IMI Group and with other non-Group companies.

Geographical distribution of revenues

The geographical distribution of the Bank's revenues, based on the location of branches, is as follows:

(table 7.1 B.I.) €/mil

	31/12/01				31/12/00			
	Italy	Other EU countries	Other countries	Total	Italy	Other EU countries	Other countries	Total
Interest income and similar revenues	3,672	448	538	4,658	4,047	522	663	5,232
Dividends and other revenues	2,752	-	-	2,752	746	-	-	746
Commission income	1,304	25	20	1,349	1,600	24	20	1,644
Profits (losses) on financial transactions	70	1	1	72	83	3	-	86
Other operating income	159	2	-	161	170	2	-	172
Total revenues	7,957	476	559	8,992	6,646	551	683	7,880

Income and charges arising from transactions with Group companies and non-Group companies

Income and expenses arising from transactions with companies of the SANPAOLO IMI Group, as defined in article 4 of Decree 87/92, are detailed below, together with those relating to non-Group companies:

€/mil

	31/12/01			31/12/00		
	Group companies	Non-Group companies	Total	Group companies	Non-Group companies	Total
Income						
- interest income and similar revenues	425	41	466	230	57	287
- dividends and other revenues	2,669	83	2,752	637	109	746
- commission income	599	-	599	872	1	873
- other operating income	34	1	35	30	1	31
- extraordinary income (dividends)	433	-	433	-	-	-
Total	4,160	125	4,285	1,769	168	1,937
Expenses						
- interest expense and similar charges	552	123	675	477	100	577
- commission expense	1	-	1	1	-	1
- other operating expenses	14	-	14	13	-	13
Total	567	123	690	491	100	591

Assets and liabilities outstanding at year-end in relation to Group companies and non-Group companies are indicated in Part B, Section 3 of these notes.

Part D - Other information

SECTION 1 - DIRECTORS AND STATUTORY AUDITORS

Remuneration

The annual remuneration of the Directors and the Statutory Auditors of the Bank is reported below:

(table 1.1 B.I.)

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
Directors	5	5	-
Statutory Auditors	-	-	-

The remuneration due to the Statutory Auditors for 2001 amounts to € 0.3 million.

In compliance with article 78 of CONSOB resolution no. 11971 of 14/5/99, we provide below the detail of the remuneration pertaining to 2001 paid to Directors, Statutory Auditors and General Managers.

COMPENSATION OF DIRECTORS, STATUTORY AUDITORS AND GENERAL MANAGERS (pursuant to Article 78 of Consob Resolution 11971 of 14 May 1999)

Directors, Statutory Auditors and General Managers in office

Surname and name	Description of office	Office		Compensation (thousands of Euro)			
		Period in office	Remuneration for the office	Non-monetary benefits	Bonuses and other incentives (1)	Other compensation (2)	
ARCUTI Luigi	Chairman (3) (5)	1.1.2001 / 30.4.2001	125		2,744 (6)	13	
MASERA Rainer Stefano	Chairman (3)	1.5.2001 / 2003	437	6	441	(a)	
	Managing Director	1.1.2001 / 30.4.2001	79				
	General Manager	1.1.2001 / 30.4.2001	159	7			
SALZA Enrico	Deputy Chairman (3)	1.5.2001 / 2003	95		162	25	
IOZZO Alfonso	Managing Director (3)	1.5.2001 / 2003	436		441	(b)	
MARANZANA Luigi	Managing Director (3)	1.1.2001 / 2003	513		441	(c)	
	General Manager	1.1.2001 / 30.4.2001	257	1			
CARMI Alberto	Director	1.1.2001 / 2003	47		22	-	
FONTANA Giuseppe	Director	1.1.2001 / 2003	59		152	53	
GALATERI DI GENOLA Gabriele	Director (3)	1.1.2001 / 2003	95		130	25	
GARDNER Richard	Director	1.5.2001 / 2003	34		-	-	
MANULI Mario	Director	1.5.2001 / 2003	34		-	-	
MARRONE Virgilio	Director	1.1.2001 / 2003	(d)		(d)	-	
MATUTES Abel	Director	1.5.2001 / 2003	34		-	-	
MIHALICH Iti	Director (3)	1.1.2001 / 2003	101		152	25	
OTTOLENGHI Emilio	Director	1.1.2001 / 2003	54		152	93	
VERMEIREN Remi François	Director	1.1.2001 / 2003	45		-	-	
ALBANI CASTELBARCO VISCONTI Carlo	Director	1.1.2001 / 30.4.2001	19		152	-	
BOTIN Emilio	Director	1.1.2001 / 30.4.2001	13		33	-	
INCIARTE Juan Rodriguez	Director (3)	1.1.2001 / 30.4.2001	23		130	12	
MASINI Mario	Director (3)	1.1.2001 / 30.4.2001	28		162	12	
PREDA Stefano	Director	(4)	-		98	-	
SCLAVI Antonio	Director (3)	25.5.1999 / 30.4.2001	21		141	12	
VERCELLI Alessandro	Director	22.6.1999 / 30.4.2001	13		141	-	
PAOLILLO Mario	Chairman of Statutory Auditors	1999 / 2001	92		-	133	
BENEDETTI Aureliano	Statutory Auditor	1999 / 2001	63		-	109	
DALLOCCCHIO Maurizio	Statutory Auditor	1999 / 2001	64		-	-	
MIGLIETTA Angelo	Statutory Auditor	1999 / 2001	61		-	49	
RAGAZZONI Ruggero	Statutory Auditor	1999 / 2001	64		-	52	

(1) This includes the bonuses for the Directors for the year 2000 (€ 1,938,263), divided proportionally to their presence at meetings held during the year, on the basis of a motion of the Board of Directors following the approval of the financial statements for 2000. For 2001, the members of the Board of Directors may expect a total bonus of € 1.203.000, calculated according to Group results. The allocation to individual members will be made following the approval of the financial statements for 2001 and similarly to last year: this bonus will thus be reported in the table attached to the financial statements for 2002.

(2) Compensation from subsidiaries.

(3) Members of the Executive Committee.

(4) Member of the Board of Directors stepping down from office in 2000 for which only the portion relating to the bonus for 2000 is shown.

(5) The Board of Directors has moved to appoint Dr. Arcuti as a consultant for three years. The compensation for 2001 was € 172,152.

(6) The amount includes a special emolument, voted by the Board of Directors, of € 2,582,284, to recognize his extraordinary contribution to the development of the Group. The Shareholders' Meeting of 30 April 2001 approved the nomination of Dr. Arcuti as Honorary Chairman.

(a) € 39,466 to SANPAOLO IMI SpA.

(b) € 21,563 to SANPAOLO IMI SpA.

(c) € 70,773 to SANPAOLO IMI SpA.

(d) € 71,680 in emoluments of office and € 151,596 in bonus and other incentives to IFI SpA.

In accordance with article 78 of CONSOB Resolution 11971 of 14 May 1999, we can report that with reference to the 1999-2001 stock option plan, Rainer Stefano Masera exercised 123,416 rights for the Bank's shares during the year at a price of € 12.396.

During the course of 2000, the Board of Directors approved a new stock option plan for the period 2003/2005, which foresees for the two Managing Directors the assignment of 188,285 rights to subscribe the Bank's shares at a price of € 16.45573.

Note that from 1 May 2001, the Bank's organizational structure no longer envisages the role of the General Managers. In accordance with a resolution passed by the Board of Directors on 30 April 2001 in connection with the pre-existing stock option plans, Mr. Masera's promotion from Managing Director and General Manager to Chairman, and Mr. Maranzana's promotion from Managing Director and General Manager to Managing Director have not had any effect on the rights assigned to them.

Lastly, note that on separate occasions the Board of Directors has:

- decided in accordance with art. 15.9 of the Articles of Association that the remuneration of the Chairman, Mr. Rainer Masera, and of the Managing Directors, Mr. Alfonso Iozzo and Mr. Luigi Maranzana, should be supplemented by means of a stock option plan assigning to each of them 450,000 fixed rights for the three years of their term of office (2001-2003), plus another 150,000 rights on condition that the SANPAOLO IMI stock reach a price of € 20 by the end of the three-year period;
- decided, also in accordance with art. 15.9 of the Articles of Association, on the appointment of Mr. Pio Bussolotto as Managing Director, that his remuneration should be supplemented by means of a stock option plan assigning him 300,000 fixed rights for the two years of his term of office (2002-2003), plus another 100,000 rights on condition that the SANPAOLO IMI stock reach a price of € 20 by the end of the two-year period;
- approved a voluntary bonus issue of shares to employees of the Bank for an amount varying according to the individual's level of remuneration, to substitute the productivity bonus. The shares will be assigned during 2002, at the time that the 2001 productivity bonus is paid.

To implement this stock option plan, a proposal will be made to the shareholders' meeting called to approve the 2001 Annual Report, to authorize the purchase of own shares, as foreseen in the next point on the agenda. The assignment price will be the "normal value" of the shares according to current tax regulations.

Additional and more detailed information on these plans are contained in the Report on operations, as recommended by CONSOB.

Loans and guarantees given

(table 1.2 B.I.)

	31/12/01 (€/mil)	31/12/00 (€/mil)	% Change
Directors	44	6	n.s.
Statutory Auditors	-	1	n.s.

The amounts indicated above include loans granted to and guarantees given by the Bank to the Directors and Statutory Auditors, € 0.1 million, and to companies and banks identified pursuant to article 136 of the Consolidated Banking Act, € 44.4 million, including the drawdown against credit lines granted to the latter.

SECTION 2 - PARENT BANK

2.1 - Name

SANPAOLO IMI S.p.A.

2.2 - Registered offices

Piazza San Carlo, 156
10121 Turin, Italy

Secondary head office

Viale dell'Arte, 25
00144 Rome, Italy

Registered banking group no. 1025/6

Attachments

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

STATEMENT OF CASH FLOWS

COMPARISON OF STATEMENT OF INCOME ASSUMING CONSISTENT APPLICATION
OF THE METHOD OF ACCOUNTING FOR DIVIDENDS ON AN ACCRUAL BASIS

LIST OF PROPERTIES OWNED BY THE BANK

Statement of changes in shareholders' equity

	capital	legal reserve	additional paid-in capital	extraordinary reserve	unrestricted reserve for purchase of own shares	restricted reserve for own shares	reserve ex art. 13.c.6 D.Lgs. 124/93	reserve (art. 7.c.3, L. 218/90)	merger surplus	reserve ex Law 169/83	reserve D.Lgs. 213/98	reserve D.Lgs. 153/99	reserve for general banking risks	net income for the year	Total
Shareholders' equity as of 1 January 2001	3,931	792	18	35	283	697	2	80	14	11	42	260	336	1,198	7,699
Allocation of 2000 net income															
- reserve D.Lgs. 153/99													381	-381	-
- extraordinary reserve				29										-29	-
- reserve ex art. 13.c.6 D.Lgs. 124/93							1							-1	-
- dividends distributed														-787	-787
Increases in unrestricted reserve for the purchase of own shares				-6	423	-403			-14						-
Stock option plan for 422,916 shares	1		4												5
Net income as of 31/12/2001														1,184	1,184
Shareholders' equity as of 31 December 2001	3,932	792	22	58	706	294	3	80	-	11	42	641	336	1,184	8,101
Own shares in portfolio						-294									-294
Shareholders' equity as per reclassified balance sheet	3,932	792	22	58	706	-	3	80	-	11	42	641	336	1,184	7,807

€/mil

Statement of cash flows

€/mil

APPLICATION OF FUNDS

Use of funds generated by operations		877
Dividends paid	787	
Use of reserves for termination indemnities and pensions	24	
Use of provisions for risks and charges	66	
Increase in funds applied		6,504
Cash and deposits with central banks	127	
Equity investments	2,802	
Dealing securities	3,052	
Investment securities	97	
Intangible fixed assets	102	
Tangible fixed assets	87	
Other assets	237	
Decrease in funds taken		3,415
Other liabilities	3,415	
Total		10,796

€/mil

SOURCES OF FUNDS

Funds generated by operations		3,385
Net income for the period	1,184	
Provision for termination indemnities	37	
Net adjustments to loans and provisions for guarantees and commitments	257	
Provisions for risks and charges	30	
Adjustments to tangible fixed assets	109	
Adjustments to intangible fixed assets	102	
Net adjustments to financial fixed assets	1,666	
Increase in funds taken		4,117
Due to banks	1,549	
Customer deposits and securities issued	1,738	
Subordinated liabilities	422	
Decrease in funds applied		3,294
Due from banks	1,350	
Loans to customers	1,944	
Total		10,796

Comparison of statement of income assuming consistent application of the method of accounting for dividends on an accrual basis

	Year 2001 (€/mil)	Year 2001 pro forma (€/mil)	Year 2000 (€/mil)	Year 2000 pro forma (€/mil)	Changes 2001 pro forma/ 2000 pro forma
NET INTEREST INCOME	1,583	1,583	1,759	1,622	-2.4
Net commission and other dealing revenues	1,271	1,271	1,550	1,548	-17.9
Profits (losses) on financial transactions and dividends	72	72	86	86	-16.3
Dividends on equity investments	946	946	737	546	+73.3
NET INTEREST AND OTHER BANKING INCOME	3,872	3,872	4,132	3,802	+1.8
Administrative costs	-2,004	-2,004	-1,987	-1,982	+1.1
<i>of which:</i>					
– payroll costs	-1,295	-1,295	-1,280	-1,277	+1.4
– other administrative costs	-582	-582	-569	-567	+2.6
– indirect duties and taxes	-127	-127	-138	-138	-8.0
Other operating income	153	153	167	167	-8.4
Adjustments to fixed assets	-183	-183	-153	-153	+19.6
OPERATING INCOME	1,838	1,838	2,159	1,834	+0.2
Adjustments to goodwill and merger differences	-28	-28	-27	-27	+3.7
Provisions and net adjustments to loans and financial fixed assets	-521	-521	-570	-570	-8.6
INCOME BEFORE EXTRAORDINARY ITEMS	1,289	1,289	1,562	1,237	+4.2
Net extraordinary income	801	368	348	348	+5.7
INCOME BEFORE TAXES	2,090	1,657	1,910	1,585	+4.5
Income taxes	-906	-774	-712	-650	+19.1
PRO FORMA NET INCOME	1,184	883	1,198	935	-5.6
Adjustment to net income	-	301	-	263	+14.4
NET INCOME ATTRIBUTABLE TO THE GROUP	1,184	1,184	1,198	1,198	-1.2

The effects on the balance sheet of applying the new method of accounting for dividends consist exclusively of a theoretical recomposition of the Bank's net equity.

