

TABLE 1

## Quadro riassuntivo delle privatizzazioni concluse (1992 -al 18 settembre 1997)

Società	Settore	Data	Global Coordinators	Advisors	Tecnica di vendita <sup>b</sup>	Ricavo lordo (mld.lire)
<b>Privatizzazioni dirette (Ministero del Tesoro)<sup>a</sup></b>						
IMI I	BANCARIO	FEB 94	IMI; WARBURG	CSFB	IPO	2,149
IMI II	BANCARIO	GIU 96	-	IMI; WARBURG; CSFB	PR	1,200
IMI III	BANCARIO	LUG 96	-	IMI; WARBURG; CSFB	PR	501
INA I	ASSICURATIVO	GIU 94	IMI; GOLDMAN SACHS	SCHROEDERS; FOX PITT, KELTON	IPO	4,530
INA II	ASSICURATIVO	SET 96	-	SCHROEDERS; FOX PITT, KELTON; AKRO	PR	1,687
INA III	ASSICURATIVO	GIU 96	IMI; GOLDMAN SACHS	SCHROEDERS; FOX PITT, KELTON	CB	3,260
ENI I	ENERGIA	NOV 95	IMI; CSFB	ROTHSCHILD; EPTACONSORS	IPO	6,300
ENI II	ENERGIA	OTT 96	IMI; CSFB	ROTHSCHILD	PO	8,879
ENI III	ENERGIA	GIU 97	IMI; CSFB	ROTHSCHILD	PO	13,229
SEAT	EDITORIA	LUG 97	-	LEHMAN	PR	1,580
Totale Ministero del Tesoro						43,315
<b>Privatizzazioni indirette<sup>c</sup></b>						
CEMENTIR	CEMENTO	92	-	SAMUEL MONTAGU	PR	480
A F PIOMBINO	SIDERURGIA	92	-	-	PR	365
PAVESI	ALIMENTARE	92/93	-	WASSERSTEIN PERELLA	PR	256
ITALGEL	ALIMENTARE	93	-	WASSERSTEIN PERELLA	PR	431
TUBI GHISA	SIDERURGIA	93	-	nd	PR	121
CIRIO-BERTOLLI-DE RICA	ALIMENTARE	93	-	WASSERSTEIN PERELLA	PR	311
CREDIT	BANCARIO	93	CREDIT; GOLDMAN SACH	JP MORGAN	PO	1,801
COMIT	BANCARIO	94	COMIT; LEHMAN	JP MORGAN	PO	2,891
ILVA (AST)	SIDERURGIA	94	-	BZW; PASFIN	PR	600
GS AUTOGRILL	DISTRIB. E RISTORAZION	94/95	-	WASSERSTEIN PERELLA	PR/OPA	1,064
ILVA (ILP)	SIDERURGIA	95	-	IMI	PR	2,514
ILVA (ISE)	SIDERURGIA	95	-	MERIDIANA FINANZA	PR	370
DALMINE	SIDERURGIA	96	-	BZW	PR	302
SME	DISTRIB. E RISTORAZION	96	-	WASSERSTEIN PERELLA	PR	121
FIN. AUTOGRILL	DISTRIB. E RISTORAZION	96	-	WASSERSTEIN PERELLA	PR	117
MAC	MECCANICO	96	-	SOFIPA	PR	223
ALFA AVIO	MECCANICO	96	-	MORGAN STANLEY	PR	200
NUOVA PORTELLO	IMMOBILIARE	96	-	nd	PR	120
ALTRO	-	92/97	-	-	PR	346
Totale Gruppo IRI						12,633
AGIP ARGENTINA	GAS	93	-	WARBURG	PR	110
NUOVO PIGNONE	MECCANICO	93	-	IMI	PR	699
LIQUIPIBIGAS	GAS	94	-	JP MORGAN	PR	221
ALCANTARA	FIBRE	94	-	-	PR	195
EVC INTERNATIONAL	CHIMICO	94	WARBURG	UBS	IPO	194
AGIPCOAL USA	CARBONE	94	-	JP MORGAN	PR	171
ENICHEM AUGUSTA	CHIMICO	95	-	WARBURG	PR	300
ENICHEM AUGUSTA - POL	CHIMICO	95	-	WARBURG	PR	336
ALTRO <sup>d</sup>	-	92-97	-	-	PR	1,367
Totale Gruppo ENI						3,593
SIV	VETRARIO	95	-	MEDIOBANCA	PR	210
NUOVA TIRRENA	ASSICURATIVO	96	-	IMI; ARTHUR ANDERSEN; KPMG	PR	548
ALTRO	-	96	-	-	PR	50
Totale Altro						808
Totale Generale						60,349

