

CSR AT SANPAOLO IMI

Turin, 28th June 2006

Alfonso Iozzo
Chief Executive Officer

GRUPPO SANPAOLO IMI

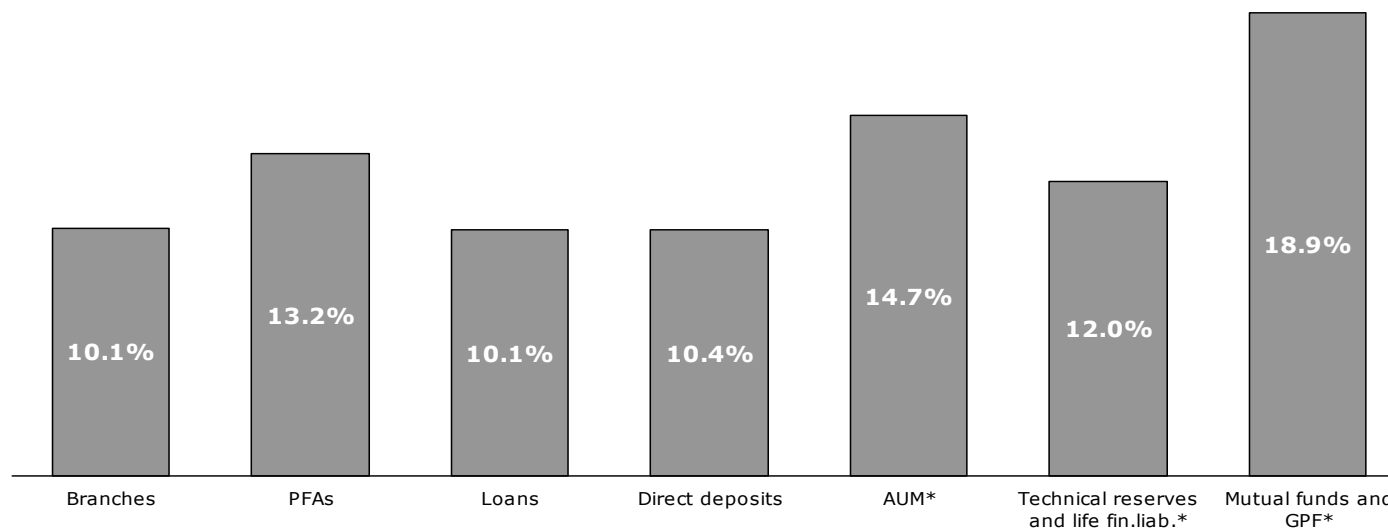
DISCLAIMER

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

- Strategic Commitment to CSR
- Corporate Governance Model
- Stakeholder Commitment
- Conclusions

Key Group Numbers

- Shareholders' equity: € 14.2 billion (tier 1 ratio: 7.5%; Total risk ratio: 9.8%)
- Total financial assets: € 412.6 billion; assets under management: € 161 billion
- Net NPL ratio: 0.7% (among the lowest in Italy)
- Nationwide franchise: almost 3,200 domestic branches, 142 foreign branches and representative offices in 34 countries, about 44,000 employees and 4,100 financial planners.
- 7 million customers



	Branches	PFAs	Loans	Direct deposits	AUM*	Tec. res. and life fin. liab.*	Mutual funds and GPF*
Ranking	1	1	3	3	1	1**	1
N°/€ bln	3,183	4,161	143.1	168.8	161	45.6	109.2

