

GRUPPO SANPAOLO IMI

Q2 2003 RESULTS

15 September 2003

DISCLAIMER

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

SUMMARY OF INTERIM RESULTS

- ▶ Positive revenues in a difficult macro-environment
 - ▶ Net interest income +2.0% H103/H102
 - ▶ Commission income +0.8% H103/H102
 - ▶ Trading gains +24.8% H103/H102
 - ▶ Profits from life companies +51.4% H103/H102

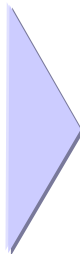
- ▶ Underpinned by excellent operating trends
 - ▶ Selective loan growth up 4.7% year on year and 1.8% YTD
 - ▶ Effective asset liability management
 - ▶ Further confirmation of asset gathering strength: 9 billion euro (10 billion at 31 August)

- ▶ Good cost control despite significant integration charges and salary inflation (+3.8%)

- ▶ Good asset quality confirmed and levels of coverage improved
 - ▶ NPL ratio down to 1.0%
 - ▶ NPL coverage 69.2%
 - ▶ Problem loans coverage 32.1%

- ▶ Planned extraordinary charge taken to fund redundancies but to be offset in H2 by extraordinary gains


- ▶ Business plan targets confirmed



Total revenues +1.6%



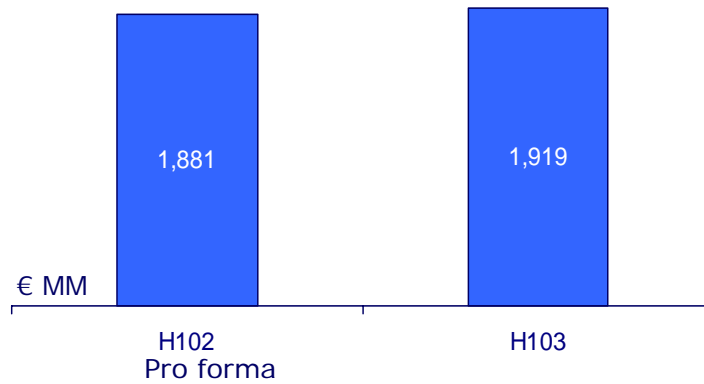
Operating income +3.2%



Income before
extraordinary +4.3%

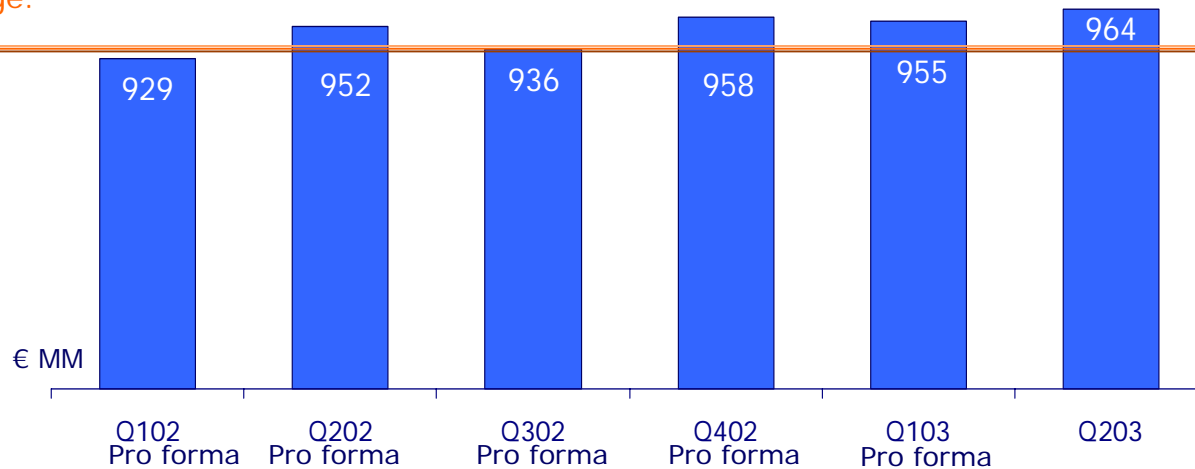
POSITIVE GROWTH IN NET INTEREST INCOME

+2.0%



- ▶ Growth driven by:
 - ▶ domestic loan growth in key markets
 - ▶ effective management of falling interest rate environment
 - ▶ higher customer deposits in low interest bearing current accounts

2002 average:
944 € MM



Q203/Q103	Q203/Q202
+0.9%	+1.3%

EFFECTIVE MANAGEMENT OF FALLING INTEREST RATE ENVIRONMENT

- ▶ Falling rates impact on mark down although contained by improvement in mark up and repricing of liabilities
- ▶ Active ALM continues to mitigate interest rate sensitivity of low interest bearing deposits

Average spread on customer business

	Var. Y/Y	Var. Q/Q
Average spread	+47 bps	+10 bps
▶ Mark up	+74 bps	+19 bps
▶ Mark down	-27 bps	-9 bps
3 month Euribor (*)	-109 bps	-33 bps

(*) Quarterly average

SELECTIVE LOAN GROWTH

- ▶ The loan policy remains focussed on:
 - ▶ asset quality
 - ▶ appropriate risk adjusted pricing
- ▶ Continuing positive trends :
 - ▶ mortgage lending up 7.4% Y/Y
 - ▶ public authority lending up 11% Y/Y

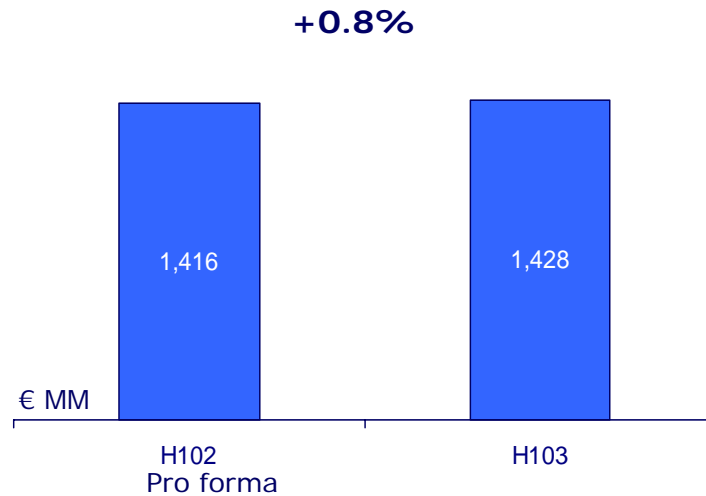
€ MM	Stock H103	Var. H103/H102
GROUP:	127,732	+4.8%
▶ Medium-long term	78,197	+5.5%
▶ Short term	49,535	+3.8%
PRINCIPLE BUSINESS UNIT NUMBERS:		
▶ Sanpaolo Network	53,322	+11%
▶ Cardine	25,621	+9%
▶ Large Domestic Groups	10,601	-7%
▶ Banca OPI	17,993	+11%
▶ Consumer Banking	3,215	+12%
▶ Foreign network	4,813	-29.2%

SOLID GROWTH IN CURRENT ACCOUNTS

- ▶ Overall customer deposits stable but Y/Y variations reflect risk adverse stance of customers to volatile markets

€ MM	H103	%	H102	%	Var. H103/H102
Current account and deposits	70,775	51.6	67,871	49.4	+4.3
CDs	6,372	4.6	7,445	5.4	-14.4
Bonds	38,651	28.1	40,296	29.4	-4.1
Commercial paper	3,657	2.7	3,980	2.9	-8.1
Repos	13,694	10.0	12,984	9.5	+5.5
Other	4,096	3.0	4,635	3.4	-11.6
Total	137,245	100.0	137,211	100.0	+0.0