The pro-forma reclassified statements of income are unaudited.

List of properties owned by the Bank

LOCATION	Sq.m.	COST	REVALUATIONS (*)	Amounts in Euro		
				GROSS BOOK VALUE	ADJUSTMENTS	NET BOOK VALUE
ACQUI TERME Piazza Italia 10	2,105	849,412	2,033,539	2,882,951	1,336,398	1,546,553
AGNADELLO Piazza della Chiesa 5/15	199	57,439	181,033	238,472	92,538	145,934
ALASSIO Via Don Bosco 2	1,031	197,019	2,764,136	2,961,155	1,204,789	1,756,366
ALBA Piazza Savona 1	1,078	363,447	1,750,827	2,114,274	957,342	1,156,932
ALBA Via Cuneo 9 ang. Vic. San Biagio	54	4,132	36,637	40,769	19,750	21,019
ALBENGA Fil. 1 Via Genova 86	70	38,044	142,126	180,170	51,931	128,239
ALBENGA Via Valle d'Aosta 6	1,400	2,857,520	-	2,857,520	852,911	2,004,609
ALBESE Via Vittorio Veneto 6/a	262	27,531	343,585	371,116	129,345	241,771
ALBINO Via Mazzini 182	982	1,125,876	491,047	1,616,923	455,277	1,161,646
ALESSANDRIA Fil. 1 Corso Roma 17/19	1,386	361,391	2,337,334	2,698,725	827,478	1,871,247
ALESSANDRIA P.zza Garibaldi 57/58 / Via Savona	5,670	4,702,421	4,308,845	9,011,266	3,728,064	5,283,202
ALMENNO SAN BARTOLOMEO Via Martiri della Libertà	456	383,874	315,395	699,269	425,241	274,028
ALPIGNANO Via Mazzini 5	1,366	1,048,209	1,044,667	2,092,876	1,259,492	833,384
ANCONA Via Montebello 49/63	2,270	1,749,595	2,024,756	3,774,351	1,755,220	2,019,131
ANTEGNATE Via Muoni 13	356	6,136	248,900	255,036	101,642	153,394
ANTEY ST. ANDRE' Via Grandi Mulini S.S. 40	94	30,833	90,431	121,264	56,176	65,088
AOSTA Fil. 1 Corso Battaglione Aosta 65	706	247,085	912,346	1,159,431	507,998	651,433
AOSTA Sede Piazza Chanoux 38 / Via del Collegio 2	2,760	1,480,126	5,147,213	6,627,339	2,489,583	4,137,756
APPIANO GENTILE Via Volta 14	278	105,878	300,541	406,419	143,426	262,993
ARCONATE Piazza Libertà 1	589	58,567	697,808	756,375	266,685	489,690
ARENA PO Via Roma 10	360	225,860	108,316	334,176	138,159	196,017
AREZZO via Mecenate 2	2,368	280,242	-	280,242	24,487	255,755
ARGEGNO Via Lungotelo di Destra 6	118	20,669	97,819	118,488	47,893	70,595
ARONA Corso Repubblica 1	1,021	456,387	1,562,959	2,019,346	921,067	1,098,279
ARQUATA SCRIVIA Via Libarna 211	490	148,512	401,501	550,013	236,572	313,441
ARZANO Via Rimini 6	488	569,593	351,353	920,946	507,716	413,230
ASTI Via C. Battisti 3 / C. Dante 6	1,712	1,533,240	2,809,100	4,342,340	1,765,050	2,577,290
AVELLINO Via Guarini 40 / Via De Conciliis 14	942	1,365,834	339,923	1,705,757	563,123	1,142,634
AVIGLIANA Fil. Corso Torino 158	1,439	991,483	1,834,966	2,826,449	1,614,873	1,211,576
AZZANELLO Via A. Valcarenghi 10	187	340	120,867	121,207	40,993	80,214
BARDONECCHIA Via Medail 53	508	156,949	826,849	983,798	459,260	524,538
BARI Fil. 1 Via Amendola 168/5	1,647	102,845	-	102,845	15,427	87,418
BARI Via De Rossi 51-53	509	172,595	458,011	630,606	288,490	342,116
BELGIOIOSO Via XX Settembre 30	220	377,014	-	377,014	67,705	309,309
BELLAGIO Lungo Lario Manzoni 32/34	413	58,377	682,962	741,339	257,416	483,923
BERGAMO Fil. 13 Sede Via XX Settembre 57	3,113	439,999	7,926,401	8,366,400	3,603,302	4,763,098
BERGAMO Fil. 4 Via S. Bernardino 72/d	772	57,423	1,252,893	1,310,316	511,763	798,553
BERGAMO Fil. 5 Via Suardi 85/87	1,060	467,508	1,233,039	1,700,547	689,887	1,010,660
BERGAMO Fil. 6 Via Statuto 18	339	46,226	530,697	576,923	203,040	373,883
BERGAMO Sede Via Camozzi 27 / Piazza Cavour 9	8,166	9,379,905	14,300,568	23,680,473	8,321,192	15,359,281
BERGAMO Via Stendhal 5 / Via Campagnola	6,645	118,785	-	118,785	21,381	97,404
BIELLA Fil. 1 Via Cottolengo	475	435,655	55,625	491,280	169,912	321,368
BIELLA Via G. Marconi 9	2,443	268,104	3,006,845	3,274,949	1,025,171	2,249,778
BIELLA Via Lamarmora / Torino / Delleani	314	570,829	-	570,829	51,375	519,454
BISTAGNO Corso Italia 46	386	32,284	292,760	325,044	138,010	187,034
BOLLATE Via Vittorio Veneto 2	801	304,750	1,098,518	1,403,268	482,385	920,883
BOLOGNA Via Rizzoli 20	1,032	410,705	3,678,600	4,089,305	1,218,434	2,870,871
BONATE SOTTO Via V. Veneto 57/b	724	52,844	599,467	652,311	191,260	461,051
BORDIGHERA Corso Italia 32	832	1,501,502	299,923	1,801,425	681,762	1,119,663
BORGHETTO LODIGIANO Piazza Dalla Chiesa 1/a	270	2,167	305,515	307,682	84,443	223,239
BORGHETTO S.S. Via IV Novembre 8	580	100,891	1,187,594	1,288,485	478,173	810,312
BORGO SAN DALMAZZO Corso Barale 22	1,643	992,307	785,597	1,777,904	643,089	1,134,815
BORGO SAN GIACOMO Via Ferrari 5	250	413	222,672	223,085	61,344	161,741
BORGOFRANCO D'IVREA Via Aosta 28	314	108,082	314,750	422,832	171,667	251,165
BORGONE DI SUSA Via A. Beagg 5 bis	565	110,626	437,012	547,638	247,677	299,961
BORGOSIESIA Viale Carlo Fassò 2	2,435	1,124,384	2,627,497	3,751,881	1,830,782	1,921,099
BOSCOMARENGO Via Roma 6 bis	479	267,939	113,157	381,096	179,224	201,872
BOSCOREALE Via S.Ten.Cirillo 12 / Via S.Felice 2	627	462,373	316,558	778,931	386,262	392,669
BOSISIO PARINI Piazza Parini 12	462	413,246	155,778	569,024	223,574	345,450
BRA Via Principi di Piemonte 32	1,143	242,935	1,679,278	1,922,213	706,992	1,215,221
BRANDIZZO Via Torino 196	612	185,833	618,311	804,144	329,837	474,307
BREMBIO Via Garibaldi 10	289	258	202,166	202,424	60,677	141,747
BRESCIA P.za Garibaldi 5 / Via Tartaglia	3,531	5,081,754	-	5,081,754	1,515,195	3,566,559

(*) L. 19/12/73 n. 823; L. 2/12/75 n. 576; L. 19/03/83 n. 72; L. 30/07/90 n. 218; L. 29/12/90 n. 408; L. 30/12/91 n. 413; others

LOCATION	Sq.m.	COST	REVALUATIONS (*)	GROSS BOOK VALUE	ADJUSTMENTS	NET BOOK VALUE
BRIGA NOVARESE Via Borgomanero 19/21	729	167,722	612,411	780,133	377,341	402,792
BRONI Piazza Garibaldi 7 ang. Via Cavour	827	557,772	1,468,747	2,026,519	809,194	1,217,325
BURAGO DI MOLGORA Via Enrico Toti 2/3	756	348,771	578,372	927,143	368,580	558,563
BUSTO ARSIZIO Fil. 2 Via Gavinana 8	526	358,294	316,705	674,999	271,563	403,436
BUSTO ARSIZIO Fil. 3 Via Torino 48	645	194,204	479,338	673,542	214,941	458,601
BUSTO ARSIZIO Fil. 4 Sacconago - P.za Chiesa Vecchia 6/b	577	67,500	575,735	643,235	219,211	424,024
BUSTO ARSIZIO Fil. 5 Borsano - Via Novara 1	245	516	327,373	327,889	105,477	222,412
BUSTO ARSIZIO Piazza Manzoni / Via Matteotti	1,329	2,393,155	-	2,393,155	430,740	1,962,415
BUSTO ARSIZIO Sede Via Milano 14	3,875	243,594	7,060,357	7,303,951	2,642,634	4,661,317
BUSTO GAROLFO Piazza Lombardia 3	358	128,460	277,931	406,391	144,781	261,610
CABIA TE Via A. Grandi 6	379	92,466	346,141	438,607	160,263	278,344
CAGLIARI Piazza Deffenu 4	4,403	4,437,128	6,995,519	11,432,647	4,813,878	6,618,769
CAGLIARI Via Paoli 31/33	753	664,607	375,021	1,039,628	311,888	727,740
CAIRO MONTENOTTE Piazza della Vittoria 24	712	129,842	876,957	1,006,799	359,394	647,405
CALOSSO Via R. Margherita 24/26	271	48,368	109,390	157,758	77,136	80,622
CALUSCO D'ADDA Via Marconi 36/38	1,008	355,554	786,934	1,142,488	357,512	784,976
CALUSO Via San Clemente 1	437	116,737	375,565	492,302	196,369	295,933
CALVATONE Via Umberto I 83	215	6,823	185,280	192,103	75,918	116,185
CAMPOMORONE Via A. Gavino 110/d	655	167,138	887,393	1,054,531	461,521	593,010
CANDELO Via Mazzini ang. Via Moglia 1	607	183,256	313,591	496,847	142,230	354,617
CANELLI P.za A. d'Aosta 20 / Via M. d'Azeglio 2	860	324,973	437,056	762,029	285,955	476,074
CANICATTI' Via Carlo Alberto 4/12	870	237,494	372,526	610,020	311,135	298,885
CANICATTI' Via Regina Margherita 2	1,000	118,519	1,078,155	1,196,674	553,620	643,054
CANTOIRA Via Roma 21	82	42,741	40,954	83,695	52,253	31,442
CANTU' Piazza degli Alpini 1	1,075	71,208	1,410,596	1,481,804	508,630	973,174
CAPRIOLO Via IV Novembre 90	652	142,603	628,622	771,225	258,868	512,357
CARAGLIO P.za Garibaldi 10 ang. Via Roma	333	500,963	-	500,963	134,978	365,985
CARAMAGNA Via Luigi Ornato 37	377	1,019,058	152,817	1,171,875	340,536	831,339
CARESANA Corso Italia 32	166	5,501	99,561	105,062	41,453	63,609
CARIGNANO Via Umberto I 118	609	176,124	649,770	825,894	407,952	417,942
CARMAGNOLA Piazza Martiri della Libertà 31	856	223,694	941,106	1,164,800	541,688	623,112
CARRU' Piazza Generale Perotti 11	292	12,853	352,144	364,997	173,392	191,605
CASALE MONFERRATO Via Magnocavallo 23	2,983	1,325,029	2,911,375	4,236,404	1,842,420	2,393,984
CASALMAGGIORE Via Cairoli 7	743	457,911	579,848	1,037,759	374,415	663,344
CASALPUSTERLENGO Via Garibaldi 22	477	102,221	486,338	588,559	239,078	349,481
CASAZZA Via della Pieve 1	1,212	1,031,881	321,174	1,353,055	386,428	966,627
CASELLE LANDI Via IV Novembre 10	254	3,357	144,002	147,359	46,563	100,796
CASELLE TORINESE Via Cuorné 86 bis	717	213,015	669,070	882,085	354,644	527,441
CASNIGO Piazza Caduti 7	435	50,228	305,215	355,443	117,514	237,929
CASOREZZO Piazza S. Giorgio 9	392	9,933	368,537	378,470	129,160	249,310
CASSINA DE' PECCHI Via Trento 2 ang. Via Venezia	1,283	698,699	1,983,075	2,681,774	1,307,898	1,373,876
CASTAGNOLE MONFERRATO Piazza Statuto 1/b	184	31,888	107,000	138,888	52,823	86,065
CASTEL GOFFREDO Piazza Gonzaga 3	590	516,457	364,877	881,334	351,978	529,356
CASTELLAMONTE Piazza Martiri della Libertà 2	515	87,140	438,749	525,889	211,070	314,819
CASTELLANZA Via Matteotti 16/b	842	160,663	759,713	920,376	334,141	586,235
CASTELLEONE Via Cappi 4	915	1,122,261	258,914	1,381,175	531,178	849,997
CASTELNUOVO BOCCA D'ADDA Via Umberto I 1	234	767	184,427	185,194	62,319	122,875
CASTELNUOVO SCRIVIA Via Nino Bixio 15	910	293,370	528,871	822,241	396,898	425,343
CASTELVETRANO Piazza Matteotti 9/10	270	477,598	397,819	875,417	494,629	380,788
CASTIGLIONE D'ADDA Via della Chiesa 1	259	3,109	223,302	226,411	69,820	156,591
CASTROFILIPPO Corso Umberto 42	194	12,527	109,751	122,278	59,068	63,210
CAVA MANARA Via Garibaldi 19	499	168,417	258,534	426,951	178,953	247,998
CAVENAGO D'ADDA Via G. Conti 6/4	140	211	117,004	117,215	36,380	80,835
CENTALLO Via Bonifanti 3/5/7	250	260,130	30,851	290,981	96,982	193,999
CERAMI Via Roma 88/90/92	110	70,575	114,984	185,559	103,278	82,281
CERCOLA Via D. Riccardi 127	1,188	1,040,152	285,923	1,326,075	563,592	762,483
CERMENATE Via G. da Cermenate / Via Matteotti 45	494	468,735	128,407	597,142	160,551	436,591
CERNOBBIO Via Dell'Orto 3	487	8,557	655,505	664,062	233,560	430,502
CERNUSCO SUL NAVIGLIO Piazza Ghezzi 5	959	983,202	1,373,131	2,356,333	1,174,324	1,182,009
CERRO MAGGIORE Via S. Bartolomeo 8	176	14,564	201,473	216,037	71,778	144,259
CESANA TORINESE Via Roma 14	476	79,161	358,516	437,677	186,655	251,022
CEVA Via Moretti 7	472	200,483	458,351	658,834	351,017	307,817
CHIARI Via delle Battaglie 3/e	798	1,331,426	142,893	1,474,319	433,621	1,040,698
CHIAVARI Corso Dante Alighieri 73	804	369,381	1,588,965	1,958,346	699,937	1,258,409
CHIERI Piazza Cavour 1	1,109	168,926	1,325,426	1,494,352	633,786	860,566
CHIERI Piazza Cavour 8	4,100	4,989,100	1,941,281	6,930,381	2,435,754	4,494,627