N.B.: nel corso del 1997 il gruppo IRI e altri azionisti finanziari hanno ceduto, mediante IPO, il 45% di Aeroporti di Roma per un ricavo lordo pari a 590 mld. Global Coordinators sono stati Lehman e Cofiri, con Euromobiliare nel ruolo di Advisor.

Note:

<sup>a</sup> Entro il 1997 e' prevista la cessione, mediante PO, del 44,7% di Telecom Italia per un ricavo lordo stimato pari a 27,000 mld.

I Global Coordinators sono Mediobanca e BZW; gli advisors sono Euromobiliare e Morgan Stanley.

<sup>b</sup> PR: cessione a societa' o a investitori istituzionali a prezzo negoziato o mediante asta; PO: offerta pubblica di vendita di societa' gia' quotata;

IPO: classamento per offerta iniziale pubblica di vendita; OPA: offerta pubblica di acquisto; CB: convertible bonds.

<sup>c</sup> Ricavi derivanti da cessione di quote di societa' o aziende/rami aziendali, con esclusione dell'indebitamento finanziario trasferito.

<sup>d</sup> Tra cui Sogedit-il Giomo/Same.

Fonti:

Elaborazioni su dati del Ministero del Tesoro (1996) e dati IMI.

Legenda:

nd: non disponibile

TAB. 1 bis - MAIN ITALIAN BANKING GROUPS

	Mkt share branches	Loans Billion Lira	Deposits Billion Lira	Shareholder structure	State of privatisation process
S. PAOLO	5%	132,514	155,858	Stable shareholders	Completed
BAV - CARIPLO	8%	132,429	156,196	Noyau dur	Completed
BNL - B. NAPOLI	6%	128,968	144,777	State	Scheduled '98
B. ROMA	7%	114,729	107,813	Stable shareholders	In course
COMIT	5%	87,093	88,337	Stable shareholders	Completed
CREDIT - ROLO	7%	82,042	102,714	Stable shareholders	Completed
MPS	5%	67,903	85,752	Foundations	To be started
IMI	0%	58,840		Stable shareholders	Completed
UNICREDITO	5%	55,887	69,793	Foundations	Scheduled start '99
B. SICILIA	2%	26,893	33,083	State	To be started
MEDIOBANCA	0%	22,006	-	Stable shareholders	Completed
POP. BG	2%	21,717	30,808	Cooperative bank	
POP. VR - CBG	2%	21,166	24,595	Cooperative bank	
POP. NO	2%	17,702	23,318	Cooperative bank	
POP. MI	2%	17,073	20,607	Cooperative bank	
POP. VENETA	2%	13,008	15,902	Cooperative bank	
POP. EMILIA	1%	12,726	17,385	Cooperative bank	
CRPR	1%	12,112	17,072	Foundations	Scheduled start '98
B. SARDEGNA	1%	11,780	14,910	Foundations	Undefined
DEUTSCHE BANK	1%	11,252	13,401	Foreign bank	
TOT. SAMPLE	62%	1,047,840	1,122,321		

Source: IMI Sigeco Sim

Table 2

**AmbroCariplo Group (Pro-Forma, Merged) and Other Leading Italian Banks:  
Comparative Operating Structure, December 1996**

(L billion)	Ambro/Cariplo	BCI	Credito Italiano	Banca di Roma	San Paolo
Assets	252,266	176,704	175,067	215,933	262,218
Customer Loans	132,428	85,219	82,043	114,729	132,514
Customer Deposits	79,502	59,854	65,029	87,910	71,074
Securities Holdings	36,741	28,221	33,095	33,842	39,682
Equity	10,430	8,839	5,942	10,480	9,878
Risk-Weighted Assets	143,456	110,680	108,400	N/AV	113,497
Mutual Funds	20,452	9,331	21,316	N/AV	27,812
Custodian Funds	222,566	177,056	178,896	N/AV	109,019
Staff	34,664	28,220	24,502	32,455	23,733
Branches	2,062	1,339	1,718	1,656	1,458

