



PRESS RELEASE

IN ACCORDANCE WITH ARTICLE 37(5) OF THE REGULATION ADOPTED BY CONSOB IN ITS RULING
11971 OF 14 MAY 1999

Bologna, 16 August 2005. This press release follows the launch of a global mandatory public tender offer (the **Offer**) by Compagnia Assicuratrice Unipol S.p.A. (**Unipol** or the **Bidder**) in accordance with the provisions of Articles 102, 106 (1) and 109 (1) (a) of Legislative Decree 58 of 24 February 1998 and subsequent amendments (the **Consolidated Law**) and of the provisions of the regulation to implement the Consolidated Law relating to issuers adopted by CONSOB in its Ruling 11971 of 14 May 1999 and subsequent amendments (the **Regulation on Issuers**).

PREAMBLE

On 18 July 2005 Unipol signed:

- (1) 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 referred to collectively as the **Pact Members**) a shareholders' agreement (the **Shareholders' Agreement**) for the purpose of combining their shareholdings in BNL, totalling 30.86% of BNL's ordinary share capital subscribed on the date of the Shareholders' Agreement. Under the Shareholders' Agreement the Pact Members have granted to Unipol the right to acquire the shareholdings in BNL held by them (the **Call on the Pact Members**). The Call on the Pact Members may be exercised – up to the number of shares required to reach 51% of the ordinary share capital of BNL on conclusion of the Offer – from the date the period for accepting the Offer (the **Acceptance Period**) begins until the thirtieth day after the end of the Acceptance Period, with the exception of the option relating to Banca Carige S.p.A. – Cassa di Risparmio di Genova e Imperia, which may be exercised until 30 November 2005;
- (2) with Crédit Suisse First Boston International (**CSFB**) – the holder, as at 18 July 2005, of 4.18% of BNL's subscribed ordinary share capital – another

shareholders' agreement also having the purpose of combining (i) the various shareholdings in BNL and (ii) any further holding in BNL – representing 0.32% of BNL's ordinary share capital subscribed on the same date – that CSFB might acquire from third parties (the **CSFB Agreement**). In this respect, on 18 July 2005 CSFB entered into a forward contract with Banca Finnat Euroamerica S.p.A. relating to the above holding representing 0.32% of BNL's ordinary share capital¹. In addition, on the same date Unipol signed a separate agreement with CSFB relating to a call option in favour of Unipol and a put option in favour of CSFB on CSFB's shareholdings in BNL mentioned above under which (i) the call option may be exercised during the period that starts five days before the date the Acceptance Period ends and ends on 15 January 2006 and the put option may be exercised, provided certain specific conditions apply, for a period of twenty days following 18 July 2008;

- (3) with Società Iniziative Autostradali e Servizi S.p.A. (**SIAS**) a shareholders' agreement governing, inter alia, the granting (i) in favour of Unipol the right to acquire from SIAS the BNL shares held by it (the **SIAS Shares**), representing 0.50% of BNL's ordinary share capital subscribed on the same date and (ii) in favour of SIAS an option to sell to Unipol the SIAS Shares (the **SIAS Call and Put**). The call option may be exercised until the thirtieth day from the end of the Acceptance Period, whilst the put option may be exercised, provided certain specific conditions apply, during the period of thirty days following 18 July 2008;
- (4) with Banca Popolare Italiana – Banca Popolare di Lodi – Società Cooperativa, Banca Popolare di Vicenza – Società Cooperativa per Azioni, and with Mr Alvaro Pascotto (together with SIAS hereinafter referred to as the **Other Shareholders**) further various bilateral shareholders' agreements for, inter alia, granting in favour of Unipol the right to acquire the BNL shares held by them, representing a total of 6.1% of BNL's ordinary share capital subscribed on the same date. The call options relating to Banca Popolare Italiana – Banca Popolare di Lodi – Società Cooperativa and Mr Alvaro Pascotto may be exercised until the thirtieth day after the end of the Acceptance Period. The call option relating to Banca Popolare di Vicenza S.c.p.a. may be exercised until the

¹ In addition, also on 18 July 2005 and following the signing of the CSFB Agreement, in accordance with the provisions of this agreement and in pursuance of it, CSFB transferred the above holding of 4.18% in BNL to Crédit Suisse, registered at Paradeplatz 8, Zurich (Switzerland), which formally participated in the CSFB Agreement, with the right of repurchase at CSFB's request.

thirtieth day after the end of the Acceptance Period for the entire holding if the Acceptance Period begins after 31 December 2005, or for a smaller amount if the Acceptance Period begins at an earlier date. In this latter case the call option on the residual portion of BNL shares may be exercised between 1 and 30 January 2006 (the **Call on the Other Shareholders** and, together with the Shareholders' Agreement, the CSFB Agreement and the SIAS Call and Put, hereinafter referred to collectively as the **Shareholders' Agreements**);

