

Offer on 59% of BNL Ordinary Shares

Creating the First Integrated Banking and Insurance Group in Italy

September 2005

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- rationale behind the operation and key aspects
- main synergies and integration costs

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Project Overview

Strategic Rationale

- ▶ Creating a large integrated banking and insurance group, with a distribution model that is unique in the Italian market
- ▶ Considerable strengthening and development of the Group's insurance and banking business, operating in an integrated way throughout the territory
- ▶ Considerable revenue (€280m) and cost (€260m) synergies arising from the implementation of several industrial levers of value creation.

Planned Operations

- ▶ Public Tender Offer ('PTO') on 59% of BNL ordinary share capital at a price of €2.7 per share.
- ▶ Following Group restructuring with the aim of splitting the insurance and banking business and preliminary to achieving synergies
 - sale to BNL of 100% of Unipol Banca and of its subsidiaries
 - sale to Unipol Assicurazioni of 50% of BNL Vita held by BNL

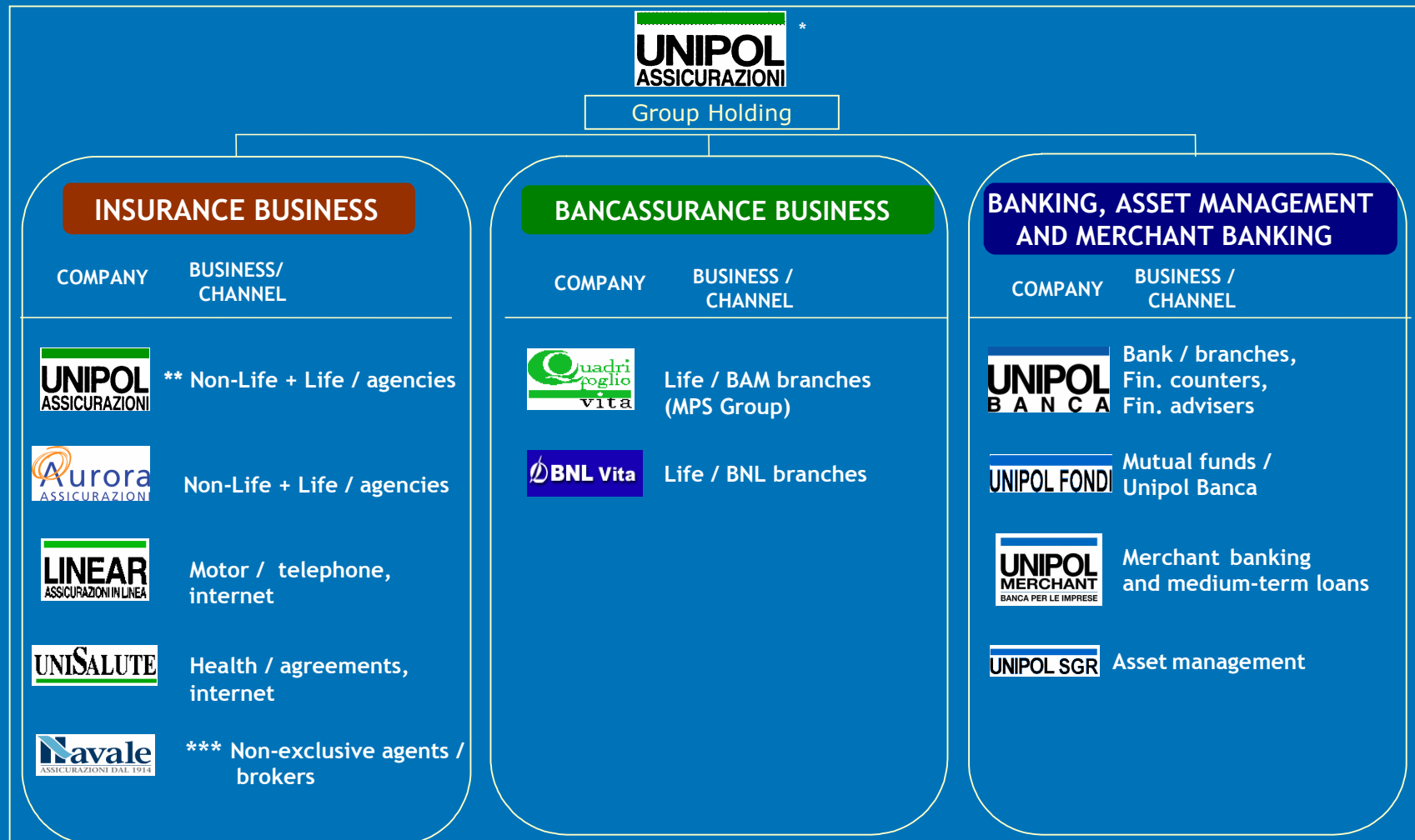
Ranking

- ▶ 4th Italian Financial Group in terms of revenue (€12bn) – the first to have an integrated network
- ▶ A total of over 9 million customers
- ▶ Considerable competitive benefits resulting from the specific integrated distribution model ("one stop shop")

The Unipol Group - Overview

- ▶ Founded in 1963, and having commenced activities in 1968, the Unipol Group today ranks third in the Italian insurance market in terms of premium income
- ▶ Operating not only in the traditional Life and Non-Life insurance business sectors, but also in the supplementary pension and health schemes sectors, Unipol recorded premium income of around €10bn in 2004, of which:
 - 60% in Life business (70% non-linked, 30% linked)
 - 40% in Non—Life business (of which over 60% in motor business)
- ▶ In 2004 around 45% of the Group's Life premiums derived from BNL Vita, a 50% joint venture between Unipol and BNL
- ▶ Thanks to a distribution network of over 1,800 agencies and 4,500 sales points, the Group operates throughout Italy with around 6.5 million customers, also by way of innovative distribution channels, such as the internet and telephone (through its subsidiary Linear, one of the leading companies in this sector)
- ▶ As from 1999 and following a precise strategic growth plan, the Group entered the banking business by acquiring a small credit institution which had 13 branches, and was subsequently renamed Unipol Banca.
- ▶ Unipol Banca today has 253 branches throughout Italy; it is characterized by considerable growth rates and, above all, by the peculiar and successful development of the distribution network, based on the integration of banking branches and insurance agencies.