RECOVERY IN FEE INCOME

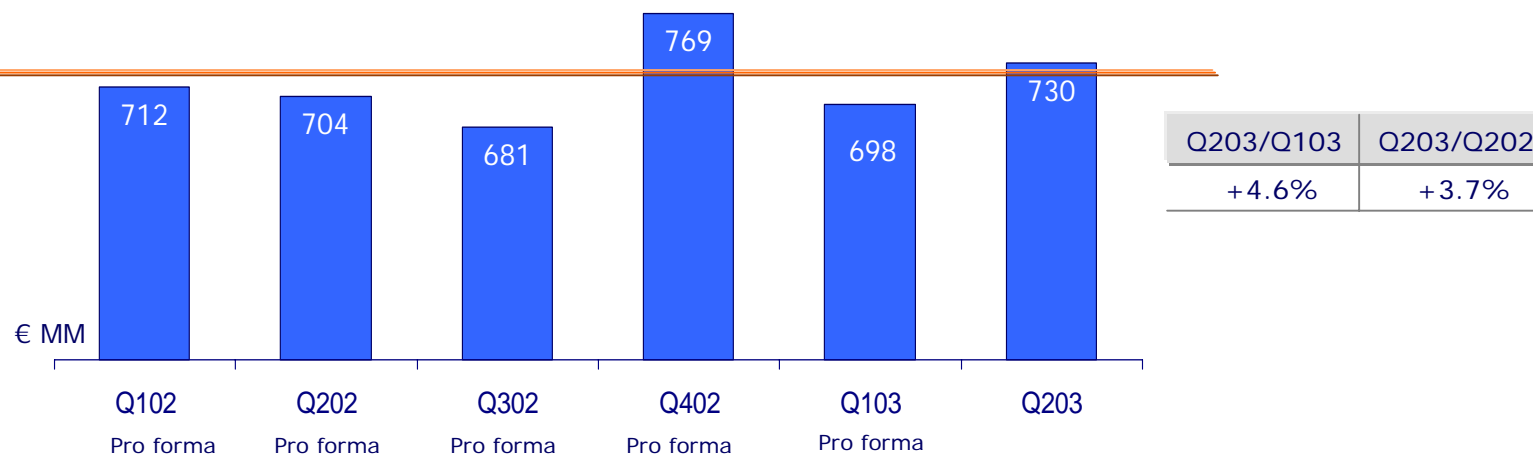


- ▶ Good growth in traditional banking fees
- ▶ Despite uncertain market conditions, increased activity drives growth in dealing and advisory fees
- ▶ Asset management fees weaker Y/Y but market recovery reflected in encouraging quarterly trend

€ MM	1H03	1H02	Var. 1H03/1H02
Asset Management, Dealing and advisory services	836	872	-4.1%
▶ <i>asset management</i>	687	735	-6.5%
▶ <i>dealing and custody, currencies</i>	149	137	+8.8%
Loans and guarantees	125	111	+12.6%
Collection and payment services	120	116	+3.4%
Deposit and current accounts	238	200	+19.0%
Other services and net dealing revenues	109	117	-6.8%
Fee income	1,428	1,416	+0.8%

FEE INCOME QUARTERLY ANALYSIS

2002 average:
717 € MM

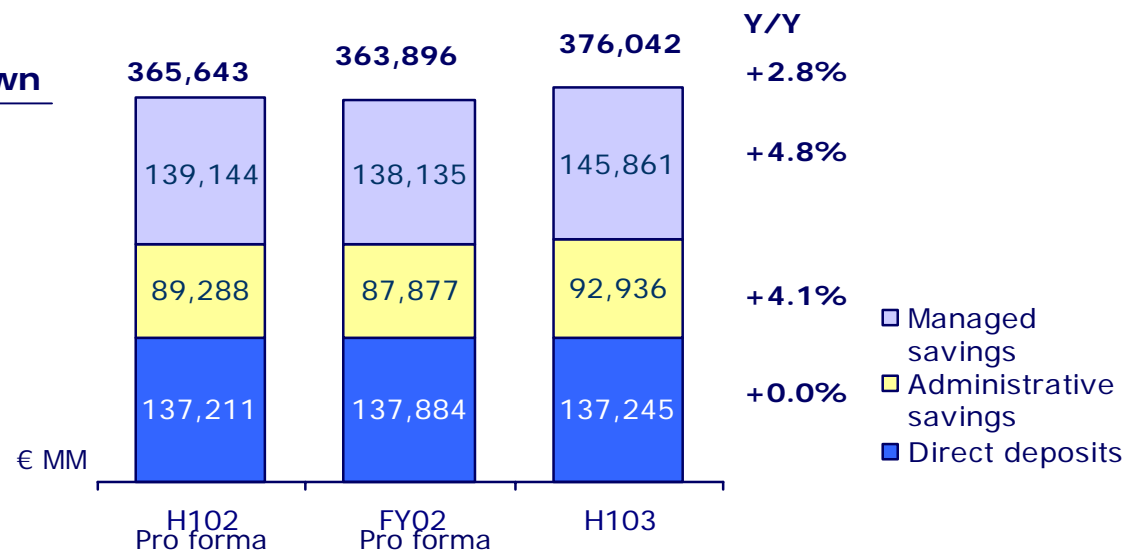


€ MM	Q203	Q103	Q202	Var. Q203/Q202	Var. Q203/Q103
Asset Management, Dealing and advisory services	425	411	427	-0.5%	+3.4%
▶ <i>asset management</i>	343	345	360	-4.7%	-0.6%
▶ <i>dealing and custody, currencies</i>	82	66	67	+22.4%	+24.2%
Loans and guarantees	61	64	55	+10.9%	-4.7%
Collection and payment services	61	59	54	+13.0%	+3.4%
Deposit and current accounts	123	115	102	+20.9%	+7.0%
Other services and net dealing revenues	60	49	66	-9.1%	+22.4%
Fee income	730	698	704	+3.7%	+4.6%

DETAIL ON CUSTOMER FINANCIAL ASSETS

- ▶ Yet again strong asset gathering capacity of the Group confirmed
- ▶ Reflecting underlying strength in customer relationships