(*) L. 19/12/73 n. 823; L. 2/12/75 n. 576; L. 19/03/83 n. 72; L. 30/07/90 n. 218; L. 29/12/90 n. 408; L. 30/12/91 n. 413; others

LOCATION	Sq.m.	COST	REVALUATIONS (*)	GROSS BOOK VALUE	ADJUSTMENTS	NET BOOK VALUE
CHIGNOLO PO Via Garibaldi 143	247	13,025	175,662	188,687	64,349	124,338
CHIVASSO Piazza A. Carletti 1/c	1,151	237,386	1,649,516	1,886,902	719,856	1,167,046
CIGLIANO Corso Umberto I 46	689	103,625	481,364	584,989	251,059	333,930
CILAVEGNA Piazza Garibaldi 5	359	43,648	253,441	297,089	127,753	169,336
CIRIE' Via San Ciriaco 25	1,898	1,206,079	2,049,313	3,255,392	1,030,856	2,224,536
CODOGNO Via Alberici 28	946	332,120	1,409,709	1,741,829	508,222	1,233,607
COGNE Via Grappein	212	191,849	160,738	352,587	174,006	178,581
COLLEGGNO Via Manzoni 1	1,974	1,321,784	1,642,511	2,964,295	1,575,095	1,389,200
COMO Fil. 2 Via Milano 178	422	108,784	575,323	684,107	260,964	423,143
COMO Fil. 4 Albate / Via Canturina 186	340	372,221	168,080	540,301	200,363	339,938
COMO Fil. 5 Via Bellinzona 349	213	22,977	318,511	341,488	147,733	193,755
COMO Piazza Cavour 15	5,021	405,974	14,536,785	14,942,759	4,808,091	10,134,668
CORNAREDO Piazza Libertà 54	1,059	160,596	1,365,419	1,526,015	572,883	953,132
CORNAREDO Via Milano 95	522	283,906	463,323	747,229	201,768	545,461
CORSICO Fil. 1 Via Dante ang. via Monti 31/b	845	2,334,632	-	2,334,632	626,951	1,707,681
CORSICO Via Caboto 37/41	1,927	2,019,769	3,102,633	5,122,402	2,606,898	2,515,504
COSSATO Via del Mercato 40	310	464,580	127,332	591,912	196,699	395,213
COSTIGLIOLE D'ASTI Piazza Umberto I 21	636	225,379	425,510	650,889	346,912	303,977
COURMAYEUR Via M. Bianco 29 / P.za Brocherelle 3	601	208,699	1,941,270	2,149,969	718,911	1,431,058
CREMA Fil. 1 Via De Gasperi 62	1,500	145,771	-	145,771	43,474	102,297
CREMA Piazza Duomo 1 / Via dei Racchetti 1	1,006	171,811	1,329,412	1,501,223	544,816	956,407
CREMONA Fil.1 C.so Garibaldi 232 / Via Montello	1,720	1,104,141	2,012,235	3,116,376	1,617,019	1,499,357
CREMONA Sede Piazza Cavour 1 / Via Gramsci	3,896	397,862	5,333,302	5,731,164	2,274,931	3,456,233
CREMONA Via dei Tigli 3	204	64,688	62,641	127,329	74,824	52,505
CRESCENTINO Corso Roma 55/57	808	108,924	635,213	744,137	300,521	443,616
CUNEO Corso Giolitti ang. P.za Europa	2,370	1,317,944	4,558,279	5,876,223	2,654,653	3,221,570
CUORGNE' Via Ivrea 7	857	159,055	761,652	920,707	357,365	563,342
DAIRAGO Via XXV Aprile 52/c	383	52,139	410,583	462,722	167,843	294,879
DALMINE Via Betelli 11	1,601	763,944	1,441,818	2,205,762	630,982	1,574,780
DOGLIANI Piazza Carlo Alberto 30 / Via 31 Luglio 21	677	393,484	520,251	913,735	548,018	365,717
DOMODOSSOLA Piazza Matteotti 16 / Via Gramsci	1,012	1,153,246	455,363	1,608,609	476,746	1,131,863
DONNAS Via Roma 36	1,280	317,286	1,083,002	1,400,288	701,074	699,214
DOSOLO Via XXIII Aprile 6/8/10	199	10,302	154,121	164,423	53,620	110,803
ENDINE GAIANO Via Tonale 49	296	5,852	190,096	195,948	64,485	131,463
ENNA Piazza VI Dicembre 6	1,388	2,027,243	93,584	2,120,827	778,363	1,342,464
ERBA Corso XXV Aprile 64	1,549	705,420	1,978,059	2,683,479	990,075	1,693,404
ESTE Via Matteotti 49/51	650	1,361,328	-	1,361,328	398,704	962,624
FAGNANO OLONA Piazza XX Settembre 5	639	66,910	561,447	628,357	228,173	400,184
FALOPPIO Via Roma 4	150	167,330	-	167,330	39,468	127,862
FERRERA ERBOGNONE Corso della Repubblica 27	217	105,777	121,392	227,169	96,056	131,113
FINALE LIGURE Via Concezione 34/35	370	382,652	971,678	1,354,330	628,762	725,568
FINO MORNASCO Via Garibaldi 135	743	64,184	867,137	931,321	353,258	578,063
FIORANO AL SERIO Via Roma 11/B	777	125,725	696,111	821,836	236,679	585,157
FIRENZE Piazza della Repubblica 4	890	89,609	3,240,455	3,330,064	1,020,437	2,309,627
FIRENZE Via de' Conti 3 ang. Via dell'Alloro	705	452,834	1,683,987	2,136,821	814,497	1,322,324
FIRENZE Via Pratese 191	2,050	130,404	-	130,404	3,912	126,492
FOGGIA Piazza Puglia / via Bari 62	1,963	2,647,878	2,314,962	4,962,840	2,979,942	1,982,898
FONTANELLA Piazza Matteotti 18 / via Lazzari 2	561	573,449	267,434	840,883	330,167	510,716
FORNO CANAVESE Via Truchetti 7	498	49,471	351,676	401,147	179,204	221,943
FOSSANO Via Roma 81 / Via Cavour 1	1,633	306,685	1,838,768	2,145,453	829,829	1,315,624
FRESONARA Via Boscomarengo 5	226	142,253	66,301	208,554	90,773	117,781
GALLARATE Corso Sempione 9	1,934	2,231,538	518,802	2,750,340	884,502	1,865,838
GALLIATE Via L.da Vinci 21 ang. Via Volta	1,003	367,530	1,024,642	1,392,172	715,734	676,438
GAMBARA Piazza IV Novembre 5	287	516	201,364	201,880	66,572	135,308
GAMBOLO' Corso Umberto I 4	488	254,724	344,941	599,665	198,466	401,199
GARLASCO Corso Cavour 172	597	104,712	646,169	750,881	221,492	529,389
GATTINARA Piazza Italia 10 / C.so Cavour 1	554	106,174	434,486	540,660	248,943	291,717
GENOVA Piazza Matteotti 2	665	1,727,120	-	1,727,120	427,230	1,299,890
GENOVA Fil. 1 Via A. Cantore 44 / Via Pedemonte	3,157	1,596,390	3,791,994	5,388,384	2,415,299	2,973,085
GENOVA Fil. 2 ex V.G.B.Magnaghi 1 / V.Cecchi 60	630	591,621	1,736,535	2,328,156	1,012,881	1,315,275
GENOVA Fil. 4 Viale Causa 2 / Via Albaro 38	875	369,379	1,750,329	2,119,708	769,940	1,349,768
GENOVA Fil. 5 Via F. Cavallotti 46r/48r/13/4	583	419,735	817,151	1,236,886	540,858	696,028
GENOVA Fil. 6 Via Cairoli 6	957	212,175	1,498,893	1,711,068	699,759	1,011,309
GENOVA Fil. 7 Via Sestri 225/r / Via d'Andrade	1,096	374,304	1,488,676	1,862,980	865,283	997,697
GENOVA Fil. 8 Via C. Camozzini 11/r / Via Cialdini	585	404,704	642,998	1,047,702	570,909	476,793
GENOVA Fil.10 Via Rossini 8 - Rivarolo	1,011	1,022,588	593,608	1,616,196	667,202	948,994

(*) L. 19/12/73 n. 823; L. 2/12/75 n. 576; L. 19/03/83 n. 72; L. 30/07/90 n. 218; L. 29/12/90 n. 408; L. 30/12/91 n. 413; others