The Unipol Group today

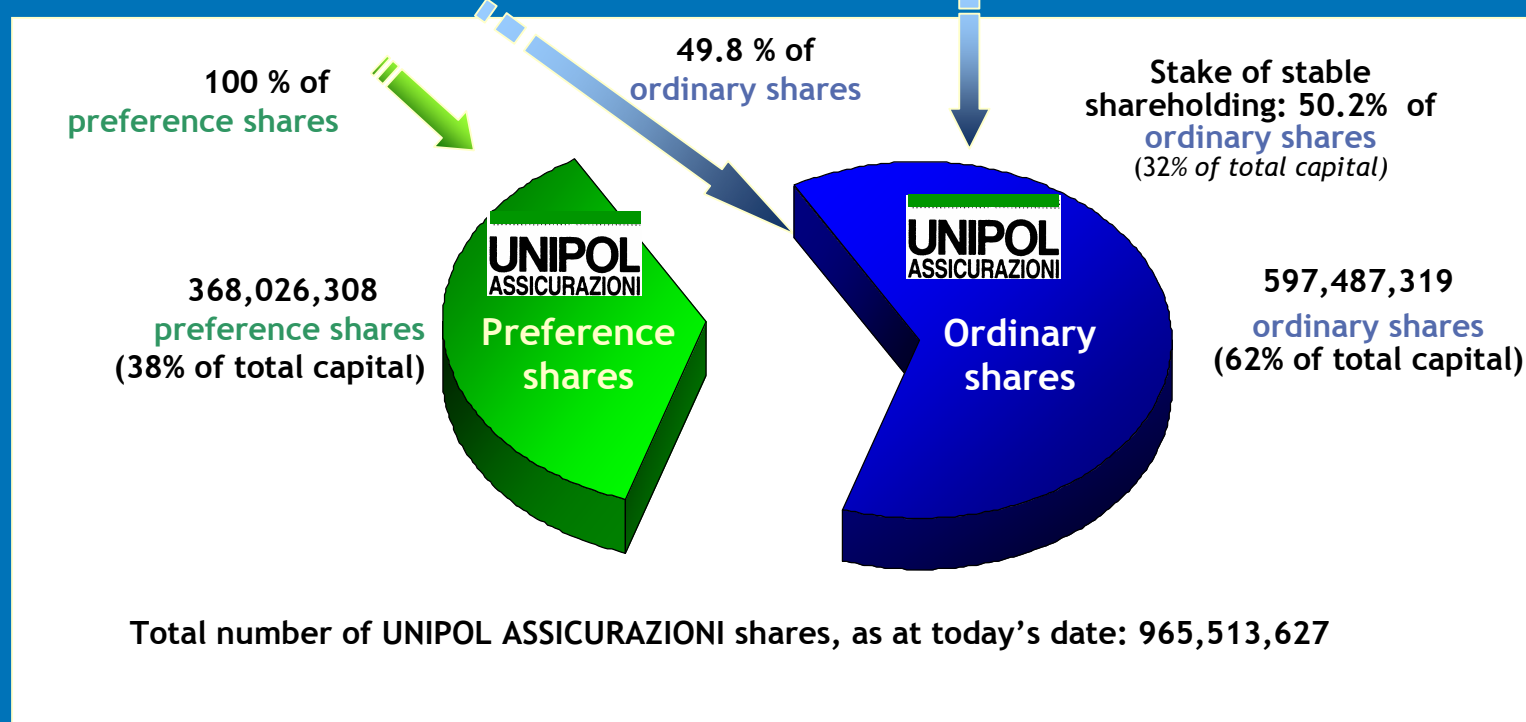
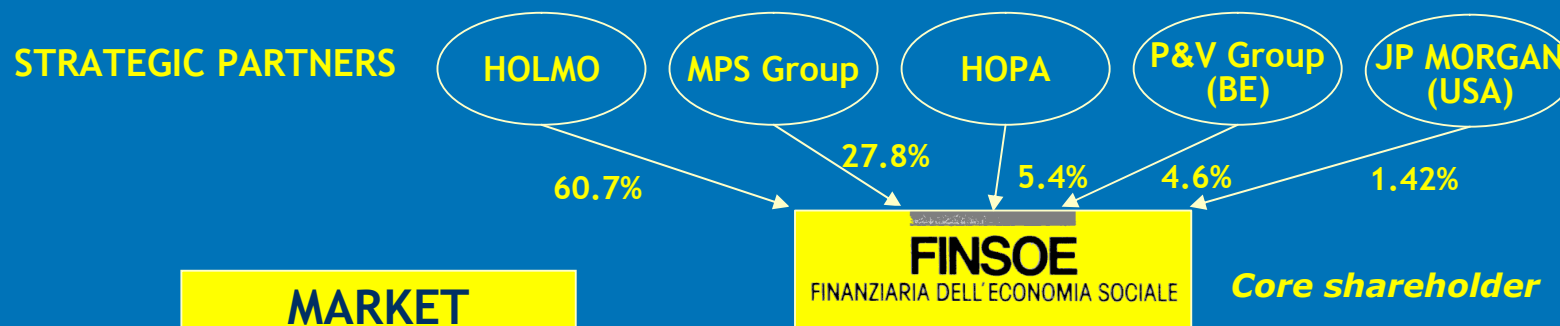


* Operating company and parent company.