Source: Company data and Morgan Stanley

N/AV = Not available

Table 3

**AmbroCariplo: Pro-Forma Merged Balance-Sheet Structure, 1996-98E**

Year Ending 31 December (L billion)	1996		1997E		1998E	
	Ambroveneto	Cariplo	Pro-Forma Merged	Pro-Forma Merged	Pro-Forma Merged	Pro-Forma Merged
Customer Loans (Net)	27,928	104,500	132,428	140,690	146,800	
Interbank Loans	12,903	40,033	52,936	57,990	59,400	
Securities	12,242	24,499	36,741	35,628	36,048	
Fixed Assets	1,205	4,672	5,877	5,278	5,386	
Total Assets	59,549	192,717	252,266	268,250	283,400	
Interbank Borrowing	16,900	41,905	58,805	66,100	71,400	
Customer Deposits	23,713	55,789	79,502	81,100	84,300	
Issued Securities	11,053	65,522	76,575	82,400	88,000	
Equity	2,456	10,076	10,853	11,284	11,845	
Minorities	60	954	1,014	1,040	1,064	
Total Liabilities	59,549	192,717	252,266	268,250	283,400	
Risk-Weighted Assets	30,956	112,500	143,456	150,410	157,405	
Tier 1 BIS Capital	1,766	6,750	-	-	-	
Customer Loans/Assets (%)	46.9	54.2	52.5	52.4	51.8	
Customer Loans/Deposits (%)	117.8	187.3	166.6	173.5	174.1	
Customer Deposits/Liabilities (%)	39.8	29.0	31.5	30.2	29.7	
Net Interbank/Assets (%)	-6.7	-1.0	-2.3	-3.0	-4.2	
Equity/Assets (%)	4.16	5.34	4.23	4.13	4.11	
Tier 1 BIS Ratio (%)	5.7	6.0	5.3	5.1	5.3	

E = Morgan Stanley Dean Witter Research Estimates

Source: Company data, Morgan Stanley Dean Witter Research Estimates

Table 4

### AmbroCariplo: Fully-Diluted Pro-Forma Merged Group Profit Structure, 1996-2000E

(%)	1996	1997E	1998E	1999E	2000E
Net Interest Margin	2.69	2.44	2.24	2.17	2.14
Net Int. Income <sup>1</sup> /Tot. Op. Income	61.5	58.2	55.7	54.9	55.4
Fees + Comm/Tot. Op. Income	17.4	18.8	20.3	21.1	22.0
Trading Income/Tot. Op. Income	9.0	8.6	7.7	6.8	5.0
Op. Costs <sup>2</sup> /Total Op. Income	58.1	58.7	59.3	58.3	57.7
Op. Costs <sup>2</sup> /Average Assets	2.54	2.47	2.39	2.31	2.22
Net Provs/Gross Customer Loans	1.59	1.11	0.90	0.78	0.68
Net Provs/Net Op. Income	49.1	36.8	29.5	24.5	21.9
Tax Charge <sup>3</sup>	48.4	44.4	41.8	40.9	40.5
Dividend Payout Ratio	N/AV	N/AV	45.8	44.9	45.0

1. Fully-diluted and includes dividend income

2. Excludes depreciation

N/AV = Not available

3. Does not factor in IRAP from 1998

Source: Morgan Stanley Dean Witter Research

Table 5

### AmbroCariplo: Fully-Diluted Pro-Forma Merged Profitability Ratios, 1996-2000E

(%)	1996	1997E	1998E	1999E	2000E
Return on Equity <sup>1</sup>	3.2	5.8	8.0	9.5	9.9
Return on Gross Equity <sup>2</sup>	3.1	5.6	7.8	9.2	9.6
Return on Assets	0.13	0.25	0.34	0.40	0.42
Return on Risk-Weighted Assets	0.24	0.44	0.61	0.72	0.75

