



## PRESS RELEASE

ACCORDING TO ARTICLE 114 OF LEGISLATIVE DECREE 58 OF 24 FEBRUARY 1998

Today Unipol Assicurazioni S.p.A. signed a shareholders' agreement including a consultation and block agreement for the shareholdings in Banca Nazionale del Lavoro S.p.A., as well as additional agreements among BNL shareholders relating to BNL shares and the subsequent launch of a mandatory tender offer on BNL ordinary shares.

- Today Unipol Assicurazioni S.p.A. (**'Unipol'**) signed with Coop Adriatica S.c.a.r.l., Coop Estense Società Cooperativa S.c.a.r.l., Talea Società di Gestione Immobiliare S.p.A., Nova Coop Società Cooperativa, Nomura International Plc, Banca Carige S.p.A. – Cassa di Risparmio di Genova e Imperia and Hopa S.p.A. (hereinafter collectively referred to as the **'Pact Members'**) a shareholders' agreement whose aim is to aggregate their individual shareholdings in Banca Nazionale del Lavoro S.p.A. (**'BNL'**) (the **'Shareholders' Agreement'**). The parties adhering to the agreement hold 30.86% of the BNL ordinary share capital.
- Another shareholders' agreement was signed today between Unipol and Credit Suisse First Boston International (**'CSFB'**), which is also aimed to aggregate their individual shareholdings in BNL (the **'CSFB Agreement'**). Moreover, Unipol signed with CSFB a separate agreement to regulate the call option in favour of Unipol and the put option in favour of CSFB on the CSFB shareholding in BNL, which is of 4.18% and might be raised up to 4.50%.
- Other separate shareholders' agreements were also signed between Unipol and Banca Popolare Italiana, Società Iniziative Autostradali e Servizi S.p.A., Banca Popolare Vicentina and Mr Alvaro Pascotto (hereinafter collectively referred to as the **'Other Parties'**). The former regulate, *inter alia*, Unipol's right to purchase the BNL shares held by the other parties, which correspond overall to 6.6% of the share capital of BNL (the **'Call upon other parties'**), as well as the mutual assumption of further commitments such as a *lock-up* period, the prohibition to buy other BNL shares and the commitment not to take part in the offer put forward by the Banco Bilbao Vizcaya Argentaria S.A. (**'BBVA'**) (the **'Agreement with other parties'** and, together with the **'CSFB Agreement'** and the **'Shareholders' Agreement'**, referred to as the **'Shareholders' Agreements'**).
- Unipol also signed today with Deutsche Bank AG London (**'DBL'**) some agreements (the **'DBL Agreements'**) involving financial instruments by which (i) Unipol purchased call options from DBL, to be exercised for a period of six months and (ii) DBL purchased put options from Unipol which expire after three years, for a total number of 151,156,000 BNL shares, or 4.99% of the BNL share capital. DBL, furthermore, committed itself not to sell BNL shares involved in the call option referred to under (i) in other takeover bids currently being carried out.

- The signing of the Shareholders' Agreements implies the joint obligation of Unipol, the Pact Members, CSFB and the Other Parties to launch a tender offer on all ordinary BNL shares (the '**Offer**') in accordance with the articles 106 (1) and 109 (1) (a) of Legislative Decree 58 of 24 February 1998 (the '**Consolidation Act**').
- The Shareholders' Agreements state that the joint obligation to launch the Offer will be met in its entirety by Unipol which will then be solely charged with the payment of the amount due for the BNL shares involved in the Offer.
- The Offer will regard no.1,828,783,937 ordinary BNL shares, corresponding to 59.00% of the ordinary share capital. After deduction of no.1,270,910,908 ordinary BNL shares which Unipol, the Pact Members, CSFB and other parties are holders of at the present date and for which Unipol will pay a unitary price of €2.70, they represent the total number of BNL ordinary shares (including no.70,502,680 shares the issue of which was approved to service *stock option* plans).

