

## **PUBLIC PURCHASE OFFER FOR ORDINARY SHARES OF BANCO DI NAPOLI S.p.A. FOLLOWING THE PARTIAL SPIN-OFF OF INA S.p.A. TO SANPAOLO IMI S.p.A.**

Today the Board of Directors of SANPAOLO IMI S.p.A. (the "**Offerer**") has approved the projected partial spin-off of Istituto Nazionale delle Assicurazioni S.p.A. ("**INA**") to SANPAOLO IMI S.p.A. (the "**Spin-off**"), which will be presented to the Shareholders' Meeting called for 26, 27 and 28 July 2000.

Following the Spin-off, SANPAOLO IMI S.p.A. will acquire 51% of Banco di Napoli Holding S.p.A. ("**BNH**"), while the remaining 49% will be acquired from Banca Nazionale del Lavoro S.p.A. ("**BNL**"). As a result, SANPAOLO IMI S.p.A. will possess the whole of the capital of BNH, which in turn holds 56.08% of the capital represented by ordinary shares of Banco di Napoli S.p.A. (the "**Quoted company**"), equal to 52.47% of the whole equity capital.

The Board of Directors of SANPAOLO IMI S.p.A., having noted the announcement of 7 June 2000 by Consob, which held that the Spin-off would require an offer for the shares of the Quoted company, has taken the following resolutions necessary to proceed to the obligatory offer.

The obligatory Offer (the "**Offer**"), launched pursuant to Article 106, paragraph 3, letter a) of Legislative Decree 58 of 24 February 1998 (the "**Consolidated Securities Law**"), will take place according to the terms and conditions which follow.

### *1 Parties to the transaction*

Offerer: SANPAOLO IMI S.p.A., registered office in Turin, Piazza San Carlo 156, Company registered in the Register of Banks and Reporting Bank of the SANPAOLO IMI Group registered in the Register of Banking Groups. Turin Company Register 4382/91, member of the Interbank Deposit Guarantee Fund, equity capital Euro 3,926,117,854.4 wholly paid.

Quoted company: Banco di Napoli S.p.A., registered office in Naples, Via Toledo 177/178, Company registered in the Register of Banks and part of the Banco di Napoli Group registered in the Register of Banking Groups. Naples Company Register 4870/26, equity capital L. 1,992,174,850,000, wholly paid, represented by 1,864,097,491 ordinary shares and 128,077,359 savings shares, par value L. 1,000.

### *2 Securities included in the Offer*

The Offer concerns:

- 818,717,963 ordinary shares of the Quoted company, each of nominal L. 1.000, with normal rights, equal to 43.92% of the equity capital represented by ordinary shares (equal to 41.1% of the whole equity capital). This number of shares is the

share in the capital of the Quoted company, represented by ordinary shares that, following the conclusion of the Spin-off, will not be held by BNH.

Savings shares of the Quoted company are not included in the Offer.

### *3 Consideration for the Offer*

For each ordinary share of the Quoted company, the consideration will be Euro **1.533** (Lire **2,968** per share), equal to the arithmetic average of:

- the average weighted market price in the past 12 months of the shares included in the Offer, counted from 13 June 2000, equal to Euro **1.321** per share (Lire **2,558** per share);
- the higher price agreed in the same period for the purchase, including indirectly, of ordinary shares in Banco di Napoli, equal to Euro **1.745** per share (Lire **3,379** per share). This price corresponds to the value of the ordinary shares of the Quoted company as derived from the spin-off ratio approved today by the Boards of directors of INA and SANPAOLO IMI. This price is higher than the price per share agreed with BNL for the purchase of 49% of BNH, fixed at Euro **1.680** (Lire **3,253** per share). In both cases, in order to evaluate the ordinary shares of the Quoted company, the net economic value (at 31 December 1999, net of related dividend payments) of certain assets held by BNH, excluding the shareholding in Banco di Napoli S.p.A., have been deducted from the valuations of BNH..

### *4 Method of financing and guarantees*

The amount required for the Offer is in total equal to approximately Euro **1.255** million (equal to approximately Lire **2,430** billion). In order to provide the necessary means and to respect the capital ratios set by the banking supervision regulations, SANPAOLO IMI will issue capital instruments as allowed by banking regulations, for an amount sufficient to cover the requirement, which will be effected consistently with the timetable for the Offer.

The Offerer will provide, before the beginning of the period of acceptance of the Offer, for the establishment of a deposit irrevocably and exclusively connected to the payment of the consideration due to shareholders who accept the Offer.

### *5 Conditions of the Offer*

The launch of the Offer is subject to the closing of the Spin-off, which will be proposed to the Shareholders' Meetings of the companies concerned, to approve the relevant motions, in the coming month of July.

### *6 Period to accept the Offer*

The period to accept the Offer will begin on the fifteenth stock exchange trading day after the effects of the Spin-off occur, pursuant to Article 2504 *decies* of the Italian Civil Code and will be agreed with the market management company. Given that the Shareholders' Meeting of the Offerer will be held on 26, 27 and 28 July 2000 to approve the Spin-off, it is expected that the period of acceptance could begin within the end of the coming month of October. The detailed timetable of the period to

accept the offer will be agreed with the market management company, according to current regulations.

Acceptances may be effected through the Italian trading IT system.

#### *7 Future transactions*

When, at the end of the Offer, the Offerer holds a share of more than 90% in the capital of the Quoted company, represented by ordinary shares, the Offerer announces that it will then launch a residual offer (“**OPA**”), pursuant to Article 108 of the Consolidated Securities Law, in order to cancel the ordinary shares of Banco di Napoli from the Mercato Telematico of the Borsa Italiana S.p.A.

If at the end of the Offer or residual OPA, the Offerer holds a shareholding greater than 98% in the capital of the Quoted company, represented by ordinary shares, the Offerer will exercise its right to acquire the remaining ordinary shares of the Quoted company pursuant to Article 111, paragraph 1, of the Consolidated Securities Law.

#### *8 Shareholdings held by the Offerer*

At 8 June 2000, the Offerer held as surety, directly and indirectly, 2,846,830 shares in Banco di Napoli.

At the end of the Spin-off the Offerer will hold indirectly a shareholding of 56.08% in the capital of the Quoted company.

#### *9 Reasons for the Offer and future plans*

The Spin-off which gives rise to the obligatory Offer will give SANPAOLO IMI S.p.A., through BNH, the control of Banco di Napoli S.p.A..

For the two banks, this transaction represents a significant step in reinforcing their position in terms of size and market presence appropriate to the competitive development in the banking and financial sector.

The combination of the two banks, in fact, both characterised by strong roots in their traditional business bases which have developed over time solid and well known brands, provides excellent coverage of a significant part of Italy and the development of a complete range of financial services to a client base of several million including families, companies and small businesses, principally through the common delivery of the specific skills of the SANPAOLO IMI Group in areas of high value added.

#### *10 Authorisations*

Requests for authorisation of the Spin-off from the Banca d'Italia and ISVAP have already been made.

No other further authorisation has been requested for the closing of the Offer.