- (5) with Banca Carige S.p.A. – Cassa di Risparmio di Genova e Imperia a further and different shareholders' agreement governing, inter alia, the granting in favour of the latter of the right to sell to Unipol the BNL ordinary shares held by it, representing 1.99% of BNL's ordinary share capital subscribed on the same date (the **Carige Put**). The option right may be exercised, provided certain specific conditions apply, during the period of thirty days following 18 July 2008; and
- (6) with Hopa S.p.A. a further shareholders' agreement governing, inter alia, the granting in favour of the latter of a right to sell to Unipol, on specific conditions and only if – following any delisting of BNL as a result of the Offer – on 31 October 2007 no process has been launched for getting BNL shares listed once again – the BNL ordinary shares held by it, representing a total of 4.99% of BNL's ordinary share capital subscribed as at the same date. This option may be exercised between 1 November 2007 and 31 December 2007 (the **Hopa Put** and, together with the Carige Put, hereinafter referred to as the **Puts**).

CONSOB and the market have been duly notified of the Shareholders' Agreements and the Puts in accordance with the Consolidated Law and the Regulation on Issuers.

The table below shows details of the BNL ordinary shares that are the subject of the Shareholders' Agreements and of the Puts (the **Syndicated Shares**) and shows the relative percentages calculated on the basis of BNL's ordinary share capital subscribed as at 18 July 2005 (the date on which the agreements in question were signed) and of the fully-diluted share capital.

SHARES SYNDICATED AS AT THE DATE THE SHAREHOLDERS' AGREEMENTS WERE SIGNED			
Shareholders	N° of	% of ordinary capital as at 18 July 2005	% of fully-ordinary shares
Compagnia Assicuratrice Unipol S.p.A.	451,820,000	14.92%	14.58%
Falea Società di Gestione Immobiliare	30,250,000	1.00%	0.98%
Coop Estense Società Cooperativa	30,250,000	1.00%	0.98%
Coop Adriatica S.c.a r.l.	30,250,000	1.00%	0.98%
Nova Coop Società Cooperativa	30,250,000	1.00%	0.98%
Hopa S.p.A.	151,156,000	4.99%	4.88%
Nomura International	150,576,006	4.97%	4.86%
Banca Carige S.p.A. - Cassa di Risparmio di Genova e Imperia	60,130,428	1.99%	1.94%
Shareholders'	934,682,434	30.86	30.15
Agreement		%	%
Credit	126,691,000	4.18	4.09
Suisse		%	%
Banca Popolare di Vicenza Società Cooperativa per Azioni	119,088,480	3.93%	3.84%
Banca Popolare Italiana Società Cooperativa a R.l.	50,550,000	1.67%	1.63%
Alvaro Pascotto	15,145,000	0.50%	0.49%
Sias - Società Iniziative Autostradali e Servizi	15,132,000	0.50%	0.49%
Other	199,915,480	6.60	6.45
Parties		%	%
TOTAL SYNDICATED	1,261,288,914	41.64	40.69
SHARES		%	%
held through the subsidiary Aurora Assicurazioni S.p.A.			

In addition, Unipol has signed with Deutsche Bank AG London (**DB**): (i) on 18 July 2005, an American call option agreement in favour of Unipol – which may be exercised until the thirtieth day following the closure of the Offer – and a European put option in favour of DB – which may be exercised three years after the agreement is signed – relating to 65,281,000 BNL ordinary shares, corresponding to 2.16% of BNL's ordinary share capital subscribed as at the same date; (ii) also on 18 July 2005, a European call option agreement in favour of Unipol – which may be exercised on 18 January 2006 – and a European put option agreement in favour of DB – which may be exercised three years after the agreement is signed – relating to 85,875,629 BNL ordinary shares, corresponding to 2.83% of BNL's ordinary share capital subscribed as at the above-mentioned date (on 11 August 2005 this agreement was extended in order to authorize Unipol to sell to DB a number of shares equal to the difference, if positive, between the 85,875,629 shares to which the agreement relates and the BNL ordinary shares actually allotted to DB under the underlying hedging agreements signed by DB with third parties); and (iii) on 12 August 2005, an American put option agreement in favour of Unipol, which authorizes the latter to sell to DB a number of BNL ordinary shares equal to the difference, if positive, between all the Shares – less 65,281,000 BNL ordinary shares – and the shares actually tendered. This put option may be exercised, on specific conditions, within 15 calendar days of the conclusion of the Offer (hereinafter referred to collectively as the **Deutsche Bank Agreements**).

It should also be pointed out that DB has undertaken not to tender its own BNL ordinary shares to which the Deutsche Bank Agreements relate.

In addition, it should be pointed out that the number of BNL ordinary shares on which Unipol may, subject to obtaining the required legal authorization, exercise the purchase rights referred to above account for a total of 31.97% of the BNL ordinary shares in issue as at the same date. Therefore merely by exercising these options Unipol would, provided certain specific conditions apply, end up holding 46.86% of BNL's ordinary share capital subscribed as of today.

