

SANPAOLO IMI

Press release

CAISSE NATIONALE DES CAISSES D'EPARGNE (CNCE) TAKES STAKE IN BANQUE SANPAOLO

Turin, 4 December 2003 – Having obtained the authorisations of the Banque de France and the local Antitrust Authorities, SANPAOLO IMI and Caisse Nationale des Caisses d'Epargne (CNCE) yesterday concluded in Paris the sale of a majority stake in Banque Sanpaolo.

The transaction makes concrete the agreement signed on 31 July which valued 100% of Banque Sanpaolo at 840 million Euro, of which 510 million Euro against the immediate sale of 60%.

Today's transaction was for 499.6 million Euro in cash, resulting from the deduction from the agreed price (510 million Euro) of the estimated dividend for 2003 due to SANPAOLO IMI, thus anticipating the agreed restitution of such profits to CNCE. The capital gain realized by SANPAOLO IMI, in this first phase, is therefore 268 million Euro (257 at consolidated level).

A mechanism of put and call options exercisable after an initial period of four years, extendible for two more, is envisaged for the remaining share as per contract.

The transaction, part of the strategic alliance agreed at the end of 2001 among SANPAOLO IMI, Caisses d'Epargne and Caisse Des Dépôts, leads to a significant partnership, through which a first class institution in banking services to Small- and Medium-sized Enterprises in the French market will be created, bringing together the market potential penetration of the distribution network of Caisses d'Epargne with the experience acquired by Banque Sanpaolo in the SME sector.

The transaction, confirming the strategic strength of the partnership, allows SANPAOLO IMI to maintain an important position in France and to continue to assist Italian customers in their relations with the French market, improving the quality of service offered also thanks to the widening of operating outlets. In addition to the current 60 branches of Banque Sanpaolo, SANPAOLO IMI's Italian customers can now count on the 4,640 branches of Caisses d'Epargne, located throughout France.

Confirming the recognised value of Banque Sanpaolo, the bank will continue to operate using its current brand and name.

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