

SANPAOLO IMI

THE BOARD OF DIRECTORS EXAMINES QUARTERLY RESULTS AT 31 DECEMBER 2000

**Consolidated net income confirmed – 1,292 million Euro (+23%) or L. 2,502 billion
Dividend of 1,100 lire proposed**

Turin, 13 February 2001 - Last month's preliminary results for 2000 are fully confirmed: consolidated net income at **Euro 1,292 million** (2,502 billion lire), an annual increase of 23%, and **RoE at 18.1%**, up on 14% in 1999. The Board of Directors of SANPAOLO IMI S.p.A. today approved the accounts of the fourth quarter of 2000 and decided to propose to the Shareholders' Meeting a **dividend of L. 1,100 per share** or Euro 0.568 (ex-dividend 21 May 2001, payment 24 May), against L. 1,000 last year.

All the profit margins showed growth against the previous year:

- **net interest income: +7.2%**, principally due to the positive performance in customer volumes;
- **net commissions: +19.4%**, above all in the positive performance in asset management;
- **net interest and other banking income: +10.3%**;
- **administrative expenses: +7.5%**, largely because of significant investments to strengthen the sales network and new IT channels;
- **ordinary income: +20.1%**.

The contribution from **asset management**, a sector of strategic importance for the Group, was considerable and achieved levels of growth in 2000 superior to the market average:

- **total asset management: 122.2 billion Euro** (9.4% more than at the end of 1999) before line by line consolidation of Banco di Napoli and **128.8 billion Euro** taking account of Banco di Napoli;
- **mutual funds and portfolio management in funds: Euro 100.9 billion** (+7,8%) before line by line consolidation of Banco di Napoli and **105.6 billion Euro** (a market share of 18.9%) taking account of Banco di Napoli;
- **Group life policies: Euro 12.4 billion** (+24,6%) with a share of 6.6% in the total life market;
- the **positive performance in asset management continued in January 2001**: Group mutual funds showed a positive net monthly inflow of 348 million Euro, against the negative trend in the system.

Net loans to customers, before line by line consolidation of Banco di Napoli, amounted to **Euro 79.5 billion**, an annual change of 8.7% was up substantially following the revision of the Group's loan policy in the previous period. The total rose to **98.2 billion Euro** taking account of Banco di Napoli. Substantial progress in terms of asset quality: the **ratio between net non-performing loans and net loans to customers** in fact fell to **1%** in the year, against 2.3% at the end of 1999 (**1.1%** with Banco di Napoli).

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The Board of Directors has further confirmed that the Managing Director may mandate Goldman Sachs and J.P. Morgan Chase to make technical contacts with the representatives of Cardine Banca.

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Reclassified consolidated balance sheet

ASSETS	31/12/2000 (1) (Euro/mil)	31/12/2000 restated (2) (Euro/mil)	31/12/1999 (Euro/mil)	Change 31/12/00 restated - 31/12/99 (%)
Cash and deposits with central banks and post offices	710	526	528	-0.4
Loans	117,768	96,529	95,318	+1.3
- due from banks	19,534	16,974	22,144	-23.3
- loans to customers	98,234	79,555	73,174	+8.7
Dealing securities	18,317	16,874	16,645	+1.4
Fixed assets	12,346	7,507	6,490	+15.7
- investment securities	6,677	1,475	1,756	-16.0
- equity investments	3,532	4,630	3,347	+38.3
- intangible fixed assets	362	295	267	+10.5
- tangible fixed assets	1,775	1,107	1,120	-1.2
Differences arising on consolidation and on equity	1,004	1,004	58	n.s.
Other assets	22,114	16,893	20,848	-19.0
Total assets	172,259	139,333	139,887	-0.4
LIABILITIES	31/12/2000 (1) (Euro/mil)	31/12/2000 restated (2) (Euro/mil)	31/12/1999 (Euro/mil)	Change 31/12/00 restated - 31/12/99 (%)
Payables	133,520	106,424	106,969	-0.5
- due to banks	29,890	27,328	28,012	-2.4
- due to customers and securities issued	103,630	79,096	78,957	+0.2
Reserves:	4,589	2,293	1,950	+17.6
- for taxation	1,217	1,163	1,029	+13.0
- for termination indemnities	744	450	438	+2.7
- for risks and charges	1,501	638	437	+46.0
- for pensions and similar commitments	1,127	42	46	-8.7
Other liabilities	20,936	17,872	20,869	-14.4
Subordinated liabilities	5,165	4,832	1,524	+217.1
Minority interests	711	574	539	+6.5
Shareholders' equity (3)	7,338	7,338	8,036	-8.7
- capital	3,931	3,931	3,926	+0.1
- reserves (4)	2,115	2,115	3,060	-30.9
- net income	1,292	1,292	1,050	+23.0
Total liabilities	172,259	139,333	139,887	-0.4

