

FY 2005 RESULTS

Milan, 24th March

Alfonso Iozzo
CEO

Pietro Modiano
General Manager

GRUPPO SANPAOLO IMI

DISCLAIMER

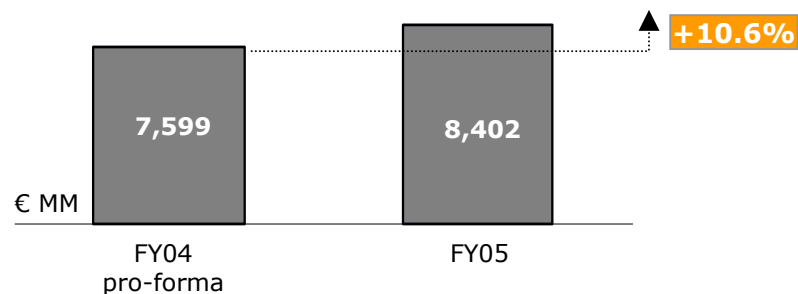
This presentation has been prepared by Sanpaolo IMI and provides information on the management's business plans and strategies. As such, the presentation contains forward-looking information which reflects management's current views with respect to certain future events and the financial performance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

- Compliance to the IFRS principles has resulted in a change to the Group consolidation perimeter. AIP and Banka Koper are now fully consolidated, while CariForlì and Allfunds Bank, which were proportionally consolidated, are now carried at equity. The insurance business is consolidated line by line, but, in order to facilitate understanding of the results, in the reclassified consolidated statement of income the insurance revenues are grouped into a single line, called "income from insurance business"
- Following the decision to sell the French business of Fideuram, the contribution of Wargny to the P&L has been consolidated into the line "profits and losses on discontinued operations" in accordance with IFRS 5. Compliance to the newly issued instructions contained in Bank of Italy Circular 262 has resulted in a number of reclassifications (see Appendices). In order to allow comparisons, the data for previous quarters in 2005 and 2004 have been restated according to the new rules
- Bank of Italy rules that the reversal of time value be netted against loan loss provisions. In the Group's reclassified statements however, the reversal of time value is included in net interest income
- The divisional structure represented in the 2005 Annual report reflects the structure of the Group pre-business plan and pre-Eurizon announcement. The new divisional structure which comes into effect in 2006 will be used in company reports starting from the first quarter 2006

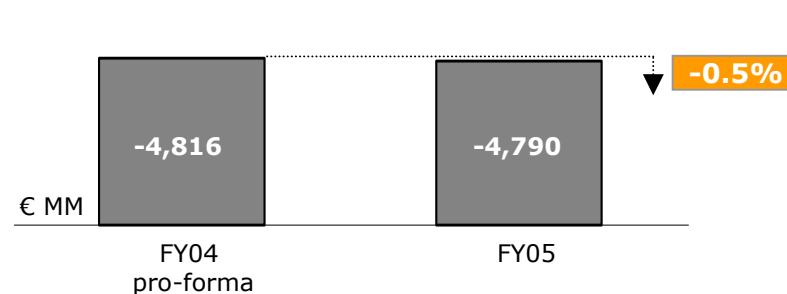
- Group overview
- Full year 2005 results
- Focus on Banking Activity

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

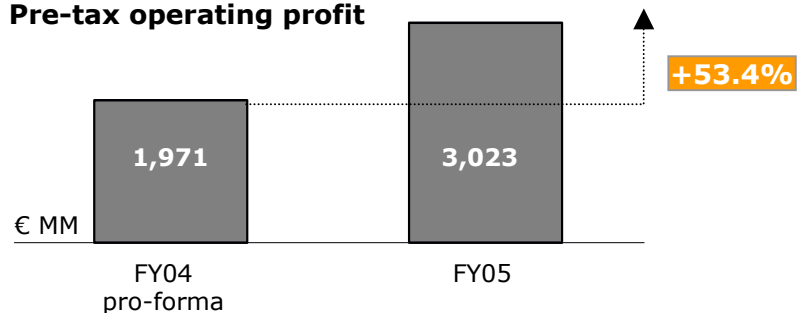
Total operating income



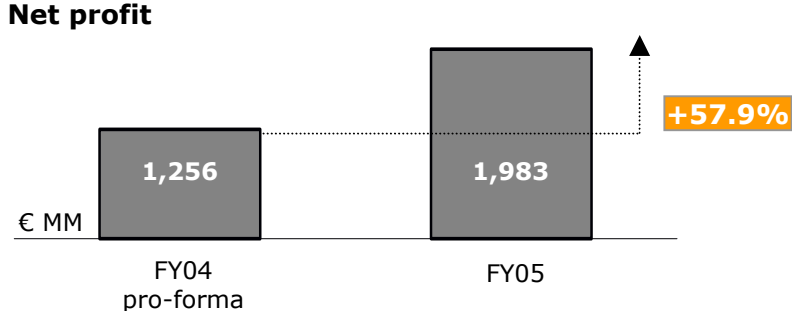
Operating costs



Pre-tax operating profit

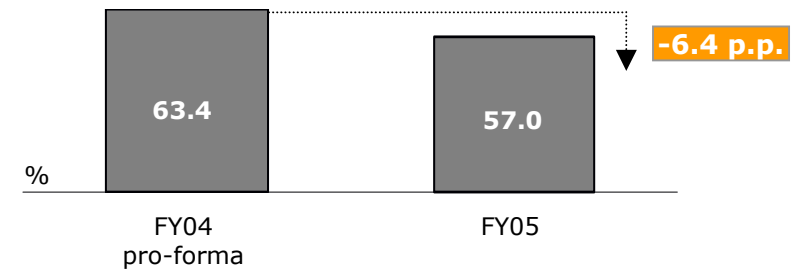


Net profit



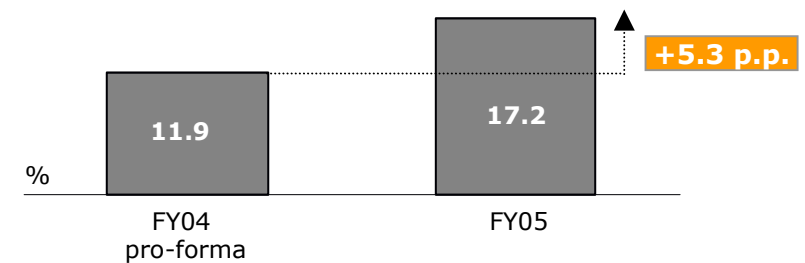
■ Improvement in cost income ratio by 6.4%, principally due to revenue growth but positive impact also from cost control

Cost/Income ratio *



■ ROE up to 17.2% ahead of the 15% target set in the BP 03-05.

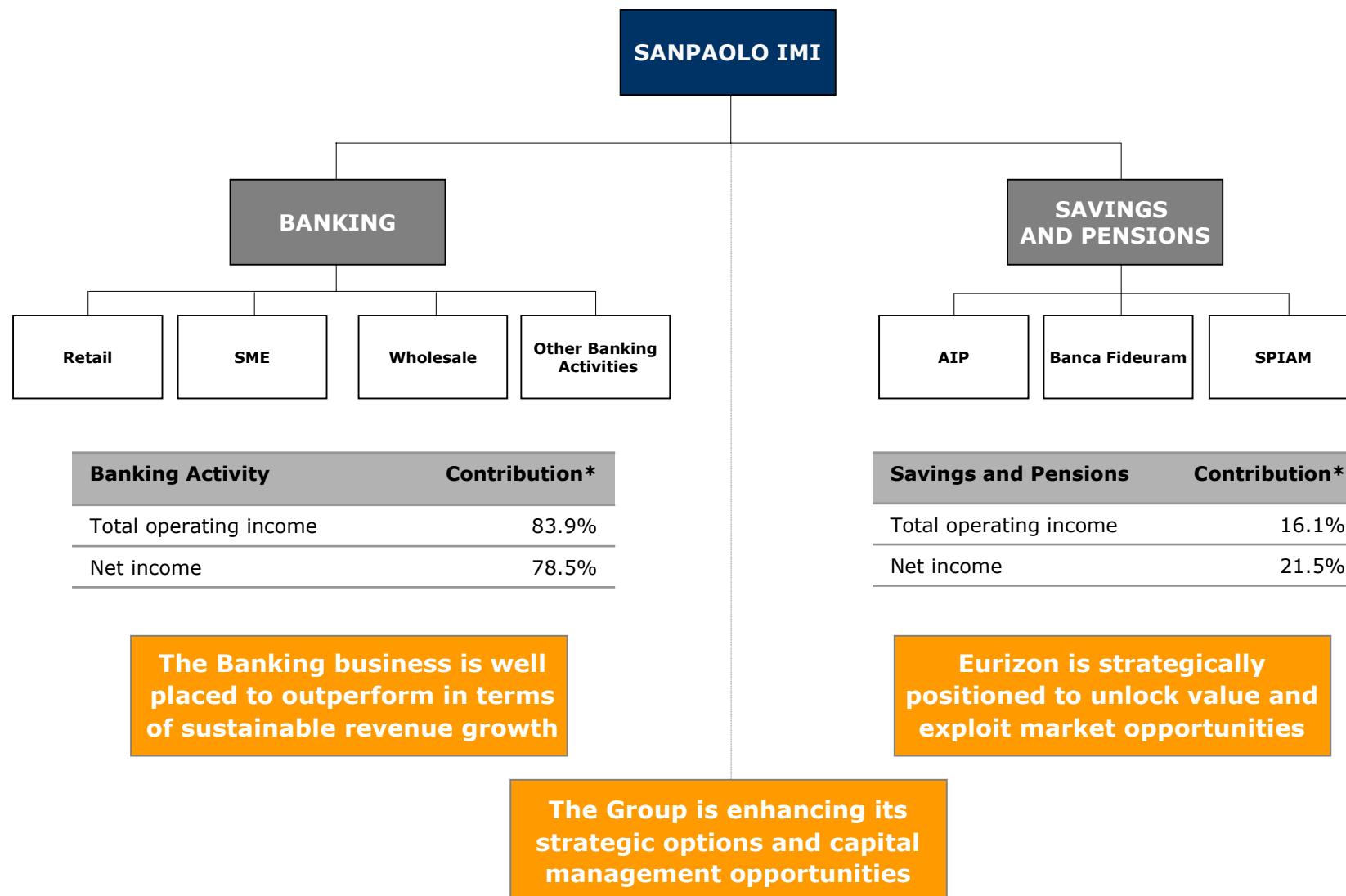
ROE**



* Personnel costs, other administrative costs and amortization / Total operating income