As shown in the table above relating to the Syndicated Shares as at the date the Shareholders' Agreements were signed, on 18 July 2005 Unipol and the Pact Members held a total of 30.86% of BNL's subscribed ordinary share capital and, together with CSFB and the Other Shareholders, a total of 1,263,383,944 BNL ordinary shares (the **Excluded Shares**) corresponding to 41.64% of BNL's subscribed ordinary share capital and to 40.69% of the Issuer's fully-diluted ordinary share capital, thus exceeding the threshold of 30% referred to in Article 106 (1) of the Consolidated Law.

As a result of the signing of the Shareholders' Agreements, in accordance with Article 109 (1) (a) of the Consolidated Law, Unipol, the Pact Members, CSFB and the Other Shareholders were jointly and severally compelled, under Article 106 (1) of the Consolidated Law, to launch a public tender offer for all BNL's ordinary shares. In accordance with the provisions of the Shareholders' Agreements this joint and several obligation falls exclusively to Unipol, which will bear the full costs, including paying the cost of the Offer (the **Cost of the Offer**), and will keep the Pact Members, CSFB and the Other Shareholders indemnified for the charges and costs involved.

In view of the above, having today notified CONSOB in accordance with Article 102 (1) of the Consolidated Law and Article 37 of the Regulation on Issuers, Unipol hereby

ANNOUNCES

in accordance with and in view of Article 37 (5) of the Regulation on Issuers that it has launched a mandatory public tender offer in accordance with the provisions of Article 106 (1) and Article 109 (1) (a) of the Consolidated Law relating to 1,836,310,901 ordinary shares of the Banca Nazionale del Lavoro S.p.A., each having a nominal value of €0.72, cum coupon (the **Shares**), corresponding to 59.24% of the approved ordinary share capital (including 65,036,450 shares the issue of which was approved to service the stock option plans) and accounting for all BNL's (fully-diluted) ordinary shares less the 1,263,383,944 Excluded Shares as at the date of this communication.

* * *

Below are listed the essential elements of the Offer, the purposes and reasons, the performance guarantees, the fundraising methods, the conditions of validity, the current shares held or that may be acquired by the Bidder or by the parties acting in agreement with the Bidder and the names of the financial advisers and of the business adviser.

1. ESSENTIAL ELEMENTS OF THE OFFER

1.1 Parties to the operation

Bidder

Compagnia Assicuratrice Unipol S.p.A., a public limited company under Italian law the registered office of which is at Via Stalingrado 45, Bologna, entered under n° 00284160371 in the Bologna Companies' Register, with share capital subscribed and paid up, as of today, of ~~€~~65,513,627.00, subdivided into 965,513,627 shares (597,487,319 of which are ordinary shares and 368,026,308 are preference shares). The Bidder's shares are currently listed on the Mercato Telematico Azionario (automated stock exchange) organized and managed by Borsa Italiana S.p.A. (hereinafter referred to as the **MTA**).

Issuer

Banca Nazionale del Lavoro S.p.A., a company under Italian law with registered office at Via Vittorio Veneto 119, Rome, entered under n° 00651990582 in the Rome Companies' Register, with subscribed and paid up share capital of €2,201,656,842.72, subdivided into 3,034,658,395 ordinary shares (99.24% of the total share capital) and 23,198,331 savings shares (0.76% of the total share capital) each with a nominal value of €0.72.

Intermediary charged with coordinating the receipt of acceptances for the Bid

Euromobiliare SIM S.p.A. (**Euromobiliare**).

1.2 Securities to which the Offer relates

The Offer relates to 1,836,310,901 ordinary shares of the Banca Nazionale del Lavoro S.p.A. (**BNL** or the **Issuer**), each with a nominal value of €0.72, cum coupon, representing, as of today, 59.24% of the ordinary share capital (including the 65,036,450 shares to service the stock option plans), which represent all the Issuer's fully-diluted ordinary shares, less the 1,263,383,944

BNL ordinary shares that Unipol, the Pact Members, CSFB and the Other Shareholders hold as of today.

The table below shows details of the Excluded Shares:

EXCLUDED SHARES AS OF TODAY			
Shareholder	N° of shares	% of ordinary share	% of fully-diluted share
Compagnia Assicuratrice Unipol S.p.A.	451,820,000	14.89%	14.58%
Falea Società di Gestione Immobiliare	30,250,000	1.00%	0.98%
Coop Estense Società Cooperativa S.c.a r.l.	30,250,000	1.00%	0.98%
Coop Adriatica S.c.a r.l.	30,250,000	1.00%	0.98%
Nova Coop Società Cooperativa	30,250,000	1.00%	0.98%
Hopa S.p.A. **	151,157,502	4.98%	4.88%
Nomura International	150,576,006	4.96%	4.86%
Banca Carige S.p.A. - Cassa di Risparmio di Genova e Imperia	60,130,428	1.98%	1.94%
Shareholders'	934,683,936	30.80	30.15
Agreement		%	%
Credit Suisse	128,784,528	4.24	4.15
***		%	%
Banca Popolare di Vicenza Società Cooperativa per Azioni	119,088,480	3.92%	3.84%
Banca Popolare Italiana Società Cooperativa a R.l.	50,550,000	1.67%	1.63%
Alvaro Pascotto	15,145,000	0.50%	0.49%
Sias - Società Iniziative Autostradali e Servizi	15,132,000	0.50%	0.49%
Other	199,915,480	6.59	6.45
Parties		%	%
TOTAL EXCLUDED	1,263,383,944	41.63	40.76

