

SANPAOLO IMI

Press Release

NON-RECOURSE SALE OF NON-PERFORMING LOANS FOR A TOTAL OF MORE THAN 380 MILLION EURO Contract finalised with Merrill Lynch

Turin, 19 December 2000 – Sanpaolo IMI has finalised an agreement regarding the sale of a significant amount of its portfolio of non-performing loans on a non-recourse basis, for a total nominal value of more than 380 million euro, at a price exceeding the underlying net book value.

The final contract was signed in Turin today with Merrill Lynch Capital Markets Bank Limited, Milan branch.

The portfolio disposed of comprises non-performing loans with customers, both collateralised and short-term financings.

The transaction allows Sanpaolo IMI to gain additional benefits in terms of operational efficiency and cost savings and is part of the ongoing rationalisation of the activities of the Group's Workout Division.

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