TFA stock breakdown

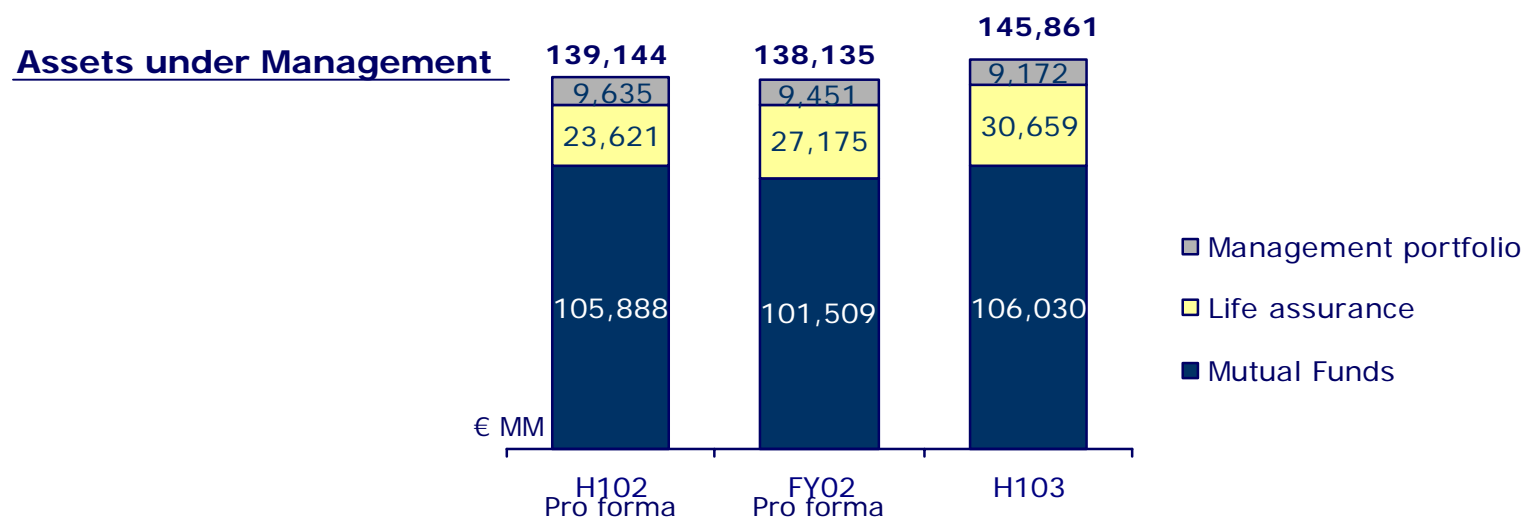


€ MM

Aggregate	H12003 stock	H12003 inflows	H12003 Performance	Net change year to date	
AFI	376,042	+8,378	3,769	+12,146	+3.3%
AUM	145,861	+6,103	+1,623	+7,726	+5.6%
▶ Life assurance	30,659	+2,835	+649	+3,484	+12.8%
▶ Mutual funds	106,030	+3,620	+901	+4,521	+4.5%
▶ GPM	9,172	-352	+73	-279	-2.9%
Administered	92,936	+2,914	+2,145	+5,059	+5.8%
Direct deposits	137,245	-639	-	-639	-0.5%

DETAIL ON ASSETS UNDER MANAGEMENT

- ▶ Positive inflows more than offset year-on-year negative performance effect
- ▶ Significant increase in life reserves
- ▶ Good performance across all distribution channels



€ MM	H103 Flows				H103 Stock		
	Life assurance	Mutual funds	GPM	Total	Total	Var. Y/Y	Var. Q/Q
Sanpaolo Network	1,605	1,844	-612	2,837	75,071	5.3%	3.9%
Cardine	280	507	166	953	13,988	12.8%	4.8%
Fideuram	681	1,155	31	1,867	42,333	-0.2%	5.5%
Other	269	114	63	446	14,469		
Total	2,835	3,620	-352	6,103	145,861	4.8%	4.3%

DETAIL ON MUTUAL FUNDS

- ▶ Market leader in net inflows to mutual funds: 6,167 € MM as at 31/08/03
- ▶ Over 20% market share confirmed
- ▶ Significantly weakened asset allocation of customer assets as a result of:
 - ▶ allocation of new investment flows to lower risk asset classes
 - ▶ negative performance effect Y/Y

Stock and composition

€ MM	H103	%H103	%H102	FY02%
▶ Equity	21,418	20.2%	28.6%	22.4%
▶ Balanced	9,330	8.8%	12.6%	10.5%
▶ Bond	44,639	42.1%	26.6%	39.3%
▶ Money	30,643	28.9%	22.2%	27.8%
Mutual funds stock	106,030	100.0%	100.0%	100.0%

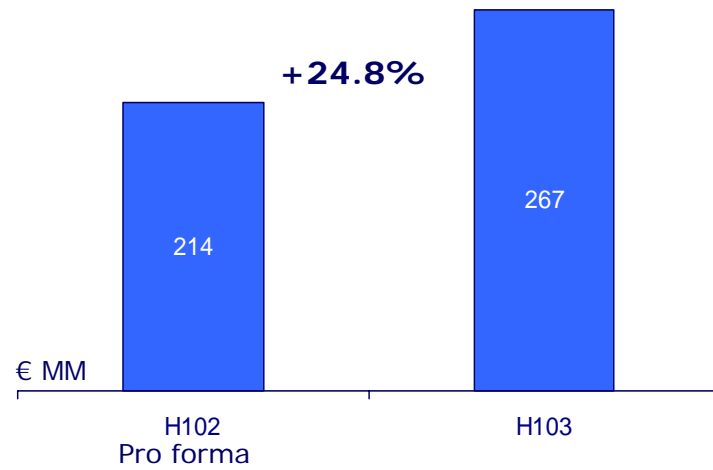
Market share: 21.1% as of August 2003

DETAIL ON LIFE ASSURANCE

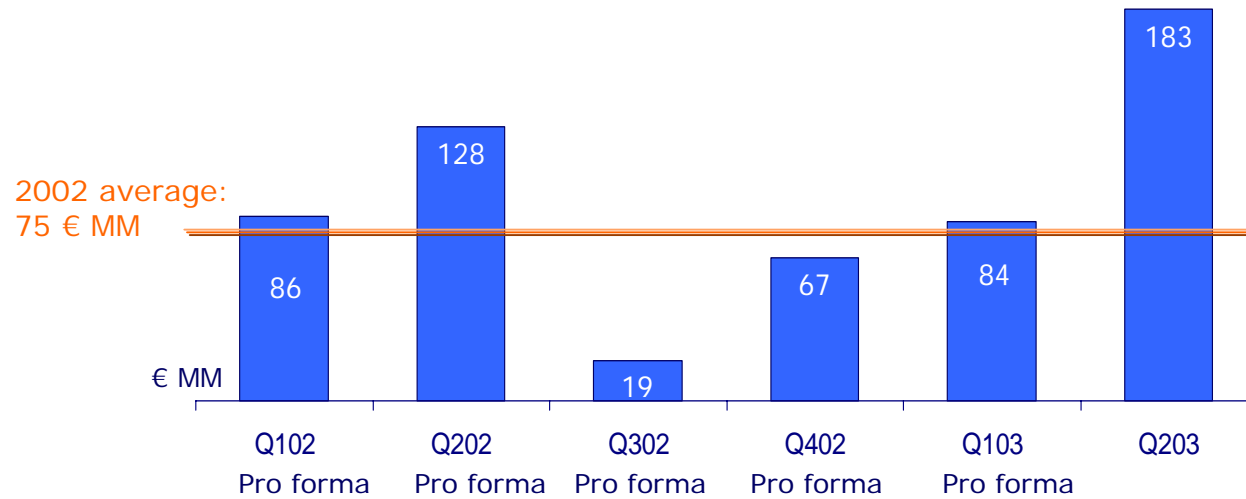
- ▶ Leading bancassurance Group in Italy with a 10.3 market share of technical reserves - up 29.8% Y/Y
- ▶ 14% share of the bancassurance market for new business in H103
- ▶ **Significant embedded value in life portfolio: 1,873 € MM (June 03)**

€ MM	H103 stock	Var. H103/H102	Var. Q203/Q103
Total	30,659	+29.8%	+6.0%
▶ Traditional	11,570	+15.0%	+3.0%
▶ Unit linked	8,862	+48.2%	+13.0%
▶ Index linked	5,957	+67.3%	+4.7%
▶ Third parties	4,270	+6.3%	+2.8%

PROFITS ON FINANCIAL TRANSACTIONS AND DIVIDENDS ON SHARES

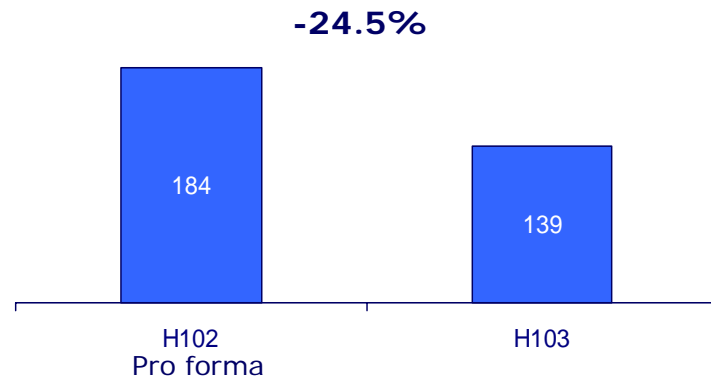


► Low risk trading portfolio
(H103 average Var: 12 € MM)

