SANPAOLO IMI

MARANZANA SPEAKS TO INVESTORS: WE ARE CONSOLIDATING OUR MARKET POSITION IN ASSET MANAGEMENT

Turin, 9 April 2001 - "The multi-channel approach and the complementary fit between mutual funds and life policies allow our Group to consolidate the position achieved in asset management and to respond appropriately to the needs of our customers in this period of heightened volatility in the markets," said Luigi Maranzana this morning to an audience of a hundred investors in Rome at a private meeting organised by Morgan Stanley.

The Managing Director of SANPAOLO IMI also announced that **the Group had achieved a market share of 19.1% in mutual funds**, while in assurance **more than 800 million Euro in life policies were placed in the first quarter of 2001**. In 2000 there was an increase in embedded value of the assurance business of 320 million Euro.

In March, with strong negative movements in the domestic and international equity markets and a significant outflow of savings from mutual funds at system level, the SANPAOLO IMI Group confirmed its placing power and customer consultancy capacity, limiting the outflow of funds, placing a significant amount of life policies and increasing other forms of saving.

In total, noted Maranzana, in the **first quarter of 2001** the net inflow in mutual funds was 47 million Euro. At the end of March, total Group mutual funds amounted to 100,454 million Euro, with a reduction of 3.8% compared to December 2000 attributable to the sharp fall in international equity markets. The result however allowed the Group to consolidate its domestic market share at 19.1% compared to 18.9% at the end of December.

In the same period, the various companies and distribution networks of the Group registered important performances in **placing life policies**, at **more than 800 million Euro**, showing the strong complementary fit – Maranzana emphasised - between mutual funds and assurance products, safe harbours in time of market instability. Significant growth was also seen in other forms of saving such as repo and securities in administration which provide temporary homes for liquidity.

The **multi-channel distribution model** which characterises the Group also allowed the development of differentiated marketing and consultancy policies according to the different types of customer base. Particularly significant were the sales performances of Banco di Napoli both in mutual funds and in life assurance which show the great potential for growth in the southern market in asset management.

Distribution networks (quarterly data in m. Euro)	*Mutual funds (net inflow)*	*Life policies (*) (gross premia)*
Sanpaolo IMI	-10	+344
Banco di Napoli	+239	+117
Banca Sanpaolo Invest	+28	+19
Banca Fideuram	-241	+292
Other	+31	+46

(*) Provisional, including unit linked policies

“The growth in savings through assurance,” said Maranzana, “follows the needs of customers but also reflects a successful strategy launched by the Group some time ago, through the product companies Sanpaolo Vita, Sanpaolo Life and Fideuram Vita, and which had already contributed to significant results in 2000. Last year **the embedded value of the life assurance business** of the Group in fact increased by approximately **320 million Euro**, of which approximately **260 million Euro was related to production during the year**.”

The distribution capacity in asset management products has been further enhanced by the contribution of the banks with which the Group has concluded shareholding and business collaboration arrangements. Concluded Maranzana: “The Cassa di Risparmio di Firenze will shortly begin to market the Luxembourg ***Giotto Lux Fund,*** managed by ***CR Firenze Gestion Internationale S.A.***, 80% owned by Cassa di Risparmio di Firenze SpA and 20% by Sanpaolo Imi SpA with investment advice provided by SP Asset Management Luxembourg SA . For its part, **Cassa di Risparmio di Forlì** will start to distribute the ***Forziere*** line of assurance products, created specifically for CR Forlì by Sanpaolo Life.”

As already announced, the Group’s 2003 profit targets – which envisage a growth in RoE from the current of 18.1% to 22% - can be reconfirmed. Since the total capital allocated to Retail, Wealth Management and Personal Financial Services ought to move during the same period from the current 49% to 72%, it is envisaged that the contribution of these areas to Group profit in 2003 may rise in total from the current 70% to 87%.

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