SHARES including through the subsidiary Aurora Assicurazioni

*p.A. 1,502 shares are not included in the Shareholders' Agreement (as defined

below) 2,093,526 shares are not included in the CSFB Agreement (as defined

below)

It should also be pointed out that the Offer does not cover BNL's 23,198,331 savings shares either, each of which has a nominal value of €0.72 and which represent 0.76% of the total share capital.

The number of Shares could fall if after today the Bidder, CSFB, the Pact Members and the Other Parties acquire BNL ordinary shares outside the scope of Offer.

1.3 Recipients of the Offer

The Offer is launched exclusively in Italy since the Shares are traded only on the MTA and is made on equal terms to all holders of the Issuer's ordinary shares.

In any case the Offer is not and will not be launched in the United States of America, in Canada, in Japan, in Australia, nor in any other countries in which it may not be circulated without the permission of the relevant authorities (hereinafter referred to jointly as the **Excluded Countries**) nor using the postal services nor any other means of international communication or trade (including, by way of example, the postal network, fax, telex, e-mail, telephone and Internet) in the Excluded Countries, nor by means of any of the national regulated markets in the Excluded Countries, nor in any other way. As a result a

copy of the Offer document (hereinafter referred to as the **Offer Document**), and a copy of any other documents that the Bidder has issued or will issue relating to the Offer, are not and will not have to be sent nor transmitted nor distributed in any other way in the Excluded Countries.

Nobody receiving the Offer Document (including but not limited to financial intermediaries, depositaries, custodians, fiduciaries and trustees) may distribute it, send it (including by post or e-mail) to or in the Excluded Countries nor use the postal services and other similar means of communication in relation to the Offer. Anyone in possession of the above documents must not distribute them, send them or transmit them to or in the Excluded Countries and must not use the means of communication or international trade of any kind of the Excluded Countries for any purpose in connexion with the Offer.

The Offer Document does not constitute and may not be interpreted as an offer made to parties resident in the Excluded Countries.

Acceptance of the Offer by individuals resident in Countries other than Italy may be subject to specific legal or statutory duties or restrictions. It is the responsibility of the recipients of the Offer alone to comply with these regulations and therefore, before tendering their shares, to check whether there are any such regulations and how they apply, if necessary taking appropriate advice.

Only acceptances of the Offer made in compliance with the restrictions referred to above will be valid.

1.4 **Unit amount and maximum cost of the Offer**

The Bidder will pay to each shareholder who accepts the Offer the unit amount of €2.70 per share (the **Unit Amount**) as mentioned in the press release drawn up in accordance with Article 114 of the Consolidated Law and issued on 18 July 2005.

As the public tender offer is mandatory – launched in accordance with Article 106 (1) of the Consolidated Law – the price per share must not be less than that determined in accordance with Article 106 (2) of the Consolidated Law, or not less than the average of (A) the weighted average market price of the Issuer's ordinary shares over the last twelve months and (B) the higher price agreed over the same period by the parties who have undertaken to launch this Offer in order to acquire the Issuer's ordinary shares.

With reference to the Offer, the unit price must therefore not be less than €2.569, the average of:

- (A) €2.185, the weighted average market price of the Issuer's ordinary shares recorded on the MTA during the period between 4 August 2004 and 3 August 2005, the day before the day on which the Bidder provided the market with all the essential elements of the Offer; and
- (B) €2.952, the higher price agreed by the parties who have undertaken to launch this Offer to acquire the Issuer's ordinary shares over the same period (4 August 2004 – 3 August 2005). In ascertaining this higher price one of the aspects the Bidder and the other parties who have undertaken to launch this Offer have taken into account is the price of exercising the call and put options referred to in the Shareholders' Agreements, in the Puts and in the Deutsche Bank Agreements.

In addition, the Bidder has decided to ignore the minimum price resulting from the application of the provisions referred to in Article 106 (2) of the Consolidated Law (€2.569) and will pay shareholders who accept the offer €2.70 for each Share held.

In fact Unipol has decided to pay those accepting the Offer a premium of: (i) 5.12% of the minimum price (€2.569) that would result from applying the legal criteria, (ii) 1.58% of the market value of the BNL security as at 3 August 2005 (€2.658) and (iii) 23.57% of the weighted daily average listed price of the BNL security over the period between 4 August 2004 and 3 August 2005 (€2.185).