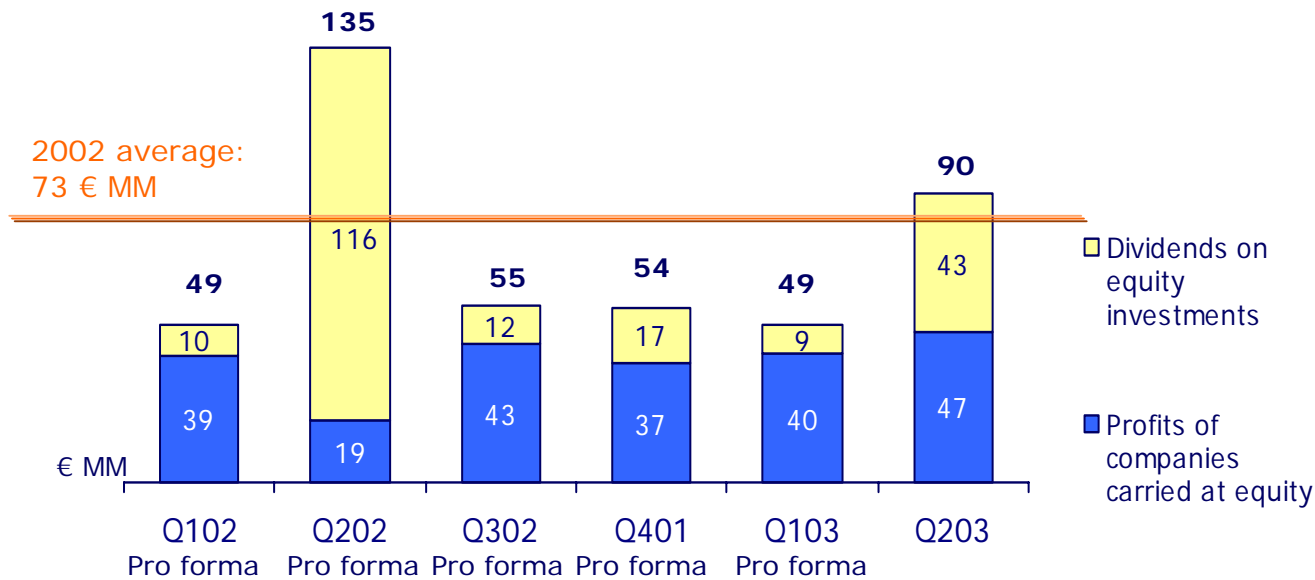


Q203/Q103	Q203/Q202
+117.9%	+43.0%

PROFITS OF COMPANIES CARRIED AT EQUITY AND DIVIDENDS ON EQUITY INVESTMENTS



- ▶ Equity accounted insurance contribution up 51.4% Y/Y to 53 € MM
- ▶ Lower dividends due to extraordinary dividend paid last year by Cardine of 49 € MM

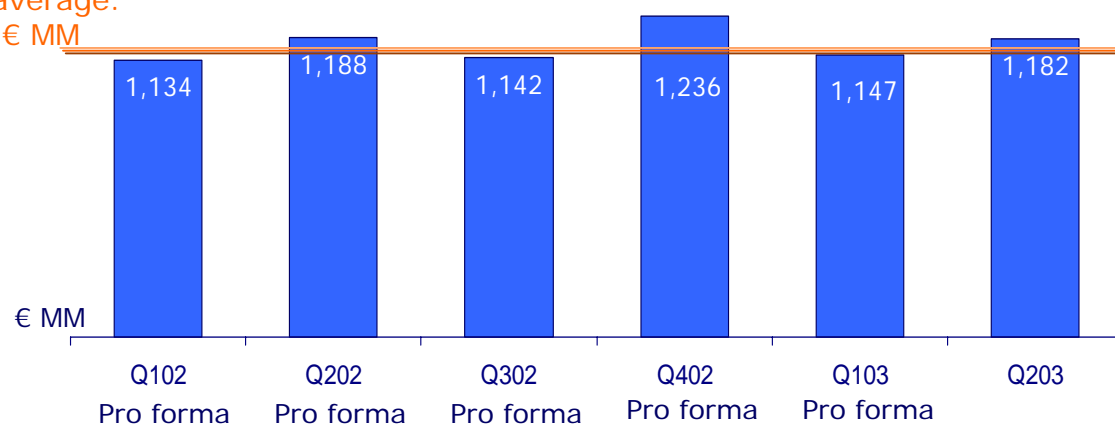


Q203/Q103	Q203/Q202
+83.7%	-33.3%

GOOD COST CONTROL

- ▶ Salary inflation of ~3.8% in part offset by net headcount reduction of 985 Y/Y
- ▶ Good cost control of other administrative costs

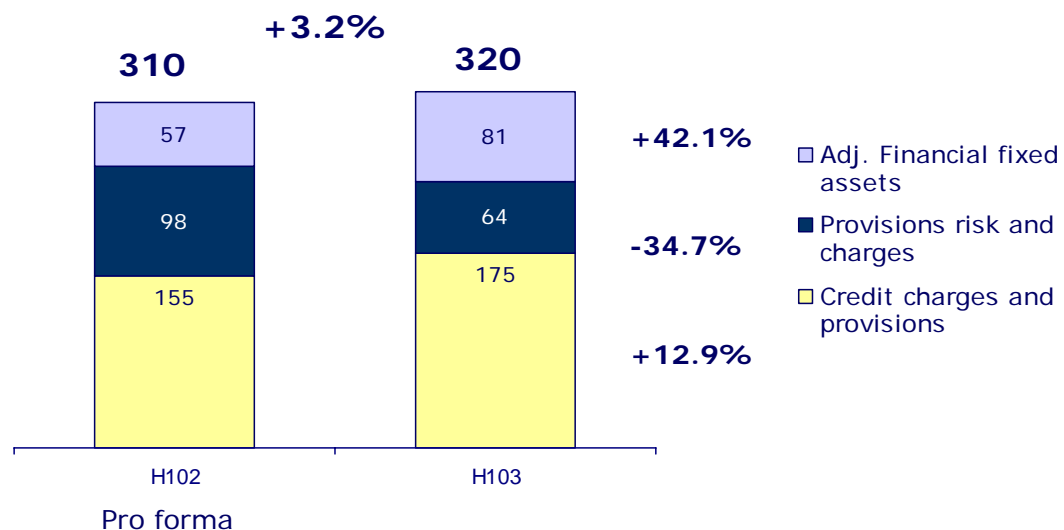
2002 average:
1,175 € MM



Q203/Q103	Q203/Q202
+3.1%	-0.5%

€ MM	H103	Var. H103/H102	Var. Q203/Q202	Var. Q203/Q103
Administrative costs	-2,329	+0.3%	-0.5%	+3.1%
▶ Personnel expenses	-1,449	+0.9%	+0.5%	+2.1%
▶ Other administrative costs	-880	-0.7%	-2.2%	+4.7%
Depreciation	-230	+0.9%	+3.4%	+9.1%

TOTAL NET PROVISIONS



- ▶ Credit provisioning level reflects good asset quality and high level of generic reserve
- ▶ Prudential write downs on financial assets