** Net profit / Net shareholders' equity at the end of the period (excluding profit)

The new structure positions the Group to achieve objectives



* Excluding Corporate Centre and International Private Banking

Ongoing commitment to excellence:

- Excellent quality of assets
- Solid capital ratios and active capital management
- Disciplined cost control
- High brand recognition and customer satisfaction
- Quality of employees

Discontinuity in operating growth:

- Increase market shares
- Leverage on the potential from recent integrations
- Align commercial performance to internal best practice
- Introduce new service models for all customer sub-segments
- Adopt strategic projects for high potential growth sectors

Achieve leadership in the Italian market in terms of sustainable revenue growth

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

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



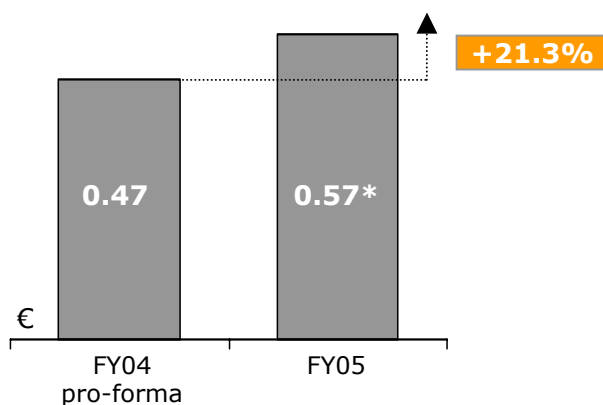
Targets	2008
■ Pre-tax operating profit	4.1 bln
■ Net profit	2.5 bln
■ ROE	18%
■ Cost/ income	52%

Good results and strong balance sheet enable a 21% increase in dividend

Capital ratio (%)	2004	2005	Δ (bps)
Core tier 1	6.7	6.5	-20
Tier 1 ratio	7.4	7.2	-20
Total risk ratio	11.3	9.2	-210

- Tier 1 and core capital ratios slightly lower thanks to growth in risk weighted assets
- QIS 5 confirmed that the good asset quality will mean that the Group would see a significant benefit from the introduction of Basle 2/CAD 3. On a standstill basis as at June 05 this was equivalent to an increase in core tier 1 ratio of more than 1.0%
- The lower total capital ratio is principally the result of new BoI regulations which anticipate in part the Basle 2 rule on the deductions of insurance equity investments
- Without the early application of the new rules the total capital ratio would have been 10% at year end
- To offset this the Group placed 750 mln of subordinated debt in February to take the total capital ratio to approx 10%

Dividend

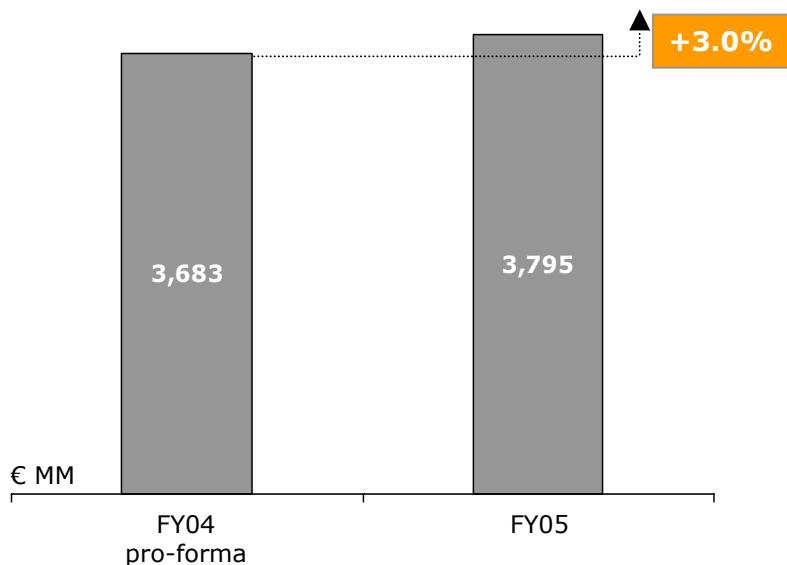


	2004	2005
Dividend yield (%)	4.78	4.82
Pay-out ratio (%)	62.9	53.8

* Dividend that will be proposed to the AGM

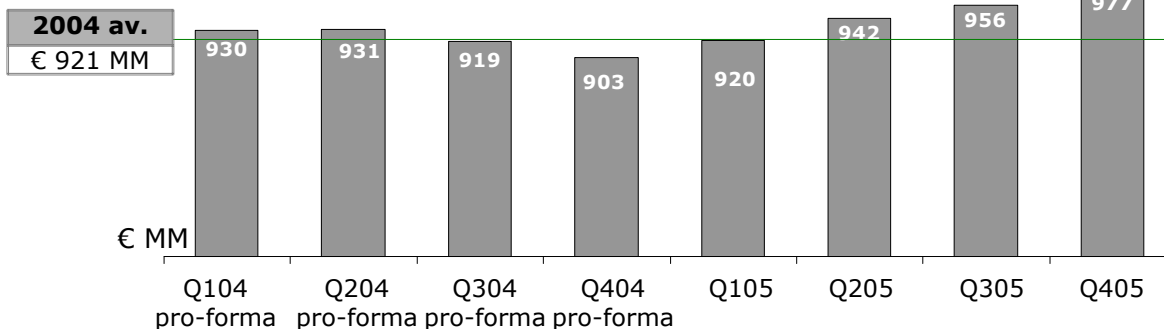
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Positive trend line confirmed in net interest income



- NII increased by 3.0% y-o-y. Excluding the more volatile and atypical contribution from Banca IMI the growth registered increases to 4.9% y-o-y
- Growth driven by increased net customer lending, up 10.5% (ST lending +8.0%, MLT lending +11.6%). The increase in volumes offset the decrease of 16 bps in the spread on customer business registered in 2005

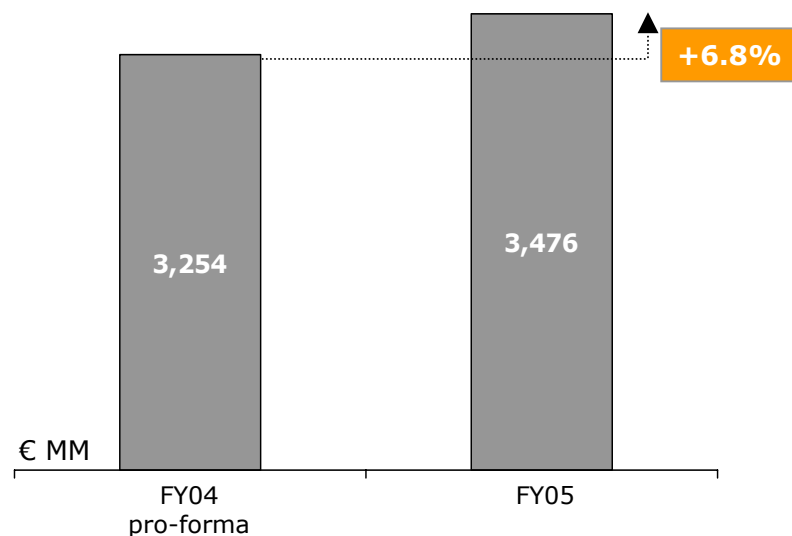
Q405/Q404	Q405/Q305
+8.2%	+2.2%



- The positive trend is in contrast with the corresponding declining tendency registered in 2004
- Strong growth in quarterly trend both Q/Q and Y/Y
- Q405/Q404 +8.2% gives better indication of the annual trend line

Strong operational trends in asset management and capital market business driving growth in net commissions