** Unipol Assicurazioni also sells its Life products through Unipol Banca outlets.

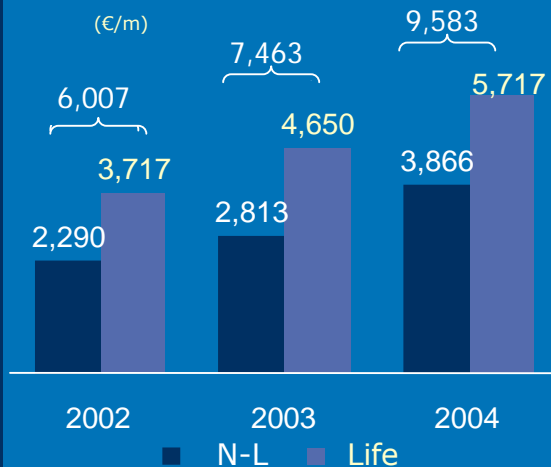
*** In February 2005 Navale Assicurazioni acquired 100% of MMI Danni S.p.A., MMI Assicurazioni S.p.A. and MMI Vita S.p.A. from the Mutuelles du Mans Assurance Group.

Shareholding structure

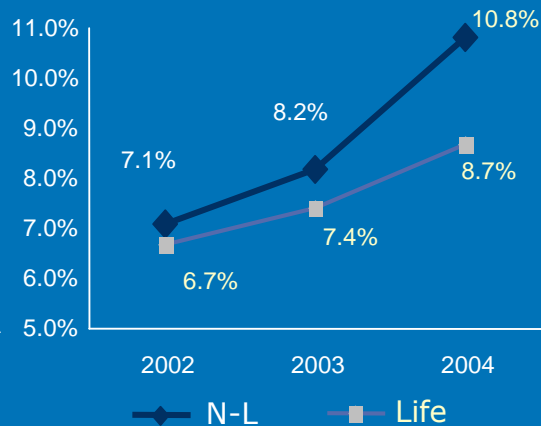


Consolidated Key Financials

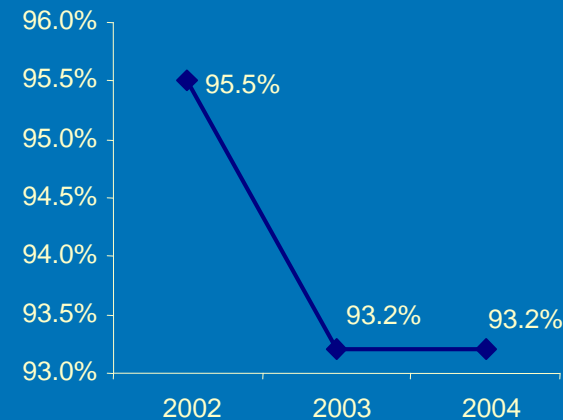
PREMIUMS – DIRECT BUSINESS



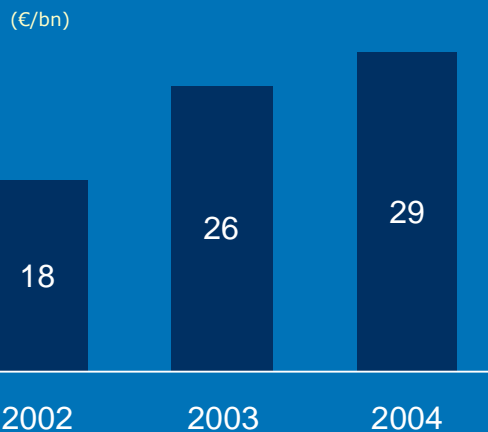
MARKET SHARES



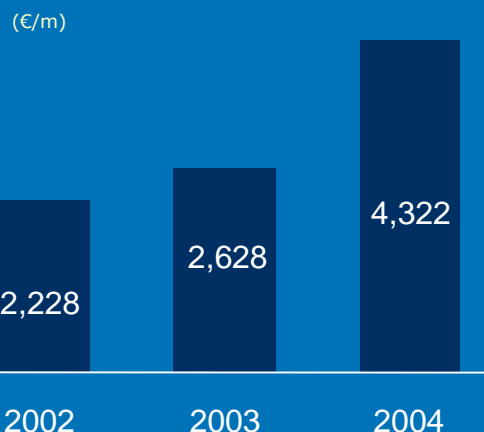
COMBINED RATIO



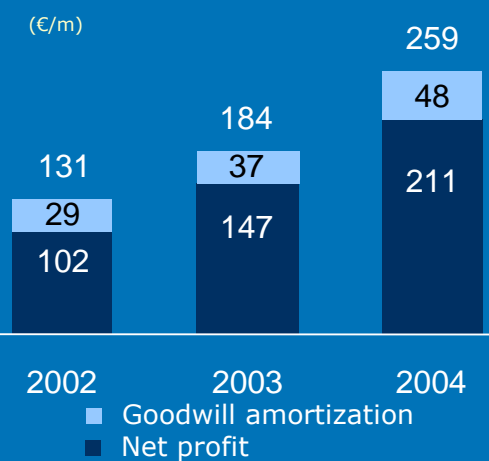
TOTAL INVESTMENTS (INSURANCE)



CUSTOMER DEPOSITS (BANK)