* Including third parties

** Referred to banking groups

Data as at 31/03/2006

Mission statement

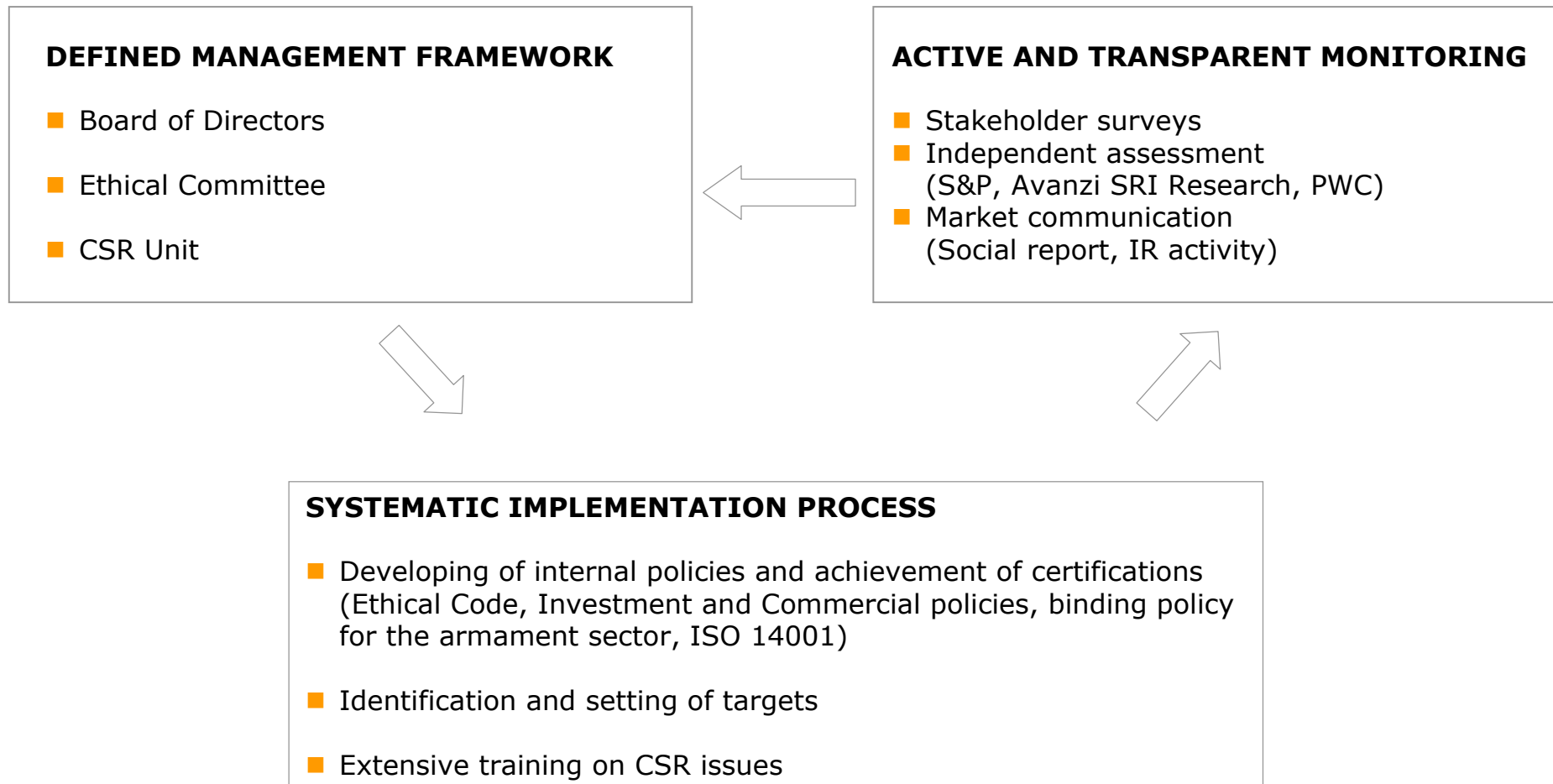
Creating value for shareholders with a view to long term sustainability and in the context of constant, responsible attention to the company's various stakeholders

Sanpaolo IMI definition of CSR

CSR is viewed as the ability to strengthen a relationship of trust with all stakeholders, beyond legal requirements. This dynamic balance is expressed in the strategic choices and in the management of daily business.