In determining the Unit Amount account has also been taken of the acquisitions carried out by the Pact Members (with the exception of Unipol), CSFB and several Other Shareholders on 18 July 2005, following the dissolution of the 'BNL Counterpart', which tied shareholders selling their shares. Acquisitions under the 'BNL Counterpart' were in fact made for an amount of €2.70 per BNL ordinary share.

On the basis of the Unit Amount, the maximum countervalue of the Offer, if all the recipients accept it, will be €4,958,039,432.70 (the **Maximum Expenditure**).

1.5 Duration of the Offer and acceptance procedure

Duration of the Offer

The Acceptance Period during which the Shares may be tendered will be agreed with Borsa Italiana S.p.A. (**Borsa Italiana**), in accordance with Article 40 (2) of the Regulation on Issuers, immediately after the following events, which, under Article 40 (3) of the Regulation on Issuers, constitute the conditions for the start of the Acceptance Period, have taken place:

- (i) the issue by the Bank of Italy of the authorization applied for on 4 August 2005 for UNIPOL to acquire control of BNL, in accordance with Article 19 of the Banking Consolidated Law and with Part II, Chapter I, Section II, Paragraph 4 of the Supervisory Instructions. In this regard it should be mentioned that in its ruling dated 9 August 2005 the Bank of Italy suspended the period of thirty days for obtaining figures from ISVAP.
- (ii) the issue by the Bank of Italy of the authorization applied for on 4 August 2005 for UNIPOL to acquire indirectly shares in BNL Fondi Immobiliari Società di Gestione del Risparmio p.A. and in BNL Gestioni Società di Gestione del Risparmio p.A. in accordance with Article 15 of the Consolidated Law; and
- (iii) the transmission to CONSOB of the documentation relating to setting up performance guarantees (see point 3.1).

CONSOB, Borsa Italiana and at least two press agencies will be notified that the above-mentioned authorizations have been issued and that the Acceptance Period has started and the market and the public will be notified by means of a notice published in at least one national daily newspaper as soon as the Bidder has been officially informed.

The Bidder will notify CONSOB, Borsa Italiana and at least two press agencies of the duration of the Acceptance Period, as agreed with Borsa Italiana, and will publish a notice in at least one national daily newspaper.

In accordance with Article 43 (1) of the Regulation on Issuers the Bidder reserves the right to extend the Acceptance Period. This right may be exercised until three trading days before the end of the Acceptance Period. Notification of this extension will be made in accordance with the procedures indicated in Article 37 (5) of the Regulation on Issuers.

Procedure for acceptance

Acceptance of the Offer by holders of the Shares (or by their authorized representatives) is irrevocable, except in the cases allowed by current legislation, and must be made by completing and signing the relevant Acceptance Slip and at the same time depositing the Shares with the intermediaries authorized to record acceptances indicated in the Offer Document (the **Authorized Intermediaries**).

Shareholders who intend to accept the Offer may also send the acceptance slip (the **Acceptance Slip**) to any other intermediary with which the Shares owned by them are deposited (hereinafter referred to individually as the **Custodian Intermediary**), provided that the Acceptance Slip is submitted in time to enable each Custodian Intermediary to arrange for the Shares to be sent to an Authorized Intermediary by the end of the Acceptance Period.

1.6 **Amending the terms of the Offer**

The Bidder reserves the right to amend the terms of the Offer within the limits allowed by current legislation or regulations and will provide notification in the ways provided for in Article 37 of the Regulation on Issuers.

1.7 **Authorizations**

Below are listed the authorizations that the Bidder has applied for or will apply for in relation to the Offer, indicating the principal terms and conditions of the regulation concerned.

(i) Authorization by the Bank of Italy relating to holdings of bank shares

On 4 August 2005 the Bidder submitted to the Bank of Italy an application for authorization to acquire control of BNL and of the relative indirect major shareholdings in banks, in accordance with Article 19 of the Banking Consolidated Law, in accordance with Law 287 of 10 October 1990.

In this respect it should be mentioned that in its ruling of 9 August 2005 the Bank of Italy suspended the period of thirty days for the authorization to be issued since, *“in view of the fact that the [UNIPOL Group] is subject to the supervision [of ISVAP], it has become necessary to launch a consultation process with the latter. On 9 August [the Bank of Italy]*

therefore consulted ISVAP in order to ascertain the appropriate and relevant assessments relating to the application made by UNIPOL on 4 August.”

The Acceptance Period cannot begin until this authorization has been issued and the Bidder may not waive this precondition. Therefore, in the event that authorization is not forthcoming, the Acceptance Period and the Offer will not start.

(ii) Authorization by the Bank of Italy relating to shareholdings in investment management companies

On 4 August 2005 in accordance with Article 15 of the Consolidated Law UNIPOL notified the Bank of Italy in advance of the acquisition of the indirect control of the investment management companies BNL Fondi Immobiliari SGR S.p.A. and BNL Gestioni SGR S.p.A.