LOCATION	Sq.m.	COST	REVALUATIONS (*)	GROSS BOOK VALUE	ADJUSTMENTS	NET BOOK VALUE
GENOVA Sede Via Fieschi 4	5,614	4,146,086	17,254,898	21,400,984	8,401,777	12,999,207
GENOVA Via Dante ang. Via Fieschi	1,065	1,450,616	615,212	2,065,828	469,791	1,596,037
GENOVA Via Gran Madre di Dio	145	71,512	263,115	334,627	155,146	179,481
GIAVENO Piazza San Lorenzo 15	545	191,130	502,196	693,326	375,062	318,264
GORLE Via Don Mazza 1/B	600	252,518	528,040	780,558	304,081	476,477
GRASSOBBIO Via Roma 5/7	444	101,151	340,804	441,955	160,336	281,619
GRESSONEY ST. JEAN Strada Eyemmatten	255	14,843	246,714	261,557	101,225	160,332
GROMO Piazza Marconi 2	202	1,709	163,605	165,314	50,626	114,688
GRONTARDO Piazza Roma 11	241	105	167,338	167,443	46,972	120,471
GROPELLO CAIROLI Via Libertà 108	585	383,202	390,497	773,699	320,107	453,592
GRUGLIASCO Viale Gramsci 108	99	4,354	177,417	181,771	42,844	138,927
GRUGLIASCO Viale Gramsci 78/80	1,170	727,469	1,453,765	2,181,234	1,012,430	1,168,804
IMPERIA Via Cascione 11 / Piazza Marconi 2	1,790	1,646,622	2,318,309	3,964,931	1,436,072	2,528,859
INCISA SCAPACCINO Via della Repubblica 3	393	29,229	209,654	238,883	114,949	123,934
INVERIGO Via Generale Cantore 52	268	6,921	262,306	269,227	102,391	166,836
IVREA Piazza Balla 7	4,510	4,959,702	3,209,109	8,168,811	2,656,519	5,512,292
IVREA Via Palestro 22	650	3,228	1,074,530	1,077,758	340,884	736,874
IVREA Vicolo Baraton 3	30	12,911	9,425	22,336	12,331	10,005
LA SPEZIA Viale Italia 162	1,364	1,625,665	2,428,770	4,054,435	2,165,742	1,888,693
LAIGUEGLIA Via Roma 102	567	203,459	839,815	1,043,274	292,816	750,458
LAINATE Via Meda 1/A	761	231,915	680,210	912,125	302,735	609,390
LANDRIANO Via Rocca 6	292	83,373	295,906	379,279	163,585	215,694
LANZO INTELVI Piazza Novi 8	180	9,435	142,907	152,342	58,242	94,100
LANZO TORINESE Via Roma 6/a	638	70,279	633,251	703,530	276,927	426,603
LECCE Piazza Mazzini / Via N.Sauro	2,200	1,717,728	3,754,941	5,472,669	2,619,757	2,852,912
LECCO Corso Martiri della Libertà	3,282	3,769,774	2,347,136	6,116,910	2,623,268	3,493,642
LEGNAGO Via Fiume 10	763	987,026	105,109	1,092,135	321,248	770,887
LEGNANO Fil. 1 Via Venegoni 51	477	200,713	428,873	629,586	263,376	366,210
LEGNANO Fil. 2 Via Monte Rosa / Via Battisti	586	229,907	399,635	629,542	242,448	387,094
LENNO Via Statale Regina 91	246	40,521	340,249	380,770	114,474	266,296
LEONFORTE Corso Umberto 201/b	260	152,565	92,058	244,623	147,079	97,544
LIVORNO FERRARIS Via L. Giordano 72	435	107,528	388,204	495,732	184,014	311,718
LOANO Fil. 1 Via Aurelia 356	197	42,474	458,995	501,469	207,654	293,815
LOANO Fil. Corso Europa 1	839	270,989	1,987,512	2,258,501	845,729	1,412,772
LOCATE TRIULZI Via Giardino 2	678	529,098	527,305	1,056,403	425,798	630,605
LOCATE VARESIANO Via C. Battisti 38	480	402,034	217,787	619,821	212,024	407,797
LODI Sede Piazza Mercato 13 / via Strepioni 2	3,237	785,368	3,238,425	4,023,793	1,209,233	2,814,560
LOMAZZO Piazza Stazione 2	639	16,001	681,612	697,613	238,895	458,718
LOMELLO Via Roma 6/8	241	30	184,007	184,037	55,837	128,200
LUCCA Piazza San Martino 10	1,361	2,100,111	1,384,560	3,484,671	1,043,149	2,441,522
LURATE CACCIVIO Via Unione 2	794	381,487	612,413	993,900	257,265	736,635
MAGENTA Via Volta / Via Cavallari	759	785,436	166,522	951,958	282,369	669,589
MALEO Piazza XXV Aprile 6/8	205	1,969	147,919	149,888	40,126	109,762
MANDELLO DEL LARIO Piazza L. Manara 5	394	437,129	303,526	740,655	325,788	414,867
MANTOVA Via Frattini 7	2,232	3,543,221	1,257,030	4,800,251	1,353,017	3,447,234
MANTOVA Via Isabella d'Este 10	120	113,621	-	113,621	20,452	93,169
MAPELLO Via Bravi 3	556	106,360	417,782	524,142	184,027	340,115
MARANO Via Merolla 9/11	741	475,269	789,476	1,264,745	535,717	729,028
MARIANO COMENSE Piazza Roma 47	266	547,831	46,421	594,252	183,180	411,072
MEDE Via Cavour 18	763	1,179,553	553,750	1,733,303	595,788	1,137,515
MEDIGLIA Frazione Triginto / Piazza Pertini 6	733	604,255	165,473	769,728	257,133	512,595
MELEGNANO Piazza Garibaldi 1	1,545	1,863,587	1,103,223	2,966,810	1,187,695	1,779,115
MELZO Via Magenta 2/8	1,440	850,584	1,522,170	2,372,754	954,538	1,418,216
MENAGGIO Via IV Novembre 38/40	1,021	32,998	859,767	892,765	305,259	587,506
MENFI Via della Vittoria 254	310	252,002	225,507	477,509	267,268	210,241
MERATE Viale Lombardia 2	1,126	408,013	910,854	1,318,867	544,391	774,476
MESERO Via San Bernardo 8	291	42,395	247,061	289,456	106,896	182,560
MESTRE Corso del Popolo 58	190	30,548	67,578	98,126	29,438	68,688
MESTRE Via Cappuccina 11	502	96,616	574,778	671,394	201,418	469,976
MILANO Fil. 1 Viale Monza 118	1,000	289,487	3,042,673	3,332,160	1,068,935	2,263,225
MILANO Fil. 15 Via Domodossola 9/11	779	728,175	704,742	1,432,917	532,893	900,024
MILANO Fil. 16 Via Carducci 4	1,084	2,161,450	2,430,881	4,592,331	1,831,752	2,760,579
MILANO Fil. 19 Via Imbonati 35	960	1,316,077	113,191	1,429,268	398,851	1,030,417
MILANO Fil. 2 Via Moroni 9	1,101	1,082,710	2,722,075	3,804,785	1,654,363	2,150,422
MILANO Fil. 21 Via Ettore Ponti 30	574	515,420	401,363	916,783	323,999	592,784
MILANO Fil. 29 Viale Restelli 3	1,423	300,910	3,640,403	3,941,313	1,310,943	2,630,370

(*) L. 19/12/73 n. 823; L. 2/12/75 n. 576; L. 19/03/83 n. 72; L. 30/07/90 n. 218; L. 29/12/90 n. 408; L. 30/12/91 n. 413; others

LOCATION	Sq.m.	COST	REVALUATIONS (*)	GROSS BOOK VALUE	ADJUSTMENTS	NET BOOK VALUE
MILANO Fil. 3 Corso Sempione 67	671	93,131	1,470,653	1,563,784	476,125	1,087,659
MILANO Fil. 4 Viale Piceno 2 / Piazza Emilia	1,444	755,662	4,621,376	5,377,038	1,889,119	3,487,919
MILANO Fil. 5 Via Imbonati 64/a	1,447	386,744	3,482,811	3,869,555	1,374,129	2,495,426
MILANO Sede Via Broletto 9/11	4,980	1,342,057	33,666,637	35,008,694	11,172,660	23,836,034
MILANO Via Hoepli 10	2,145	376,865	9,445,439	9,822,304	3,673,906	6,148,398
MOMBERCELLI Piazza Alfieri 2	294	33,635	151,817	185,452	91,094	94,358
MONCALIERI Centro Contabile Corso Savona 58	48,060	30,612,709	38,104,035	68,716,744	26,632,246	42,084,498
MONCALIERI Via San Martino 34	1,591	640,791	2,497,584	3,138,375	1,436,484	1,701,891
MONCALVO Piazza Carlo Alberto 5	353	240,548	266,976	507,524	324,448	183,076
MONDOVI' Corso Statuto 22 / Via S.Arnolfo	895	538,359	935,693	1,474,052	782,221	691,831
MONTAFIA Piazza C. Riccio 9/2	235	54,842	146,794	201,636	84,445	117,191
MONTEGROSSO D'ASTI Via XX Settembre 67	296	139,883	140,682	280,565	130,753	149,812
MORTARA Corso Garibaldi 91	654	334,034	787,725	1,121,759	448,271	673,488
MORTARA Via Josti 26	1,158	587,532	1,587,180	2,174,712	807,225	1,367,487
MOTTA BALUFFI Via Matteotti 7	227	426	141,127	141,553	32,153	109,400
MOZZATE Via Varese 28	577	5,165	476,236	481,401	171,041	310,360
MOZZO Via Santa Lucia 1	1,103	1,853,099	398,302	2,251,401	668,254	1,583,147
MUGNANO Via Verdi ang. Via IV Martiri 10	550	320,684	558,430	879,114	417,295	461,819
NAPOLI Piazza Garibaldi 127	836	466,663	1,084,046	1,550,709	464,932	1,085,777
NAPOLI Via Riviera di Chiaia 131	2,804	2,724,871	10,644,832	13,369,703	5,062,764	8,306,939
NERVIANO S.ILARIO MILANESE Via San Antonio 1	318	77,566	276,603	354,169	123,143	231,026
NIBIONNO Via Parini 2	346	5,165	296,249	301,414	105,919	195,495
NICHELINO Via Cagliari 23	310	97,546	-	97,546	17,558	79,988
NICHELINO Via Torino 3	907	190,228	928,966	1,119,194	685,395	433,799
NIZZA MONFERRATO Via Pio Corsi 77	979	192,761	1,005,277	1,198,038	523,469	674,569
NOLE CANAVESE Via Torino 46	362	60,721	357,329	418,050	183,666	234,384
NOVARA Fil. Largo Cavour	1,870	787,846	3,654,719	4,442,565	1,668,228	2,774,337
NOVARA Via Marconi 2/T	452	121,000	84,950	205,950	58,489	147,461
NOVI LIGURE Corso Marengo 10 / p.za della Repubblica 4	1,770	1,252,339	2,238,159	3,490,498	1,486,092	2,004,406
NUS Via Risorgimento 1	376	87,629	321,921	409,550	202,355	207,195
OCCHIEPPO SUP.RE Via Martiri della Libertà 30	137	199,807	-	199,807	59,590	140,217
OGGIONO Via Cavour 3	652	572,090	203,925	776,015	307,047	468,968
OLGIATE COMASCO Via Roma 2	981	18,901	1,327,787	1,346,688	474,836	871,852
OLMO AL BREMBO Via Roma 45	279	1,779	185,209	186,988	62,761	124,227
OMEGNA Via Don A. Beltrami 2	2,051	1,636,354	601,511	2,237,865	963,776	1,274,089
ORBASSANO Via Roma 43 / Via San Rocco 10	686	165,077	997,037	1,162,114	548,789	613,325
ORZINUOVI Piazza V.Emanuele 55 / Via Chierica 3/a	827	154,645	1,513,281	1,667,926	589,361	1,078,565
OSPEDALETTO LODIGIANO Via Balbi 53	346	1,291	251,529	252,820	71,380	181,440
OSSONA Via Patrioti 2 / Via Bosi	315	14,922	298,655	313,577	115,457	198,120
OSTIANO Via Garibaldi 27 / Via Vighenzi 6	240	36,204	196,955	233,159	93,076	140,083
OTTIGLIO Via Mazza 18	380	68,773	209,042	277,815	130,945	146,870
OTTOBIANO Viale Garibaldi 9	210	22,339	144,156	166,495	52,037	114,458
OVADA Via Cairoli 22	1,532	599,792	1,907,201	2,506,993	1,189,800	1,317,193
PADERNO DUGNANO Via Gramsci 124	873	407,381	755,433	1,162,814	416,876	745,938
PADERNO DUGNANO Viale della Repubblica 28	765	619,356	523,617	1,142,973	429,439	713,534
PALERMO Via Dante 48/48a	386	476,872	745,592	1,222,464	686,525	535,939
PARE' Via San Fermo 5	253	46,039	293,620	339,659	128,676	210,983
PARMA Via Verdi 6	345	79,659	734,876	814,535	233,601	580,934
PAULLO Via Mazzini 21/23	1,699	21,871	1,977,407	1,999,278	631,409	1,367,869
PAVIA Fil. 2 Corso Garibaldi 52	526	74,908	832,128	907,036	315,952	591,084
PAVIA Sede Via Rismondo 2	3,127	4,795,359	464,118	5,259,477	1,411,957	3,847,520
PEJA Via Provinciale 3/3a	1,041	191,636	729,744	921,380	375,976	545,404
PEROSA ARGENTINA Via Roma 31 / p.za Marconi 7	503	106,927	391,979	498,906	226,736	272,170
PERUGIA Via XX Settembre 72 / Via d.Corgna	2,582	2,223,222	2,191,699	4,414,921	2,274,718	2,140,203
PESCARA Corso V. Emanuele 68/76	1,502	2,724,295	1,821,495	4,545,790	1,490,521	3,055,269
PIADENA Via Libertà 40/36	1,046	498,165	497,377	995,542	377,470	618,072
PIAZZATORRE Via Centro 8	123	19,530	82,647	102,177	29,266	72,911
PINEROLO Piazza L. Barbieri 39/41	1,235	403,175	1,971,197	2,374,372	931,512	1,442,860
PINO TORINESE Via Roma 76	156	352,764	66,270	419,034	143,176	275,858
PIOLTELLO Via Milano 40 / Via Roma	476	494,835	269,373	764,208	320,690	443,518
PIOSSASCO Via Torino 49	476	69,183	449,634	518,817	197,397	321,420
PISA Corso Italia 131	1,012	170,759	-	170,759	10,246	160,513
PIZZIGHETTONE Via Monte Grappa	901	948,162	98,974	1,047,136	279,672	767,464
POGGIOMARINO Via Manzoni 2 ang. Via V.Emanuele	329	273,890	202,566	476,456	229,325	247,131
POGLIANO MILANESE Via Mons. Paleari 74	435	31,132	464,181	495,313	167,190	328,123
POIRINO Via Indipendenza 19	647	116,539	565,731	682,270	329,950	352,320

(*) L. 19/12/73 n. 823; L. 2/12/75 n. 576; L. 19/03/83 n. 72; L. 30/07/90 n. 218; L. 29/12/90 n. 408; L. 30/12/91 n. 413; others