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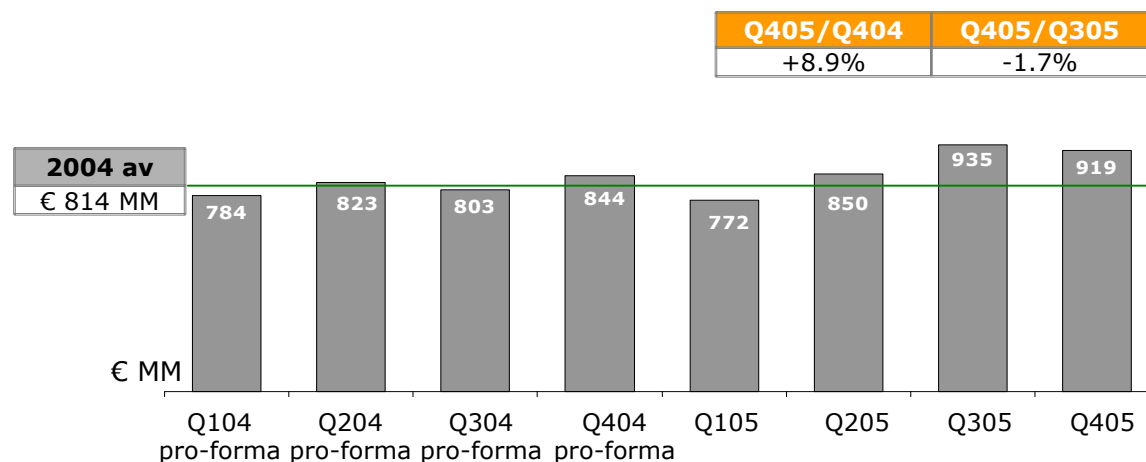


- Growth in net commission income, +6.8%, driven by 10.8% improvement in fees from management, dealing and advisory services which represent 60% of the aggregate
- Asset management fees up 10.9% thanks to strong inflows, positive market performance effect and a better asset mix
- Increase in brokerage, custody and advisory fees by 10.1% driven by Banca IMI contribution

€ MM	FY04 p.f.	FY05	Var. FY05 / FY04 p.f.
Net commissions	3,254	3,476	+6.8%
Management, dealing and advisory services	1,861	2,062	+10.8%
■ <i>asset management</i>	1,623	1,800	+10.9%
■ <i>brokerage, custody and advisory services</i>	238	262	+10.1%
Loans and guarantees	355	372	+4.8%
Collection and payment services	246	256	+4.1%
Deposits and current accounts	528	520	-1.5%
Other services	264	266	+0.8%

Headline quarterly growth underpinned by positive trends in management dealing and advisory fees

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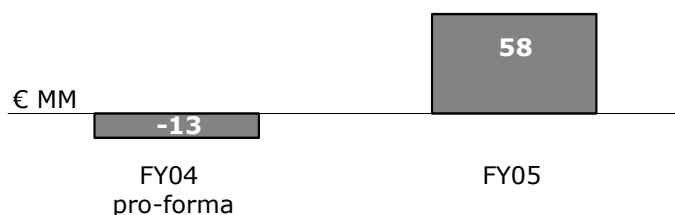


- Net commissions up +8.9% Q405/Q404
- Q405/Q305 shows fall of 1.7% but ex the 30 mln late government payment of H1 tax recovery fees booked in Q3 there is a Q/Q increase of 1.5%

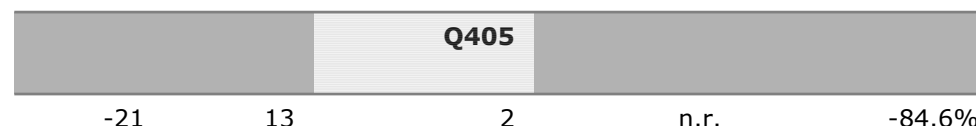
€ MM	Q404	Q305	Q405	Var. Q405/ Q404	Var. Q405/ Q305
Net commissions	844	935	919	+8.9%	-1.7%
Management, dealing and advisory services	480	549	541	+12.7%	-1.5%
■ <i>asset management</i>	398	472	460	+15.6%	-2.5%
■ <i>brokerage, custody and advisory services</i>	82	77	81	-1.2%	5.2%
Loans and guarantees	85	94	90	+5.9%	-4.3%
Collection and payment services	67	67	64	-4.5%	-4.5%
Deposits and current accounts	141	131	137	-2.8%	+4.6%
Other services	71	94	87	+22.5%	-7.4%

Positive contribution to growth from all operating income lines

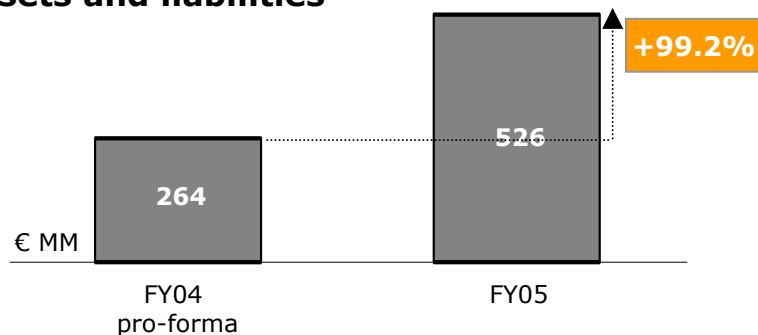
Income from credit disposals, assets held to maturity and repurchase of fin. liabilities



■ Principle contribution of 22 million from capital gain realised in Q2 on the sale of a portfolio of NPLs



Dividends and income from other financial assets and liabilities

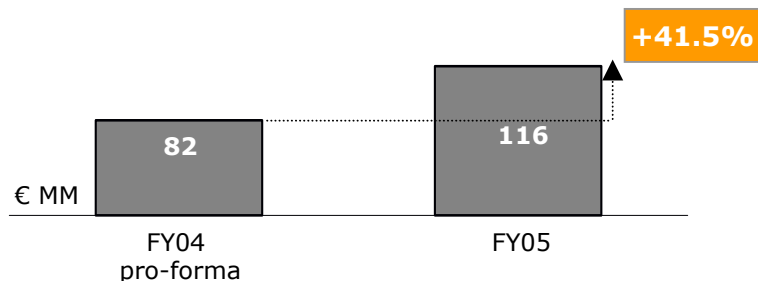


■ Includes non recurring elements: 116 million capital gain on Italgas and 51 million positive valuation on FIAT shares at the date of the conversion of the convertendo loan

■ Excellent growth also posted by the corporate finance activity of Banca IMI

Q404	Q305	Q405	Var.Q405/Q404	Var.Q405/Q305
43	207	102	n.r.	-50.7%

Profits on equity shareholdings



■ Includes a capital gain of 44 mln on 2 private equity stakes booked in Q2

Q404	Q305	Q405	Var.Q405/Q404	Var.Q405/Q305
27	11	28	+3.7%	n.r.

Significant increase in contribution from insurance business

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FY04 p.f.	FY05	Var.FY05/ FY04 p.f.	€ MM	Q404	Q305	Q405	Var.Q405/ Q404	Var.Q405/ Q305
329	431	+31.0%	Income from insurance business	85	120	129	+51.8%	+7.5%

- +31.0% growth driven by strong operational trends and positive impact from financial management
- Group embedded value on life business estimated at €**2,648** mln (o.w. AIP embedded value estimated at €1,874 mln)

€ MM	FY04 stock	FY05 stock	Var. FY05/FY04
Total	40,849	45,892	+12.3%
■ Technical reserves	19,795	22,087	+11.6%
■ Financial based products	19,141	22,402	+17.0%
■ <i>Unit linked</i>	9,928	11,617	+17.0%
■ <i>Index linked</i>	9,213	10,785	+17.1%
■ Third party products	1,913	1,403	-26.7%

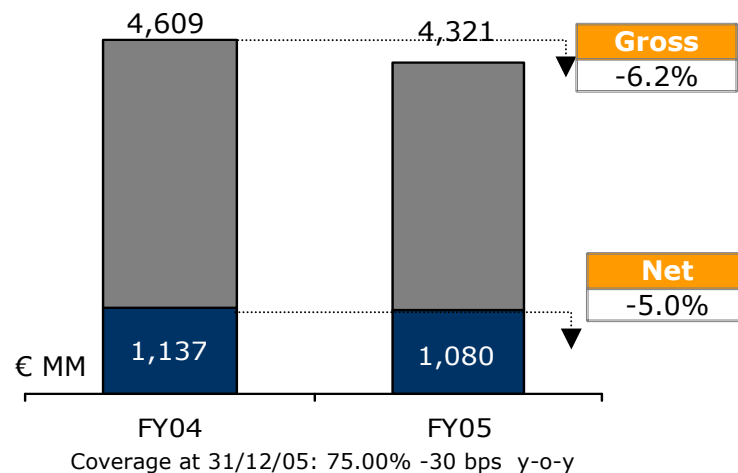
Rigorous provisioning maintained despite sound asset quality and conservative coverage on all credit assets

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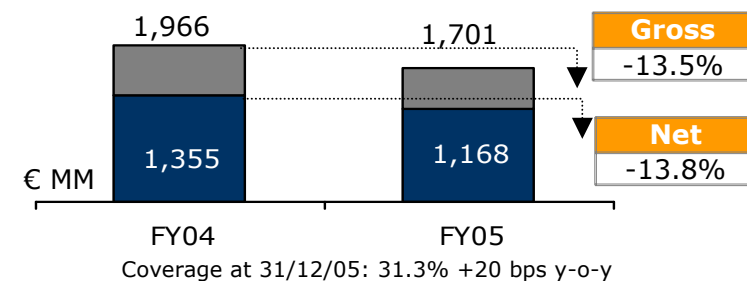
FY04 p.f.	FY05	Var.FY05/ FY04 p.f.	€ MM	Q404	Q305	Q405	Var.Q405/ Q404	Var.Q405/ Q305
-539	-489	-9.3%	Net adjustments to loans	-153	-128	-132	-13.7%	+3.1%

- Specific adjustments to credits only 299 mln down 36% from 469 mln in 2004
- Further generic provision of 190 mln up 171% from 70 mln in 2004 charged to take total cost of risk to 36 bps
- Increase in generic reserve to 1,066 million or around 2x the average cost of risk of the performing loan portfolio
- Increase of coverage on 180 day past due loans from 10.6% in 2004 to +14.9% in 2005
- NPL ratio down to 0.77% from 0.90% FY04

NPLs



Problem and restructured loans *



FY04 p.f.	FY05	Var.FY05/ FY04 p.f.	€ MM	Q404	Q305	Q405	Var.Q405/ Q404	Var.Q405/ Q305
-62	-1	-98.4%	Net adjustment to other financial assets	50	-1	3	-94%	n.r.