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#### THE SHAREHOLDERS' AGREEMENTS

Today Unipol, which already holds shares equal to 14.92% of the BNL ordinary share capital, signed with Coop Adriatica S.c.a.r.l., Coop Estense Società Cooperativa S.c.a.r.l., Talea Società di Gestione Immobiliare S.p.A. and Nova Coop Società Cooperativa (joint holders, of 3.99% of the BNL ordinary share capital), Banca Carige S.p.A. – Cassa di Risparmio di Genova e Imperia (holder of 1.99% of the BNL ordinary share capital), Nomura International Plc (holder of 4.97% of the BNL ordinary share capital) and Hopa S.p.A. (holder of 4.99% of the BNL ordinary share capital), the Shareholders' Agreement including a consultation and block agreement, relating to the shareholdings owned by Unipol and the Pact Members in BNL, amounting to 30.86% of the BNL share capital.

The Shareholders' Agreement is aimed at enabling Unipol and the Pact Members to aggregate their individual shareholdings in BNL in order to define common business and corporate strategies so as to boost BNL operations and to regulate, *inter alia*, (i) the set up and functioning of a consulting body between the Pact Members – composed of a number of members corresponding to the number of Pact Members and with Unipol holding the right to appoint the chairman, whilst with the Pact Members holding the right to appoint each one member of the aforesaid committee – the decisions of which will, however, have the only aim of providing non-binding indications for voting, with the exception of resolutions relating to the appointment of BNL company bodies which will on the other hand be binding; (ii) the terms and conditions for appointing the BNL company bodies and, more especially, the conferring to Nomura and to Hopa of the right of each to appoint a committee member; (iii) a *lock-up* period on the BNL shareholdings conferred by the Pact Members and the granting to Unipol the right of pre-emption; (iv) an option right for Unipol to purchase from the Pact Members either totally or partially the BNL ordinary shares conferred by them according to the Shareholders' Agreement (the '**Call on the Pact Members**'); (v) the terms and conditions for the launching of the mandatory tender offer and (vi) the commitment not to take part in the BBVA public exchange offer.

Concomitantly Unipol signed the CSFB Agreement with CSFB relating to (i) the procedures to be followed in the event of transfer of the BNL shareholding owned by CSFB; (ii) the pursuit of commonly shared commercial and financial plans and (iii) the terms and conditions for the launching of the mandatory tender offer.

Furthermore, Unipol signed a separate agreement with CSFB regulating a call option for Unipol and a put option for CSFB of the shareholding in BNL - representing 4.18% - and

which may be raised up to 4.50%. These options may be exercised subject to some specific conditions.

In concomitance with the signing of the Shareholders' Agreement and of the CSFB Agreement, Unipol also subscribed Agreements with Other Parties which, *inter alia*, grant Unipol the right to purchase the BNL shares held by them, representing in all 6.6% of the BNL share capital, and also establish the reciprocal assumption of further commitments, such as a *lock-up* period, the prohibition on the purchase of further BNL shares and the commitment not to take part in the offer launched by the BBVA.

Unipol, moreover, granted some of the Pact Members and some of the Other Parties the right to sell to Unipol the BNL ordinary shares held by them in the event of some specific conditions.

All the above-mentioned agreements will be published in accordance with the current regulations.

#### **THE MANDATORY TENDER OFFER**

On the date of signing the Shareholders' Agreements, Unipol, the Pact Members, CSFB and the Other Parties are holders – following the purchase they carried out in the twelve months former to this date – of a total of no.1,270,910,908 BNL ordinary shares, representing 41.96% of the BNL ordinary share capital and, therefore, of a shareholding above the threshold according to and for the purposes of Article 106 (1) of the consolidation act.

Following the signing of the Shareholders' Agreement Unipol, the Pact Members, CSFB and the Other Parties had the joined commitment to launch the mandatory tender offer on the totality of the BNL ordinary shares, as an effect of the combined articles 106 (1) and 109 (1) (a) of the consolidation act. This joint commitment will be fulfilled in compliance with the understandings contained in the Shareholders' Agreements solely by Unipol, which will uphold all relating costs including the payment of the amount due for the Offer, thus keeping indemnified the Pact Members, CSFB and the Other Parties from these obligations.

The Offer will relate to no.1,828,783,937 BNL ordinary shares, representing 59.00% of the approved ordinary share capital (including those shares the issue of which was approved according to *stock option* plans). After deduction of no.1,270,910,908 BNL ordinary shares of which Unipol, the Pact Members, CSFB and the Other Parties are holders at the present date, they represent the total number of the BNL ordinary shares (including no.70,502,680 shares the issue of which was approved according to *stock option* plans).