This allows:

- identification of potential liabilities within the business
- management of problems and conflicts in order to minimise the financial impact
- maximisation of value for all stakeholders



Policies	Year launched	Scope of application
Loan Policy	1999	Guidelines for the granting of loans
Group regulations	2002	Organization and operating principles and responsibility of the Group's functions
Policy on armaments sector	2002	Internal governance code that defines the Group's operational boundary in relation to the support of military supplies
Commercial policy	2003	A charter of values with guiding principles for management of companies' financial needs
Investment policy	2003	A charter of values with guiding principles to assist customers in investment operations
Ethical Code	2003	It sets out the fundamental principles and general codes of conduct of the Group
Donations policy	2004	Guidelines for selection beneficiaries, allocation of ceiling and control mechanisms
Environmental policy	2005	Principles of the environmental management system
The loan directives	2005	Rules for managers to be followed in evaluating and granting loans

Certifications	Year launched	Scope of application
UNI EN ISO 9002:1994	1999	International payment system
UNI EN ISO 9001:2000	2002	Financial and Business Clearing services
BSS 7799	2002	Implementation and management of IT security systems for Internet Banking Services
PattiChiari	2003	Tools to help customers to better understand banking products
UNI EN ISO 9001:2000	2004	Financial products for purchase, construction and restoration of residential properties
UNI EN ISO 9001:2000	2005	Processes of mortgage provision and consultancy
UNI EN ISO 14001:2004	2005	Certification of the Environmental Management System

The Group's commitment is married to deeply rooted ethical values which derive from its business philosophy based on relationships and close local ties to the communities where it operates.

1997

- Set up of Ethical Funds

2001

- Creation of the Group Ethical Committee

2002

- Forum EIB on EIA
- Adhesion to UNEP Principles
- Adhesion to Forum Finanza Sostenibile

2003

- Publication of the Group Ethical Code
- Adhesion to Global Compact
- First Social Report
- Creation of a Group CSR Unit

2004

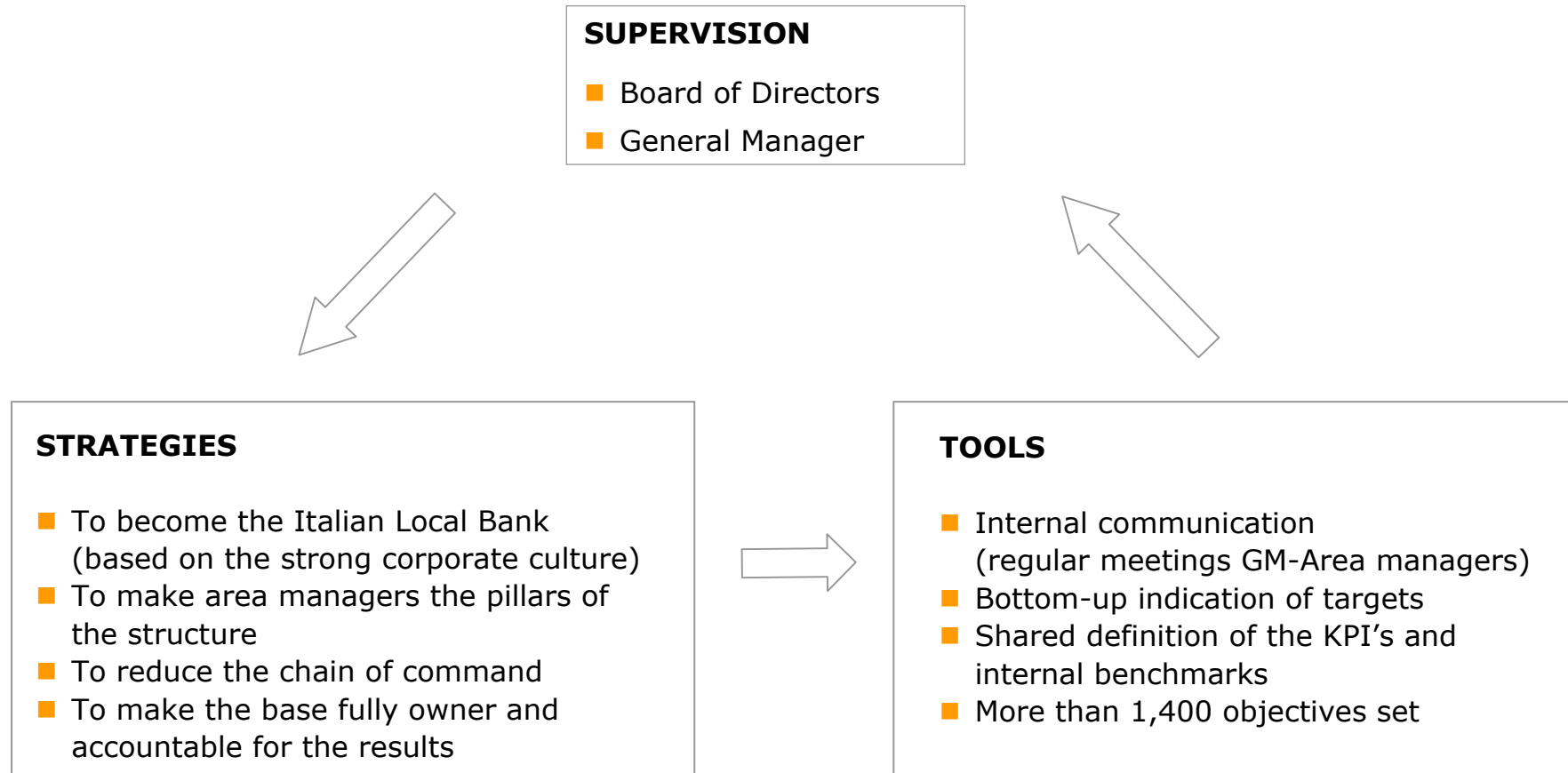
- Launch of the first ethical policy
- First internal training on CSR issues
- Policy on Group donations