(1) Group financial statements for 2000 reflect the line by line consolidation of Banco di Napoli and its subsidiaries from the second half of the year following the criteria given in the explanatory notes. The financial statements for 2000 will be audited.

(2) The restated financial statements for 2000 have been prepared to give the most consistent comparison with 1999. They reflect the consolidation of Banco di Napoli and its subsidiaries at equity following the criteria given in the explanatory notes. The restated financial statements for 2000 will not be audited.

(3) Movements in net shareholders' equity in 2000 is detailed in the relevant paragraph in the report on operations.

(4) Reserves are net of own shares held by the Parent Bank, 27,431,500 with a book value of 336 million Euro at 31 December 1999 and 39,345,982 with a book value of 697 million Euro at 31 December 2000.

Reclassified consolidated statement of income

	2000 (1)	2000 restated (2)	1999	Change 2000 restated / 1999
	(Euro/mil)	(Euro/mil)	(Euro/mil)	(%)
NET INTEREST INCOME	2,571	2,168	2,022	+7.2
Net commissions and other dealing revenues	2,638	2,467	2,066	+19.4
Profits and losses from financial transactions and dividends	264	255	276	-7.6
Profits from companies carried at equity and dividends from shareholdings	136	151	205	-26.3
NET INTEREST AND OTHER BANKING INCOME	5,609	5,041	4,569	+10.3
Administrative costs	-3,075	-2,650	-2,466	+7.5
- <i>personnel</i>	-1,929	-1,619	-1,534	+5.5
- <i>other administrative costs</i>	-957	-858	-763	+12.5
- <i>indirect duties and taxes</i>	-189	-173	-169	+2.4
Other operating income net	211	188	175	+7.4
Adjustments to tangible and intangible fixed assets	-298	-235	-209	+12.4
OPERATING INCOME	2,447	2,344	2,069	+13.3
Value adjustments on goodwill, merger differences and consolidation	-85	-85	-84	+1.2
Provisions and net adjustments to loans and financial fixed assets	-570	-452	-481	-6.0
ORDINARY INCOME	1,792	1,807	1,504	+20.1
Net extraordinary income	396	369	294	+25.5
INCOME BEFORE TAXES	2,188	2,176	1,798	+21.0
Income taxes for the period	-791	-798	-685	+16.5
Change in reserves for general banking risks	3	3	-1	n.s.
Income attributable to minority interests	-92	-89	-62	+43.5
Reversal of second half income Banco di Napoli Group (3)	-16	-	-	n.s.
NET INCOME	1,292	1,292	1,050	+23.0

(1) The statement of incomes for 2000 reflect the line by line consolidation of Banco di Napoli and its subsidiaries from the second half of the year following the criteria given in the explanatory notes of the quarterly report. The statement of income for 2000 will be audited.

(2) The restated statement of income for 2000 have been prepared to give the most consistent comparison with 1999. They reflect the consolidation of Banco di Napoli and its subsidiaries at equity following the criteria given in the explanatory notes. The restated statement of income for 2000 will not be audited.

(3) Following the criteria given in the explanatory notes of the quarterly report.