Unipol agrees to pay each shareholder adhering to the Offer the cash amount of €2.70 for each share. This unitary amount, calculated taking also into account the price of the exercise of the call/put options is above the minimum price derived from the application of the criteria of article 106 (2) of the consolidation act in so far as Unipol has decided to pay out a premium of 5.7% to those taking part in the Offer. Such price represents a premium equal to 25.4% of the daily arithmetic weighted average of the official quotations of BNL ordinary shares over the last twelve months or a premium of 0.4% on the closing price of ordinary shares on 15 July 2005.

On the basis of the above-mentioned unitary price, the total countervalue of the Offer is equal to about 15.4 times the amount of the net profit calculated on a yearly basis and recorded by the BNL in the first quarter of 2005.

Unipol, in order to equip itself with the financial resources to meet payment obligations involved in the Offer, gave a mandate to the Chairman to call an Extraordinary General

Meeting in order to approve a capital increase for a total maximum amount of €2.6bn and subordinated debenture instruments will be issued for an amount of €1.2bn.

#### **TIMETABLE TO THE OFFER**

Subject to obtaining the authorizations prescribed by the current regulations the Offer is expected to be launched in September 2005.

In the event of full completion of the Offer, Unipol will own up to around 64.83% of the *fully diluted* ordinary share capital of BNL.

#### **RATIONALE FOR THE TRANSACTION AND SYNERGIES**

The combination of Unipol and BNL is expected to give birth to a leader in the Italian bancassurance field, with significant critical mass in Italy. In details:

- the 4<sup>th</sup> largest financial group as measured by total turnover;
- the 3<sup>rd</sup> largest insurance group in Life and Non-Life business;
- the 6<sup>th</sup> largest bank as measured by total assets;
- around 9 million customers;
- over no.1,869 insurance agencies, about 1,000 banking branches and over 400 financial advisors;
- significant regional presence in Lombardia, Emilia Romagna, Toscana and Lazio.

The Unipol / BNL business plan will leverage on unique cross-selling chances, on implementing economies of scale and increasing in productivity.

On the revenue side, Unipol expects to realise synergies from the implementation of its bancassurance model on a wider scale, with significant enhanced cross-selling both on the insurance and the banking customer base. Furthermore, Unipol is confident in obtaining revenue benefits from the improvement in productivity of the BNL branches and from the best practice sharing between the two groups.

In completing the plan Unipol is expected to incur restructuring charges of €206m.

#### **FINANCING TO THE OFFER**

The Offer will be financed through various initiatives, amongst which:

- A capital increase for a total maximum amount of €2.6bn by means of a share option to be offered to the current shareholders. Finsoe has already committed to subscribe the capital increase for its own stake. This capital increase is expected to be carried out in the fourth quarter of 2005.
- Assets sale for a total amount of around €1.5bn in 2005 and 2006.
- The issue of subordinated securities for a total of €1.2bn within the fourth quarter of 2005.

## Further Agreements

Today Unipol also subscribed with Deutsche Bank AG London ('DBL') some agreements ('**DBL Agreements**') concerning financial instruments according to which (i) Unipol purchased from DBL 'call' options to be exercised for a period of 6 months and (ii) DBL purchased from Unipol 'put' options which expire after 3 years, for total no.151,156,000 BNL shares, or 4.99% of the BNL share capital. DBL, furthermore, committed itself not to sell BNL shares involved in the call option referred to under (i) in other takeover bids currently being carried out.

Bologna, 18 July 2005

Unipol Assicurazioni S.p.A.

[www.unipol.it](http://www.unipol.it)

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*The Tender Offer described in this announcement is not being made, directly or indirectly, in or into the United States, or by use of the mails, or by any means or instrumentality (including, without limitation, facsimile transmission, telephone and the internet) of interstate or foreign commerce, or of any facility of a national securities exchange, of the United States and the Offer cannot be accepted by any such use, means, instrumentality or facility or from within the United States. "United States" means the United States of America, its territories and possessions, any State of the United States and the District of Columbia.*

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