

SANPAOLO IMI

SANPAOLO IMI: NON-RECOURSE SALE OF NON-PERFORMING LOANS OF MORE THAN 3,100 BILLION LIRE

Irrevocable purchase offers underwritten by Morgan Stanley and Goldman Sachs – sale price superior to net book value

Turin, 23 March 2000 - Sanpaolo IMI has concluded an agreement concerning a substantial non-recourse sale of non-performing loans, for a total of more than 3,100 billion lire nominal, at a price superior to the net book value.

The irrevocable purchase offers – underwritten by Morgan Stanley Dean Witter and Goldman Sachs – were accepted today by the Bank and the contracts will be finalised in May.

The portfolios sold include both general loans, of various sorts, advanced to customers for single amounts of up to 50 million lire, for a total of 250 billion lire (purchased by Goldman Sachs), and construction loans, individually of more than 50 million lire, for a total of 2,900 billion lire (purchased by Morgan Stanley).

Through this transaction – whose income statement and balance sheet effects will be reflected in the next interim report – the Bank will obtain considerable advantages in terms of the costs and legal expenses of this substantial number of NPLs involved, as well as in the efficient operation and further rationalisation of the Loan Recovery Department. Furthermore the ratio of net non-performing loans to net loans will be reduced to around 1%.

Giorgio Spriano	+39 011 555 2822
Tom Lucassen	+39 011 555 2289
Elena Flor	+39 011 555 2639
Anna Monticelli	+39 011 555 2526
Damiano Accattoli	+39 011 555 3590
James Ball	+39 011 555 2546
Fax	+39 011 555 2989
e-mail	investor.relation@sanpaolo.com