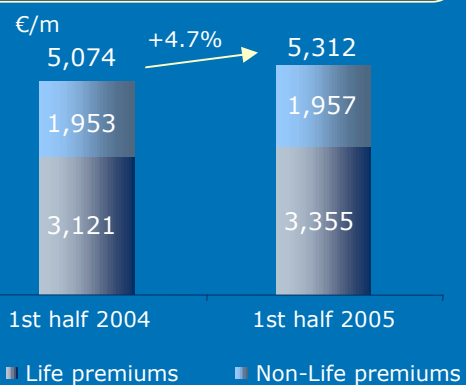


NET PROFIT

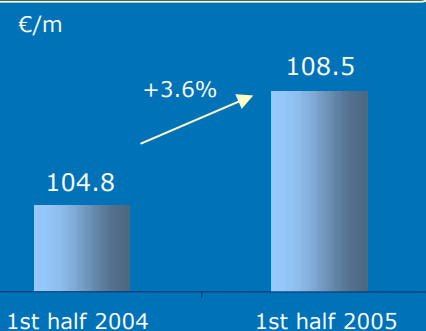


Results as at 30/06/05: key financials

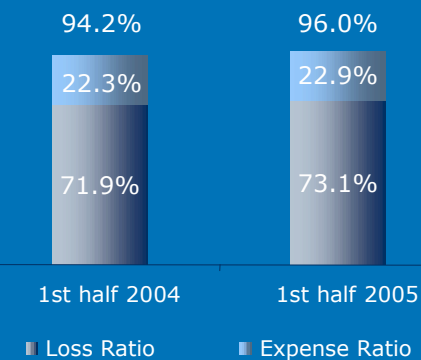
PREMIUMS – DIRECT BUSINESS



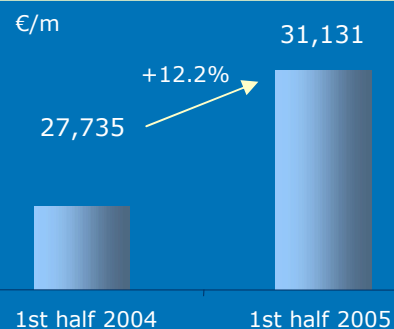
INSURANCE SECTOR TECHNICAL RESULT



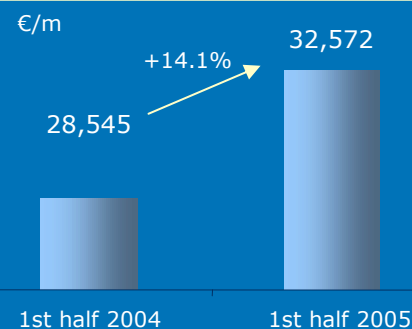
COMBINED RATIO



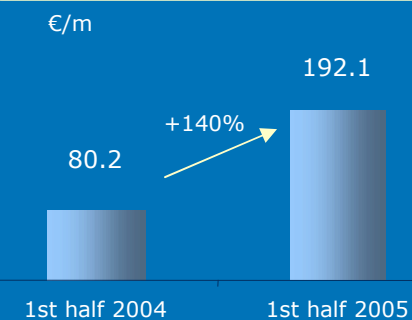
TECHNICAL PROVISIONS



INVESTMENTS



NET GROUP PROFIT after goodwill amortization



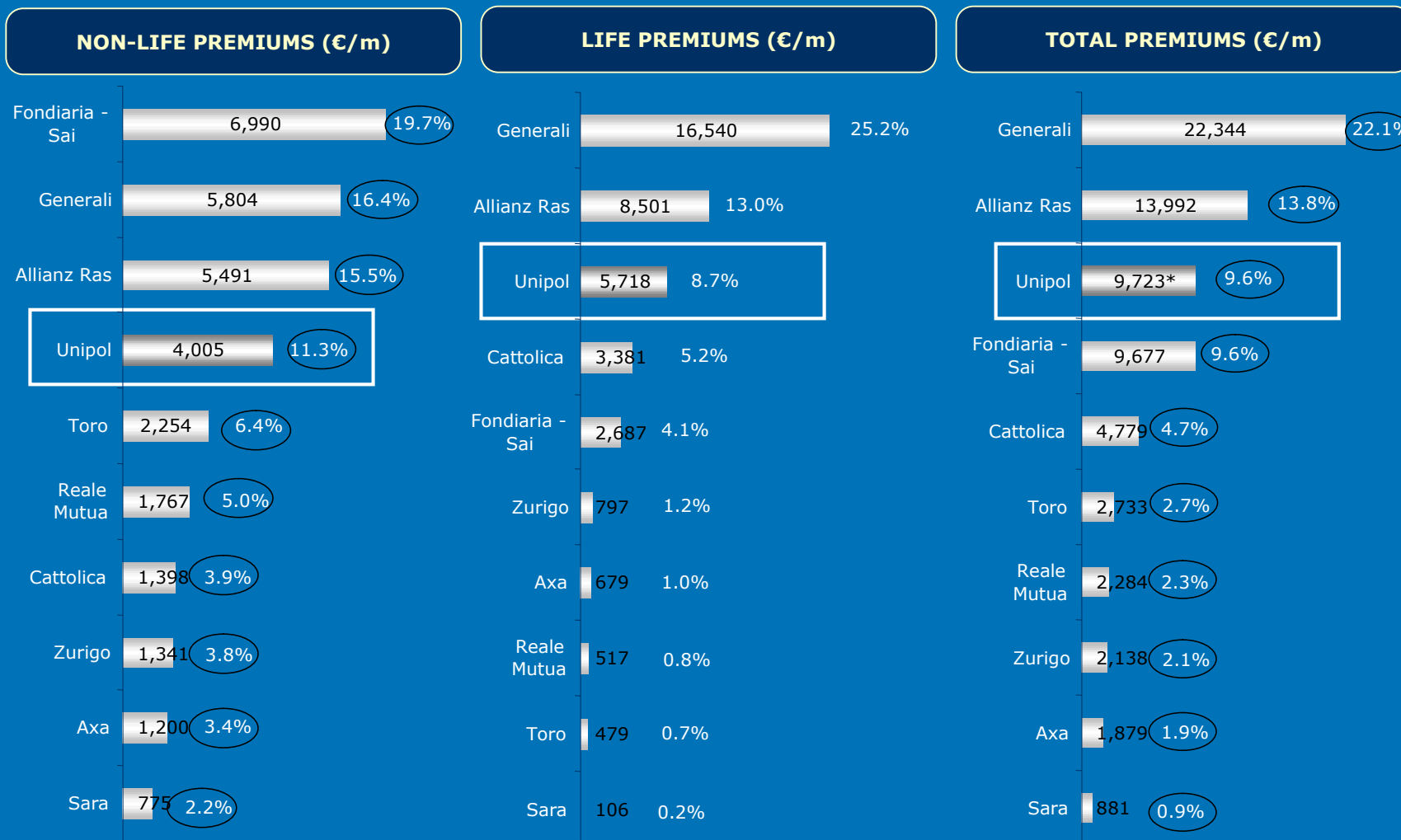
Results as at 30 June 2005 – Consolidated Profit and Loss Account

