

# SANPAOLO IMI

## **BOARD OF DIRECTORS APPROVES BANCO NAPOLI TRANSACTION**

**Turin, 30 May 2000** – The Board of Directors of SANPAOLO IMI has decided, in agreement with the Generali-INA Group, to proceed before the middle of June to the approval of the projected spin-off which will lead to the acquisition of 51% of the capital of the “Gruppo Bancario Banco Napoli” (BN Holding) which owns 56.1% of the ordinary share capital of Banco di Napoli SpA.

The spin-off envisages that the 9.2% stake in INA held by SANPAOLO IMI will be used against the exchange of the controlling stake in BN Holding. It is also envisaged that INA’s minority shareholders will be assigned SANPAOLO IMI shares currently held in portfolio.

The transaction reflects the requirements of the business rationalisation of the Generali-INA Group and the SANPAOLO IMI Group following the Public Purchase and Exchange Offer made earlier by Generali. SANPAOLO IMI therefore considers that a Public Purchase Offer for the remaining Banco di Napoli SpA shares is not necessary under the current regulatory structure although it awaits Consob’s decision on the matter.

The Board further approved, following the agreement reached with BNL, the acquisition of the remaining 49% of BN Holding from BNL for 1,692.7 billion lire.

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The Board of Directors also noted the positive performance in the first four months of the year and the signing, with Morgan Stanley Dean Witter and Goldman Sachs, of the definitive agreements for the non-recourse sale of non-performing loans as already announced at the end of March.

These transactions have been closed at a price superior to that of the net book value of the loans. Following the definitive cancellation of these loans, the ratio of net non-performing loans to net loans falls to 1.18% for the Parent Bank and 1.26% at Group level.

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