2005

- Further training on the Ethical Code
- ISO14001 certification
- Publication of the Environmental policy

2006

- Adhesion to Equator Principles
- Training and internal communication on CSR
- Mobility management enlarged to all main Group's sites



CUSTOMERS

Focus on customer relationship

- Customer care: stay close to our customers and meet their needs
- Openness to dialogue: customer satisfaction surveys
- Transparent guidelines and policies to strengthen the relationship with customers
- Simplification of banking processes and products
- Focus on sustainable financial products

EMPLOYEES

Focus on employee welfare and development

- Improving quality: attract, retain and enhance human capital through training and incentivisation
- Ensuring equal opportunities in the workplace
- Providing flexibility in contractual conditions (e.g. working hours and maternity leave)
- Improving internal communication and dialogue
- Incentive schemes linked to long term value
- Promoting ethical values throughout the Bank

GRUPPO SANPAOLO IMI

SHAREHOLDERS

Sustainable value creation

- Commitment to value creation while preserving the excellent asset quality and the solid capital ratios, maintaining a corporate governance model in line with the best international standards

COLLECTIVITY AND ENVIRONMENT

Focus on community support and involvement

- Supporting local communities through specific projects
- Developing social and migrant banking
- Direct involvement in local communities through participation in consultative committees
- Initiatives aimed at environmental protection

- Strategic Commitment to CSR
- Corporate Governance Model
- Stakeholder Commitment
- Conclusions

- Among the first signatories of the “Code of Self Discipline for Quoted Companies”

Ownership structure

- Transparent ownership structure
- 35% of the ordinary share capital is held by international shareholders (o.w. 30% is located in Europe)
- Compagnia di San Paolo, Fondazione C.R. Padova e Rovigo e Fondazione C.R. Bologna together have 14% of ordinary share capital (27% of total capital)
- Consultancy agreements, expiring in 2007, tie up 25% of ordinary share capital

Board structure

- Separation of roles between Chairman (non-executive) and CEO (executive)
- Majority of non-executive Directors
- Presence of Technical Committees: Audit Committee, Remuneration Committee and Ethical Committee
- Independent Directors: 8 out of 17
- Remuneration of Directors linked to Group results

Transparency & Audit

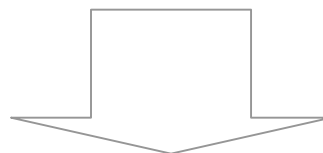
- Timely public disclosure
- Compliance with US regulations, (SPIMI only one Italian bank on the NYSE): compilation of Form 20-F, presence of a Disclosure Committee and of a Steering Committee
- An internal control system structured on three levels: Board of Auditors, Audit Committee and Audit Department