1. Fully-diluted basis

2. Fully-diluted basis on estimated adjusted equity, post assumed capital gains tax

Source: Company data, Morgan Stanley Dean Witter Research

Source: Morgan Stanley Dean Witter Research Estimates

Table 6

## Credito Italiano: Consolidated Balance-Sheet Structure and Ratios, 1996-2000E

(L billion)	1996	1997E	1998E	1999E	2000E
Customer Loans (Net)	82,043	92,400	102,800	113,900	124,600
Interbank Loans	41,854	38,800	35,900	34,200	34,000
Trading Securities	19,101	21,700	22,700	22,400	20,690
Investment Securities	12,622	13,400	14,300	14,900	14,800
Fixed Assets	2,800	2,910	2,995	3,120	3,250
<b>Total Assets</b>	<b>175,067</b>	<b>194,300</b>	<b>207,900</b>	<b>228,700</b>	<b>248,700</b>
Interbank Borrowing	42,975	45,250	48,800	53,400	58,000
Customer Deposits	65,029	68,900	71,900	75,000	78,900
Issued Securities	37,707	41,200	45,400	49,800	53,400
Equity + Reserves	6,146	7,500 <sup>1</sup>	8,016 <sup>1</sup>	8,611 <sup>1</sup>	9,208 <sup>1</sup>
Minorities	2,121	2,204	2,422	2,668	2,904
<b>Total Liabilities</b>	<b>175,067</b>	<b>194,300</b>	<b>207,900</b>	<b>228,700</b>	<b>248,700</b>
Risk-Weighted Assets	108,400	117,800	127,600	138,600	150,600
Tier 1 BIS Capital	6,650	8,183 <sup>1</sup>	9,013 <sup>1</sup>	9,950 <sup>1</sup>	10,879 <sup>1</sup>
Tier 1 BIS Ratio (%)	6.13	6.95	7.06	7.18	7.22
Cust. Loans/Assets (%)	46.9	47.6	49.4	49.8	50.1
Cust. Loans/Deposits (%)	126.2	134.1	143.0	151.9	157.9
Cust. Loans/Dep. + Iss. Securities (%)	79.9	83.9	87.6	91.3	94.2
Cust. Deposits/Liabilities (%)	37.2	35.5	34.6	32.8	31.7
Securities/Assets (%)	18.9	18.9	18.6	17.0	14.9
Equity/Assets (%)	3.51	3.86	3.85	3.77	3.70
Net Interbank/Assets (%)	-0.6	-3.3	-6.2	-8.4	-9.7

1. Assumes full conversion of outstanding warrants at end-November 1997

E = Morgan Stanley Dean Witter Research Estimates

Source: Company data, Morgan Stanley Dean Witter Research

Table 7

### Credito Italiano Group: Profit and Loss Account and Profitability Ratios, 1996-2000E

(%)	1996	1997E <sup>7</sup>	1998E <sup>7</sup>	1999E <sup>7</sup>	2000E <sup>7</sup>
Net Interest Margin <sup>1</sup>	2.54	2.34	2.22	2.16	2.10
Net Int. Inc. <sup>1</sup> /Tot. Op. Inc.	67.2	61.5	60.7	58.9	58.8
Fees + Comm./Tot. Op. Inc.	20.5	26.6	30.9	33.6	35.1
Trading Inc./Tot. Op. Inc.	4.8	4.8	4.2	3.3	2.7
Op. Costs <sup>2</sup> /Tot. Op. Inc.	64.6	60.2	56.0	53.7	52.6
Op. Costs <sup>2</sup> /Average Assets	2.44	2.22	2.04	1.97	1.88
Provisions <sup>3</sup> /Gross Cust. Loans	1.14	0.83	0.58	0.50	0.47
Provisions <sup>3</sup> /Net Op. Inc.	41.5	28.3	18.5	15.8	14.8
Tax Charge <sup>4</sup>	52.8	53.1	50.3	49.0	49.6
ROE	4.7	7.2	10.0	11.3	11.3
ROGE <sup>5</sup>	4.3	6.8	9.4	10.4	10.4
RoRWA <sup>6</sup>	0.22	0.40	0.63	0.69	0.67