LOCATION	Sq.m.	COST	REVALUATIONS (*)	GROSS BOOK VALUE	ADJUSTMENTS	NET BOOK VALUE
PONT CANAVESE Via Craveri 6	217	120,857	189,375	310,232	107,979	202,253
PONTE NOSSA Via IV Novembre 16/18	289	73,505	244,160	317,665	111,290	206,375
PONTE S. PIETRO Via Garibaldi 5	635	247,596	520,371	767,967	284,500	483,467
PONTEVICO Via XX Settembre 25	973	647,768	848,119	1,495,887	808,027	687,860
PONTIROLO NUOVO Piazza Marconi 9	277	82,709	276,436	359,145	139,004	220,141
PORDENONE Via G.Marconi 30	677	76,075	-	76,075	10,716	65,359
PORLEZZA Piazza Matteotti 12	273	57,009	336,320	393,329	132,300	261,029
PRATO Viale Vittorio Veneto 7	2,680	1,746,236	3,605,670	5,351,906	2,679,522	2,672,384
PREGNANA MILANESE Via Roma 80	336	97,536	324,530	422,066	163,467	258,599
PRESEZZO Via Papa Giovanni XXIII 4/5 / via Vittorio Veneto	246	235,906	184,639	420,545	260,578	159,967
RAPALLO Corso Matteotti 2/4/6 ang. Via Mameli	330	286,099	875,169	1,161,268	522,627	638,641
RAVENNA Via Arcivescovado 9	1,594	74,949	-	74,949	18,690	56,259
REGGIO CALABRIA Corso Garibaldi 173	625	196,354	921,026	1,117,380	312,408	804,972
RESCALDINA Via A. da Giussano 43	288	54,664	272,686	327,350	120,859	206,491
RESCALDINA Via B. Melzi 2	530	13,484	598,242	611,726	204,616	407,110
RIVA PRESSO CHIERI Via San Giovanni 2	523	63,517	431,062	494,579	195,188	299,391
RIVALTA Circolo Ricreativo Via Giaveno 55	2,044	1,817,278	605,462	2,422,740	853,402	1,569,338
RIVAROLO Piazza Chioratti 1 / Via S.Francesco	1,336	400,309	1,562,673	1,962,982	737,948	1,225,034
RIVOLI Piazza Martiri della Libertà 8 / Via Rombò 37	2,547	1,292,014	4,343,532	5,635,546	2,454,478	3,181,068
ROBBIO Via Roma 22	427	1,291	457,384	458,675	131,140	327,535
ROMA Fil. 2 Tiburtina Via Tiburtina Km. 16.2 (Guidonia M.)	1,265	766,427	2,151,945	2,918,372	1,183,681	1,734,691
ROMA Fil. 22 Via Parigi 11	1,624	1,009,781	4,258,088	5,267,869	2,035,118	3,232,751
ROMA Guidonia Montecelio / Via Giusti	396	41,591	308,192	349,783	124,970	224,813
ROMA Sede Via della Stamperia 64	3,288	1,756,372	15,869,346	17,625,718	6,554,159	11,071,559
ROMA Via Conca d'Oro 90/94	130	3,699	151,238	154,937	46,481	108,456
ROMA Via O.Amato 80 Acilia	2,336	3,505,447	-	3,505,447	798,091	2,707,356
ROMA Viale dell'Arte 25	48,349	28,796,943	116,501,992	145,298,935	59,339,919	85,959,016
ROVELLASCA Via Piave 1	581	23,402	638,991	662,393	215,105	447,288
ROVELLO PORRO Via Piave 22	450	177,203	439,629	616,832	249,603	367,229
S. BASSANO Via Roma 57	184	6,604	150,121	156,725	50,320	106,405
S. COLOMBANO AL LAMBRO Via Pasino Sforza 28	357	228,416	217,792	446,208	194,736	251,472
S. CRISTINA E BISSONE Via V. Veneto 142/140	304	44,729	166,979	211,708	78,768	132,940
S. DAMIANO D'ASTI Via Roma 20	317	229,851	226,639	456,490	239,594	216,896
S. DONATO MILANESE C.so Europa / Via Morandi	574	444,327	381,851	826,178	346,564	479,614
S. FEDELE INTELVI Via Provinciale 15	239	381	240,391	240,772	74,227	166,545
S. FERMO DELLA BATTAGLIA Via Montelatici 2	359	325,445	122,128	447,573	175,936	271,637
S. GIACOMO DI ROBURENT Via Sant'Anna 61	75	67,765	46,160	113,925	63,309	50,616
S. GIORGIO LOMELLINA Via Roma 1	266	503,192	-	503,192	94,003	409,189
S. GIOVANNI BIANCO Via Boselli 10/16	226	57	172,878	172,935	49,953	122,982
S. GIOVANNI LUPATOTO Via Madonnina 1/c	821	724,589	923,830	1,648,419	906,545	741,874
S. MARIA DELLA VERSA Via F. Crispi 1	359	16,399	204,426	220,825	73,782	147,043
S. MAURIZIO CANAVESE Via V. Emanuele 59	413	5,302	453,455	458,757	177,710	281,047
S. ROCCO AL PORTO Via D. Alghieri 5	1,134	1,095,709	255,449	1,351,158	453,344	897,814
SABBIONETA Piazza Ducale 3 / via dell'Assunta 3	456	445,067	95,437	540,504	244,059	296,445
SAINT VINCENT Via E. Chanoux 88	728	93,216	939,679	1,032,895	401,184	631,711
SALE Via Roma 6	364	216,269	144,304	360,573	165,204	195,369
SALUZZO Corso Italia 44	892	383,523	1,147,494	1,531,017	697,513	833,504
SANNAZZARO DE' BURGONDI Piazza del Popolo 6	958	867,809	902,812	1,770,621	1,014,159	756,462
SANREMO Via Matteotti 169	2,088	1,171,337	4,063,530	5,234,867	2,469,116	2,765,751
SANT'ANGELO LODIGIANO Via Umberto I 46	615	144,590	671,791	816,381	291,511	524,870
SANTHIA' Corso Italia 75/87	697	136,310	532,664	668,974	283,185	385,789
SARONNO Piazza De Gasperi	80	49,580	-	49,580	8,924	40,656
SARONNO Piazza Volontari del Sangue 7	1,678	126,726	2,768,905	2,895,631	940,849	1,954,782
SARONNO Via Grieg 5 (archivio)	4,040	1,333,544	666,459	2,000,003	604,297	1,395,706
SARRE Strada Statale n.26	590	382,297	442,225	824,522	458,684	365,838
SAUZE D'OULX Piazza III Regg. Alpini 24	247	66,851	289,875	356,726	179,640	177,086
SAVIGLIANO Piazza del Popolo 60	1,152	438,462	1,084,120	1,522,582	628,023	894,559
SAVONA Via Paleocapa / Piazza Mameli 2	2,322	1,788,068	4,380,844	6,168,912	2,784,574	3,384,338
SECUGNAGO Via Roma 5	288	13,068	146,399	159,467	48,644	110,823
SENAGO Piazza F. Borromeo 2	539	323,285	322,864	646,149	230,098	416,051
SEREGNO Corso Matteotti / Via Sanzio	1,200	1,730,360	534,129	2,264,489	771,788	1,492,701
SESTO S. GIOVANNI Via F.lli Casiraghi 27	2,398	1,297,983	1,006,930	2,304,913	707,836	1,597,077
SESTRI LEVANTE Via Fasce 24	835	209,920	1,305,943	1,515,863	623,492	892,371
SESTRIERE Piazzale Agnelli 2	170	105,265	476,992	582,257	281,273	300,984
SETTIMO TORINESE Corso Italia 16	1,948	1,086,842	2,470,343	3,557,185	1,319,111	2,238,074
SETTIMO TORINESE Via Torino 118 (Citta' Comm.le)	155	29,771	104,690	134,461	35,397	99,064

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LOCATION	Sq.m.	COST	REVALUATIONS (*)	GROSS BOOK VALUE	ADJUSTMENTS	NET BOOK VALUE
SOLTO COLLINA Via S. Eurasia 1	267	59,355	168,534	227,889	93,396	134,493
SOMMARIVA BOSCO Via Cavour 13	428	39,443	376,596	416,039	164,033	252,006
SORESINA Via Matteotti 2	1,265	8,619	888,825	897,444	215,505	681,939
SOVERE Via Roma 26	357	126,140	308,065	434,205	165,011	269,194
SPINO D'ADDA Via M. della Liberazione 29	490	305,685	299,264	604,949	256,792	348,157
STRIANO Via Risorgimento ang. Via Roma 23	634	560,183	392,690	952,873	397,479	555,394
SUSA Via Mazzini ang. Corso Inghilterra 10	1,027	356,115	843,210	1,199,325	512,483	686,842
TAVERNERIO Via Provinciale per Lecco 16/d	266	96,090	365,186	461,276	156,993	304,283
TERMOLI Corso Nazionale 150/152	1,243	2,208,977	104,209	2,313,186	840,262	1,472,924
TERNO D'ISOLA Via Castegnate 1	821	635,242	246,685	881,927	328,591	553,336
TERZIGNO Piazza V. Emanuele 17	808	414,761	627,797	1,042,558	533,081	509,477
TICINETO Via G. Matteotti 1	376	53,047	243,102	296,149	117,870	178,279
TORINO ex Fil. 25 Via P. Gaidano 8	624	196,922	579,622	776,544	218,461	558,083
TORINO Fil. 1 Corso Re Umberto 51/53	1,121	244,638	2,857,198	3,101,836	1,134,244	1,967,592
TORINO Fil. 10 Corso Casale 64/64bis	1,477	420,062	2,857,055	3,277,117	1,177,432	2,099,685
TORINO Fil. 11 Via Tunisi 124	993	1,405,355	502,737	1,908,092	646,191	1,261,901
TORINO Fil. 12 Via Stradella 34	2,378	1,210,880	3,749,339	4,960,219	2,355,642	2,604,577
TORINO Fil. 13 Corso San Maurizio 47	1,330	432,449	2,547,815	2,980,264	1,047,071	1,933,193
TORINO Fil. 14 Corso Svizzera 32	1,727	560,870	2,644,676	3,205,546	1,339,366	1,866,180
TORINO Fil. 15 Via XX Settembre 3	948	223,906	2,685,563	2,909,469	1,058,137	1,851,332
TORINO Fil. 16 Corso Orbassano 138	2,165	1,002,635	3,735,803	4,738,438	1,921,115	2,817,323
TORINO Fil. 17 Piazza Massaua 5	3,057	1,347,816	2,775,654	4,123,470	1,837,319	2,286,151
TORINO Fil. 18 Corso Bramante 84	1,206	952,293	649,488	1,601,781	1,124,402	477,379
TORINO Fil. 19 Via O.Vigliani 160/51 / Via P.di Cesnola	3,095	3,000,480	658,854	3,659,334	1,292,568	2,366,766
TORINO Fil. 2 Via Sant'Anselmo 18	1,197	156,173	2,251,357	2,407,530	856,363	1,551,167
TORINO Fil. 20 Via Cimarosa 85	3,185	2,173,261	2,642,882	4,816,143	1,538,781	3,277,362
TORINO Fil. 21 Via A. di Bernezzo 50	1,019	414,243	1,558,580	1,972,823	800,791	1,172,032
TORINO Fil. 22 Corso V. Emanuele 110	1,256	703,191	2,558,483	3,261,674	1,356,703	1,904,971
TORINO Fil. 23 Corso Unione Sovietica 409	2,824	1,121,729	4,017,174	5,138,903	2,372,988	2,765,915
TORINO Fil. 24 Corso Turati 18	1,182	202,848	2,462,675	2,665,523	952,827	1,712,696
TORINO Fil. 25 Via P. Gaidano 7	2,016	1,526,642	1,805,008	3,331,650	1,811,510	1,520,140
TORINO Fil. 26 Via Monginevro 228	1,296	557,419	1,452,888	2,010,307	898,385	1,111,922
TORINO Fil. 27 Piazza Rebaudengo 7/9	1,796	494,306	1,443,349	1,937,655	948,198	989,457
TORINO Fil. 3 Via Matteucci 2	1,185	552,984	1,802,194	2,355,178	913,985	1,441,193
TORINO Fil. 4 Corso Peschiera 151	2,019	970,198	2,970,251	3,940,449	1,680,309	2,260,140
TORINO Fil. 5 Piazza della Repubblica 7	1,931	321,752	2,901,710	3,223,462	1,117,006	2,106,456
TORINO Fil. 55 S.V. Via Gottardo 273	526	26,913	642,524	669,437	259,068	410,369
TORINO Fil. 6 Piazza Nizza 75	1,220	820,241	2,275,051	3,095,292	1,218,507	1,876,785
TORINO Fil. 7 Piazza Crispi 61 / Corso Vercelli	1,369	645,553	1,868,161	2,513,714	1,146,742	1,366,972
TORINO Fil. 8 Corso A. De Gasperi 14	1,512	897,571	2,382,760	3,280,331	1,400,397	1,879,934
TORINO Fil. 9 S.Vari Via Caluso 1	649	23,914	779,596	803,510	291,574	511,936
TORINO Fil. 9 Via Banchette ang. Corso Grosseto	1,890	1,810,862	2,111,187	3,922,049	2,211,207	1,710,842
TORINO Sede Piazza San Carlo 156/182	43,324	11,690,055	98,850,845	110,540,900	44,650,359	65,890,541
TORINO Sede Via Monte di Pietà 26	2,224	473,820	5,012,308	5,486,128	1,497,431	3,988,697
TORINO Sede Via Monte di Pietà 32	24,277	12,295,746	47,514,417	59,810,163	21,582,568	38,227,595
TORINO Sede Via Santa Teresa 3	1,430	359,051	4,440,621	4,799,672	1,631,210	3,168,462
TORINO Sp.S.V. 'A' Corso Peschiera 162	690	59,571	964,939	1,024,510	416,449	608,061
TORINO Sp.S.V. 'E' Corso Orbassano 134	729	91,696	1,367,179	1,458,875	503,655	955,220
TORINO Strada San Vito (Villa Abegg)	2,856	2,535,582	3,521,671	6,057,253	1,760,227	4,297,026
TORINO Via G. Bruno 200/202	85	6,405	45,586	51,991	17,607	34,384
TORINO Via San Francesco d'Assisi 15	397	11,883	791,767	803,650	326,821	476,829
TORINO Via Valeggio 36	1,270	785,085	4,214,753	4,999,838	2,162,954	2,836,884
TORINO Via dell'Arsenale 17	2,671	3,255,438	-	3,255,438	97,663	3,157,775
TORRE BOLDONE Via D.L.Palazzolo 11	374	37,050	477,358	514,408	188,140	326,268
TORTONA Piazza Duomo 9	1,598	391,909	2,434,367	2,826,276	1,228,138	1,598,138
TORTONA Piazza Mazzini 2 (autorimessa)	56	22,477	20,139	42,616	21,954	20,662
TRADATE Corso Bernacchi 85	829	311,170	870,897	1,182,067	499,624	682,443
TRECCATE Via Gramsci 1	815	234,401	742,138	976,539	436,398	540,141
TRENTO Via Segantini ang. Via Acconcio	930	2,266,987	610,271	2,877,258	982,398	1,894,860
TRESCORE CREMASCO Via Carioni 2	446	241,631	273,090	514,721	209,739	304,982
TREVIGLIO Piazza Cameroni 2	1,883	1,464,953	2,406,814	3,871,767	1,733,113	2,138,654
TREZZO SULL'ADDA Via Garibaldi / Via dei Mille 1	1,645	782,113	1,266,851	2,048,964	736,959	1,312,005
TRIESTE Piazza Oberdan 3	670	68,172	1,068,033	1,136,205	340,862	795,343
TRIESTE Via Coroneo 8	90	45,205	27,099	72,304	21,691	50,613
TRINO Corso Cavour 61	840	324,985	577,220	902,205	488,766	413,439
TROFARELLO Via Torino 64	856	116,335	947,001	1,063,336	433,709	629,627