Shareholders' rights

- One share one vote (preference shares can only vote at extraordinary shareholders' meetings)
- No share blocking requirements (prior depositing of shares not required)
- Absence of anti-takeover measures
- Clear and defined election procedures
- Presence of an Ethical Code

- Strategic Commitment to CSR
- Corporate Governance Model
- Stakeholder Commitment
 - Shareholders
 - Customers
 - Employees
 - Environment
 - Community
- Conclusions

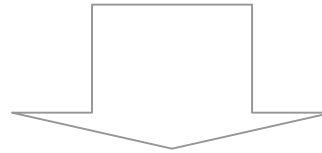
A commitment to offer adequate returns on the capital invested by shareholders through the distribution of dividends and with the valuation of shares on the stock exchange



VALUE CREATION IN THE MID/LONG TERM

■ Performance	
- Dps	0.57 euro (0.47 in 2004)
- Dividend yield	4.82% (4.78% in 2004)
■ Credit rating	
- Moody's	Aa3
- S&P	A+ (<i>outlook +</i>)
- Fitch	AA-
■ Inclusion in ethical indexes	
- FTSE4Good	since 2002
- Ethical Index Global/Euro	since 2002
- ASPI Eurozone	since 2004
- Ethibel	since 2006

A commitment to offer accessible high quality services in the belief that transparency and integrity will bring benefits for the whole organisation



FOCUS ON CUSTOMER NEEDS

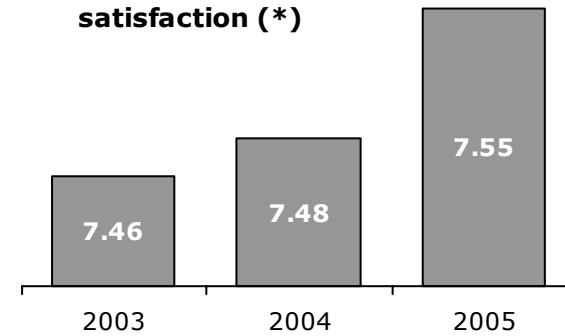
- The organization of the Bank at the service of customers: The Italian Local Bank model
- Customer Satisfaction Surveys extended to all Group's Banks and all customer segments
- Transparent guidelines: the 'Investment Policy' for retail and the 'Commercial policy' for corporate customers
- Assistance rather than simple sale: innovative tools to control portfolio risks and thorough information to raise awareness
- Easy to understand banking services: the "PattiChiari" (Clear Deals) interbanking initiative
- Managing complaints by customers and translating information into actions for improvements
- Development of sustainable financial products:
 - Ethical Funds, AuM of 760 mln, supervised by 'Ethica – Organisation for Socially Responsible Finance'
 - SRI Pension Funds, 26 mln (equal to one third of the total managed)

For several years now periodic surveys have been conducted of customers satisfaction and the evolution of their needs. In 2005 they were extended to all of the Group's Commercial Banks.

