

PRESS RELEASE

**BANCA POPOLARE DELL'EMILIA ROMAGNA, BANCA POPOLARE DI SONDRIO
AND UNIPOL GRUPPO FINANZIARIO LAUNCH THEIR STRATEGIC
PARTNERSHIP IN LIFE AND NON-LIFE BANCASSURANCE BUSINESS.**

Under the partnership UGF will acquire a majority holding in the ARCA Insurance Group, which includes BPER, BPSO and other banking partners, and a ten-year distribution agreement will be entered into by the Arca Group, BPER and BPSO.

BOLOGNA, 24 December 2009 – Unipol Gruppo Finanziario ('UGF'), Banca Popolare dell'Emilia Romagna ('BPER') and Banca Popolare di Sondrio ('BPSO') have today signed an agreement to enter into a strategic partnership, for ten years, covering Life and Non-Life bancassurance business.

Under the agreement UGF will acquire a majority holding in the ARCA Insurance Group, subject to the authorization of the relevant authorities.

The ARCA Insurance Group, which consists of Arca Vita (operating in Life assurance) and Arca Assicurazioni (operating in Non-Life insurance), distributes its insurance products through more than 2,000 sales outlets of numerous banks, mainly co-operatives (the main ones being BPER and BPSO), and through its own network of approximately 160 insurance agencies.

To be specific, UGF is to acquire 60% of the share capital of Arca Vita S.p.A. from companies in the BPER Banking Group and BPSO at a price of approximately €274m and Arca Vita, which already holds 64.08% of the share capital of Arca Assicurazioni S.p.A., is to acquire a further 28.95% from the BPER Group and BPSO for approximately €43.42m. The cost of purchasing these shares will be adjusted and spread over a period to take account of whether specific objectives are achieved.

Alongside their partnership UGF, BPER and BPSO will also sign:

- a shareholders' agreement governing the business aspects of the partnership and the rules of corporate governance of Arca Vita and Arca Assicurazioni;
- an agreement governing the reciprocal call options that the parties will be entitled to exercise if the partnership is terminated.

Lastly, the Arca Group, BPER and BPSO will sign an exclusive distribution agreement for Life and Non-Life insurance products, which will remain in force until 31 December 2019 unless it is renewed.

The partnership will enable the UGF Group to expand its bancassurance business, both Life and Non-Life, by entering into a long-term relationship with some of the leading Italian banks, with which we share values and market basis..



The UGF Group was backed by Mediobanca – Banca di Credito Finanziario S.p.A. and by Gualtieri & Associati S.p.A. and was assisted by UGF Merchant S.p.A., Ernst & Young Financial-Business Advisers S.p.A. and the Chiomenti firm of lawyers.

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