

SANPAOLO IMI

SANPAOLO IMI LAUNCHES AGREED OFFER FOR CONTROL OF BANCA KOPER

The Italian Group aims to acquire the majority of Slovenia's number four bank through the offer

Turin, 30 October 2001 - The SANPAOLO IMI Group will launch a full Public Purchase Offer for Banca Koper, Slovenia's number four bank by assets, in the coming weeks with the agreement of Koper's current controlling shareholders. Such is set out in the agreement signed today in Capodistria by the top management of the Italian Bank and the main shareholders of the Slovenian Bank following the approval of the Board of Directors of SANPAOLO IMI, meeting this morning in Turin.

The transaction is conditional upon the necessary authorisations from the Italian and Slovenian regulatory authorities.

The agreement, reached following negotiations subsequent to the due diligence concluded on 31 July, envisages in fact that SANPAOLO IMI will launch, in compliance with Slovenian regulations and within the next 30 days, an Offer for all of the bank's shares, which are quoted on the Ljubljana stock exchange. The current shareholder structure of Banca Koper is as follows:

- | | |
|---|--------|
| - Luka Koper, the Capodistria port management company | 32.4%; |
| - Istrabenz, an oil company | 29.9%; |
| - Intereuropa, a local logistics company | 20%; |
| - free float (+ own shares of approximately 2%) | 17.7%. |

The price per share fixed by the Offer will be 101,971.72 tolar (approximately 470 Euro), for a total valuation of the bank of 54.2 billion tolar (approximately 244 million Euro) or approximately twice the worth of the Bank envisaged for the end of 2001.

The offer will remain open for 60 days and, taking account of the technical timescale required for the necessary authorisations, should be completed at the beginning of 2002.

The controlling shareholders will sell at least 52% of the capital of the bank and will be able to exercise a five-year put option (at the Offer price plus interest and net of dividends). Istrabenz and Intereuropa have announced their intention to maintain a significant stake in the capital of the Bank during this phase. Luka Koper intends instead to sell its stake in whole and will initially transfer before the end of the year – as soon as SANPAOLO IMI receives authorisation from Banca d'Italia - a stake of 15%, allocating its remaining shares to the Offer.

SANPAOLO IMI intends in any case to preserve the identity and autonomy of the Slovenian Bank, strengthening its commercial and product resources through bringing its know how: this however reconfirms its continued confidence in the top management of the Bank, which has created its success and solidity. In addition, the continuity of the representatives of the sellers, important figures in Slovenian entrepreneurial life, in the bank's administrative bodies - with the widening of the Supervisory Board from six to seven members - will allow the preservation and further strengthening of the ties with local industry and the community.

Banca Koper is a traditional commercial bank and operates through 37 branches (concentrated around Capodistria, with an important presence also around Ljubljana) and has a market share of close to 7% in Slovenia, with absolute leadership in its core area. The bank principally works in retail customer deposits and corporate lending and is also one of the main Slovenian issuers of debit and credit cards and is active in trading and fund management. With total assets of approximately 191 billion tolar (equivalent to approximately 880 million Euro), Banca Koper recorded net income of 3.7 billion tolar (approximately 17 million Euro) and a RoE of approximately 16% on net shareholders' funds of 23.5 billion tolar (106 million Euro) at the end of 2000. Net shareholders' funds at the end of 2001, also taking account of the net implied capital gain in the subsidiary FINOR, an industrial holding company whose sale to the current controlling shareholders is envisaged in the context of the transaction, is estimated at around 125 million Euro.

Slovenia has the highest macroeconomic indicators and the closest to European Union levels among European countries with a per capita GDP at 70% of the EU average. In addition, its economy is very open, with trade amounting to 91% of GDP in 2000. In the same year, Italy, with trade of 3.3 billion Euro, or 15.7% of total Slovenian trade, was the country's second commercial partner, next to Germany and ahead of France, Austria and Croatia.

For the SANPAOLO IMI Group, the transaction forms part of its international growth strategy which sees in the countries of central and eastern Europe - and in particular those expected shortly to join the EU - a development opportunity made more significant by the possible integration with the Cardine Group, whose customer base of entrepreneurs, mostly operating in North East Italy, is geared to intensify commercial links with the markets of eastern Europe.

In this context, Banca Koper will be able to constitute, as well as a solid base for the Slovenian market, also an important development point to penetrate into neighbouring countries, starting from those areas with the greatest economic and cultural ties to home.

| | |
|-------------------|--|
| Giorgio Spriano | +39 011 555 2822 |
| Dean Quinn | +39 011 555 2593 |
| Elena Flor | +39 011 555 2639 |
| Anna Monticelli | +39 011 555 2526 |
| Damiano Accattoli | +39 011 555 3590 |
| James Ball | +39 011 555 2546 |
| Fax | +39 011 555 2989 |
| e-mail | investor.relation@sanpaoloimi.com |