

SANPAOLO IMI

SANPAOLO IMI BUYS 100% OF BN HOLDING Following the partial spin-off of INA launches Full Public Offer for the ordinary shares of Banco di Napoli

Turin, 13 June 2000 - The Board of Directors of SANPAOLO IMI has today taken the following resolutions:

- approval of the agreement, recently reached with BNL, which envisages the acquisition, on the part of SANPAOLO IMI, of the ordinary shares of Banco Napoli Holding held by BNL, equal to 49% of the capital, as well as BNL's relinquishment of its pre-emption rights concerning the remaining quota of the 51% held by INA. As has been announced, the transfer of the stake from BNL to SANPAOLO IMI will be effected at a price of approximately L. 1,693 billion, corresponding to an implied price per share of 1.68 Euro;
- approval of the non-proportional spin-off project of INA with the consequent acquisition of 295,800,000 ordinary shares of Banco di Napoli Holding S.p.A., equal to 51% of the capital at an estimated value of approximately L. 1,829 billion (corresponding to an implied price per share of 1.745 Euro). Against this purchase, SANPAOLO IMI will cancel the INA shares in its portfolio, equal to approximately 9.2% of the capital of the insurance company. SANPAOLO IMI will further assign to INA's minority shareholders 15.34 of its own shares for every 1,000 INA shares held by them, for a total of 3.6 million SANPAOLO IMI shares; in parallel 99.23 INA shares for every 1,000 shares held will be cancelled, so that at the end of the transaction the position of minority shareholders in INA will remain unchanged. To complete the transaction, Generali will pay to SANPAOLO IMI a cash adjustment of approximately 30 billion lire, equal to the difference in economic value of the shareholdings transferred in various ways.

The spin-off project will have to be subject to the approval of the shareholders of SANPAOLO IMI (as well as those of INA), who will meet for an extraordinary meeting on next 27-28-29 July, respectively on first, second and third call.

SANPAOLO IMI will therefore take total control of Banco Napoli Holding, whose principal asset is the shareholding in Banco di Napoli S.p.A. representing approximately 56.1% of the ordinary capital and approximately 52.5% of the total capital.

Establishment of the conditions of the Public Offer which, as recently required by Consob, is obligatory concerning the remaining approximately 43.9% of the ordinary capital of Banco di Napoli S.p.A. held by other shareholders and by the market. Savings shares are not included in the offer.

As reported in the more detailed document appended, to which specific reference is made, on the basis of the criteria set out by the Commission of Control, the offer price has been set at 1.533 Euro for each ordinary share of the Neapolitan Bank. In the case of total acceptance of the Public Offer the transaction will mean a disbursement of approximately L. 2,430 billion by SANPAOLO IMI. Given the fact that Public Offer can be launched only when the spin-off of INA and the acquisition of the asset package spun off to SANPAOLO IMI are materially completed, it is expected that the deposit of the Information Document and the effective launch of the Offer could take place in the course of the coming autumn.

The transactions described above will be effected without capital increases but through instruments such as subordinated debt and preferred shares.

In approving the integration of the two banking groups, the Board of Directors of SANPAOLO IMI has viewed positively the transaction in the interests of the two entities as well as of their future economic development, paying particular attention to the guidelines of the industrial project, consistent with the strategies of consolidation to achieve dimensions and operational presence in the market sufficient to respond to the current competitive environment in Europe.

Leveraging on the complete complementarity of the two distribution networks as well as on the strong roots of the two Groups in their respective areas of reference, SANPAOLO IMI considers that sharing competences, instruments, products and organisational models will lead Banco di Napoli towards a rapid recovery of competitiveness with prospects of solid development in the medium term and significant increases in profitability.

The plan is designed to create, through appropriate integration, collaboration and synergies, an excellent production and distribution structure, which will be able to count on:

- total customer financial assets of 580,000 billion of Lire, of which 230,000 billion in asset management;
- loans of approximately 180,000 billion;
- a network of 2,100 branches widely distributed throughout the country.

Documents concerning the Public Offer and the Spin-off Project have been deposited with the appropriate authorities and are available for inspection. An English translation of the official documents is available for convenience.

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