1. Includes dividend income

3. Net of recoveries and includes general loan-loss provisions

5. Return on estimated adjusted equity

7. Assumes full conversion of outstanding warrants by end-November 1997

Source: Company data, Morgan Stanley Dean Witter Research

2. Excludes depreciation and pre-IREP introduction

4. Does not assume adoption of IREP tax amendments

6. Return on estimated risk-weighted assets

E = Morgan Stanley Dean Witter Research Estimates

Table 8

## San Paolo: Historical and Prospective Balance-Sheet Structure and Ratios, 1996-2000E

(L billion)	1996	1997E	1998E	1999E	2000E
Customer Loans (Net)	132,514	131,200	133,980	139,900	147,700
Interbank Loans	58,022	66,800	72,000	76,800	81,000
Trading Securities	35,158	38,900	41,000	40,000	39,000
Investment Securities	4,524	5,000	5,500	5,900	6,400
Fixed Assets	3,199	3,368	3,396	3,420	3,560
<b>Total Assets</b>	<b>262,218</b>	<b>271,400</b>	<b>285,400</b>	<b>299,600</b>	<b>316,900</b>
Interbank Borrowing	60,147	62,800	69,000	76,200	79,800
Customer Deposits	71,074	73,600	75,900	77,700	81,800
Issued Securities	84,785	88,800	92,400	96,800	99,900
Equity and Reserves	9,818	10,195	10,684	11,272	11,941
Minorities	60	72	84	93	108
<b>Total Liabilities</b>	<b>262,218</b>	<b>271,400</b>	<b>285,400</b>	<b>299,600</b>	<b>316,900</b>
Risk-Weighted Assets	113,497	115,800	122,000	128,500	134,600
Tier 1 BIS Capital	9,097	9,598	10,157	10,812	11,545
Tier 1 BIS Ratio (%)	8.0	8.3	8.3	8.4	8.6
Cust. Loans/Assets (%)	50.5	48.3	46.9	46.7	46.6
Cust. Loans/Deposits (%)	186.4	178.3	176.5	180.1	180.6
Cust. Loans/Dep. & Iss. Secs (%)	85.0	80.8	79.6	80.2	81.3
Cust. Deposits/Liabilities (%)	27.1	27.1	26.6	25.9	25.8
Securities/Assets (%)	15.7	16.8	16.9	15.9	14.9
Equity/Assets (%)	3.74	3.76	3.74	3.76	3.77
Net Interbank/Assets (%)	-0.8	1.5	1.1	0.2	0.4

Source: Company data, Morgan Stanley Dean Witter Research

E = Morgan Stanley Dean Witter Research Estimates



Table 9

## San Paolo: Historical and Prospective Profit and Loss Account and Profitability Ratios, 1996-2000E

(%)	1996	1997E	1998E	1999E	2000E
Net Interest Margin <sup>1</sup>	1.83	1.69	1.62	1.61	1.59
Net Int. Inc./Tot. Op. Inc.	64.7	63.7	61.3	59.5	59.1
Fees & Comm/Tot. Op. Inc.	17.1	24.5	27.8	30.1	31.3
Trading Inc./Tot. Op. Inc.	13.7	6.8	6.0	5.4	4.7
Op. Costs <sup>2</sup> /Tot. Op. Inc.	62.8	63.5	62.1	60.2	58.8
Op. Costs <sup>2</sup> /Average Assets	3.55	3.37	3.29	3.27	3.16
Provisions <sup>3</sup> /Gross Cust. Loans	0.79	0.71	0.59	0.53	0.50
Provisions <sup>3</sup> /Net Op. Inc.	39.9	36.0	27.9	24.1	22.1
Tax Charge <sup>4</sup>	38.1	40.4	44.8	45.8	45.8
ROE	6.2	6.9	7.7	9.0	9.7
ROGE <sup>5</sup>	5.3	5.9	6.5	7.6	8.1
RoRWA <sup>6</sup>	0.51	0.60	0.67	0.79	0.86