€/m	30 June 2004			30 June 2005		
	Life	Non-Life	Total	Life	Non-Life	Total
Total Life premiums and Non-Life earned premiums	3,097.8	1,718.2	4,816.0	3,339.9	1,835.6	5,175.4
Balance on the technical account (1)	32.0	72.8	104.8	60.6	48.0	108.5
Balance on financial management + other income/charges			79.0			224.5
Profit before taxation			183.8			333.1
Tax on profit			(84.1)			(111.6)
Consolidated profit			99.7			221.5
(Profit) Loss for the year - minority interests			(19.6)			(29.3)
GROUP PROFIT			80.2			192.1

(1) With regard to Non-Life business, consolidated accounts do not require the transfer of investment income from the non-technical account

Slight worsening in technical ratios (linked to contingent drivers), but all the opportunities in terms of costs optimization that are currently being streamlined have not been caught yet, particularly with regard to Aurora.

Ranking in the insurance sector



○ Market share

* Including premium income of the Mutuelles du Mans Assurance Group

2004 figures

1999-2004 - Insurance business trend

ACQUISITIONS - 2000

Acquired company	Acquired share	Vendor
meie	51.4%	TELECOM
(PTO) on meie	23.1%	Market
AURORA ASSICURAZIONI spa	100%	GENERALI
NAVALE ASSICURAZIONI Spa	98.2%	GENERALI
BNL Vita	50%	GENERALI

Total premiums:	€2,234m
Total assets :	€6,300m
Total invested:	€812m

ACQUISITIONS - 2003

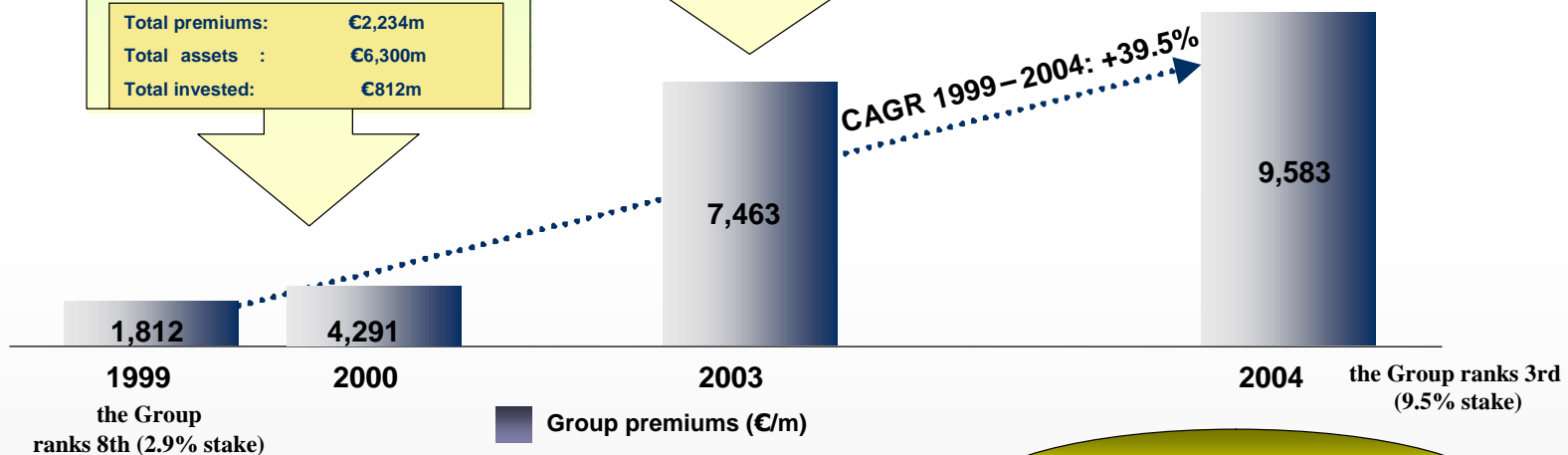
Acquired company	Acquired share	Vendor
winterthur	90%	Credit Suisse

Total premiums:	€1,931m
Total assets :	€5,971m
Total invested:	€1,319m

ACQUISITIONS - 2004
Acquired 100% of MMI Danni, MMI assicurazioni and MMI Vita from Mutuelles du Mans Assurances Group (premiums €140m)