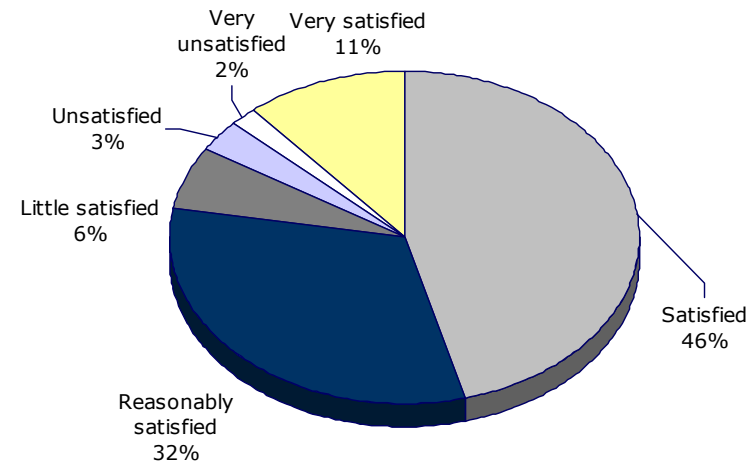
Some examples of 2005 surveys

Subject	Target and methodology
Retail customer satisfaction survey	Retail customers of all Commercial Banks, 11,000 telephone interviews
Corporate customer satisfaction survey	Corporate customer of Sanpaolo and Sanpaolo Banco di Napoli, 2,000 telephone interviews
Private customer research	High income customer of the Commercial Banks, almost 4,000 responses to the questionnaire sent
Survey of ethical products	Sanpaolo customers, 300 telephone interviews
Survey of protection products	Sanpaolo customers, 480 telephone interviews
New customer survey	Non customers, 300 telephone interviews

Retail customer trend of satisfaction (*)

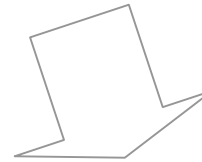
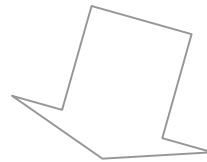


2005 corporate customer satisfaction (*)



* Sanpaolo and Sanpaolo Banco di Napoli customers

A commitment to professional development of our employees and to their welfare



FOCUS ON EMPLOYEE WELFARE

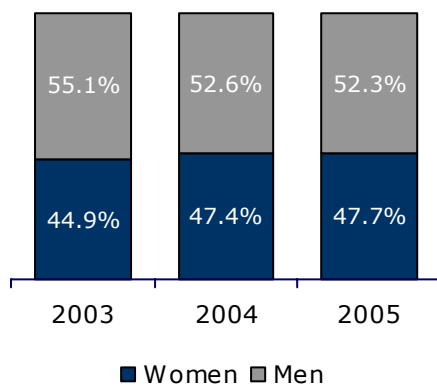
- Flexibility (working hours, part time)
- Contribution and facilities
- Company social club
- Safety and security
- Internal communication tools (Magazine, Intranet site)

FOCUS ON DEVELOPMENT

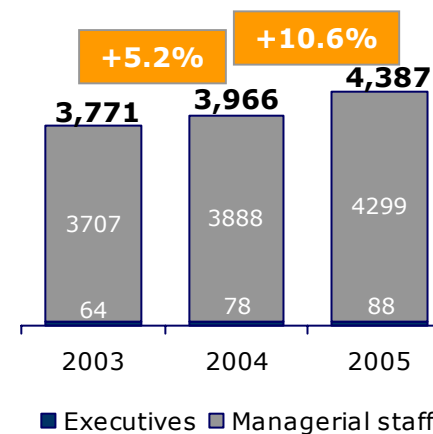
- Training (220,000 days in 2005)
- Human Capital Valuation System
- Equal opportunities
- Incentive Schemes
(Variable remuneration = 10% on total)
- HR management by "Community"

