



The largest bank will be in Europe

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Banca Intesa and Sanpaolo IMI management approved plans about the merger. As a result one of the largest banks will be established in Europe.

New bank with market price nearly \$80 bln. will define UniCredit as a leading retail bank in Italy with network 6300 units. He also will enter to ten leading European banks, but its presence will be less abroad than UniCredit.

According to merger conditions, Intesa will exchange 3,155 new shares on each equity and preference share of Sanpaolo.

"They made wise decision working out transaction with shares. You get all advantages if you don't pay too much, especially now, when quotations of stock market are high ", - said director of Institute of Mergers, Acquisitions and Alliances in Vienna, Christopher Kummer.

The merger will be probably in the beginning of next year. Italian Treasury's source said Italian Finance Minister Tomasso Padoa-Skyoppa approved the merger and chairman of the board Intesa Jovanny Bazoli called to journalists that merger with Sanpaolo is profitable for shareholders.

This transaction can provoke activation in merger sector in the country. Bank of Italy Chairman Mario Dragi adheres to this opinion. He urged to consolidation in this sector nearly 3 months ago.