*i.e. Finanziamenti incagliati e ristrutturati

Efficiency level improving as a result of both integration benefits and tight cost control

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€ MM	FY04 p.f.	FY05	Var.FY05/ FY04 p.f.
Operating costs	-4,816	-4,790	-0.5%
Personnel costs	-2,841	-2,839	-0.1%
Other administrative costs	-1,525	-1,514	-0.7%
■ <i>IT costs</i>	-423	-399	-5.7%
■ <i>Real estate costs</i>	-290	-299	+3.1%
■ <i>General expenses</i>	-231	-205	-11.3%
■ <i>Professional and insurance fees</i>	-238	-243	+2.1%
■ <i>Utilities</i>	-85	-80	-5.9%
■ <i>Marketing expenses</i>	-101	-132	+30.7%
■ <i>Indirect personnel costs</i>	-106	-101	-4.7%
■ <i>Indirect duties and taxes</i>	-51	-55	+7.8%
Net adjustments to tangible and int. assets	-450	-437	-2.9%

- Personnel costs, stable y-o-y, continue to benefit from the incentivised early retirements in 2004 offsetting the increasing inflationary pressure from the new banking contract
- Other administrative costs, -0.7%, positively affected by the integration of the commercial banking network

€ MM	Q404	Q305	Q405	Var.Q405/ Q404	Var.Q405/ Q305
Operating costs	-1,293	-1,157	-1,337	+3.4%	+15.6%
Personnel costs	-744	-698	-772	+3.8%	+10.6%
Other administrative costs	-413	-354	-435	+5.3%	+22.9%
Net adjustments to tangible and int. assets	-136	-105	-130	-4.4%	+23.8%

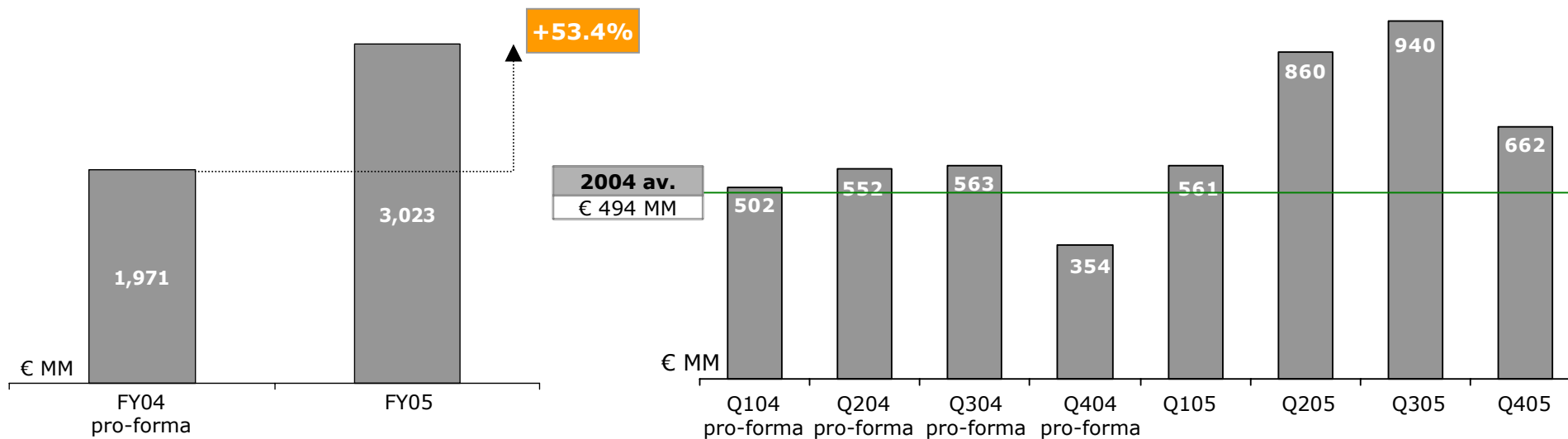
- Seasonality in quarterly comparisons exacerbated by
 - Higher variable personnel costs because of good results
 - Impact of new banking contract
 - Extra-Olympic costs taken in the quarter
 - Accelerated booking of new project costs

Positive and accelerating trends in business performance underlying significant improvement in pre-tax operating profit

FY04 p.f.	FY05	Var.FY05/ FY04 p.f.	€ MM	Q404	Q305	Q405	Var.Q405/ Q404	Var.Q405/ Q305
41	74	+80.5%	Other net income	31	8	23	-25.8%	n.r.
-58	-47	-19.0%	Impairment of goodwill	-58	-1	-46	-20.7%	n.r.
3	17	n.r.	Profits from disposals of investments	-	-	4	n.r.	n.r.
-197	-143	-27.4%	Net provisions for risks and charges	-104	-23	-10	-90.4%	-56.5%