MERGER - 2004

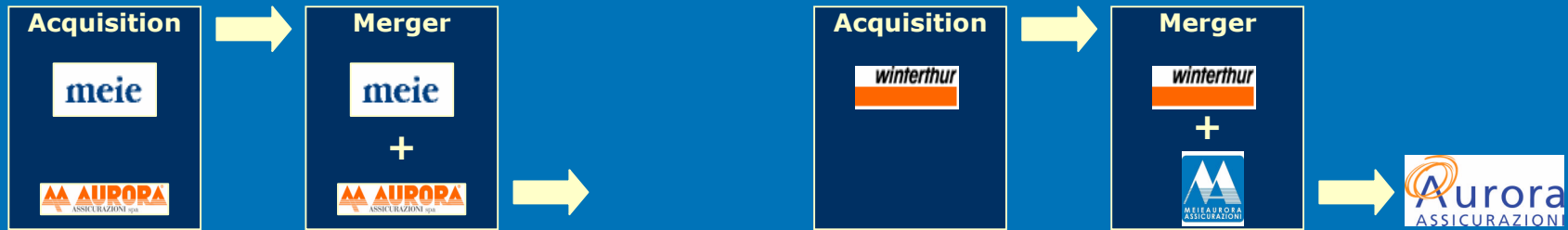
Total premiums:	~ €3,300m
Total assets:	~ €9,800m



Total investments: €2,189m
 Total acquired premiums : €4,305m
 Total acquired customers: 3,200,000

IN 5 YEARS THE GROUP SIZE HAS INCREASED 5-FOLD

Integration of the main companies acquired



2000

Total premiums:
€1,044m

**Life premiums /
Total premiums:**
23.4%

Agencies:
718

Combined ratio:
112.8%

**Tech. account
(Non-Life + Life):**
-€18.4m

Net profit/loss
-€13.1m

Return on invested equity in the acquisitions of Meie, Aurora and Winterthur

- Restructuring and reorganization
- IT migration to Unipol system
- Centralizing key functions
- Streamlining portfolio and rationalizing sales network
- Claims handling at Group level

2003

Total premiums:
€1,238m

**Life premiums /
Total premiums:**
34.3%

Agencies:
502

Combined ratio:
95.6%

**Tech. account
(Non-Life + Life):**
€43.5m

Net profit
€38.3m
(+27% over 2002)

2003
5.19%

- Centralizing finance and real estate management
- Restructuring the supply chain
- Extension of Unipol IT system to Winterthur
- Streamlining human resources
- Implementing restructuring process
- One claims settlement system only

2004

Total premiums:
€3,276m

**Life Premiums /
Total premiums:**
34.5%

Agencies:
1,243

Combined ratio:
92.4%

**Tech. account
(Non-Life + Life):**
€221m

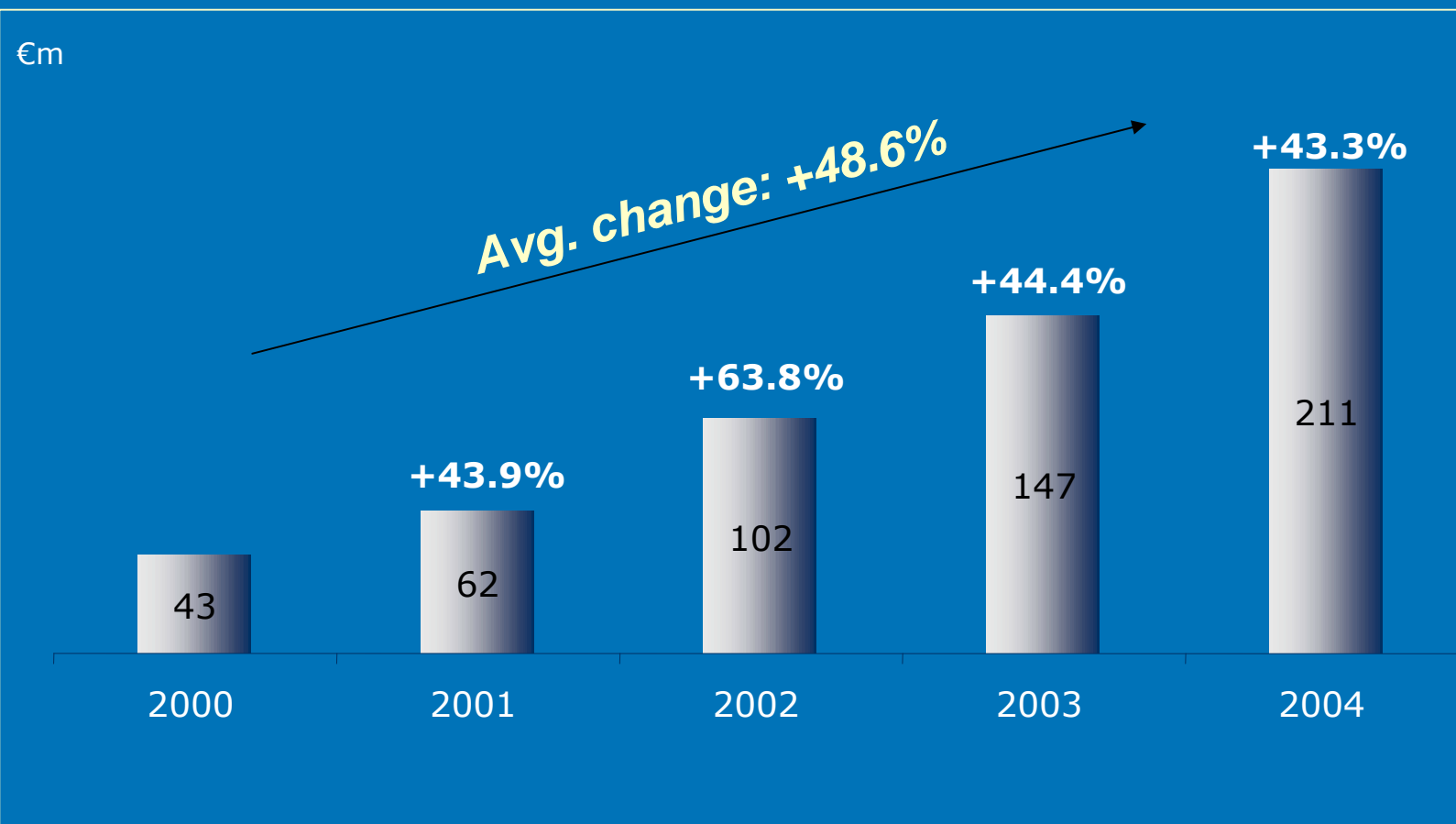
Net profit
€145m
(+12% over 2003)