E = Morgan Stanley Dean Witter Research Estimates

2. Excludes depreciation and pre-IREP

4. Does not assume adoption of IREP tax amendments

6. Return on estimated risk-weighted assets

3. Net of recoveries and includes general risk provision

5. Return on estimated adjusted equity

Source: Company data, Morgan Stanley Dean Witter Research

Table 10  
**IMI: Balance-Sheet Structure and Ratios, 1996-2000E**

(L billion)	1996	1997E	1998E	1999E	2000E
Customer Loans (Gross)	47,769	48,100	49,700	51,900	54,900
Interbank Loans	11,923	13,200	15,000	16,000	16,000
Trading Securities	12,843	13,180	14,000	15,500	17,000
Investment Securities	232	650	750	900	1,250
Fixed Assets	887	899	912	940	970
<b>Total Assets</b>	<b>79,941</b>	<b>81,300</b>	<b>84,900</b>	<b>87,900</b>	<b>91,900</b>
Interbank Borrowing	21,855	23,500	26,800	29,000	33,000
Customer Deposits	11,568	11,890	12,200	12,550	12,880
Issued Securities	31,270	33,600	37,800	40,000	43,000
Equity + Reserves	7,669	8,031	8,410	8,792	9,206
Minorities	256	277	292	305	322
<b>Total Liabilities</b>	<b>79,941</b>	<b>81,300</b>	<b>84,900</b>	<b>87,900</b>	<b>91,900</b>
Risk-Weighted Assets	25,515	26,100	27,000	28,400	29,700
Tier 1 BIS Capital	7,484	7,977	8,371	8,766	9,197
Tier 1 BIS Ratio (%)	29.7	30.6	31.0	30.9	31.0
Cust. Loans/Assets (%)	59.8	59.2	58.5	59.0	59.7
Cust. Loans/Deposits (%)	412.9	404.5	407.4	413.5	426.2
Cust. Loans/Dep. + Iss. Securities (%)	111.5	105.7	99.4	98.8	98.2
Cust. Deposits/Liabilities (%)	14.5	14.6	14.4	14.3	14.0
Securities/Assets (%)	18.6	19.5	20.5	22.3	24.3
Equity/Assets (%)	9.59	9.88	9.91	10.0	10.02
Net Interbank/Assets (%)	-12.4	-12.7	-13.9	-14.8	-18.5

E = Morgan Stanley Dean Witter Research Estimates

Source: Company data, Morgan Stanley Dean Witter Research

Table 11

## IMI: Profit and Loss Account and Profitability Ratios, 1996-2000E

(%)	1996	1997E	1998E	1999E	2000E
Net Interest Margin <sup>1</sup>	1.68	1.49	1.43	1.41	1.38
Net Int. Inc./Tot. Op. Inc.	67.2	62.3	58.6	56.4	54.9
Fees + Comm./Tot. Op. Inc.	23.3	62.2	31.1	33.4	35.1
Trading Inc./Tot. Op. Inc.	3.8	4.3	3.	3.3	3.0
Op. Costs <sup>2</sup> /Tot. Op. Inc.	37.7	37.7	36.7	36.0	34.5
Op. Costs <sup>2</sup> /Average Assets	0.94	0.90	0.90	0.90	0.87
Provisions <sup>3</sup> /Gross Cust. Loans	0.34	0.22	0.21	0.20	0.20
Provisions <sup>3</sup> /Net Op. Inc.	17.7	11.1	10.5	10.0	9.4
Tax Charge <sup>4</sup>	30.9	33.2	33.4	32.8	33.1
ROE	8.7	8.8	8.8	9.0	9.3
ROGE <sup>5</sup>	8.4	8.4	8.5	8.7	8.9
RoRWA <sup>6</sup>	2.62	2.72	2.75	2.84	2.93

