

SANPAOLO

PRESS RELEASE

**THE SANPAOLO IMI TOP MANAGEMENT AT TIRANA
FOR THE PRESENTATION OF BANCA ITALO ALBANESE
The agreement for the acquisition of 3.9% of the Share Capital of BIA
was entered into with Simest.**

Turin/Tirana, 5th July 2006 – Today marked the official entry in the SANPAOLO IMI Group of Banca Italo Albanese, the country's fifth-largest bank. Banca Italo Albanese was established in 1992, and has total assets amounting to US\$ 186 million, shareholders equity amounting to US\$ 20 million and net profits at the end of 2005 totalling US\$ 4.4 million.

The ceremony was attended by the Prime Minister, Sali Berisha, the Governor of the Central Bank of Albania, Ardian Fullani and the Italian Ambassador at Tirana, Massimo Iannucci. Sanpaolo IMI was represented by the Chairman, Mr. Enrico Salza, accompanied by the Deputy-Chairman, Mr. Orazio Rossi and by the Managing Director, Mr. Alfonso Iozzo.

During the meeting, the Chairman of Sanpaolo IMI confirmed the strategic importance of the investment in Banca Italo Albanese, together with the hope that in the future Banca Italo Albanese may become “the reference bank” for everyone intending to operate on the Albanian market, in addition to being the ideal platform to support foreign trade, also by introducing products and services in line with market best practise.

Sanpaolo IMI is firmly intentioned to make BIA grow and to establish an ongoing and constructive dialogue with the Albanian Institutions: a new BIA bank branch will be in operation at Tirana in September, giving a first strong sign of its commitment. The new branch is entirely innovative, and in line with the best international standards and has a structure dedicated to enterprises, based on the winning model already adopted by Sanpaolo in Italy.

During the meeting, the Managing Director of Sanpaolo IMI, Mr. Alfonso Iozzo and the Managing Director of Simest, Mr. Massimo D’Aiuto also entered into an agreement for the acquisition of 3.9% of the Share Capital of BIA by Simest. The direct entry of the Italian Company for foreign-based enterprises will provide a further instrument to facilitate Italian investments and to promote relations between the two countries.

The closing stage of the operation was completed in May 2006, and forms part of a selective growth strategy for the presence of Sanpaolo IMI on the rapidly growing markets of central-southeast Europe. The Group already has a presence in Hungary with a local bank, with the Inter-Europa Bank (85.9%), in Romania through Sanpaolo IMI Bank Romania (98.6%) and in Slovenia through Banka Koper (63.9%).

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