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LOCATION	Sq.m.	COST	REVALUATIONS (*)	GROSS BOOK VALUE	ADJUSTMENTS	NET BOOK VALUE
TURATE Via Marconi 7 / Via Candiani	547	454,637	349,792	804,429	314,728	489,701
UBOLDO Via Roma 27	351	30,307	462,856	493,163	177,942	315,221
VADO LIGURE Piazza Cavour 10	754	1,303,021	39,091	1,342,112	435,906	906,206
VAILATE Via S. Giani 15	190	85,042	302,118	387,160	117,099	270,061
VALBONDIONE Via S. Lorenzo 24	148	21,969	91,261	113,230	40,598	72,632
VALENZA Corso Garibaldi 111/113	1,724	2,193,678	2,529,203	4,722,881	1,937,978	2,784,903
VALFENERA Via A. d'Aosta 10	355	56,505	255,210	311,715	134,333	177,382
VALGUARNERA CAROPEPE Via Garibaldi 95	120	43,121	168,090	211,211	109,760	101,451
VALLE LOMELLINA Via Casserotto 1 / Via Roma 29	451	216,082	442,617	658,699	378,883	279,816
VALLEMOSSO Piazza Dante Alighieri 8	650	209,476	376,135	585,611	237,522	348,089
VANZAGHELLO Piazza S. Ambrogio 2	701	325,578	434,984	760,562	276,970	483,592
VARALLO SESIA Piazza Vittorio Emanuele	510	134,176	370,658	504,834	187,523	317,311
VARAZZE Piazza Patrone / Via Nazioni Unite	843	245,869	1,819,382	2,065,251	868,420	1,196,831
VARESE Fil. 1 Via Marcobi 8	820	52,397	1,280,068	1,332,465	539,378	793,087
VARESE Sede Via Milano 16	2,366	122,808	3,507,021	3,629,829	1,463,847	2,165,982
VENARIA REALE Viale Buridani 6	1,760	170,603	-	170,603	20,240	150,363
VENEZIA Rio Terra' S. Leonardo 1353	303	31,853	1,517,518	1,549,371	464,811	1,084,560
VENTIMIGLIA Corso Limone 9 (Sp.COMCENTRO)	130	181,536	111,487	293,023	179,829	113,194
VENTIMIGLIA Via Cavour 30A-B/108	1,444	663,377	3,683,809	4,347,186	1,849,710	2,497,476
VERCELLI Viale Garibaldi 12	4,449	1,664,902	4,261,769	5,926,671	2,592,092	3,334,579
VERCELLI Via Mercadante 3 ang. Via Paggi (ex Fil.1)	280	9,379	150,478	159,857	50,864	108,993
VERDELLO Via Cavour 19	771	24,003	744,864	768,867	192,751	576,116
VERONA Piazza Madonna di Campagna 18	1,269	1,875,538	455,381	2,330,919	615,547	1,715,372
VIADANA Piazza Manzoni 32	780	560,392	712,327	1,272,719	529,591	743,128
VIAREGGIO Via San Francesco	910	88,774	-	88,774	5,326	83,448
VIGEVANO Via Decembrio 35 / Via Carducci 1	1,473	259,412	3,051,040	3,310,452	1,262,544	2,047,908
VIGNALE MONFERRATO Piazza del Popolo 5	170	4,533	78,568	83,101	23,380	59,721
VILLA CARCINA Via Glisenti 78	726	745,518	407,520	1,153,038	516,616	636,422
VILLA CORTESE Via Tosi 22 / Via Speroni	436	349,479	257,509	606,988	264,759	342,229
VILLAFRANCA D'ASTI Via Roma 34	398	39,873	319,845	359,718	164,333	195,385
VILLANTERIO Via IV Novembre 12/a	379	30,080	360,890	390,970	119,261	271,709
VILLAR PEROSA Via Nazionale 31/9	440	15,568	460,574	476,142	163,083	313,059
VILLAROSA SICILIA Piazza V. Emanuele 3	245	299,173	-	299,173	32,818	266,355
VILLASANTA Via Confalonieri / Via Camperio	250	473,598	23,171	496,769	132,714	364,055
VILLASTANZA DI PARABIAGO P.za Indipendenza 6	178	12,646	186,037	198,683	62,107	136,576
VIMERCATE Via Risorgimento 32/a	754	826,376	362,775	1,189,151	457,856	731,295
VOGHERA Piazza Duomo 10	2,264	2,167,298	3,855,320	6,022,618	3,054,296	2,968,322
ZANICA Via Roma 9/9a	599	83,083	531,649	614,732	225,764	388,968
TOTAL PROPERTY ITALY	644,152	362,797,369	891,506,624	1,254,303,993	488,867,384	765,436,609
PARIGI Avenue de Suffren	150	21,304	314,393	335,697	-	335,697
NEW YORK Town of Mamaroneck	613	514,519	413,411	927,930	364,448	563,482
GRAND TOTAL	644,915	363,333,192	892,234,428	1,255,567,620	489,231,832	766,335,788

(*) L. 19/12/73 n. 823; L. 2/12/75 n. 576; L. 19/03/83 n. 72; L. 30/07/90 n. 218; L. 29/12/90 n. 408; L. 30/12/91 n. 413; others

Other points on the Agenda

Authorization for the purchase and sale of own shares

REPORT OF THE BOARD OF DIRECTORS

Ordinary part: report on point 2 of the Agenda

Shareholders,

The Board of Directors called you to the ordinary meeting to resolve on the proposal to authorize the purchase and sale of own shares, in order to renew the authorization already granted at the previous meeting of 30 April 2001, prior to its imminent expiry. The appropriate section of the explanatory notes (Part B, section 8) illustrates the transactions in own shares carried out by SANPAOLO IMI during the year.

As you well know, there are various reasons why a company might want to buy or sell its own shares. In particular, it is opportune that Directors be authorised to purchase and sell own shares, also to keep price in line with what it imagines to be its fair value, in relation to contingent situation on the domestic or international market. This can also improve market liquidity, making trading in the shares easier and more regular. At the same time, it is deemed opportune that Directors be empowered with this authorization, in order to be able to take advantage of opportunities such as special transactions or deals involving share exchanges, or other situations where a company might need to have its own shares available.

Without affecting the matters mentioned in art. 132.3 of D. Lgs. 58/1998, purchases of own shares are made on the market, according to the methods laid down in the regulations for the markets organized and managed by Borsa Italiana SpA, or other managing company, to ensure fair treatment to all shareholders pursuant to art. 132 of D.Lgs. 58/1998. Transactions generally are carried out in compliance with current CONSOB regulations for trading in listed securities.

Taking account of the above, we propose that you pass a resolution in accordance with art. 2357 of the Civil Code and art. 132 of D.Lgs. 58 of 24 February 1998, authorising for a period of eighteen months from the date of the resolution the purchase of own shares of par value Euro 2.8 per share at a price including related purchase costs of not less than 30% below and not more than 10% above the reference price that the stock will have posted during the stock exchange session on the day prior to each purchase transaction, up to a maximum of 140 million shares and in any case, within the limits set by the law. Purchases can take place on one or more occasions.

We also propose that you confirm the amount of the specific reserve for the purchase of own shares in Euro 1,000 million corresponding to the already existing reserve for the purchase of own shares. The amount of own shares held in portfolio at any moment in time should not exceed this limit, which corresponds to available items in the Bank's shareholders' equity.

We also propose that you authorize the disposal of all or part of the own shares held, without any time limit, at a price not less than 10% below the reference price that the stock will have posted in the session on the day prior to each sale, pursuant to art. 2357-ter of the Civil Code. On the other hand, suitable average prices in line with international best practice can be used for share transfers involved in the acquisition of significant shareholdings by the Bank, or in connection with the setting up of stable relationships of cooperation or special financial operations (such as mergers and acquisitions) which imply the availability of own shares to be assigned to others. More specifically, the faculty to use own shares to serve the exchange at the conditions set out in the plan to merge Cardine Banca with SANPAOLO IMI must be confirmed as authorised by resolution of the Extraordinary Meeting held on 5 March 2002.

Own shares can also be used as part of incentive plans for:

- the employees of the Company or its subsidiaries for allocations free of charge, also in substitution of other forms of remuneration, according to current tax regulations;

- sales for payment following the exercise of option rights and at a price equal to the "normal value" of the stock calculated according to current tax regulation, to employees of the Bank or of its subsidiaries, as well as, in compliance with art. 2389 of the Civil Code, to Directors of the Bank.

Note that as mentioned in the Report on operations, and without affecting the powers of the shareholders' meeting in matters concerning the authorization of how own shares can be used, the Board of Directors has on separate occasions:

- decided in accordance with art. 15.9 of the Articles of Association that the remuneration of the Chairman, Mr. Rainer Masera, and of the Managing Directors, Mr. Alfonso Iozzo and Mr. Luigi Maranzana, should be supplemented by means of a stock option plan assigning to each of them 450,000 fixed rights for the three years of their term of office (2001-2003), plus another 150,000 rights on condition that the SANPAOLO IMI stock reach a price of 20 Euro by the end of the three-year period;
- decided, also in accordance with art. 15.9 of the Articles of Association, on the appointment of Mr. Pio Bussolotto as Managing Director, that his remuneration should be supplemented by means of a stock option plan assigning him 300,000 fixed rights for the two years of his term of office (2002-2003), plus another 100,000 rights on condition that the SANPAOLO IMI stock reach a price of € 20 by the end of the two-year period;
- approved a voluntary bonus issue of shares to employees of the Bank for an amount varying according to the individual's level of remuneration, linked to the productivity bonus. The shares will be assigned during 2002, at the time that the 2001 productivity bonus is paid.

Lastly, we invite you to formally agree with these proposal and to authorize the Board of Directors to delegate all or part of the power to initiate purchases and disposals of own shares.

Turin, 26 March 2002

The Board of Directors

Appointment of the Board of Statutory Auditors for the three years 2002/2003/2004 (as per art. 19 of the Articles of Association)

REPORT OF THE BOARD OF DIRECTORS

Ordinary part: report on point 3 of the Agenda

Shareholders,

With the approval of the 2001 financial statements, the term of office of the Board of Statutory Auditors appointed at the shareholders' meeting held on 30 April 1999 comes to an end.

In accordance with art. 19 of the Articles of Association, the Board of Statutory Auditors has to be elected by means of a procedure of voting lists.

Shareholders, you are therefore invited to vote according to the system laid down in the Articles of Association.

Turin, 26 March 2002

The Board of Directors

Determination of the remuneration of the Board of Statutory Auditors

REPORT OF THE BOARD OF DIRECTORS

Ordinary part: report on point 4 of the Agenda

Shareholders,

In connection with the appointment of the Board of Statutory Auditors pursuant to point 3 on the agenda of the ordinary part of today's shareholders' meeting, their remuneration also has to be decided.

You are therefore invited to vote on this matter, bearing in mind that under art. 19 of the Articles of Association, in addition to their fee, each Statutory Auditor can also be awarded a fixed amount for attending meetings. Lastly, we would remind you that the Statutory Auditors also have a right to reimbursement of any expenses incurred in performing their duties as well as an expense allowance decided by the shareholders.

Turin, 26 March 2002

The Board of Directors

Remuneration of the Directors

REPORT OF THE BOARD OF DIRECTORS

Ordinary part: report on point 5 of the Agenda

Shareholders,

As you know, art. 15 of the Articles of Association provides for the payment of annual emoluments, as per Shareholders' Meeting resolutions, to the members of the Board of Directors and of the Executive Committee, part of which is fixed and part of which is variable.

Accordingly, the Shareholders' Meeting on 30 April 2001 determined the variable gross part of the emoluments due to the current members of the board for 2001 as follows:

- 0.1% of net income as shown in the consolidated financial statements for that year, if it comes to less than € 1,250 million,
- 0.15% of net income as shown in the consolidated financial statements for that year, if it comes to more than € 1,250 million.

The Shareholders decided not to set any parameter for the year 2002, postponing any decision to the meeting called to approve the 2001 financial statements. This was in consideration of the need for a more precise idea about the Bank's future developments with a view to a fairer evaluation of the situation.

We would also remind you that today's Meeting, in the preceding point on the agenda, is called upon to authorize the purchase and sale of own shares. One of the ways that own shares can be used is to include them in Directors' stock option plans.

Shareholders,

You are therefore invited to take the necessary decisions in accordance with art. 15 of the Articles of Association.

Turin, 26 March 2002

The Board of Directors

Resolutions as per art. 2443 of the Civil Code (employee stock plans)

REPORT OF THE BOARD OF DIRECTORS

Extraordinary part

Shareholders,

You are asked to consider the proposal to delegate to the Board of Directors, pursuant to art. 2443 of the Civil Code, the authority to approve paid increases in capital in accordance with art. 2441, last para., of the Civil Code and art. 134 of D.Lgs. 58/98, to be reserved exclusively for employees of the Company and/or of subsidiaries as per art. 2359 of the Civil Code.

The need to revise the system of personnel incentives - preserving the assignment of ordinary shares in the Company as the key element - arises from the fact that we have more or less run out of the option rights assigned under the authority originally granted by the Extraordinary Shareholders' Meeting of 31 July 1998, while there is still a need to develop a corporate culture that is strongly oriented towards the creation of Shareholder value, in line with the principles underlying the Group's strategic plans for the three-year period 2002-2004, also in consideration of the merger between SANPAOLO IMI and Cardine Banca, already approved by the Extraordinary Shareholders' Meeting of 5 March 2002.