Pre-tax operating profit

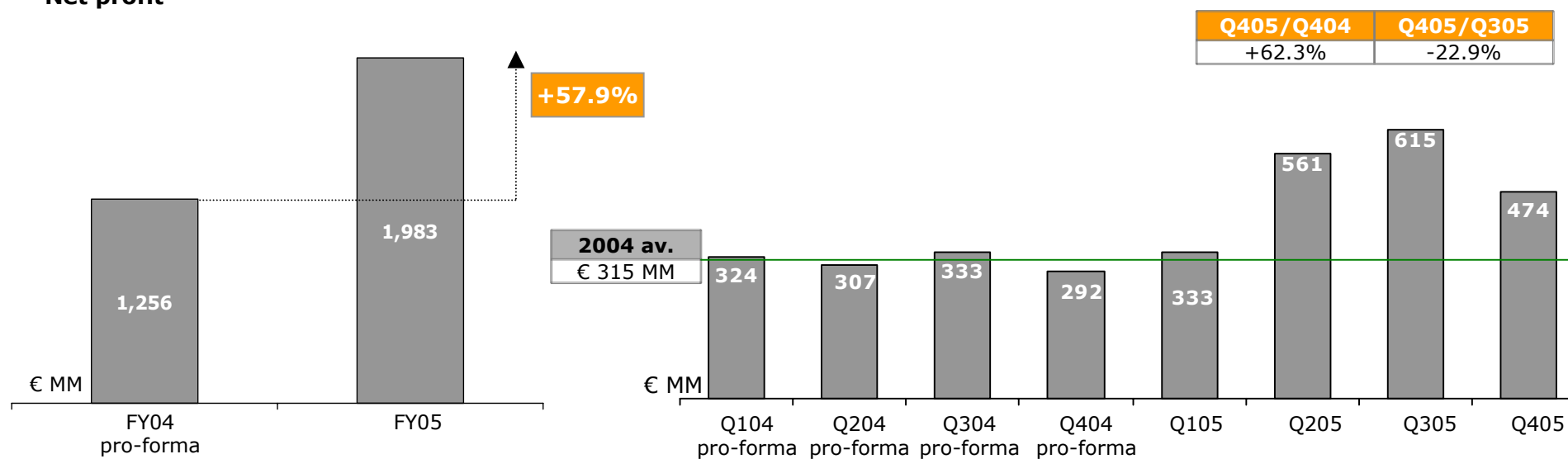
Q405/Q404	Q405/Q305
+87.0%	-29.6%



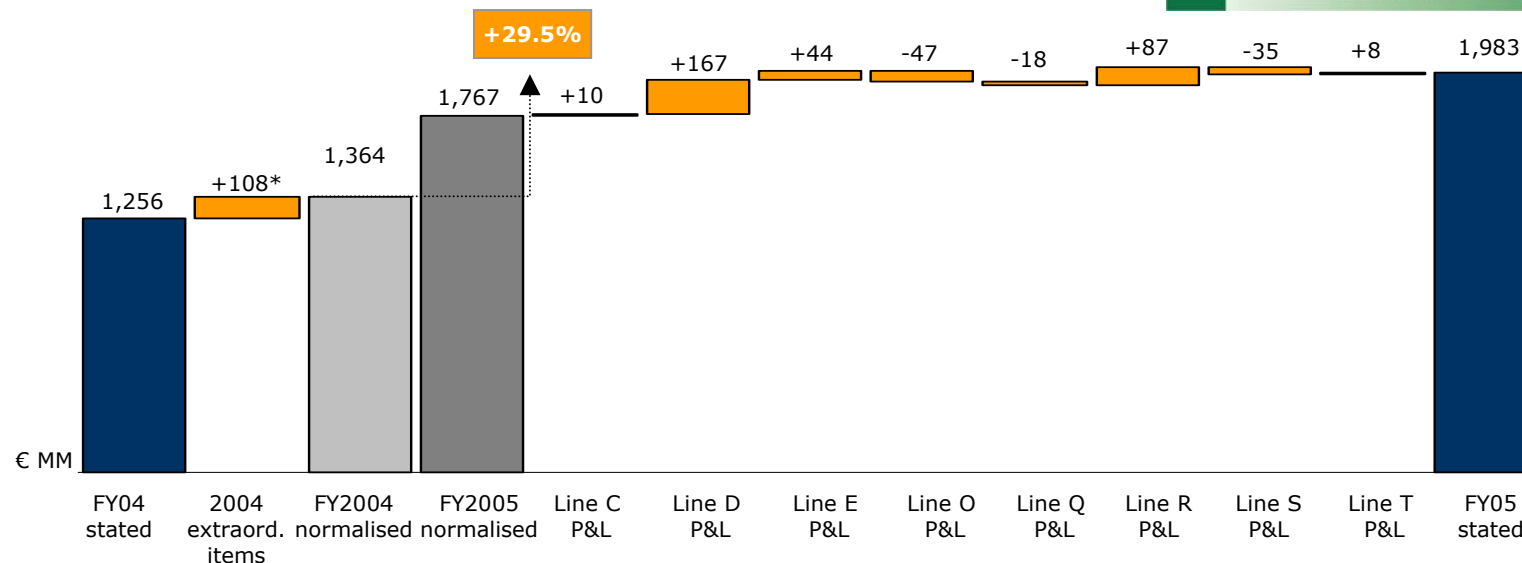
Excellent bottom line growth

FY04 p.f.	FY05	Var.FY05/ FY04 p.f.	€ MM	Q404	Q305	Q405	Var.Q405/ Q404	Var.Q405/ Q305
1,971	3,023	+53.4%	Pre-tax operating profit	354	940	662	+87.0%	-29.6%
-743	-948	+27.6%	Taxes for the period	-85	-297	-146	+71.8%	-50.8%
76	-35	n.r.	Profits on discontinued operations	33	-7	-33	n.r.	n.r.
-48	-57	+18.8%	Profit attributable to minority interests	-10	-21	-9	-10.0%	-57.1%
1,256	1,983	+57.9%	Net profit	292	615	474	+62.3%	-22.9%

Net profit



Normalised net profit up 29.5%



	P&L (€/MM)	Total extr. items	Comments
C	Income from credit disposals, assets held to maturity and repurchase of fin. liab.	10	ABN Amro securitisation (22 mln) and minor negative impacts (-12 mln)
D	Dividends and income from other financial assets and liabilities	167	FIAT convertendo (51 mln) and IEB (116 mln)
E	Profits (losses) on equity shareholdings	44	Sale of two private equity stakes (44 mln)
O	Impairment of goodwill	-47	CRForli devaluation (-47 mln)
Q	Net provisions for risks and charges	-18	Sale of two private equity stakes (-18 mln)
R	Taxes for the period	87	Beneficial fiscal effect including in particular IEB and New Step operations
S	Profits (losses) on discontinued operations	-35	Reclassification and revaluation of Fideuram Wargny (-35 mln)
T	Profit attributable to minority interests	8	Reclassification and revaluation of Fideuram Wargny (8 mln)
Total		216	

* See Appendices

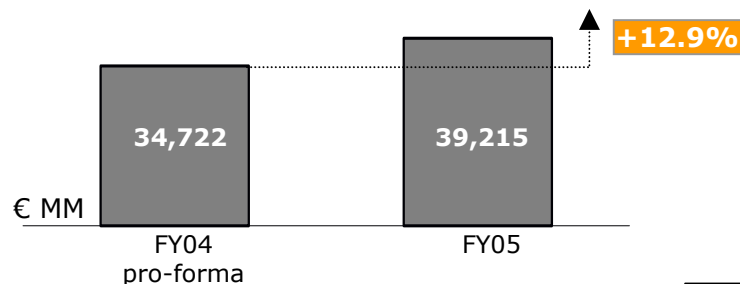
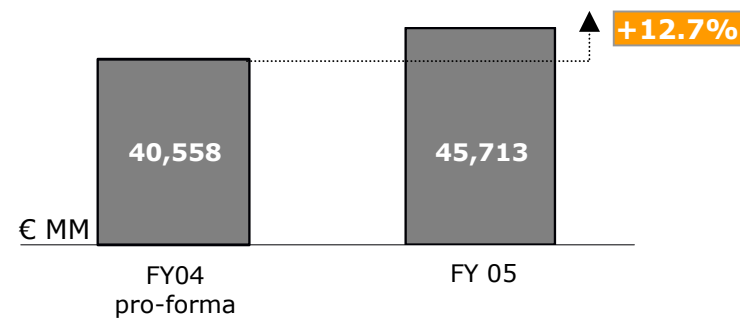
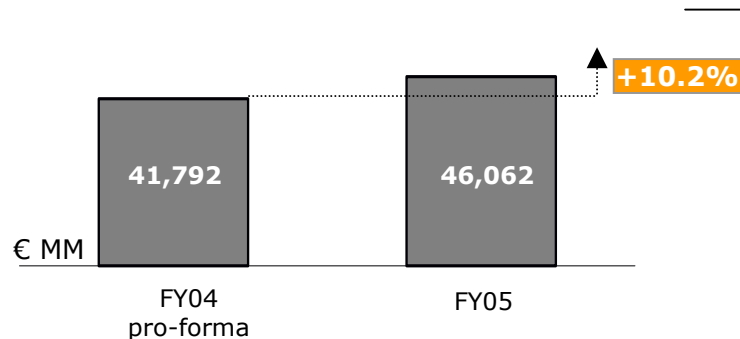
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Strong lending trends in core business activity

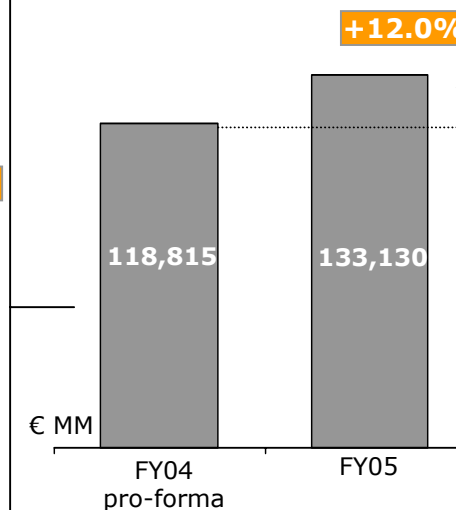
Retail and Private	Stock € MM	Var. year to date
o.w. Sanpaolo Area	20,552	+12.3%
o.w. Sanpaolo BdN and Cardine Areas	20,838	+6.3%
o.w. Neos	4,538	+21.0%

SMEs	Stock € MM	Var. year to date
o.w. Sanpaolo Area	24,451	+20.9%
o.w. Sanpaolo BdN and Cardine Areas	15,653	+2.6%
o.w. Leasint	5,609	+10.7%

Wholesale	Stock € MM	Var. year to date
o.w. Public Finance	20,757	+7.6%
o.w. Large Corporate	5,531	-13.9%



Banking Activity



Inverting the trend in market share but without compromising margins

- Inversion of commercial banking market share trends in lending
- Market share variation greater for Bank of Italy ten day reports because excludes NPLs where the Group continues to see healthy reduction in market share

	2002	2003	2004	2005
Market share (%)*	9.35	8.83	8.12	8.23
Variation (bps)		-52	-71	+11
Market share (%)**			10.00	10.26
Variation (bps)				+26

- Customer mark up improved in the key divisions relative to the system

Δ ST mark up 31/12/05 - 31/12/04**

	SPIMI	System
■ Households	0.0	-0.52
■ SMEs	-0.37	-0.46

* Source: BoI

** Source: BoI Ten Day Reports

Inverting the trend in market share and without compromising asset quality

- Asset quality as measured by the portfolio model on prudent forecast of cost of risk remains very good and slightly improved
- The reduction in EL is evenly divided between:
 - the improvement in quality (rating effect) and collateralisation (LGD effect) of initial (as of end 04) portfolio and
 - the asset quality of marginal lending: a significant share of loan growth is related to existing customers with a quality higher than the stock (thus carrying an EL reduction of -1.0 bp); the increase in market coverage is riskier but offsets only partially (+0.5 bp) the EL reduction
- Credit deterioration during the period was 19% lower than in 2004 on a conservative measure

