

SANPAOLO IMI

Press release

Turin, 23 July 2003 - The first Sanpaolo IMI Social Report for the year 2002, was today presented in Turin, during a meeting on the value of social responsibility for the Group. The Chairman Rainer Masera, the Managing Director Alfonso Iozzo and the Chairman of the Ethical Committee Abel Juan Matutes all participated in the meeting. The Ethical Committee was established in September 2001, within the Board of Directors, and provides advice in relation to ethical, social and environmental issues.

This first social report analyses, describes and evaluates, in the part dedicated to the social relations, the Bank's relationships with its stakeholders: shareholders, customers (retail and companies), personnel, suppliers, social communities and institutions, the environment (considered as an essential context in which people live and operate). Each stakeholder expresses needs and expectations and is therefore a party with an interest in the bank, with whom the bank must communicate and relate. A programmatic section establishes future objectives and contributes to rendering the document a governance instrument rather than a mere report.

“The mission of SANPAOLO IMI is to exercise financial and lending activities offering services of excellence, aimed at the prudent management of resources of households and at commitment to sustainable development of the entrepreneurial system, also with the aim of contributing to the Country's global economic growth. Our aim of creating value for shareholders is pursued with a view to long-term sustainability and in the context of constant and responsible attention to the requirements of the company's various stakeholders.”

The idea of value that SANPAOLO IMI pursues integrates the dimensions of sustainable development, meaning: the creation of economic wealth, the promotion of social cohesion, the defence of the environment and of natural resources. In addition to the creation of value in this context, other ideals of importance to the Group include customer orientation, integrity, commitment to excellence and growth, in compliance with a specific and responsible use of resources.

The Bank has confirmed that its priorities include the pursuit of corporate governance models which comply with the best international standards. Following quotation on the New York Stock Exchange (as the only Italian bank) SANPAOLO IMI is subject to American regulations applicable to foreign institutions, including the strict provisions of the so-called Sarbanes-Oxley Act, effective from 30 July 2002.

The Bank also stresses the importance of maximum transparency in mechanisms for the issue, placement and distribution of financial products, in respect of its fiduciary relationship with customers, and has for some time been working to guarantee customers maximum transparency and professionalism in the management of savings. The Social Report 2002 also provides some indications of this work, in the section dedicated to customers: one example of this is the adoption of guide-lines for the provision of investment services (the so-called Investment Policy).

Significant events in 2003 include the adoption of an Ethical Code, containing an indication of the ethical principles and values which the Bank and its Directors, employees and collaborators shall refer to in every operative and geographic context. The Code is annexed to the document.

Upon suggestion by the Ethical Committee SANPAOLO IMI adhered to the Unep Declaration, containing principles for environmental protection and support for sustainable development as part of the United Nations programme, and to the UN Global Compact, which associates environmental protection and principles aimed at the defence of human rights and employee rights.

Finally, Sanpaolo IMI Wealth Management was the first operator to launch three “socially responsible” funds in 1997 which make up the Ethical System: for the purpose of strictly complying with ethical principles Sanpaolo IMI Wealth Management makes recourse to research companies in the sector, specialised in supplying an ethical rating, whilst control is exercised by an independent Ethical Committee.

The Sanpaolo Ethical System not only provides for the ethical control of investments, but also provides for specific assistance, through the devolution of 0.01% of the total net average monthly value of Ethical System funds in each financial year: the payment is in part destined to 17 associations, and in part to humanitarian initiatives.

Currently, Sanpaolo IMI Wealth Management is in a leading position on the Italian market and the total amount of assets under management in ethical funds is equal to approximately 1 billion euro, which represents approximately 42% of all Italian ethical funds.

The Social Report is available for consultation on the Group’s new web site, www.grupposanpaoloimi.com.

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