The Acceptance Period cannot begin until this authorization has been issued and the Bidder may not waive this precondition. Therefore, in the event that authorization is not forthcoming, the Acceptance Period and the Offer will not start.

(iii) Authorization by ISVAP relating to shareholdings in insurance companies

As the acquisition of the control of BNL through the Offer will involve the indirect acquisition of a further holding of 50% of the share capital of BNL Vita S.p.A., on 8 August 2005 application was made to ISVAP for authorization to acquire this holding in accordance with Articles 10 and 11 of Law 20 of 9 January 1991 and subsequent amendments.

It must be pointed out that this authorization does not have to have been issued before the Acceptance Period can start.

(iv) Authorization of the Antitrust Authority

On 4 August 2005, in accordance with Article 16 (1) (5), of Law 287 of 10 October 1990 (**Law 287/90**) the Bank of Italy was notified of the concentration operation, in its capacity as the competent authority, in accordance with Article 20 (2), of this law. The Bidder requested the Bank of Italy to send this communication to the Antitrust Authority (the **ATA**) so that it could make the appropriate and relevant assessments.

It must be pointed out that this authorization does not have to have been issued before the Acceptance Period can start.

2. PURPOSE OF THE OFFER

The purpose of the Offer is to carry out a project to integrate the business activities of the BNL Group and the Unipol Group, which would be in the best interests, including the financial interests, of all the shareholders, clients and employees involved.

This project is the result of a long-term strategic plan enabling Unipol – which is already a major financial group in the insurance and banking sector – to become one of the foremost groups in Italy in insurance, banking and asset-management services as a result of its innovative type of presence on the domestic market and its considerable business strengths, as illustrated below.

The strategic plan in question is a coherent part of the process of commercial and economic growth successfully undertaken by the Unipol Group over the past few years.

In fact for some time Unipol has been consolidating a clearly-delineated strategy of expanding its presence on the market aimed at fulfilling in an integrated fashion the various requirements of its clients in the sectors of insurance, banking and asset management, including individual and group supplementary pension schemes (a sector that offers considerable opportunities in the light of the reform due to come into effect next January) and health (in which the Unipol Group already has approximately two million clients and a managed care scheme that is innovative in the market) with Unisalute S.p.A.

Unipol Group's target market is represented by households and small and medium enterprises, sectors in which Unipol may justifiably be proud of the efficient way in which its network of agencies is focused and of its strong relationship with trade unions and trade associations such as CNA (Confederazione Nazionale dell'Artigianato – National Confederation of Craftsmen), Confesercenti (commerce and tourism) and CIA (Italian Confederation of Farmers).

This strategy has already led to the success of major schemes for growth and investment in the insurance and banking sectors.

With reference to insurance, in particular, control of the Italian business of Winterthur, now renamed Aurora Assicurazioni S.p.A. as a result of the merger with the business of the subsidiary Meieaurora S.p.A., was acquired in 2003.

With reference to the banking sector, the Unipol Group entered this market at the beginning of 1999 when it acquired Banca dell'Economia Cooperativa S.p.A., then a small company with only 13 branches, renamed it Unipol Banca S.p.A. (**Unipol Banca**) and entrusted it with a special plan for growth. In fact Unipol Banca has a high profile on the domestic banking scene not only because of its high rates of growth (the result of a trend of substantial organic growth and of operations leading to considerable external growth) but also and in particular because of the substantial business it obtains as a result of the innovative scheme it has adopted of combining banking (branches) and insurance (agencies).

In its fullest sense, this model is based on the direct integration of bank branches and insurance agencies, especially as far as logistics is concerned (adjacent offices on the same site) and consequently as far as business and the service offered to both sets of clients are concerned, though the two roles (banking and insurance) are completely independent.

This physical proximity means that Unipol Banca branches are characterized by considerable levels of cross-selling to clients of the combined agency (both retail and small business). For the insurance agent, as well as proportionate income in terms of fees, income from cross-selling insurance products provided by Unipol and Aurora is also considerable (for example MV, household, individual, supplementary pension and health, Life products being sold direct by the banking network to its own clients).

Unipol Banca's success in adopting this model is due in particular to the fact that the insurance and banking sales networks are linked both by their logistical proximity and by their use of the same IT system. In fact this provides considerably competitive advantages such as:

- the availability of high-quality information provided by a combined database enabling clients' requirements in terms of financial products to be better understood;
- more opportunity both for the insurance agency and for the bank branch for 'spontaneous' contact with clients during their visits to the sales outlet;

- logistical advantages for the client, who at a single point of sale benefits from the full range of banking, insurance, supplementary pension and health products; and
- the possibility of drawing up and offering to clients commercial products targeted at specific requirements in terms of both product mix and pricing.