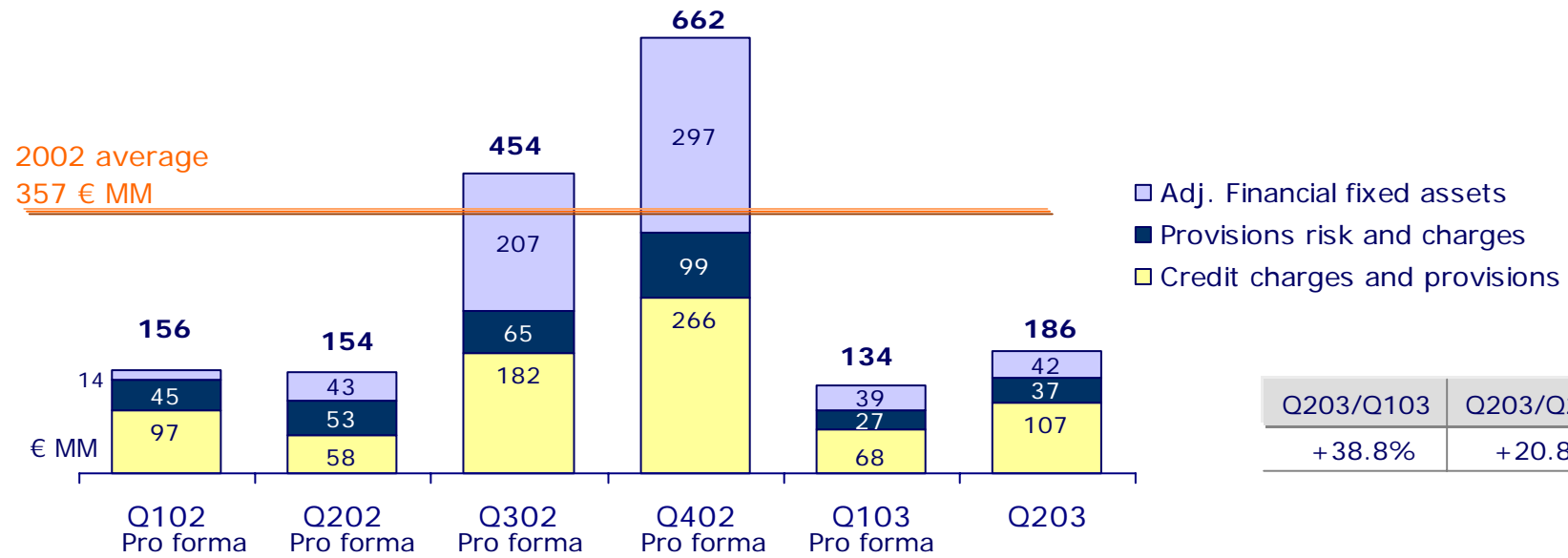
Adjustments*Financial assets*

FIAT	-16 € MM	6.9 euro Book value p.s. (as of 30/06/03)
H3G	-41 € MM	not quoted
SCH	+5 € MM	6.5 euro Book value p.s. (as of 30/06/03)

Credit provisions

Generic provisions	15 € MM (total generic provision: 1.1 € MM)
Specific provisions	172 € MM

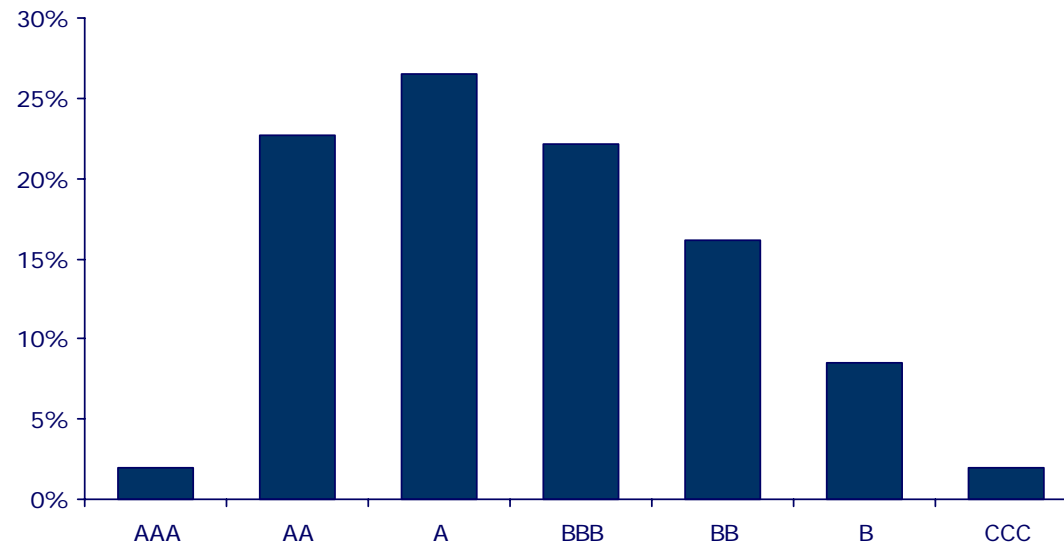
QUARTERLY ANALYSIS TOTAL NET PROVISIONS



Q203/Q103	Q203/Q202
+38.8%	+20.8%

NO DETERIORATION IN THE QUALITY OF THE CREDIT PORTFOLIO

Analytical Rating Profile of Group Credit Portfolio*



As of 30/06/2003

*The portfolio includes analytically rated performing loans to customers on and off-balance sheet which represent approximately 75% of the total portfolio. The remaining portion of the portfolio is principally retail lending of which approximately 70% in residential mortgage lending.

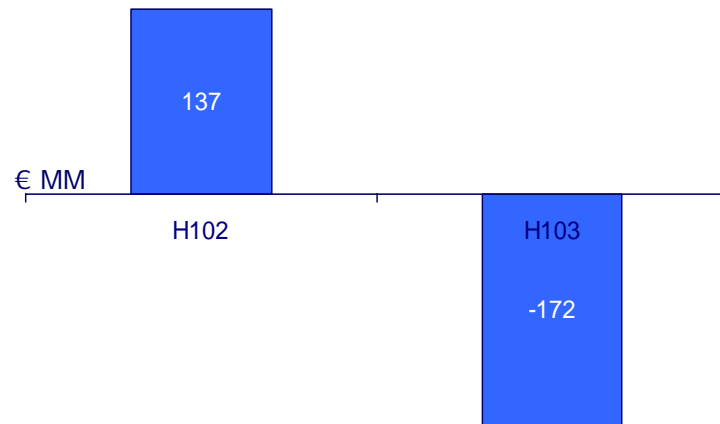
MAINTAINING GOOD ASSET QUALITY AND ADEQUATE COVERAGE RATIOS

	H103							
	Gross exposure	Var. Y/Y	Var. Q/Q	Total adjustments	Net exposure	Var. Y/Y	Var. Q/Q	Coverage
Doubtful loans	6,593	+4.9%	+1.6%	3,711	2,882	-2.2%	-0.2%	
▶ Non-performing loans	4,292	+1.1%	+0.3%	2,970	1,322	-7.4%	-1.6%	69.2%
▶ Problem loans	2,301	+12.7%	+4.3%	741	1,560	+2.6%	+1.0%	32.1%
Performing loans	128,331	+4.3%	+0.7%	998	127,333	+4.3%	+0.7%	0.9%*
Total loans	134,924	+4.4%	+0.7%	4,709	130,215	+4.2%	+0.7%	

	H103	H102 pro forma
NPL'S ratio	1.0%	1.1%
Watchlist ratio	1.2%	1.2%

(*) Includes 84 € MM of reserve for credit risks

NET EXTRAORDINARY INCOME



- ▶ Planned extraordinary charge taken to fund redundancies but to be offset in H2 by extraordinary gains

H103 principal contributions

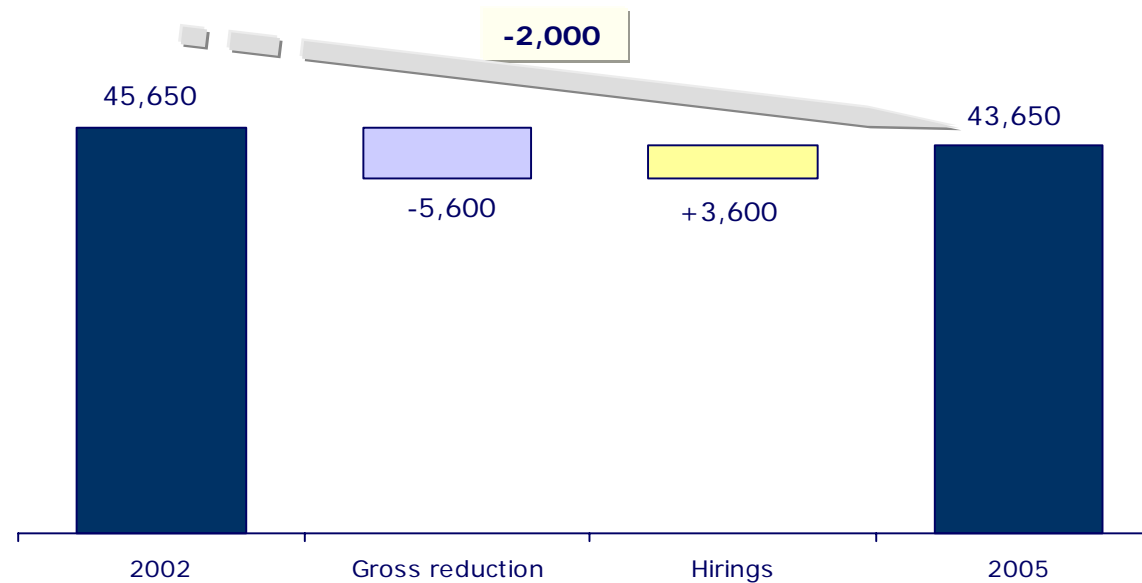
Fund early retirements	-270 € MM
Release of excess provisions for subsidised mortgages	+60 € MM