2004
7.56%

2005E
10.7% (ROE > 20%)

Trend in profits

UNIPOL GROUP – NET PROFIT (*net of goodwill amortization*)



Trend in embedded values

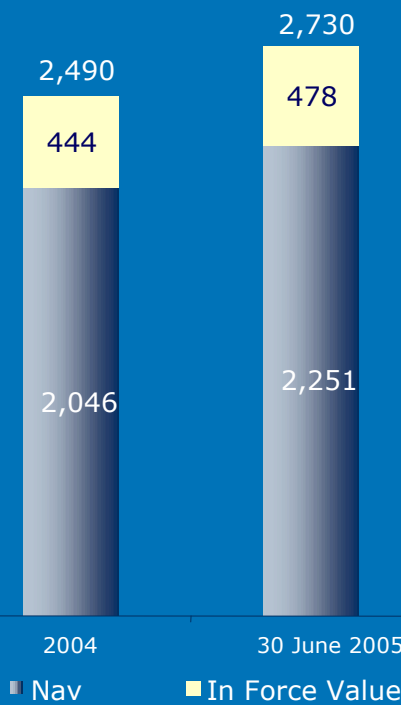
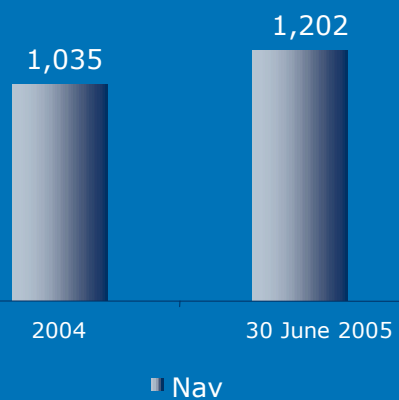
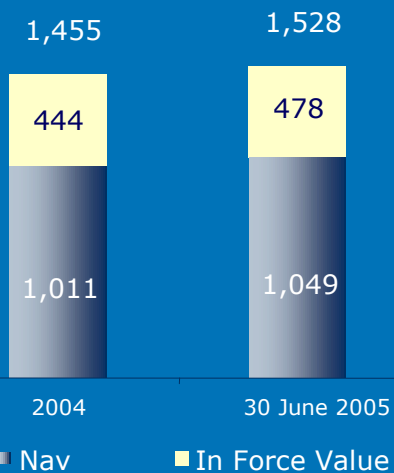
UNIPOL GROUP - EMBEDDED VALUE

Life business

Non-Life business

Group Embedded Value

€/m



2004 Life provisions	15,603
In force / Life provisions	2.85%

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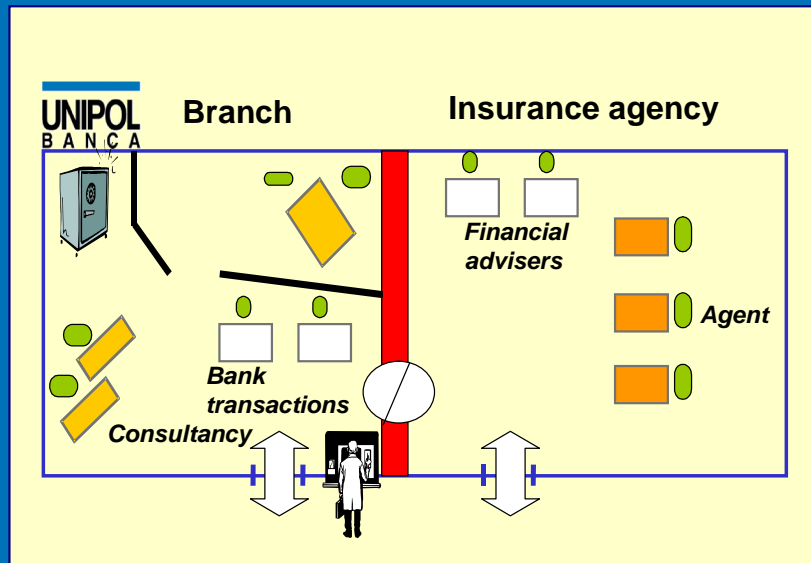
VI The Unipol Group following acquisition of control over BNL

The banking business – Unipol Banca overview

- ▶ Unipol Banca was founded in 1999 and based on a precise strategic plan with the aim of exploiting the unique cross-selling opportunities afforded by integrating banking and insurance products at one sales point.
- ▶ In the space of five years Unipol Banca has achieved an extraordinary operating and territorial growth, both organically (opening of new branches) and through the acquisition of branches from other credit institutions.
- ▶ Today Unipol Banca has 253 branches across 18 regions of Italy, 48 financial counters and over 440 financial advisers.
- ▶ In 2004, direct customer deposits exceeded €4.3bn, whilst loans before securitizations reached €4.4bn.
- ▶ The considerable growth of the bank, coupled with precise strategic targets, allowed a model of integration to be created between the insurance and the banking networks which is unique in Italy: the integrated network model.
- ▶ This scenario means that around 50% of branches are integrated with group insurance agencies, while most of the remaining 50% operate as a target agency for insurance agencies nearby (the so-called 'clustered branch')
- ▶ Notwithstanding the significant results already achieved as regards growth and profitability, the Unipol Banca development plan is still currently underway and includes the opening of about 200 new branches (almost all of them co-located with insurance agencies) by the end of 2008.