The success of the strategy and of the selling model has already led to Unipol Banca and Unipol achieving excellent results from the operational and commercial point of view as can be seen from the fact that almost 19% of all Unipol Banca's clients have been acquired as a result of cross-selling to clients of the network of agencies (i.e. have been introduced by agencies) and, as regards cross-selling insurance products to banking clients, more than 20% of clients of the bank branches have also become clients of the co-located agency.

The gradual introduction of the model in question also shows the first substantial returns at the financial level. The helping hand provided by factors such as the opening of new branches, the inclusion in the scheme of newly-acquired branches which start to produce an income, the recent more favourable ratio between the contribution margin of the network (which is well up) and head office costs (which to a large extent are fixed) has meant that in the first half of 2005 Unipol Banca was able to record a result that was more than 65% of that for the whole of 2004, with rates of growth for the full year 2005 predicted to be between 50% and 60% for the gross operating income and the net profit respectively and the cost/income ratio expected to be below 60%.

* * *

The Bidder intends to keep BNL shares listed on the MTA. In line with this intention, in the event that, following the Offer (including any Shares acquired after today and during the Acceptance Period but not under the Offer), the Bidder (together with the Pact Members, CSFB and the Other Parties):

- ends up with a holding exceeding 90% but not exceeding 98% of the Issuer's approved ordinary share capital, the Bidder declares that it will not launch a residual public tender offer in accordance with and as a result of Article 108 of the Consolidated Law, but that it will, within a hundred and twenty days of paying the amount of the Offer, readjust the value of the shares on the market sufficiently to ensure that trading can take place normally using the procedures deemed most appropriate to the requirements of the market; or

- ends up with a holding exceeding 98% of the Issuer's approved ordinary share capital, the Bidder declares that it will not exercise the right to acquire the residual Shares in issue, in accordance with and as a result of Article 111 of the Consolidated Law, but that it will, within one hundred and twenty days from the payment date of the Amount of the Offer, readjust the value of the shares on the market sufficiently to ensure that trading can take place normally. Unipol may readjust the value of the shares on the market in accordance with the procedures that are deemed most appropriate for the requirements of the market.

In particular, the value of the shares on the market could be readjusted by means of market operations and/or extraordinary financial operations such as increasing BNL's capital through the market or reallocating to the market some of the BNL shares owned by Unipol following the Offer. However, it should be mentioned that at this stage the Bidder is not planning to carry out any of these operations.

3. PERFORMANCE GUARANTEES AND FUNDRAISING METHODS

3.1 Performance guarantees

The Bidder's total financial commitment, in the event that all the recipients accept the Offer, will be €4,958,039,432.70.

This commitment will be met by the Bidder (i) depositing €896m (the **Bidder's Stake**) in a current account with the Milan branch of BNP Paribas and (ii) by entering into a loan agreement on 12 August 2005 for a maximum of €4,067,696,013.70 (the **Financed Stake**) with the Milan branch of BNP Paribas, the Milan branch of Crédit Suisse, Deutsche Bank AG, the Milan branch of Bayerische Hypo- und Vereinsbank Aktiengesellschaft, Nomura Bank International Plc, Banca Carige S.p.A. – Cassa di Risparmio di Genova e Imperia, Banca Popolare dell'Emilia S.c.p.a., Banca Popolare di Vicenza S.c.p.a. and Lloyds TSB (the **Financing Agreement**).

Under the terms of the Financing Agreement and in accordance with Article 37 of the Regulation on Issuers, the credit institutions listed above, acting as a pool (the **Financing Institutions**), have issued a declaration of commitment (the **Letter of Commitment**) to set up, by 20 November 2005, a performance guarantee direct or through Lloyds TSB (acting in its capacity as agent of the Financing Institutions, the **Agent Bank**) in order to provide, in the terms listed

below, for the Financing Institutions to take on the pro rata commitment to provide the Bidder with a maximum of €4,067,696,013.70. The Letter of Commitment makes the issue of the performance guarantee conditional upon the issue of the authorizations required for the start of the Acceptance Period, notified to the market in accordance with Article 40 of the Regulation on Issuers, and upon the absence of events or circumstances relating to the Offer or to the Financing Agreement as a result of which if the performance guarantee were issued the Financing Institutions would find themselves acting in violation of decisions made by the judicial authorities, of administrative decisions or of laws or regulations applying to them.

Under the performance guarantee the Financing Institutions will make a pro rata irrevocable commitment to provide the Bidder with an amount not exceeding the Financed Stake by 30 December 2005 at the latest on the assumption that the authorizations relating to the Offer will be obtained.

The Bidder has deposited in a current account with the Milan branch of BNP Paribas (the **Current Account**) and set up as a pledge in favour of the Financing Institutions (the **Current Account Pledge**) an amount equal to the Bidder's Stake. The Current Account Pledge provides that the sums deposited in the Current Account must be used by the Bidder exclusively and as a priority to pay for the Shares contributed to the Offer and contains irrevocable instructions to the Agent Bank to use the Bidder's Stake for that purpose (also by means of instructions given to BNP Paribas).