Extraordinary items to be accounted in H203

Sale of 60% stake in Banque Sanpaolo (+278 € MM)
Sale of 20% stake in Finconsumo (+40 € MM)

COST MANAGEMENT

Headcount reduction



Aim

- ▶ To reduce staffing levels in domestic banking to optimal levels, by reducing headcount by 2000, in a way that is:
 - ▶ financially efficient
 - ▶ operationally effective

Incentivising early retirement enables:

- ▶ The reduction in overall headcount to be managed effectively by:
 - ▶ Geography
 - ▶ Business function
- ▶ An improvement in the demographics of the employee base
- ▶ An improvement in the front/back office ratio
- ▶ An improvement in the flexibility of contractual conditions
- ▶ An enhancement of front office competences and service level

H103 INCOME OVERVIEW

- ▶ Half year on half year operating income and income before extraordinary items show good increases despite a more difficult macro scenario.
- ▶ Quarterly trends are also very strong reflecting strong operating performance and good asset quality :
 - ▶ operating income: +22.3% Q/Q, +5.7% Y/Y
 - ▶ income before extraordinary items: +16.3% Q/Q, +1.4% Y/Y
- ▶ Net income impacted by extraordinary charge to fund business plan redundancies which will be offset by extraordinary gains in H203

	H103	Var. Y/Y	2Q03	Var. Q203/Q103	Var. Q203/Q202
Operating income	1,356	+3.2%	746	22.3%	+5.7%
Income before extraordinary items	956	+4.3%	514	16.3%	+1.4%
Net income	441	-26.9%	160	-43.1%	-50.6%

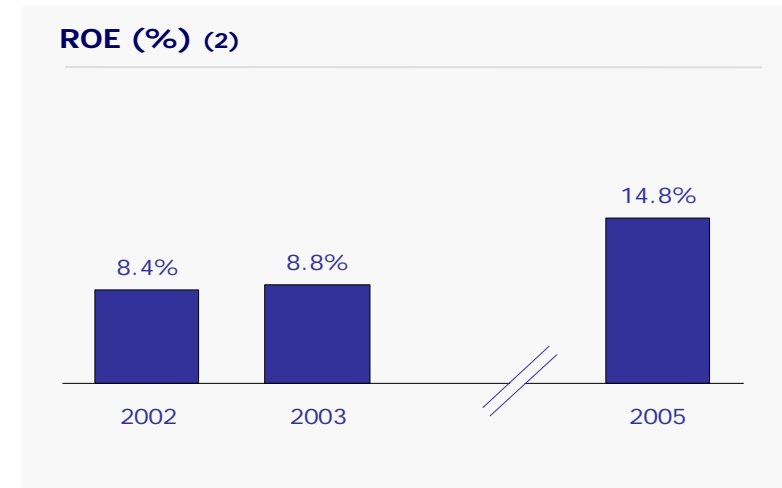
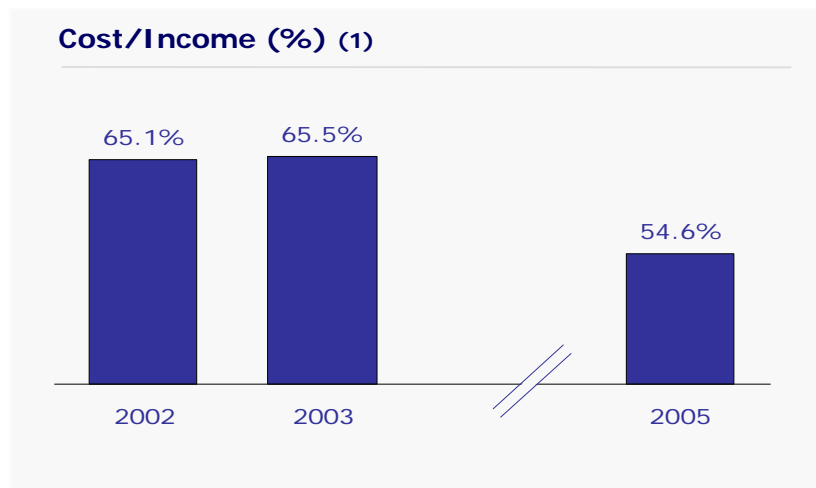
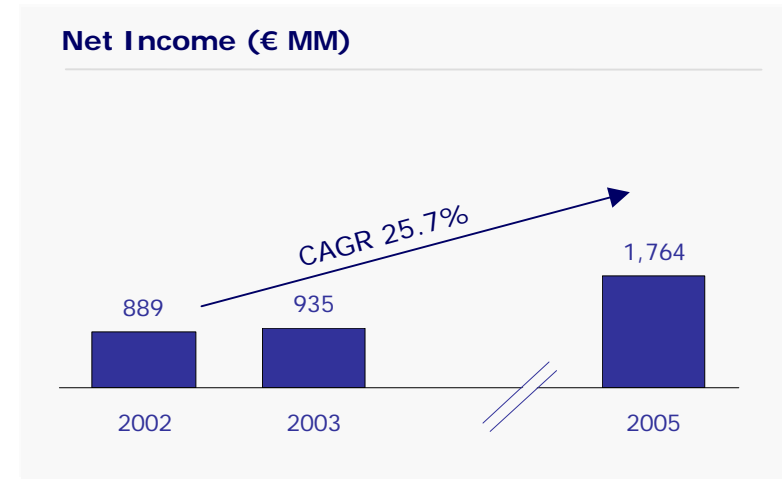
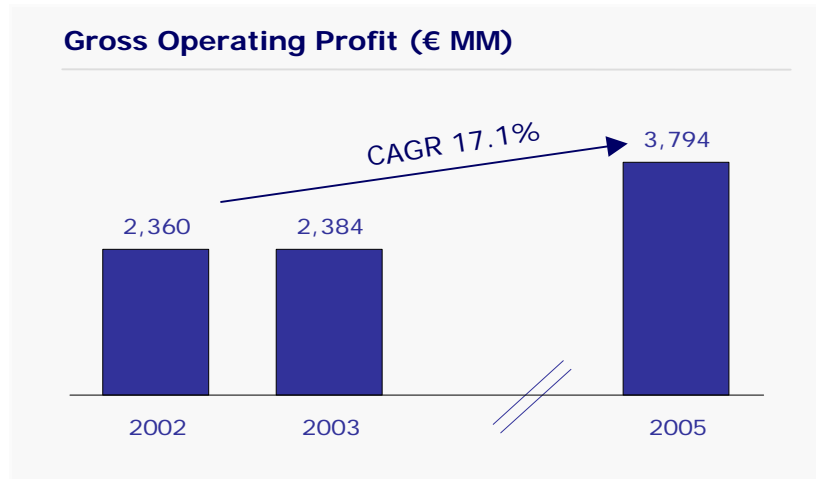
OUTLOOK FOR FY03