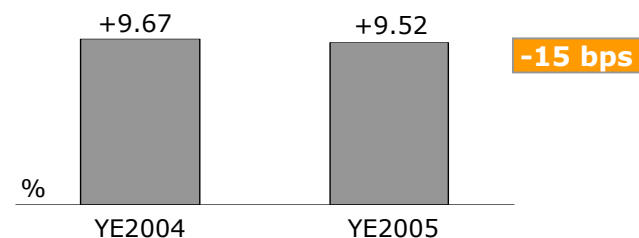
Asset quality evolution (bps)	YE 2004	YE 2005	Δ
Cost of credit and expected loss			
Net adjustments to loans (€ MM)	539	489	
Cost of credit on performing loans	43.9	36.0	-7.9
Expected loss (EL)	46.1	44.3	-1.8
EL breakdown by business			
■ Core clients	61.3	56.9	-4.4
o.w. Corporate	66.6	60.2	-6.4
o.w. Small Business	90.5	84.7	-5.8
o.w. Retail	41.0	39.5	-1.5
■ International and Large Groups	17.0	18.7	1.7
■ Other	9.9	14.7	4.8
Components of the EL variation			
■ Δ initial stock rating			-0.3
■ Δ collateralization (LGD)			-0.7
■ Marginal cost (EAD)			
share of wallet		25	-1.0
market coverage		53	0.5
in		56	
out		61	
■ other minor effects			-0.3
Total			-1.8

Loans to households +12.1% and winning market share in new mortgage lending

Δ 31/12/05 - 31/12/04*

%	SPIMI	System
Loans to households	+12.1	+13.8

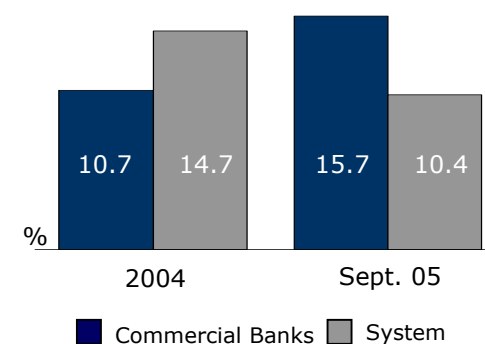
Market share in household lending*



*	New residential mortgage lending progr.		Market share	
	2004 €MM	2005 €MM	2004 %	2005 %
■ Q1	819	904	7.90	7.83
■ H1	1,895	2,181	7.99	8.28
■ 9M	2,759	3,190	7.78	8.14
Full Year	3,806	4,535	7.70	n.r.

Market share in 2005 for new lending now over 8%

New residential mortgage lending (annual % variation)*

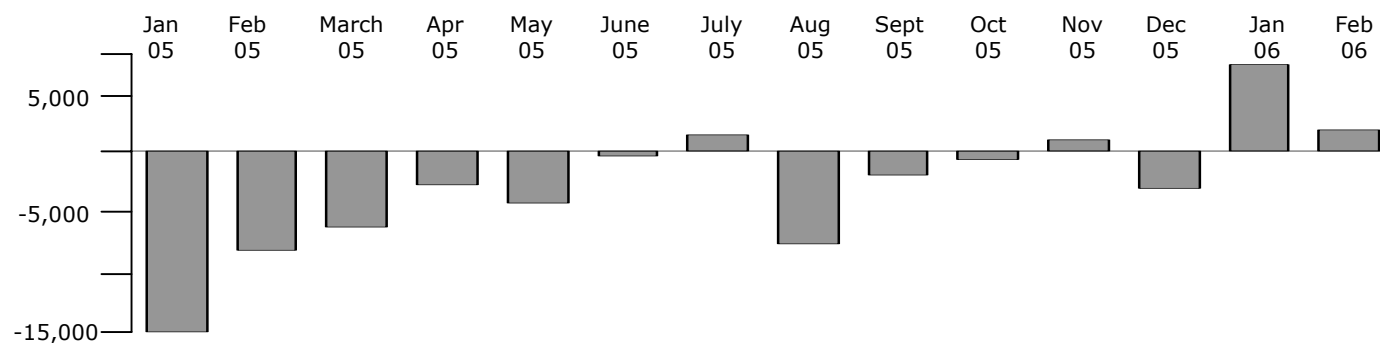


*Source: BoI

Strong growth in other key Commercial Banking aggregates

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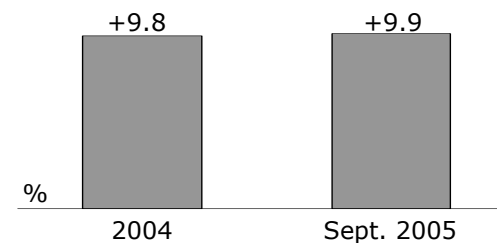
- Inversion in retail customer trends with progressive reduction of effective net losses through 05 and positive inflows in 06



- Strong growth of key TFA aggregate in the Commercial Banks and increased market share in household financial assets

Commercial Banking TFAs € MM	FY04	FY05	Var. FY05/FY04
Total financial assets	292,086	319,584	+9.4%
■ Direct deposits	113,090	121,649	+7.6%
■ AUM	93,295	103,198	+10.6%
■ Administered savings	85,701	94,737	+10.5%

TFAs market share (Retail & Private)*



*Source: internal data and Prometeia

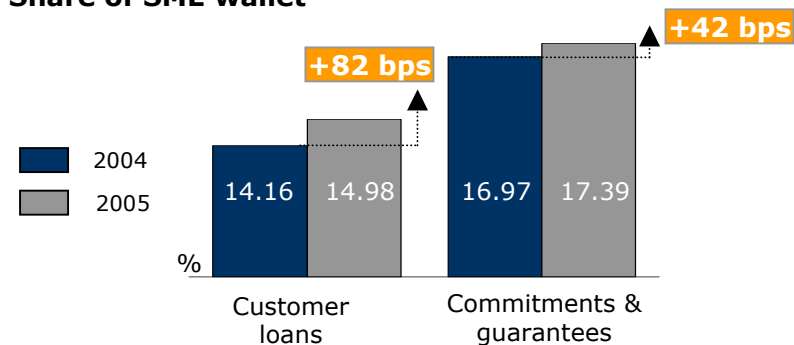
Update on commercial priorities identified for 2005*

- Increase share of wallet in SME division

- Align retail customer investment portfolio to the appropriate risk profile

- Increase penetration of saving products in NE Banks

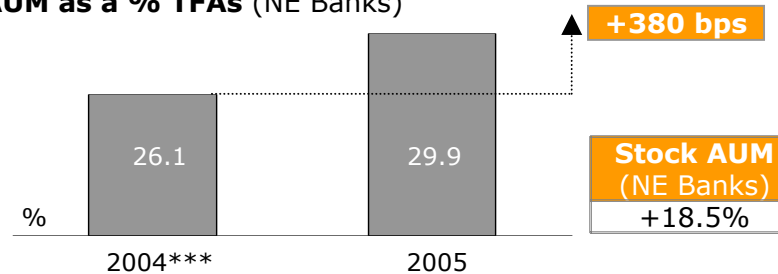
Share of SME wallet **



Mutual fund stock composition (% as at 31/12/2005)

Commercial Banking	2004 (%)	2005 (%)	Var 05/04 (bps)
Equity	16.1	17.2	+110
Balanced	13.5	15.8	+230
Bond	36.2	38.1	+190
Money	33.9	28.6	-530
Hedge fund	0.3	0.3	-
Total	100.0	100.0	-

AUM as a % TFAs (NE Banks)



* Commercial Banking
 ** Source: Centrale dei Rischi
 *** Calculated on Italian GAAP data

■ Strong operating trends

Banca IMI	2004	2005
M&A (market share)*	2.1%	22.8%
IPOs (market share)*	3.0%	13.1%
Total operating income		+36.2%

Banca OPI **	2004	2005
Loans (market share)**	21.5%	22.4%
Public finance bonds (market share)**	9.0%	9.3%
No. of bond issues as lead arranger	61	121

■ Significant impact from one off operations

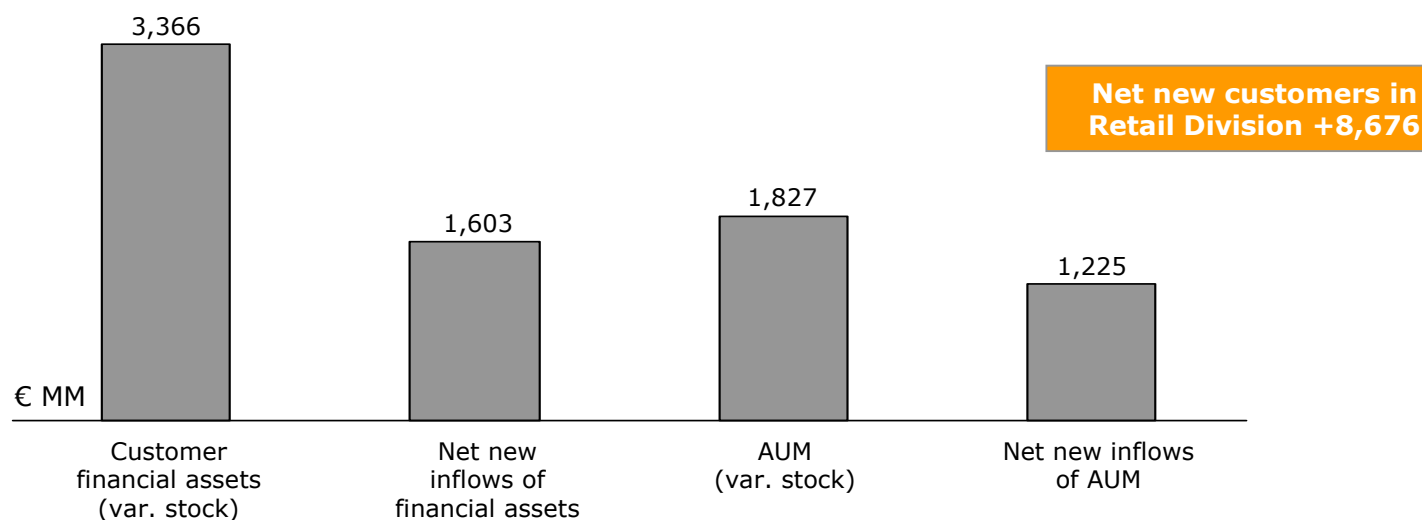
Principle extraordinary items (€/mln)	
Italenergia	116
Private equity sales	44