3.2 Fundraising Methods

Prior to today's date Unipol acquired, including through its subsidiary Aurora Assicurazioni S.p.A., a total of 451,820,000 BNL ordinary shares at a cost of €1.24bn (the **Holding**). The acquisition of the Holding was entirely financed from capital and reserves.

As indicated above, the Offer provides for the Maximum Expenditure of a total of €4.96bn.

The following equity and similar resources will be available to meet these commitments:

- (i) a Unipol capital increase of a maximum of approximately €2.6bn, for which, on 12 August 2005, FINSOE paid the amount of €896m into an account for a future capital increase;

- (ii) free capital and reserves of approximately €200m and approximately €800m that can be set free; and
- (iii) subordinated debenture loans and/or other sources of long-term loans issued by the Unipol Group for a maximum of €1.4bn, which a consortium of leading banks made up of Nomura International Plc, Credit Suisse First Boston (Europe) Limited, Deutsche Bank AG, BNP Paribas and Bayerische Hypo- Und Vereinsbank AG has declared itself willing to place on the market.

Because of put options granted by DB in favour of the Bidder relating to a total of 151,156,629 Shares, if Unipol is called upon to incur the Maximum Expenditure its substantial commitment in relation to the Offer will, because of the above put options being exercised, fall to approximately €4.55bn following the date of payment of the Amount of the Offer.

If the income from the Capital Increase or from the other sources of finance referred to in point (ii) above and from the issue of the subordinated debenture loans mentioned above is, for any reason whatsoever, not available to Unipol on the Day of Payment, the Financed Stake (a maximum of €4,067,696,013.70) will be financed by means of the Financing Agreement, under which the Financing Institutions have undertaken to provide UNIPOL with the funds needed to fulfil the payment commitments arising out of the Offer once the Bidder's Stake has been used and up to the amount of the Financed Stake.

The Financing Agreement provides, inter alia, for the Bidder to issue declarations and guarantees and to make further commitments and for the possibility of withdrawing in favour of the Financing Institutions in line with banking practice where loans of this amount and nature are involved.

4. CONDITIONS OF VALIDITY OF THE OFFER

As the Offer is mandatory in accordance with the provisions of Article 109 (1) (a) and Article 106 (1) of the Consolidated Law, it is not subject to any condition of validity. In particular the Offer is not conditional upon a minimum acceptance threshold.

5. SHARES HELD OR THAT MAY BE ACQUIRED BY THE BIDDER OR BY THE PARTIES ACTING IN AGREEMENT WITH THE BIDDER

As of today, Unipol, the Pact Members, CSFB, SIAS and the Other Shareholders hold (and have the relative voting rights) direct and indirectly 1,263,383,944 BNL ordinary shares, corresponding to 40.76% of the fully-diluted ordinary share capital (including the 65,036,450 ordinary shares to service the stock option plans), 1,261,288,914 of which are conferred under the Shareholders' Agreements.

As of today, Unipol holds a total of 451,820,000 BNL ordinary shares,

- 305,500,000 of which are BNL ordinary shares held direct and account for 10.067% of the Issuer's ordinary share capital; and
- 146,320,000 of which are BNL ordinary shares held indirectly through Aurora and account for 4.822% of the Issuer's ordinary share capital.

Unipol may freely exercise the voting rights attaching to these shares.

With reference to the shareholdings mentioned above, the Bidder states that on 29 July 2005 the Banco Bilbao Vizcaya Argentaria S.A. applied to the Lazio Regional Administrative Court for annulment (i) of the ruling under which the Bank of Italy authorized Holmo S.p.A. (the company at the top of the participatory chain of the group to which the Bidder belongs) to acquire a 9.99% holding in BNL, (ii) of the ruling under which it authorized Holmo S.p.A. to increase its holding in BNL to 14.99% of the share capital, and (iii) of any other related act.

Granting the application for authorization to take control of BNL – submitted to the Bank of Italy on 4 August 2005 (see paragraph 1.7) – would in any case incorporate the rulings giving authorization for which annulment is applied.

* * *

Nomura International Plc, CSFB and DB have acted as UNIPOL's financial advisers for the purposes of the Offer, whilst Vitale & Associati S.p.A. has acted as business adviser. These consultants have also given UNIPOL permission to mention them in the Offer Document.

It should be mentioned that Nomura International Plc, CSFB and Deutsche Bank London AG could find themselves in a position of potential conflict of interests, since they or companies forming part of the groups concerned are, at the same time, financial

advisers to the Bidder, shareholders of BNL, Joint Global Coordinator for the capital increase referred to in point (i) of paragraph 3.2, and, together with other financial institutions, have signed the Financing Agreement.

* * *

This announcement is not an offer of securities for sale in the United States, Canada, Japan, Australia or in any other country where such an offer is not permitted without specific authorizations by the competent authorities.

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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