- ▶ Outlook for FY03 is weaker than assumptions made in budget for:
 - ▶ domestic economic growth (GDP from 1.5 to 0.8)
 - ▶ interest rates

- ▶ In H203 the expectation is for stable interest rates and a slow but steady recovery in domestic economic activity

- ▶ Despite this weaker scenario the Group confirms its business plan targets

GROUP GOALS: GROWTH AND PROFITABILITY



¹ Total administrative expenses (excluding direct and indirect taxes) and amortization (excluding value adjustments on goodwill and merger and consolidation differences)/total income (including other net operating income)

² Net income after use of fund for general banking risks/average net shareholders' equity

ANNEXES

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Group financial highlights

Group volume highlights

Divisionalisation:

- ▶ Domestic Banking
 - ▶ Sanpaolo Network
 - ▶ Cardine
 - ▶ Banca OPI
- ▶ Personal Financial Services
- ▶ Wealth Management and Financial Markets
 - ▶ Sanpaolo IMI WM
 - ▶ Banca IMI
- ▶ International Activities
 - ▶ Banque Sanpaolo

GROUP H1 2003 RESULTS

€ MM	H103	H102 pro forma	Var. Y/Y	2002 pro forma
Net interest income	1,919	1,881	+2.0%	3,775
Net commissions and other net dealing revenues	1,428	1,416	+0.8%	2,866
Profits and losses from financial transactions and dividends on shares	267	214	24.8%	300
Profits from companies carried at equity and dividends from shareholdings	139	184	-24.5%	293
Net interest and other banking income	3,753	3,695	+1.6%	7,234
Administrative costs	-2,329	-2,322	+0.3%	-4,700
Other operating income, net	162	169	-4.1%	354
Adjustments to tangible and intangible fixed assets	-230	-228	+0.9%	-521
Operating income	1,356	1,314	+3.2%	2,367
Adjustments to goodwill and merger and consolidation differences	-80	-87	-8.0%	-218
Provisions and net adjustments to loans and financial fixed assets	-320	-310	+3.2%	-1,426
Income before extraordinary items	956	917	+4.3%	723
Net extraordinary income	-172	137	n.s.	321
Income before taxes	784	1,054	-25.6%	1,044
Income taxes for the period	-322	-420	-23.3%	-463
Income attributable to minority interests	-21	-29	-27.6%	-43
Net income	441	603	-26.9%	901

GROUP H1 2003 OPERATING DATA AND RATIOS

€ MM	H103	H102 pro forma	Var. Y/Y	2002 pro forma
Customer financial assets	376,042	365,643	+2.8%	363,896
▶ Direct deposits	137,245	137,211	+0.0%	137,884
▶ Assets under management	145,861	139,144	+4.8%	138,135
▶ <i>Mutual funds and fund-based portfolio management</i>	106,030	105,888	+0.1%	101,509
▶ <i>Portfolio management</i>	9,172	9,635	-4.8%	9,451
▶ <i>Life technical reserves</i>	30,659	23,621	+29.8%	27,175
▶ Assets under administration	92,936	89,288	+4.1%	87,877
Net loans to customers (excluding NPL's and SGA)	127,732	121,879	+4.8%	125,257
ROE	8.4%	11.3%		8.4%
COST/INCOME RATIO	61.9%	62.6%		65.4%
Tier 1 ratio	7.1%	7.2%		7.3%
Total ratio	10.4%	10.0%		10.7%

DOMESTIC BANKING DIVISION

€ MM	H103	H102 pro forma	Var. Y/Y	2002 pro forma
Net interest income	1,762	1,693	+4.1%	3,445
Net commissions and other net dealing revenues	1,044	1,044	+0.0%	2,139
Other income	75	72	+4.2%	114
Net interest and other banking income	2,881	2,809	+2.6%	5,697
Administrative costs	-1,797	-1,779	+1.0%	-3,602
Other operating income, net	69	64	+7.0%	139
Adjustments to tangible and intangible fixed assets	-42	-46	-9.2%	-99
Operating income	1,112	1,049	+5.9%	2,136
Adjustments to goodwill and merger and consolidation differences	-1	-1	-	-2
Provisions and net adjustments to loans and financial fixed assets	-218	-170	+28.4%	-588
Income before extraordinary items	893	879	1.6%	1,547
Net extraordinary income	36	4	-	-16
Income before taxes	929	883	+5.2%	1,531
Income taxes for the period	-391	-394	-0.7%	-710
Net income	527	471	+12.0%	781
CAPITAL ALLOCATED	7,973	7,292	+5.0%	7,665
RORAC/ROE	13.2%	12.4%		10.2%
COST/INCOME RATIO	61.1%	62.3%		62.2%
OPERATING DATA				
Direct deposits	87,365	86,642	+0.8%	88,466
Assets under management	89,494	84,201	+6.3%	84,630
Assets under administration	88,369	84,497	4.6%	83,482
Net loans to customers (excluding NPL's)	112,411	105,378	+6.7%	109,446

Sanpaolo Network

€ MM	H103	H102 pro forma	Var. Y/Y	2002 pro forma
Net interest and other banking income	1,734	1,702	+1.9%	3,472
Administrative costs	-1,157	-1,153	+0.3%	-2,338
Operating income	577	549	+5.1%	1,134
Provisions and net adjustments to loans and financial fixed assets	-121	-115	+5.2%	-287
Income before extraordinary items	456	434	+5.1%	847
Net extraordinary income	22	-3	-	-6
Income before taxes	478	431	+10.9%	841
Income taxes for the period	-216	-214	+0.9%	-420
Net income	262	217	+20.7%	421
CAPITAL ALLOCATED	2,999	2,863	+4.8%	2,916
RORAC/ROE	17.5%	15.2%		14.4%
COST/INCOME RATIO	66.7%	67.7%		67.3%
OPERATING DATA				
Customer financial assets	195,823	186,627	+4.9%	187,874
▶ Direct deposits	49,592	48,183	+2.9%	50,074
▶ Assets under management	75,071	71,295	+5.3%	71,087
▶ Assets under administration	71,160	67,149	+6.0%	66,713
Net loans to customers (excluding NPL's)	53,322	48,075	+10.9%	51,742

Cardine

€ MM	H103	H102 pro forma	Var. Y/Y	2002 pro forma
Net interest and other banking income	719	712	+1.0%	1,435
Administrative costs	-446	-451	-1.1%	-893
Operating income	273	261	+4.6%	542
Provisions and net adjustments to loans and financial fixed assets	-64	-121	-47.1%	-277
Income before extraordinary items	209	140	+49.3%	265
Net extraordinary income	9	4	+125.0%	-11
Income before taxes	218	144	+51.4%	254
Income taxes for the period	-99	-73	+35.6%	-137
Net income	117	67	+74.6%	107
Contribution to net income of the Group	118	119	-0.8%	163
CAPITAL ALLOCATED	2,545	2,534	+0.4%	2,536
ROE	9.3%	9.4%		6.4%
COST/INCOME RATIO	60.2%	61.6%		60.8%
OPERATING DATA				
Customer financial assets	52,574	50,770	+3.6%	51,815
▶ Direct deposits	26,519	26,050	+1.8%	26,524
▶ Assets under management	13,988	12,395	+12.9%	13,159
▶ Assets under administration	12,067	12,325	-2.1%	12,132
Net loans to customers (excluding NPL's)	25,621	23,573	+8.7%	24,588

Banca OPI

€ MM	H103	H102 pro forma	Var. Y/Y	2002 pro forma
Net interest and other banking income	81	77	+5.2%	143
Administrative costs	-11	-11	-	-23
Operating income	70	66	+6.1%	120
Provisions and net adjustments to loans and financial fixed assets	-36	-33	+9.1%	-68
Income before extraordinary items	34	33	+3.0%	52
Net extraordinary income	1	3	-66.7%	4
Income before taxes	35	36	-2.8%	56
Income taxes for the period	-11	-12	-8.3%	-17
Net income	24	24	-	39
Contribution to net income of the Group	47	43	+9.3%	77
CAPITAL ALLOCATED	675	667	+1.2%	675
ROE	13.9%	12.9%		11.4%
COST/INCOME RATIO	13.4%	14.1%		15.3%
OPERATING DATA				
Net loans to customers (excluding NPL's)	17,993	16,181	+11.2%	16,717