* Source: Thomson Financial

** Source: BoI

An encouraging start to 2006 for the Commercial Banks

- Increase in key aggregates driven by net inflows in the first two months



- Trends remain positive in commercial banking lending

Commercial Banking lending (Δ 31/12/05 - 28/02/06**)	SPIMI	System
Customer loans	1.1	0.7
Δ ST mark up 31/12/05 - 28/02/06**	SPIMI	System
■ Households	0.06	0.04
■ SMEs	0.15	-0.01

* Source: management reporting figures for Commercial Banks after first two months

** Source: BoI Ten Day Reports

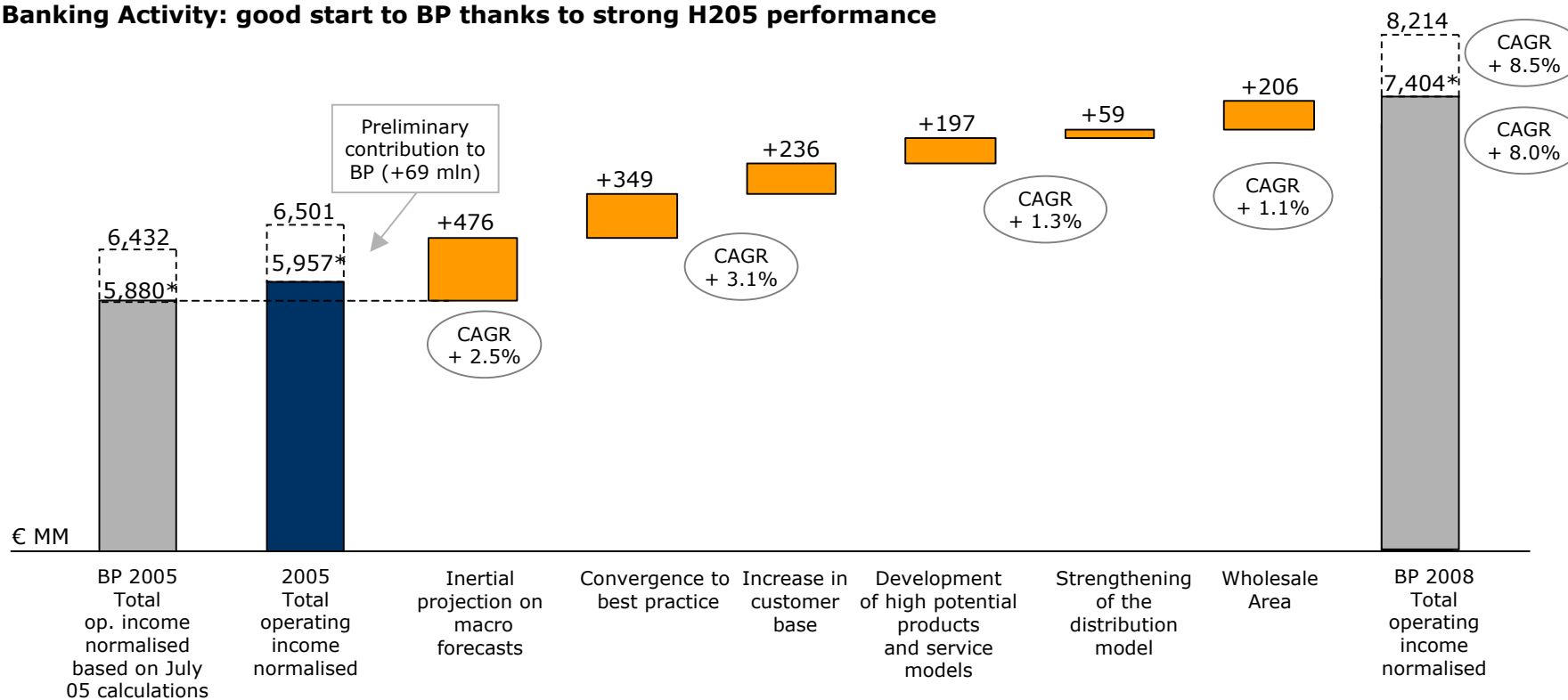
Positive 2005

- Concluded operational integration of the NE Banks
- Demonstrated discontinuity in operational growth
- Showed continuity in traditional strengths
- Strengthened the organisational structure

Outlook for 2006

- Economic outlook leaves room for cautious optimism
- Encouraging start to 2006 and from slightly higher starting point than business plan presentation

Banking Activity: good start to BP thanks to strong H205 performance



* Management reporting numbers for Commercial Banks and Wholesale Activity

APPENDICES

FY04	FY05	Var FY05/ FY04 (%)	€ MM	Q404	Q305	Q405	Var.Q405/ Q404 (%)	Var. Q405/ Q305 (%)
3,683	3,795	3.0%	Net interest income	903	956	977	8.2%	2.2%
3,254	3,476	6.8%	Net commissions	844	935	919	8.9%	-1.7%
-13	58	n.r.	Income from credit disposals, assets held to maturity and repurchase of financial liabilities	-21	13	2	n.r.	-84.6%
264	526	99.2%	Dividends and income from other financial assets and liabilities	43	207	102	n.r.	-50.7%
82	116	41.5%	Profits (losses) on equity shareholdings	27	11	28	3.7%	n.r.
329	431	31.0%	Income from insurance business	85	120	129	51.8%	7.5%
7,599	8,402	10.6%	Total operating income	1,881	2,242	2,157	14.7%	-3.8%
-539	-489	-9.3%	Net adjustments to loans	-153	-128	-132	-13.7%	3.1%
-62	-1	-98.4%	Net adjustments to other financial assets	50	-1	3	-94.0%	n.r.
6,998	7,912	13.1%	Net operating income	1,778	2,113	2,028	14.1%	-4.0%
-2,841	-2,839	-0.1%	Personnel costs	-744	-698	-772	3.8%	10.6%
-1,525	-1,514	-0.7%	Other administrative costs	-413	-354	-435	5.3%	22.9%
-450	-437	-2.9%	Net adjustments to tangible and intangible assets	-136	-105	-130	-4.4%	23.8%
-4,816	-4,790	-0.5%	Operating costs	-1,293	-1,157	-1,337	3.4%	15.6%
41	74	80.5%	Other net income/expenses	31	8	23	-25.8%	n.r.
-58	-47	-19.0%	Impairment of goodwill	-58	-1	-46	-20.7%	n.r.
3	17	n.r.	Profits (losses) from disposals of investments	0	0	4	n.r.	n.r.
-197	-143	-27.4%	Net provisions for risks and charges	-104	-23	-10	-90.4%	-56.5%
1,971	3,023	53.4%	Pre-tax operating profit	354	940	662	87.0%	-29.6%
-743	-948	27.6%	Taxes for the period	-85	-297	-146	71.8%	-50.8%
76	-35	n.r.	Profits (losses) on discontinued operations	33	-7	-33	n.r.	n.r.
-48	-57	18.8%	Profit attributable to minority interests	-10	-21	-9	-10.0%	-57.1%
1,256	1,983	57.9%	Net profit	292	615	474	62.3%	-22.9%