The purpose of this proposal is to set up employee stock plans that initially will be reserved for executives holding key positions in the Company and within the Group.

These stock plans, like the ones already in existence, would be designed to create a close link between the overall remuneration that senior managers within the Group can earn and the market performance of the Company's stock and hence the value created for Shareholders. Each beneficiary of the plans would be given the right to subscribe, during the period established for each Plan, to a certain number of ordinary shares at a predefined market price, bearing in mind current tax and social security allowances.

In particular, the operation would comply with the following basic principles:

- the subscription price of the ordinary shares - bearing in mind the legal limits - would be set at the beginning of each Plan by reference to the price established under current tax and social security regulations at the time, which at present is the average closing price posted by the SANPAOLO IMI S.p.A. stock on the screen-based trading system of the Italian Stock Exchange run by Borsa Italiana S.p.A., during the month prior to the date that the Plan is approved by the Company's Board of Directors;
- the duration of the plans, the deadline by which rights are to be exercised, the overall regulations for their implementation, as well as the beneficiaries of the plans and the quantities of shares to be assigned to them, chosen according to objective criteria in the interests of the Company, will be decided from time to time;
- the rights to subscribe to ordinary shares assigned to employees will be personal and non-transferable between living persons, and they will expire if the person concerned resigns.

In order to implement these plans, it would be opportune for the Shareholders' Meeting:

- to grant the Board of Directors the authority, to be exercised by 27 April 2007 and with effect from 1 August 2002 (i.e. after the probable starting date for statutory purposes of the merger between SANPAOLO IMI and Cardine Banca), to increase the share capital for payment, on one or more occasions, in accordance with art. 2441, last para., of the Civil Code and art. 134 D.Lgs. 58/98, for an amount up to a maximum of 1% of the share capital of SANPAOLO IMI after

the merger; considering the share exchange ratio authorized for the merger and the par value of the shares, the amount involved cannot exceed Euro 53,141,370.80;

- to grant the Board of Directors the widest possible power to implement this authority.

We would also like to propose an amendment to the resolution passed by the Extraordinary Shareholders' Meeting held on 30 April 1999 regarding the duration of the stock option plans for employees of the Company and/or employees of subsidiaries in accordance with art. 2359 of the Civil Code, replacing the phrase "*it will be possible to exercise the option rights assigned under the plans for a period of three years, whereas the rights will expire if the employee resigns*" with the phrase "*the option rights assigned under the plans will expire if the employee resigns*". This amendment is required to bring the existing stock option plans into line with the new plans to be introduced under the new authority under art. 2443 of the Civil Code, as proposed above.

Lastly, we consider it opportune to propose that you cancel the authority granted to the Board of Directors at the Extraordinary Shareholders' Meeting on 31 July 1998 and subsequent amendments. This would take effect from 1 August 2002 for the part not utilized.

Shareholders,

If you are in agreement with this proposal, we would invite you to vote in favour of the following resolutions, changing the fifth and sixth paragraphs of article 6 of the Articles of Association with effect from 1 August 2002, as follows:

Current text (1)

ARTICLE 6

- 6.1 The share capital amounts to Euro [] split into [] ordinary shares and [] preference shares of par value Euro 2.8 each(2). The share capital can also be increased by issuing shares with different rights from those already issued.
- 6.2 The preference shares are held in one or more administered deposits with the Company and the Company is the only authorized custodian. Any disposal of preference shares has to be communicated by the Shareholder to the Company without delay and leads to automatic conversion of the preference shares into ordinary shares at par, except in the case where the disposal is to a person or entity that owns the whole of the capital. On 1 July 2012, the preference shares will be converted at par into ordinary shares with the same characteristics of the ordinary shares outstanding at that moment in time.
- 6.3 In the event of an increase in capital for payment, for which option rights have not been excluded or limited, holders of preference shares have an option to buy preference shares with the same characteristics, or, if there are none or for any difference, to buy

Proposed text

ARTICLE 6

- 6.1 *The share capital amounts to Euro [] split into [] ordinary shares and [] preference shares of par value Euro 2.80 each(2). The share capital can also be increased by issuing shares with different rights from those already issued.*
- 6.2 The preference shares are held in one or more administered deposits with the Company and the Company is the only authorized custodian. Any disposal of preference shares has to be communicated by the Shareholder to the Company without delay and leads to automatic conversion of the preference shares into ordinary shares at par, except in the case where the disposal is to a person or entity that owns the whole of the capital. On 1 July 2012, the preference shares will be converted at par into ordinary shares with the same characteristics of the ordinary shares outstanding at that moment in time.
- 6.3 In the event of an increase in capital for payment, for which option rights have not been excluded or limited, holders of preference shares have an option to buy preference shares with the same characteristics, or, if there are none or for any difference, to buy

preference shares with different characteristics, savings shares or ordinary shares, in that order.

6.4 The Board of Directors has the right to increase the share capital, on one or more occasions, up to a maximum value at par of Euro 7,500,000,000 (seven billion five hundred million) and to issue on one or more occasions convertible bonds, cum warrant or otherwise, up to the same amount, but for a figure that on each occasion does not exceed the limits laid down by law. This power will have to be used prior to 28 April 2004.

6.5 The Board of Directors also has the power to increase the share capital, for payment, on one or more occasions, by an amount of up to a maximum value at par of Euro 40,000,000 (forty million) by issuing ordinary shares for subscription (as per art. 2441.8 of the Civil Code and art. 134 of D.Lgs. 58/1998) by employees of the Company or by employees of subsidiaries (as per art. 2359 of the Civil Code) participating in the stock option plans approved by the Board. This power will have to be used by 28 July 2003.

6.6 As a result of the resolutions passed by the Board of Directors on 9 February 1999, 21 December 1999, 27 June 2000 and 18 December 2001, based on the authority explained in the preceding paragraph, the share capital can be increased by up to a maximum amount at par of Euro 39,284,756 (thirty-nine million, two hundred and eighty-four thousand, seven hundred and fifty-six).

preference shares with different characteristics, savings shares or ordinary shares, in that order.

6.4 The Board of Directors has the right to increase the share capital, on one or more occasions, up to a maximum value at par of Euro 7,500,000,000 (seven billion five hundred million) and to issue on one or more occasions convertible bonds, cum warrant or otherwise, up to the same amount, but for a figure that on each occasion does not exceed the limits laid down by law. This power will have to be used prior to 28 April 2004.

6.5 **The Board of Directors also has the power to increase the share capital, for payment, on one or more occasions, by an amount of up to a maximum value at par of Euro [](2) by issuing ordinary shares for subscription (as per art. 2441.8 of the Civil Code and art. 134 of D.Lgs. 58/1998) by employees of the Company or by employees of subsidiaries (as per art. 2359 of the Civil Code) participating in the stock option plans approved by the Board. This power will have to be used prior to 27 April 2007.**

6.6 As a result of the resolutions passed by the Board of Directors on 9 February 1999, 21 December 1999, 27 June 2000 and 18 December 2001, **based on the authority granted by the Shareholders' Meeting on 31 July 1998**, the share capital can be increased by up to a maximum amount at par of Euro 39,284,756 (thirty-nine million, two hundred and eighty-four thousand, seven hundred and fifty-six).

1 *The Current Text is the one already approved by the Extraordinary Shareholders' Meeting on 5 March 2002, which will take effect on the date that the merger between SANPAOLO IMI S.p.A. and Cardine Banca S.p.A. takes effect.*

2 *The amount involved in the authority will be 1% of the share capital resulting from the merger between Cardine Banca S.p.A. and SANPAOLO IMI S.p.A.; considering the share exchange ratio for the merger and the par value of the shares, the amount involved cannot exceed Euro 53,141,370.80.*

5 March 2002

The Board of Directors

Report on the Bank's system of corporate governance and implementation of the code of conduct for listed companies

Increasing attention is being given to the question of corporate governance and openness in communication with institutional investors and the market in general, these being seen as ways of maximizing shareholder value, SANPAOLO IMI has therefore decided to adopt the Code of Conduct for Listed Companies (hereinafter, the "Code") prepared by a Committee made up of experts and representatives of leading companies, professional associations and institutional investors, as well as Borsa Italiana, the company that runs the Italian Stock Exchange.

The Company has decided to bring its system of corporate governance into line with that of the Code because it recognizes that it provides an excellent model, based as it is on international best practice and inspired by a balanced representation of the functions of management and control.

The key features of this system are explained below.

* * *

Composition and role of the Board of Directors

a) Composition and term of office of the Board of Directors

According to art. 14 of the Articles of Association, the Company is managed by a Board of Directors consisting of between 7 and 20 members, as decided by the Shareholders' Meeting, which also appoints the Chairman of the Board. SANPAOLO IMI's Board as appointed by the Shareholders' Meeting on 30 April 2001 and integrated by the Meeting held on 5 March 2002 is made up of 18 Directors who are listed below with an indication of the specific offices that they hold:

Rainer Masera	Chairman
Isabelle Bouillot	Director
Pio Bussolotto	Managing Director
Alberto Carmi	Director
Giuseppe Fontana	Director
Gabriele Galateri di Genola e Suniglia	Director
Richard Gardner	Director
Alfonso Iozzo	Managing Director
Mario Manuli	Director
Luigi Maranzana	Managing Director
Virgilio Marrone	Director
Don Abel Matutes	Director
Iti Mihalich	Director
Emilio Ottolenghi	Director
Orazio Rossi	Deputy Chairman
Gian Guido Sacchi Morsiani	Director
Enrico Salza	Deputy Chairman
Remi François Vermeiren	Director

The term of office of all Members of the Board of Directors will expire once the financial statements for 2003 have been approved.

b) Executive and Non-executive Directors

The Board has a balanced combination of executive and non-executive directors.

More specifically, the Managing Directors can be considered executive directors, as their role according to the Articles of Association is one of executive management and business leadership. All of the other members of the Board, on the other hand, are to be considered non-executive, as their role is limited to exercising their respective functions at collective meetings of the Board, the Executive Committee and the Technical Committees.

The Chairman, who has not been assigned operational powers by the Board, can also be considered non-executive.

c) Independent Directors

Directors are considered independent pursuant to art. 3 of the Code provided they:

- a. do not maintain significant business relations with the Company, its subsidiaries, the executive directors, the shareholder or group of shareholders who control the Company, such as might create a conflict of interest;
- b. are not direct or indirect holders of equity interests such as might allow them to exercise control over the Company, nor participants in Shareholder syndicates for the control of the Company.

The Board of Directors is of the opinion that in the case of SANPAOLO IMI, the corporate structure is such (also taking into account the agreements that exist between certain shareholders) that the only "Non-independent" Directors are the Managing Directors, given their position as Executive Directors.

d) Functions of the Board of Directors

Generally speaking, the Board of Directors is responsible for strategic policy decisions and is endowed with all powers of ordinary and extraordinary administration, except for those specifically attributed by law or by the Articles of Association to the exclusive competence of the Shareholders' Meeting.

More specifically, in accordance with art. 16 of the Articles of Association, the following matters are reserved to the exclusive competence of the Board of Directors:

- decisions regarding general management policy, the approval and modification of general regulations on employment, the purchase and sale of equity investments that alter the composition of the Banking Group, and the appointment of the positions mentioned in art. 20.1 (General Managers, Deputy General Managers, Head Office Managers);
- decisions regarding the methods of coordination and supervision of Group Companies and the ways in which Bank of Italy instructions are to be implemented.

Under the Bank's Articles of Association and current power delegations, the following matters are also within the competence of the Board of Directors:

- the review and approval of strategic, business and financial plans for the Company and for the Group, as well as approval of the Group's corporate governance regulations;
- the attribution of powers to the Managing Directors and the Executive Committee, including the related definition of the limits, methods and frequency with which the delegated Bodies have to report to the Board on the activities that they have performed in exercise of the powers granted to them;
- decisions regarding the remuneration of the Managing Directors and those holding particular positions of responsibility, as well as the subdivision of the variable portion of the remuneration due to individual Board members, based on proposals by the Remuneration and Personnel Policy Committee and input from the Board of Statutory Auditors;
- approval of the general policies for risk management;

- general supervision of operations, with particular emphasis on situations involving a conflict of interest, taking into consideration, above all, the information received from the Executive Committee, the Managing Directors and the Audit Committee, periodically comparing the actual results with those that were budgeted;
- the review and approval of major operations from an economic, balance sheet or financial point of view, defined on the basis of quantitative and qualitative criteria (such as credit lines that exceed one fifth of the Company's net equity, decisions regarding loans of more than 10 million euro, purchase of equity investments worth more than 100 million euro), paying particular attention to related party transactions and those that could create a conflict of interest;
- ensuring that the organizational and administrative structure of the Company and of the Group is adequate;
- presentation to the Shareholders of reports on the matters on the agenda of Shareholders' Meetings.

Given that the Company is a Bank, it is also subject to the rules on related party transactions contained in art. 136 of D. Lgs. 385 of 1/9/1993. These lay down that any business dealings with officers of the Company have to be specifically approved by the Board of Directors (Company officers being those that have administration, management or control functions at the Parent Bank or any other company belonging to the banking group).

Related party transactions have to be approved by the Company's Board of Directors, apart from those with an economic value of less than 5 million euro (based on objective parameters, such as market prices, official statistics or special appraisals) which are considered not significant, or in the case of credit exposures if the nominal value is less than this figure.

e) Powers granted

In accordance with art. 15 of the Articles of Association, the Board of Directors appoints the Executive Committee from among its members (with the Chairman, Deputy Chairmen and Managing Directors being *ex officio* members), laying down the number of its members, levels of authority, term of office, working rules and powers. The Board also appoints one or more Managing Directors, laying down their powers and duties.

