

GRUPPO SANPAOLO IMI

PRESS RELEASE

The Egyptian Government chooses SANPAOLO IMI for the privatization of Bank of Alexandria

*Egypt's third biggest bank has a network of 188 branches, a market share of 10% in commercial banking,
1,500,000 clients and total assets of 4.7 billion euro*

Turin, October 17, 2006 – The Egyptian Government has chosen SANPAOLO IMI for the privatization of 80% of Bank of Alexandria, the country's third largest bank in distribution and total assets.

The competitors in the final phase were SANPAOLO IMI, BNP Paribas, EFG Eurobank, Commercial International Bank, a consortium of Arab Bank Group and Arab National Bank of Saudi Arabia and a consortium of Mashreqbank and Dubai Investment Group.

The transaction is subject to the necessary Regulatory authorizations and will be worth USD 12.6 per share, in total USD 1.6 billion.

Bank of Alexandria is a universal bank, with 6,000 employees, 188 branches (6.8% market share and 10% excluding microcredit) and more than 1,500,000 customers.

At June 30, 2006 total assets were 4.7 billion euro, with a market share of 5.5% and net shareholders' funds of approximately 400 million euro.

The transaction is part of the Group's development strategy in strongly growing markets such as Hungary, Romania, Slovenia, Albania and soon in Serbia and the Mediterranean in Tunisia (BIAT) and Morocco with a representative office and an agreement with BMCE.

SANPAOLO IMI was advised by Mc Kinsey (industrial advisor), Banca IMI (financial advisor) and Trowers & Hamlins (legal advisor).