

SANPAOLO IMI

New Release

EXTRAORDINARY SHAREHOLDERS' MEETING APPROVES INA SPIN-OFF PROJECT

**Acquisition of the 51% held by the insurance company means whole
stake in Banco Napoli Holding passes under the control of SANPAOLO IMI**

Turin, 28 July 2000 - This morning the Extraordinary Shareholders' Meeting of SANPAOLO IMI S.p.A. (third call) approved the non-proportional spin-off project of INA, through the transfer of the stake held by the insurance company in "Gruppo Bancario Banco di Napoli S.p.A." (also called Banco Napoli Holding) to SANPAOLO IMI.

The asset package included in the spin-off, whose value is estimated at approximately 1,829 billion Lire, is represented by 295,800,000 ordinary shares of BN Holding (value date from 1 January 2000) of nominal value L. 1.000 per share and equal to 51% of the capital of the company.

Against the acquisition, SANPAOLO IMI will cancel the INA shares in its portfolio, approximately 9.2% of the capital of the insurance company. Generali's interest in INA will consequently rise from 89.2% to 92.1%.

The assignment to INA shareholders other than Generali and SANPAOLO IMI of own shares of the beneficiary company to support spin-off and the cancellation of INA shares will be proportional to the share held by each shareholder in the company spun off. For own shares held by INA, given the legal impossibility of assigning shares of the beneficiary company, there will be a pure and simple cancellation of them according to proportional criteria. Thus:

- a) INA shareholders other than Generali, SANPAOLO IMI and INA itself will be assigned proportionally 15.3430399 SANPAOLO IMI shares (value date 1 January 2000) for every 1,000 INA shares held; 99.232095 INA shares for every 1,000 INA shares held of these shares will be cancelled, thus leaving unchanged the share of own shares in INA;
- b) own shares held by INA will be cancelled in the ratio of 99.232095 shares for every 1,000 INA shares held, thus leaving unchanged the share of own shares; SANPAOLO IMI shares will not be assigned to these shares (Article 2504 *ter* of the Italian Civil Code);
- c) Generali will not receive any shares in SANPAOLO IMI and its INA shares held will not be cancelled;
- d) all the INA shares held by SANPAOLO IMI will be cancelled;
- e) Generali will have to pay to SANPAOLO IMI an amount of Lire 30,104 million, equal to the positive difference between the economic value of Generali's stake in INA following the spin-off and the economic value before the spin-off.

The above exchange ratio, fixed by the Boards of Directors of SANPAOLO IMI and INA, has been subjected to valuation by the experts nominated by the Tribunal of Rome and the Tribunal of Turin, respectively PricewaterhouseCoopers S.p.A. and KPMG S.p.A., and approved by the shareholders of SANPAOLO IMI in the course of the meeting.

The assignment to INA shareholders of shares in the beneficiary company and the cancellation of INA shares will take effect from the next open market day following the effectiveness of the spin-off to third parties according to the terms which will be made public by national press announcements. Shareholders who hold fractions of INA and/or SANPAOLO IMI shares following the transaction will be assured of being able to proceed to purchases or sales of the fractions to reach a round amount.

The effects of the spin-off, pursuant to Article 2504 *decies* of the Italian Civil Code, will take place on the day when the final filing of the spin-off is made in the company register or the next date indicated in the spin-off.

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