

PRESS RELEASE

AGREEMENT SIGNED BETWEEN SANPAOLO IMI AND CNCE FOR THE REPOSITIONING OF THE BANK'S SHAREHOLDING IN CDC IXIS

Turin, 12 October 2004 - SANPAOLO IMI and CNCE (Caisse Nationale des Caisses d'Épargne) have signed a protocol agreement which envisages the transfer of the 3.5% stake currently held by the Bank in CDC IXIS, into shareholdings in the two principal operating subholdings of the French Group: Ixis Asset Management Group - 12% - and Ixis Corporate & Investment Bank - 2.45%.

SANPAOLO IMI acquired its shareholding of CDC IXIS in 2001, contemporaneously with the French company's (then part of the Caisse des Dépôts et Consignations Group) entry among its Shareholders, confirming a strategic partnership project.

The protocol agreement takes place after the new foundation of the partnership between CNCE and Caisse des Dépôts. After the merger of EULIA (financial alliance agreed at the end of 2001 between the two French Groups) into CNCE and the transfer to the latter of control of CDC IXIS, the project envisages that by the end of the year CDC IXIS be incorporated in CNCE with the reorganization of market financial activities in three cores areas: asset management, investment banking and custody. The contribution of these assets transforms the Caisse d'Épargne Group (31 Savings Banks, Crédit Foncier, 4,700 branches throughout the country) into a major French universal bank, similar to that of SANPAOLO IMI in Italy, and opens up future prospects for the development of the partnership.

The positioning of the shareholding investment of SANPAOLO IMI favors the sectors where exist the best opportunities for collaboration and, in particular, asset management, in which both Groups are leaders.

The agreements envisage that SANPAOLO IMI, against the conferral of its shareholding in CDC IXIS, buy shares in the two Subholdings IXIS Asset Management Group and IXIS Corporate & Investment Bank. The operation, subject to authorizations by the Regulatory Authorities, ought to complete by 31 December 2004 and will have no impact on the book value given by the Bank to CDC IXIS.

At the same time as the acquisition of the shareholdings in the two companies, agreements between SANPAOLO IMI and CNCE will be defined to regulate, in relation to the subsidiaries, governance aspects, circulation of the shares and conversion and liquidity rights of the shareholdings.

SANPAOLO IMI was advised by JP Morgan and Cleary Gottlieb (Paris).

CNCE was advised by Rothschild and Darrois, Villey, Maillot, Brochier.

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