Company concessions which go beyond the General Banking Sector Contract

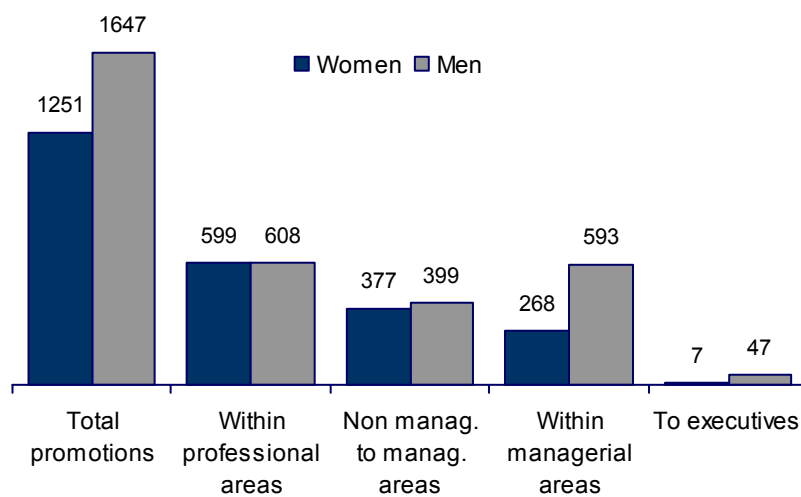
Breakdown by gender



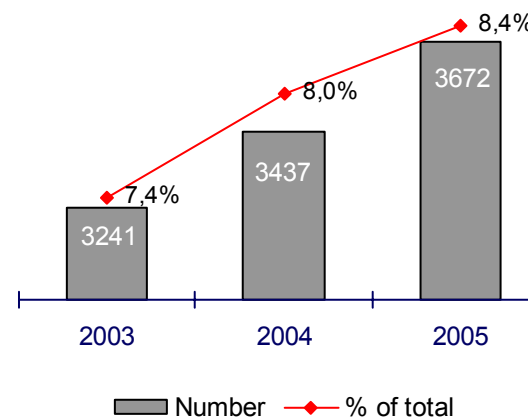
Female managerial and executive staff



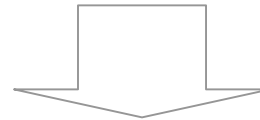
Promotions 2005



Part-time staff



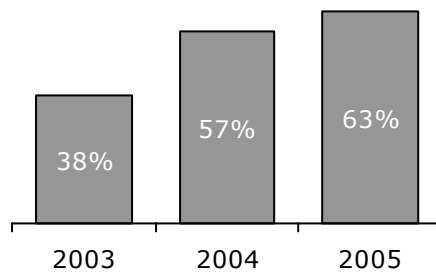
A commitment to limiting the impact of our activity on the environment and assessing the impact of those operations we finance



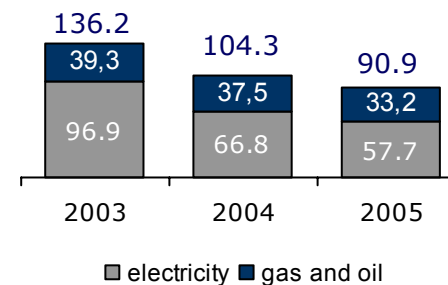
SUPERVISION OF DIRECT AND INDIRECT ENVIRONMENTAL IMPACTS

- DIRECT IMPACTS**
- Energy Management Unit
 - Environmental policy and Environmental Management System (certified ISO 14001)
 - Increase use of renewable sources
 - Specific projects aimed at reducing emissions (liquid crystal screens, new cooling systems)

Hydroelectric energy

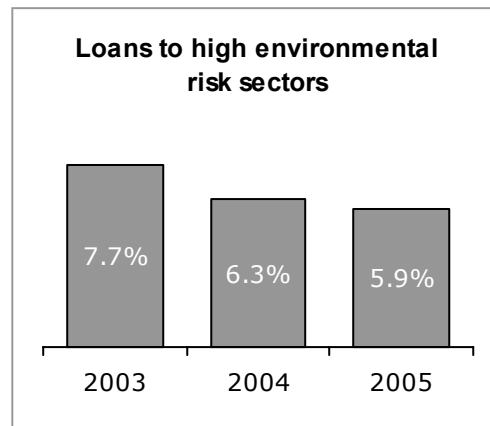


Emissions (millions Kg Co2)



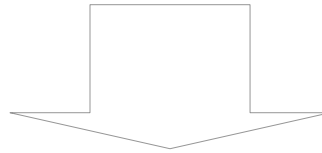
INDIRECT IMPACTS

- Environmental criteria in lending:
 - case by case analysis within the Credit Committee
 - possible rating downgrade if counterparts do not provide sufficient environmental guarantees
 - specific guidelines for Project Finance operations and public works
- Periodical review of total loan exposures towards environmentally sensitive sectors (EBRD)



- Environmental projects run by Banca OPI (waste to energy plants, dedicated closed funds,...)
- Supporting renewable energy (venture capital, closed funds, loans for customers to use photovoltaic technology)
- Increasing and widening the mobility management activities (Home-work Travel Plan)

A commitment to national economic development, support for regional and local initiatives and enhanced access to banking services for all levels of the community