The Executive Committee currently consists of 8 Directors:

Rainer Masera
 Pio Bussolotto
 Gabriele Galateri di Genola e Suniglia
 Alfonso Iozzo
 Luigi Maranzana
 Iti Mihalich
 Orazio Rossi
 Enrico Salza

The Board has granted the Executive Committee powers to be exercised within the ambit of the strategies, policies and plans expressed by the Board, with a faculty to sub-delegate powers and an obligation to report to the Board quarterly on its activities, the decisions it has taken and the powers it has granted to others.

More specifically, the Executive Committee has mainly been given powers regarding the authorization of credit and loans and the acquisition of equity investments, without jeopardy to the matters that remain within the exclusive competence of the Board of Directors pursuant to art. 16 of the Articles of Association.

The Executive Committee also has the authority in urgent cases to take any measures needed to protect the Bank's interests, reporting such matters to the Board at its next meeting.

The Board has granted the Managing Directors joint and several powers to be exercised within the ambit of their respective competences and of the strategies, policies and plans expressed by the Board, with a faculty to sub-delegate powers and an obligation to report to the Board quarterly on its activities, the decisions it has taken and the powers it has granted to others.

The division of responsibilities between the three Managing Directors is based on areas that involve similar types of operations and markets, as well as the desire to make best use of their particular skills and fields of specialization. It is also based on sharing the Group's objectives to the maximum degree possible and on close collaboration between distinct but related operating areas, so as to maximize operating efficiency and provide customers with an excellent level of service.

In particular, they have been allocated the following specific areas of authority:

The Managing Director Pio Bussolotto has been given responsibility for Cardine Finance and its bank networks to supervise their current integration. He has also been given responsibility for equity investments in other Italian banks, for the tax collection companies and centralized supervision of the Group's strategic planning and of the logistics and procurement areas.

The Managing Director Alfonso Iozzo has been given responsibility for supervising all banking and lending activities for households, companies and public sector entities, by being directly responsible for the Sanpaolo Network, Banco di Napoli and Banca OPI, as well as for coordination of the various banks' sales and marketing activities. In order to emphasize the process of integration of these banks' operations, he has also been made responsible for centralized supervision of Group loans, including significant exposures, and for the "Macchina Operativa Integrata".

The Managing Director Luigi Maranzana has been made responsible for the Group's specialist businesses, with particular reference to the networks of financial advisors (Banca Fideuram and Banca Sanpaolo Invest), asset management (Sanpaolo IMI Wealth Management), financial markets, and foreign and international banking activities. He also has reporting to him certain Group head office functions that are also involved in these markets, such as Group Finance, Risk Management and Correspondent Banking.

Taking these areas of authority into account, the Board has granted powers to the Managing Directors in matters of credit and loans authorization and operations in general, Group credit lines to financial institutions, loan recovery, other economic sacrifices, assets and liabilities in dispute and pre-litigation not involving recoveries, administrative proceedings against the Company, equity investments - without prejudice to matters that are the exclusive competence of the Board of Directors - and expenditure, as well as powers regarding personnel matters within the ambit of the management policies approved by the Board of Directors and Executive Committee. The Managing Directors have also been granted powers in matters involving the control and management of financial risks.

In general terms and within the ambit of their respective attributions or in execution of resolutions taken by higher Bodies, the Managing Directors have been granted all of the necessary powers for the day-to-day running of the Company, providing they have not been specifically reserved for other Bodies.

In accordance with art. 17 of the Articles of Association, under the powers granted to them, the Managing Directors can draft the resolutions proposed for authorization by the Board of Directors and the Executive Committee. More specifically, it is up to the Managing Directors to make proposals regarding the general organization of the Company, the business areas and banking business, as well as personnel management.

As regards the role and functions of the Chairman of the Board of Directors, the Company's current organizational structure as explained in the Articles of Association and the decision taken by the Board, the Chairman's functions are separate from those of the Managing Directors. The Chairman has not been granted any decision-making authority by the Board, except for those (as per art. 18 of the Articles of Association) involving the coordination of the Company's activities, the power to authorize any legal, administrative and executive action in the Company's interest, as well as the power - with the consent of the pertinent Managing Director - to adopt any measure of an urgent nature in the Company's interest, reporting back to the Board or to the Executive Committee, if possible, the next time they meet.

f) Board meetings

In accordance with art. 17 of the Articles of Association, Board meetings are normally held every two months, though a meeting can also be called on the request of at least three Board members or one Managing Director or on the basis of

the powers prescribed by law to the Statutory Auditors. Board meetings are called by the Chairman who coordinates proceedings of the Board of Directors as laid down in the Articles of Association. The Chairman also chairs Board meetings and decides on the agenda, taking in account the motions proposed by the Managing Directors.

The notice of calling for Board meetings is sent to Directors and Statutory Auditors sufficient time in advance to allow them to become acquainted with the matters on the agenda; it is then followed by whatever documentation may be needed for them to do their duty as Directors in a knowledgeable manner. Advance information may only be waived in cases of extreme urgency; on such occasions, each item on the agenda has to be dealt with in particular detail, with a special emphasis on the documents that were not distributed in advance.

During the course of 2001, the Board of Directors of SANPAOLO IMI met 16 times; considering that the Bank has always held Board meetings at regular intervals in the past, it is reasonable to assume that it will meet a similar number of times during the current year as well.

Generally speaking, Directors attend most Board meetings, which allows the Company to benefit from their particular professional skills.

g) Technical Committees

In carrying out its duties, the Board of Directors has the support of a number of Technical Committees made up from among its members (as per art. 15.3 of the Articles of Association); these Committees have consultative and investigatory functions. In addition to those envisaged by the Code of Conduct, the Company has also set up a Group Risk Committee and an Ethics Committee. The former has been given the task of formulating the Group's risk strategies and policies, while the latter's role is to evaluate the principles to be submitted to the Board of Directors for the development of a corporate ethics and environmental policy and to monitor implementation of the policies chosen within the corporate structure.

Appointment and Remuneration of Directors

a) Appointment

Directors are appointed on the basis of nominations made by the Shareholders, who are not obliged to announce in advance the names of the candidates that they intend to sponsor.

The shareholder sponsoring a candidate has to describe the professional experience of the person being proposed to the other shareholders in General Meeting.

There is no provision for the use of voting lists for the appointment of Board members.

Having said this, and based on SANPAOLO IMI's experience in this area, it would not seem that the Bank requires a Directors Appointments Committee, also given the active and vigilant participation of Shareholders and institutional investors at General Meetings.

b) Remuneration

As regards the Directors' remuneration system currently applied by SANPAOLO IMI, one can summarize by saying that the emoluments due to Directors, according to the criteria approved by the Shareholders' Meeting on 30 April 2001, are made up as follows:

- a) an annual fixed portion,
- b) a variable portion linked to results and calculated with reference to bases and parameters approved by the Shareholders Meeting,
- c) a fixed amount by way of daily allowance each time a Director attends a collegiate meeting,

in addition to the reimbursement of out-of-pocket expenses that the Directors incur in performing their duties, as laid down in the Articles of Association.

The Board of Directors decides how to split the variable portion among the Directors, with input from the Board of Statutory Auditors, and, as per art. 15.9 of the Articles of Association, lays down the remuneration of Directors with particular responsibilities, again with input from the Board of Statutory Auditors.

As regards the Directors with particular responsibilities, the Board of Directors receives input from the Remuneration and Personnel Policy Committee, which is made up principally of Non-executive Directors:

Enrico Salza (Chairman)
 Giuseppe Fontana
 Gabriele Galateri di Genola e Suniglia
 Iti Mihalich
 Orazio Rossi
 Pio Bussolotto
 Alfonso Iozzo
 Luigi Maranzana

The three Managing Directors can intervene, but only on matters concerning the definition of policies for remuneration and other matters regarding top management and general rules on labour relations.

In 2001, the Board of Directors decided, on the basis of this Committee's proposal, that the Chairman and the Managing Directors should have a fixed remuneration and a variable portion linked to the achievement of the Group's budgeted results; this amount can be increased or decreased by 20% depending on whether net income is over or under budget, to be supplemented by stock option plans (as detailed in the report on operations), again with a fixed portion and a variable portion linked to the performance of the stock.

The Internal Control System

The Bank of Italy's new orientation on supervisory activities in recent years concentrates on verifying that banks have an adequate level of efficiency and autocontrol. This has led the Central Bank to revise its Regulatory Instructions on matters of Internal Control.

The new approach, which reflects international developments in this area, features a limited number of prescriptive measures, preferring to establish a set of principles for banks to follow; the idea is also to stimulate top management to develop highly effective systems of internal control.

The very terminology used by the Bank of Italy, "System of Internal Control", introduces a strong concept of innovation: no longer controls involving purely formal checks, but integrated by a series of control subsystems to monitor all kinds of risks by operating in an integrated manner at all levels of the organization.

The internal auditing function is also called upon as part of this new approach to direct its efforts towards checking the adequacy of the organization as a whole, evaluating the Company's ability to achieve its objectives with efficiency and effectiveness.

In SANPAOLO IMI this task is entrusted to a separate Internal Auditing Department which has the necessary independence from the operating structures as it reports directly to the three Managing Directors. In carrying out its duties, the Internal Audit Department is not subject to any limits in its access to Company information, archives and assets, as foreseen in the

Internal Audit Regulations approved by the Board of Directors in December '99, which extend to the whole Group a system of internal controls that allows the Parent Bank to exercise effective control over the Group's overall risk exposure.

The Department has to evaluate the adequacy of the Group's overall system of internal controls, check that operations are carried out properly and that the risk trend is kept under control; it also has to bring to the attention of the Board of Directors and of Top Management any improvements that could be made to the Group's risk management policies, measurement tools and procedures.

The Department reports on its activities on a quarterly basis to the Board of Directors, as well as to the Audit Committee set up by the Board of Directors back in June 1998 and made up of the following non-executive directors:

Virgilio Marrone (Chairman)
Giuseppe Fontana
Gian Guido Sacchi Morsiani
Enrico Salza

Meetings of the Audit Committee are also attended by the Managing Directors and the Chairman of the Board of Statutory Auditors, and by the Heads of the Accounting and Internal Audit Departments to present their reports.

The Audit Committee normally meets once a month and has the task of analyzing problems and situations of a certain importance, with the right to ask for specific analyses to be carried out on matters that they consider worthy of further investigation, bearing in mind the adequacy of the internal control system. The Committee also considers what corrective measures should be taken to eliminate the weaknesses and anomalies found by both the Internal and External (or Independent) Auditors.

This means that the Committee:

- evaluates the adequacy of the internal control system at the Parent Bank and at Group Companies;
- evaluates the work plans prepared by those in charge of internal control and receives period reports from them;
- evaluates the proposals made by the Independent Auditors to obtain the engagement, as well as their audit plan and the results expressed in their auditors' report and management letter;
- maintains close contact with the Board of Statutory Auditors, as its Chairman takes part in Audit Committee meetings, to ensure a timely exchange of information on matters pertaining to the internal control system;
- reports to the Board of Directors on its activities and on the adequacy of the Group's internal control system; it does this at least every six months, when the annual and half-year reports are approved;
- carries out any other tasks assigned by the Board of Directors, particularly as regards relations with the Independent Auditors.

Treatment of Confidential Information

In SANPAOLO IMI, institutional responsibility for external communications - including "price sensitive" information - lies with the Chairman and the Managing Directors, with the support of the Investor Relations and Board Secretariat.

The treatment of confidential information takes place in compliance with an internal procedure approved by the Board of Directors, which takes account of current best practice, coordinating principles and recommendations contained in explanatory communications issued by the Supervisory Authorities.

This procedure reiterates the duty of confidentiality that binds the Directors and Statutory Auditors in the Company's interest, while at the same time reaffirming the fact that the Company appreciates the principles of market efficiency and openness, as well as the concepts of reliability, clarity and continuity of information that underlie communications to the public.

The procedure also defines the situations in which the Company is obliged to make a public announcement and in what way.

Specific instructions have been issued to subsidiaries to ensure that they also comply with the Group's standards of openness to the market.

Investor Relations

Relations with Shareholders and institutional investors are maintained by the Investor Relations and Board Secretariat. There is also a website (www.sanpaoloimi.com) that provides information and news on the Company, with a section specifically devoted to corporate governance.

The Company has adopted a set of Regulations for Shareholders' Meetings to stimulate debate and ensure that proceedings take place as they should. Copies of the Regulations are made available to shareholders prior to each meeting. These Regulations, which are not an attachment to the Articles of Association, were approved at an Ordinary Meeting of the Shareholders; amendments to them can also be approved in the same way.

The Company decided that it was not necessary to take any steps to change the percentage thresholds contained in the current rules governing the protection of minority shareholders' rights.

Statutory Auditors

In accordance with art. 19 of the Articles of Association, the Board of Statutory Auditors is elected by the Shareholders' Meeting by means of a voting list mechanism according to a procedure that requires candidates to be announced in advance; it also guarantees that minority Shareholders are represented.

The lists of candidates have to be published in at least two national daily newspapers, one of which financial, and deposited at least ten days prior to the date of the Shareholders' Meeting at first calling, at the head office of the Company, together with the curriculum vitae of each candidate and the declarations by which the individual candidates accept their candidature and confirm, under their own responsibility, that there is no reason why they should be ineligible or incompatible, as well as the fact that they have the prerequisites to act as Statutory Auditor according to current regulations and the Articles of Association.

Turin, 26 March 2002

The Board of Directors

Information for investors

For further information:

SANPAOLO IMI S.p.A.
Investor Relations
Piazza San Carlo 156
10121 TURIN - ITALY

Tel.: +39-011-555-2593
+39-011-555-2639
Fax: +39-011-555-2989
E-mail: investor.relations@sanpaoloimi.com
Internet: <http://www.sanpaoloimi.com>

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