1. Includes dividend income

3. Net of recoveries and includes general risk provision

5. Return on estimated adjusted equity

E = Morgan Stanley Dean Witter Research Estimates

2. Excludes depreciation and pre-IRAP

4. Does not assume adoption of IRAP tax amendments

6. Return on estimated risk-weighted assets

Source: Company data, Morgan Stanley Dean Witter Research

Table 12 Group Credito Italiano

**Projected Income Contribution from Combined Asset Management Activities, 1996-2000E**

(L billion)	1996	1997E	1998E	1999E	2000E
Year-End Mutual Funds	21,316	45,500	64,200	73,000	80,750
Average Mutual Funds	16,876	33,408	54,850	68,600	76,875
Private Banking Funds	18,190	22,100	25,970	29,600	32,500
Total Custodian Funds	178,896	168,000	159,000	148,000	146,000
<b>Total Managed Assets</b>	<b>218,402</b>	<b>235,600</b>	<b>249,170</b>	<b>250,600</b>	<b>259,250</b>
Mutual Fund Fees	161	334	558	705	790
Private Banking Fees	75	89	100	111	119
Custodian Fees	48	42	37	34	36
<b>Total Asset Management Fees</b>	<b>285</b>	<b>465</b>	<b>695</b>	<b>850</b>	<b>945</b>
Mutual Fund Margin (%)	0.96	1.00	1.02	1.03	1.03
Asset Mngt as % Comm. Inc. (%)	13.6	17.6	22.3	24.7	25.7
Asset Mngt as % Tot. Op. Inc. (%)	4.5	6.9	9.5	10.9	11.6
Asset Mngt as % Pretax (%)	25.2	29.4	31.7	33.6	34.4

E = Morgan Stanley Dean Witter Research Estimates

Source: Company data, Morgan Stanley Dean Witter Research

Table 13 Group San Paolo

**Projected Income Contribution from Combined Asset Management Activities, 1996-2000E**

(L billion)	1996	1997E	1998E	1999E	2000E
Year-End Mutual Funds	27,812	40,700	52,900	64,000	71,680
Average Mutual Funds	11,412	34,256	46,800	58,450	67,840
Private Banking Funds	13,072	19,100	25,600	29,900	32,100
Total Custodian Funds	109,019	103,500	100,000	98,000	93,000
<b>Total Managed Assets</b>	<b>149,903</b>	<b>163,300</b>	<b>177,500</b>	<b>191,900</b>	<b>207,730</b>
Mutual Fund Fees (L billion)	140.0	370.0	518.0	618.0	672.0
Private Banking Fees (L billion)	78.0	88.0	118.0	124.0	135.0
Custodian Fees (L billion)	37.3	24.0	23.0	20.0	18.0
<b>Total Asset</b>					
<b>Management Fees (L billion)</b>	<b>254.8</b>	<b>482.0</b>	<b>659.0</b>	<b>762.0</b>	<b>825.0</b>
Mutual Fund Margin (%)	1.23	1.10	1.10	1.06	0.99
Asset Mngt as % Comm. Inc (%)	10.1	18.8	23.1	24.3	24.8
Asset Mngt as % Tot. Op. Inc (%)	5.9	6.8	8.5	9.8	10.2
Asset Mngt as % Pretax (%)	33.4	39.2	42.9	40.9	38.9

E = Morgan Stanley Dean Witter Research Estimates

Source: Company data, Morgan Stanley Dean Witter Research

Table 1 4

## IMI: Income Contribution from Combined Asset Management Activities, 1996-2000E

(L billion)	1996	1997E	1998E	1999E	2000E
Year-End Mutual Funds	22,703	33,188	37,300	40,700	42,750
Average Mutual Funds	20,558	27,946	35,250	39,000	41,725
Private Banking Funds	1,277	1,900	2,050	2,160	2,300
Total Custodian Funds	49,103	52,000	53,600	54,700	55,200
<b>Total Managed Assets</b>	<b>73,083</b>	<b>80,188</b>	<b>92,950</b>	<b>97,560</b>	<b>100,250</b>
Mutual Fund Fees (L bn)	245	332	401	426	454
Private Banking Fees (L bn)	10	14	16	17	18
Custodian Fees (L bn)	40	40	40	39	40
<b>Total Asset Management Fees (L bn)</b>	<b>305</b>	<b>386</b>	<b>456</b>	<b>482</b>	<b>512</b>
Mutual Fund Margin (%)	1.24	1.20	1.15	1.10	1.10
Asset Mngt as % Comm. Inc. (%)	49.7	52.9	54.4	52.4	50.1
Asset Mngt as % Tot. Op. Inc. (%)	16.3	20.0	22.5	22.8	22.6
Asset Mngt as % Pretax (%)	33.2	37.5	41.4	41.1	39.6

Source: Company data. Morgan Stanley Dean Witter Research

E = Morgan Stanley Dean Witter Research Estimates