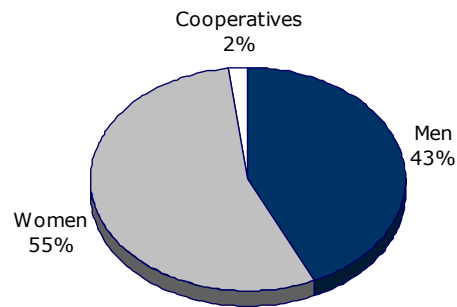


FOCUS ON COMMUNITY INVOLVEMENT

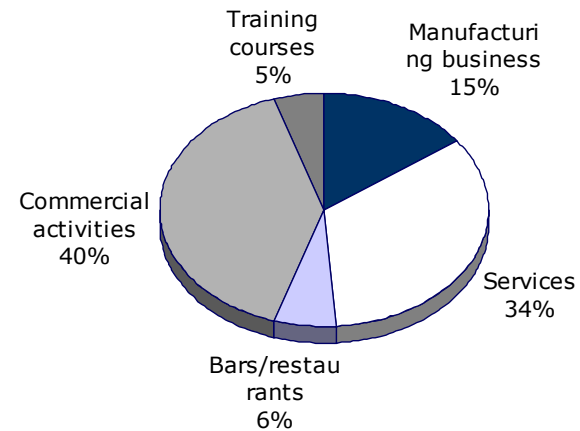
- Microcredit: 139 projects approved for 1,6 mln at YE2005
- Social banking: Multiethnic branches, GETMONEY TO FAMILY, Benefit Start (basic low cost current account)
- Wide variety of local initiatives, donations and sponsorships (Main sponsor of Olympics and Paralympics Winter Games 2006)
- Consultative committees
- Financial initiatives for local development:
 - BANCA OPI (social and environmental project financing and advisory activities)
 - closed-end funds, focused in centre and South Italy

Starting with the Social Micro-credit Project sponsored by the Compagnia di San Paolo in 2003, other 2 micro lending projects have been launched, in partnership with Fondazione di Venezia and Fondazione Cassa di Risparmio di Padova e Rovigo.

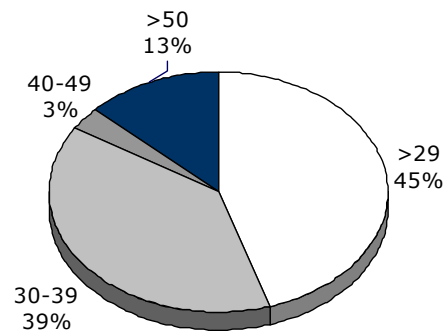
Distribution of projects by beneficiary *



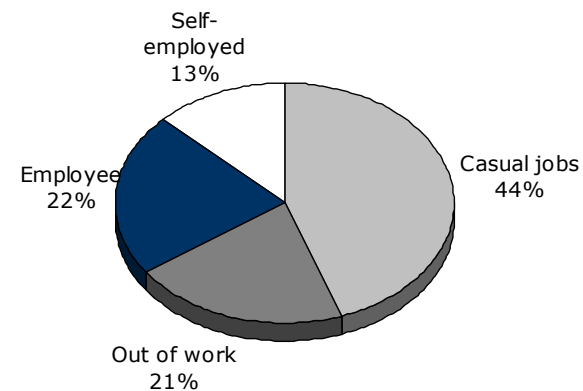
Distribution of projects by type *



Age of beneficiary *



Previous job of beneficiary *



* Data refer to the Micro-credit Project of the Compagnia di San Paolo

- Strategic Commitment to CSR
- Corporate Governance Model
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- Conclusions

- Integrating the Group's CSR approach in the development of its banking business
- Governing the Company with systems in compliance with the best international standards
- Strengthening the awareness of indirect environmental impacts into lending and investment decision making
- Building a communication flow with all stakeholders which is clear, continuous and concrete

INVESTOR RELATIONS

- Dean Quinn dean.quinn@sanpaoloimi.com +39 011 555 2593
- Damiano Accattoli damiano.accattoli@sanpaoloimi.com +39 011 555 3590

Piazza San Carlo 156
10121 Torino
www.grupposanpaoloimi.com