

# SANPAOLO IMI

## Press release

### **SANPAOLO BANCO DI NAPOLI, THE ONLY BANK OF THE GROUP OPERATING IN THE SOUTH OF ITALY**

**Turin, 30 June 2003** – SANPAOLO IMI has determined the spin-off of the business in the Southern Management Area into SANPAOLO BANCO DI NAPOLI, as provided in the merger project between SANPAOLO IMI and Banco di Napoli.

SANPAOLO BANCO DI NAPOLI, at the completion of the spin-off, will be the only bank of the Group to operate in Campania, Basilicata, Calabria and Puglia, represented in the four Areas of the current Southern Management Area. The Bank will have 755 branches and approximately 6,000 employees.

The spin-off will occur at the value of the book price given in the Annual Report of the Parent Bank, determining for SANPAOLO BANCO DI NAPOLI, which is wholly owned by SANPAOLO IMI, an increase of capital and reserves, for a total of Euro 1,190,550,000: considering the initial shareholders' capital of 6.3 million Euro, the new Bank will therefore have shareholders' equity of Euro 1,196,850,000.

The value of the business spun-off has been the object of a valuation in compliance with art. 2343 of the Civil Code by experts nominated by the President of the Naples Court.

The spin-off will take place in two phases, in order to take account of the organizational and IT needs related to the completion of the operation.

- With effect from 1 July 2003, the branches of the ex-Banco di Napoli operating in the regions of Campania, Puglia, Calabria and Basilicata will be transferred to the new Bank, in consideration for subscription to the first tranche of the capital increase for Euro 693,700,000 and with the remaining Euro 346,850,000 allocated to reserves: at the end of that phase, the capital of SANPAOLO BANCO DI NAPOLI will be equal to Euro 700,000,000;
- With effect from 29 September 2003, the remaining branches in the same regions - already belonging to the Parent Bank before the effects of the merger by incorporation of the ex-Banco di Napoli - will be transferred to SANPAOLO BANCO DI NAPOLI, in consideration for subscription of the residual tranche of Euro 100,000,000 and the allocation to reserves of the remaining Euro 50,000,000. At the end of that phase the shareholders' capital of the new Bank will be equal to Euro 800,000,000.

It is furthermore foreseen, in order to ensure an adequate level of capitalization, that SANPAOLO BANCO DI NAPOLI proceeds with the issue of subordinated debt and hybrid forms of capital. Issues by the Bank of 400 million Euro are foreseen, that will be subscribed entirely by the Parent Bank.

Finally, with a view to maximizing the efficiency of SANPAOLO BANCO DI NAPOLI, there is foreseen a significant outsourcing of activities to the Parent Bank, with particular reference to those of an administrative, commercial and back office nature, which will be regulated at market conditions.

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