WEALTH MANAGEMENT & FINANCIAL MARKETS DIVISION

€ MM	H103	H102 pro forma	Var. Y/Y	2002 pro forma
Net interest income	4	5	-24.0%	10
Net commissions and other net dealing revenues	119	95	+25.2%	199
Other income	162	148	+9.7%	291
Net interest and other banking income	285	248	+14.9%	500
Administrative costs	-145	-143	+2.0%	-285
Other operating income, net	8	11	-25.7%	20
Adjustments to tangible and intangible fixed assets	-13	-19	-35.4%	-42
Operating income	135	97	+39.7%	194
Adjustments to goodwill and merger and consolidation differences	-5	-5	-	-9
Provisions and net adjustments to loans and financial fixed assets	-10	-6	+69.5%	-34
Income before extraordinary items	121	87	+39.5%	152
Net extraordinary income	-	-1	-75.0%	14
Income before taxes	121	86	+40.6%	166
Income taxes for the period	-29	-19	+54.0%	-19
Net income	92	68	+34.8%	147
CAPITAL ALLOCATED	1,377	1,241	+11.0%	1,329
RORAC/ROE	13.3%	11.0%		11.0%
COST INCOME	53.4%	62.2%		62.2%
OPERATING DATA				
Direct deposits	14,845	12,687	+17.0%	13,427
Assets under management	93,484	88,857	+5.2%	89,083
Net loans to customers (excluding NPL's)	1,825	2,219	-17.8%	3,683

Sanpaolo IMI Wealth Management

€ MM	H103	H102 pro forma	Var. Y/Y	2002 pro forma
Net interest and other banking income	122	102	+19.6%	234
Administrative costs	-46	-42	+9.5%	-88
Operating income	76	60	+26.7%	146
Provisions and net adjustments to loans and financial fixed assets	-3	-3	-	-7
Income before extraordinary items	73	57	+28.1%	139
Net extraordinary income	-10	-	-	2
Income before taxes	63	57	+10.5%	141
Income taxes for the period	-4	-7	-42.9%	-7
Net income	59	50	+18.0%	132
Contribution to net income of the Group	65	54	+20.4%	142
CAPITAL ALLOCATED	680	617	+10.2%	655
ROE	19.1%	17.5%		21.7%
COST/INCOME RATIO	39.4%	44.5%		40.5%
OPERATING DATA				
Assets under management	90,157	83,111	+8.5%	83,407

Banca IMI

€ MM	H103	H102	Var. Y/Y	2002
Net interest and other banking income	136	107	+27.1%	185
Administrative costs	-76	-78	-2.6%	-150
Operating income	60	29	+106.9%	35
Provisions and net adjustments to loans and financial fixed assets	-2	-2	-	-5
Income before extraordinary items	58	27	+114.8%	30
Net extraordinary income	-2	-1	+100.0%	5
Income before taxes	56	26	+115.4%	35
Income taxes for the period	-18	-8	+125.4%	-11
Net income	38	18	+111.1%	24
Contribution to net income of the Group	38	18	+111.1%	24
CAPITAL ALLOCATED	378	367	+3.0%	361
ROE	20.1%	9.8%		6.6%
COST/INCOME RATIO	56.2%	73.1%		81.0%
OPERATING DATA				
Trading volumes				
▶ Trading	381,089	320,062	+19.1%	671,677
▶ Sales	93,243	64,953	+43.6%	143,809
▶ Repurchase agreements	1,002,884	747,894	+34.1%	1,621,992
▶ Placements	6,445	4,207	+53.2%	6,360

PERSONAL FINANCIAL SERVICES DIVISION

€ MM	H103	H102 pro forma	Var. Y/Y	2002 pro forma
Net interest income	28	37	-22.7%	70
Net commissions and other net dealing revenues	220	263	-16.3%	486
Other income	37	19	+89.6%	41
Net interest and other banking income	285	318	-10.6%	597
Administrative costs	-164	-168	-2.6%	-330
Other operating income, net	12	12	+0.9%	25
Adjustments to tangible and intangible fixed assets	-19	-18	+6.8%	-40
Operating income	114	144	-21.3%	252
Adjustments to goodwill and merger and consolidation differences	-1	-4	-75.0%	-52
Provisions and net adjustments to loans and financial fixed assets	-13	-15	-10.9%	-68
Income before extraordinary items	99	126	-20.7%	132
Net extraordinary income	-4	2	-	15
Income before taxes	96	128	-25.3%	148
Income taxes for the period	-20	-23	-15.0%	-13
Net income	55	76	-27.4%	111
CAPITAL ALLOCATED	701	798	-12.2%	788
RORAC/ROE	15.8%	19.1%		14.0%
COST INCOME	57.6%	52.8%		55.6%
OPERATING DATA				
Direct deposits	3,813	4,094	-6.9%	3,901
Assets under management	42,333	42,437	-0.2%	40,028
Assets under administration	11,744	12,196	-3.7%	12,528
Net loans to customers (excluding NPL's)	640	727	-12.0%	576

INTERNATIONAL ACTIVITIES DIVISION

€ MM	H103	H102 pro forma	Var. Y/Y	2002 pro forma
Net interest income	112	112	-	231
Net commissions and other net dealing revenues	62	63	-1.1%	127
Other income	10	8	+30.8%	9
Net interest and other banking income	185	183	+0.9%	367
Administrative costs	-99	-96	+2.2%	-197
Other operating income, net	2	4	-40.0%	3
Adjustments to tangible and intangible fixed assets	-12	-12	+6.9%	-24
Operating income	76	79	-3.3%	148
Provisions and net adjustments to loans and financial fixed assets	-10	-36	-72.7%	-75
Income before extraordinary items	66	42	56.3%	73
Net extraordinary income	2	2	-29.2%	10
Income before taxes	68	45	+51.3%	84
Income taxes for the period	-22	-18	+20.1%	-39
Net income	46	27	+72.1%	46
CAPITAL ALLOCATED	754	807	-6.6%	806
RORAC/ROE	12.1%	6.6%		5.7%
COST INCOME	57.5%	56.1%		58.1%
OPERATING DATA				
Direct deposits	8,361	7,558	+10.6%	8,487
Assets under management	5,922	5,470	+8.3%	5,276
Assets under administration	2,130	n.d.	n.d.	1,919
Net loans to customers (excluding NPL's)	9,435	11,112	-15.1%	9,699

Banque Sanpaolo

€ MM	H103	H102	Var. Y/Y	2002
Net interest and other banking income	103	100	+3.0%	196
Administrative costs	-68	-69	-1.4%	-135
Operating income	35	31	+12.9%	61
Provisions and net adjustments to loans and financial fixed assets	-5	-8	-37.5%	-13
Income before extraordinary items	30	23	+30.4%	48
Net extraordinary income	-	2	-	1
Income before taxes	30	25	+20.0%	49
Income taxes for the period	-11	-9	+22.2%	-19
Net income	19	16	+18.8%	30
Contribution to net income of the Group	19	15	+26.7%	29
CAPITAL ALLOCATED	429	435	-1.4%	441
ROE	8.9%	6.9%		6.6%
COST/INCOME RATIO	64.1%	67.0%		66.3%
OPERATING DATA				
Customer financial assets	12,459	n.d.	n.d.	11,485
▶ Direct deposits	4,813	4,429	+8.7%	4,648
▶ Assets under management	5,858	5,400	+8.5%	5,204
▶ Assets under administration	1,788	n.d.	n.d.	1,633
Net loans to customers (excluding NPL's)	3,783	3,528	+7.2%	3,582