Reclassification of 2005 quarterly results

	2005 - Quarterly flows (C/MM)											
	Quarterly results PRE Wargny decision and new Bank of Italy rules				Reclassifications				Quarterly results POST Wargny decision and new Bank of Italy Rules			
	Q1	Q2	Q3	Q4*	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
A. Net interest income	933	975	971	992	-13	-33	-15	-15	920	942	956	977
B. Net commissions	769	844	929	913	3	6	6	6	772	850	935	919
C. Income from credit disposals, assets held to maturity and repurchase of financial liabilities		17	8	-3	5	21	5	5	5	38	13	2
D. Dividends and income from other financial assets and liabilities	65	161	202	97	-14	5	5	5	51	166	207	102
E. Profits (losses) on equity shareholdings	11	64	10	27	1	1	1	1	12	65	11	28
F. Income from insurance business	64	118	120	129					64	118	120	129
- Total operating income	1,842	2,179	2,240	2,155	-18		2	2	1,824	2,179	2,242	2,157
G. Net adjustments to loans	-87	-142	-128	-132					-87	-142	-128	-132
H. Net adjustments to other financial assets	-1	-2	-1	3					-1	-2	-1	3
- Net operating income	1,754	2,035	2,111	2,026	-18		2	2	1,736	2,035	2,113	2,028
I. Personnel costs	-705	-674	-697	-772	8	2	-1		-697	-672	-698	-772
L. Other administrative costs	-362	-379	-367	-447	6	10	13	12	-356	-369	-354	-435
M. Net adjustments to tangible and intangible assets	-98	-104	-105	-130					-98	-104	-105	-130
- Operating costs	-1,165	-1,157	-1,169	-1,349	14	12	12	12	-1,151	-1,145	-1,157	-1,337
N. Other net income/expenses	11	32	8	23					11	32	8	23
O. Impairment of goodwill			-1	-46							-1	-46
P. Profits (losses) from disposals of investments		13		4						13		4
Q. Net provisions for risks and charges	-28	-80	-16	-8	-7	5	-7	-2	-35	-75	-23	-10
- Pre-tax operating profit	572	843	933	650	-11	17	7	12	561	860	940	662
Taxes for the period	-225	-269	-297	-135		-11		-11	-225	-280	-297	-146
S. Profits (losses) on discontinued operations				-32	11	-6	-7	-1	11	-6	-7	-33
T. Profit attributable to minority interests	-14	-13	-21	-9					-14	-13	-21	-9
- Net profit	333	561	615	474					333	561	615	474

* Estimate

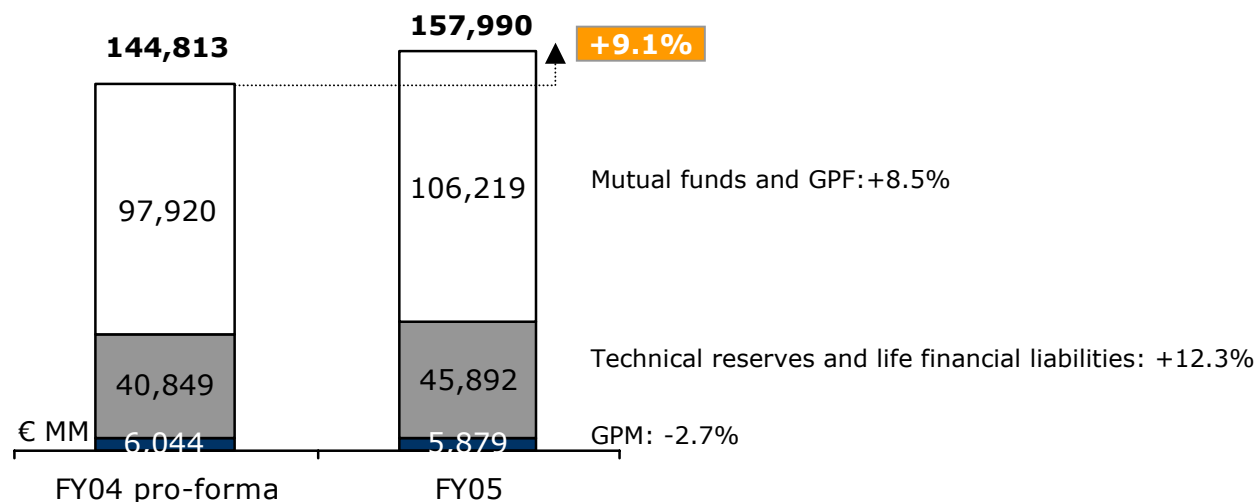
Following the decision to sell the French business of Fideuram, the contribution of Wargny to the P&L has been consolidated into the line "profits and losses on discontinued operations" in accordance with IFRS 5

The newly issued instructions contained in Bank of Italy Circular 262 have resulted in a number of reclassifications (in 2004 and 2005):

- Neos fees regarding consumer credit from net interest income into net commissions;
- penalties from early redemption of mortgages from net interest income into income from credit disposals, assets held to maturity and repurchase of financial liabilities;
- the time value related to risks and charges is no more a component of net interest income but reduces directly the provisions of risks and charges.

Other reclassifications of minor importance related to:

- trading derivatives (from dividends and income from other financial assets to net interest income)
- other expenses related to the directors' remunerations, atypical contracts (from other administrative costs to personnel costs)



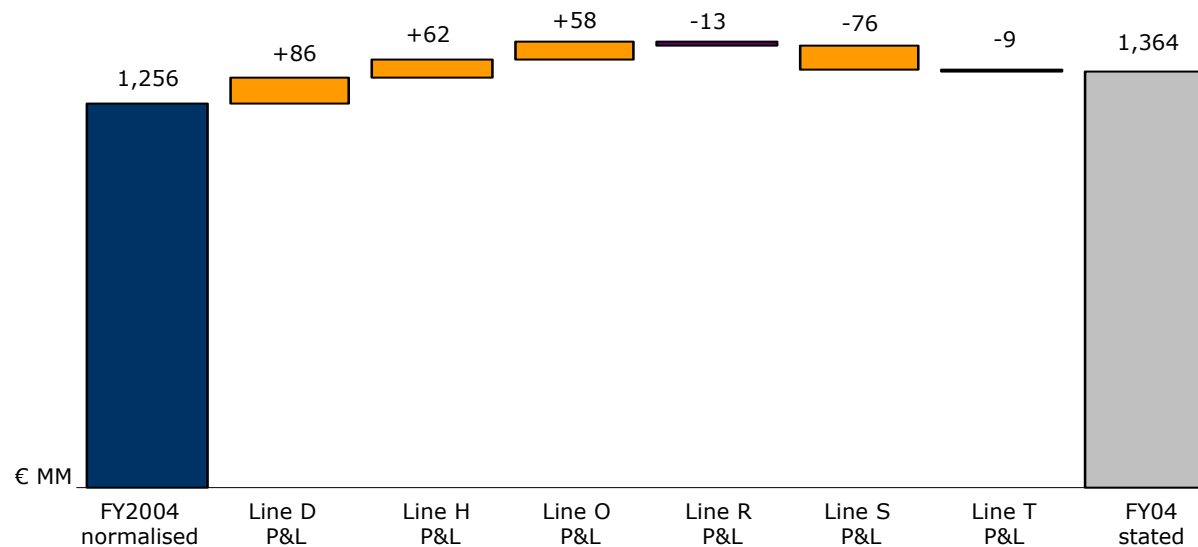
€ MM	FY05 Net flows				FY05 Stock	
	Mutual funds + GPF	GPM	Life assurance	Total	Total	Var.FY05/FY04
Sanpaolo *	1,417	-62	2,556	3,911	87,430	+9.3%
North East Network	1,120	-601	1,013	1,532	15,768	+18.5%
Fideuram	526	55	350	931	50,327	+8.6%
Other	-502	24	-420	-898	4,465	-14.0%
Total	2,561	-584	3,499	5,476	157,990	+9.1%

* Includes Sanpaolo Network, Sanpaolo Banco di Napoli and BPA
 ** Includes Sanpaolo IMI Internazionale

€ MM	FY 2005					
	Gross exposure	Var. FY05/FY04	Total adjustments	Net exposure	Var. FY05/FY04	Coverage
Doubtful loans	7,300	-5.4%	3,969	3,331	-5.0%	54.4%
■ Non-performing loans	4,321	-6.2%	3,241	1,080	-5.0%	75.0%
■ Problem and restructured loans	1,701	-13.5%	533	1,168	-13.8%	31.3%
■ Loans to countries at risk	25	-30.6%	8	17	-34.6%	32.0%
■ 180 day past due loans	1,253	+13.5%	187	1,066	+8.0%	14.9%
■ Non performing securities	-	-	-	-	-	n.r.
Performing loans	136,930	+10.8%	1,066	135,864	+10.8%	0.78%
Total loans	144,542	+10.0%	5,035	139,507	+10.5%	3.5%

€ MM	FY04 pro-forma	FY05	Var. FY05/FY04
Total financial assets	376,381	406,232	+7.9%
■ Direct deposits	158,760	169,624	+6.8%
■ AUM	144,813	157,990	+9.1%
■ Administered savings	93,980	104,242	+10.9%
■ Elisions	-21,172	-25,624	+21.0%
Net customer loans	125,016	138,115	+10.5%
o.w. ST loans	39,103	42,228	+8.0%
o.w. MLT loans	85,913	95,887	+11.6%

2004 normalised net profit



P&L (€/MM)		Total extr. items	Comments
D	Dividends and income from other financial assets and liabilities	+86	CDC (+50 mln), put option on CRForli (+23 mln) and FIAT convertendo (+13 mln)
H	Net adjustments to other financial assets	+62	H3G (+62 mln)
O	Impairment of goodwill	+58	CRForli devaluation (+58 mln)
R	Taxes for the period	-13	Put option on CRForli (-8 mln) and FIAT convertendo (-5 mln)
S	Profits (losses) on discontinued operations	-76	Sale of CSP (-61 mln), Finconsumo (-55 mln), Fideuram Wargny (+40 mln)
T	Profit attributable to minority interests	-9	Reclassification of Fideuram Wargny (-9 mln)
Total		+108	

FY 2005 RESULTS

Milan, 24th March

Alfonso Iozzo
CEO

Pietro Modiano
General Manager

GRUPPO SANPAOLO IMI