Unipol Banca: the co-located branch

UNIPOL CO-LOCATED BRANCH



Agency IT system connected to the bank

Successful drivers

- ✓ Connectivity to customer database (further information) +
- ✓ More chance of spontaneous contact (visiting the bank) +
- ✓ Logistical benefits (*one stop shop*) with comprehensive list of products on offer =

MORE QUALITY AND QUANTITY OF CONTACTS

- ✓ Benefits from product and price mix +
- ✓ Customer loyalty +
- ✓ Brand image and familiarity =

BETTER COMMERCIAL FEEDBACK
(success rate with contacts 4 times higher than average)

Bank branch

- ✓ Cross-Selling to insurance customers as regards:
 - current accounts
 - loans / private lending
 - asset management
 - corporate lending
- ✓ Fees paid to the agent for promoting banking products

Insurance agency

- ✓ Cross-selling of insurance products (Non-Life, pensions, health) to customers at the branch, once considerable enough.
- ✓ Fees from promoting cross-selling in banks

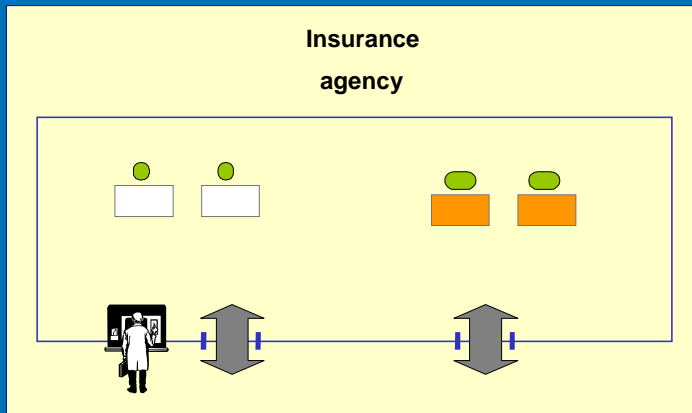


Relationship governed by a consolidated framework agreement, approved by the agents' organizations

Unipol Banca: from the qualified agency to the co-located branch

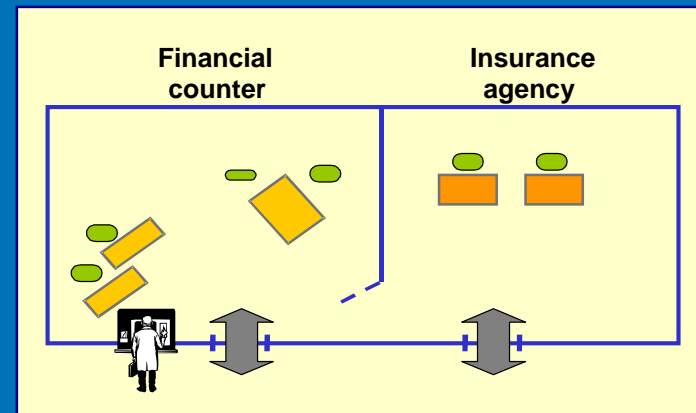
QUALIFIED INSURANCE AGENCY

Operates in connection with the bank's IT system and can therefore sell bank products



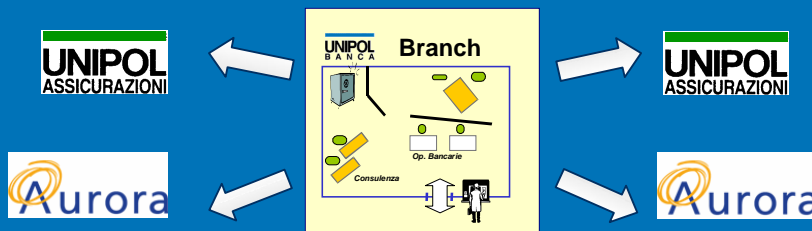
INSURANCE AGENCY NEXT TO FINANCIAL COUNTER

Preliminary to the co-located branch



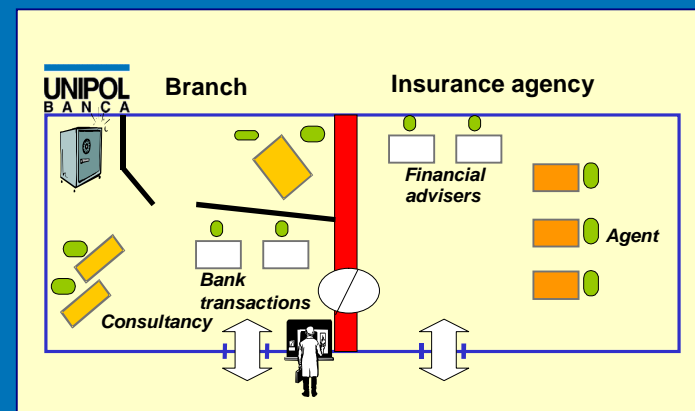
CLUSTERED BRANCH

Baricentric with regard to two or more Group agencies. Subject to passing the logistic requirements, it tends to become a co-located branch.



CO-LOCATED BRANCH

Complete synergy and cross-selling



Preconditions to the opening of new co-located branches: opening the financial counter

Opening a financial counter is based on the decision to transform it into a bank branch

- Average size 150/200 square metres for the part that will turn into a bank branch
- Location in line with the Bank territorial plans
- At first agency financial advisers operate in the financial counter
- Sharing the commercial targets with the agent is a precondition to the opening. These targets involve planning the evolution in the following 12/18 months, with the agent subscribing a commitment of minimum production.
- Limited start-up investment, partly borne by the agency, based on detailed cost-sharing provisions

Limited start-up investment and almost absent recurrent costs for the bank, combined with high commercial preconditions for the quick transformation into co-located branch and its related breakeven achievement

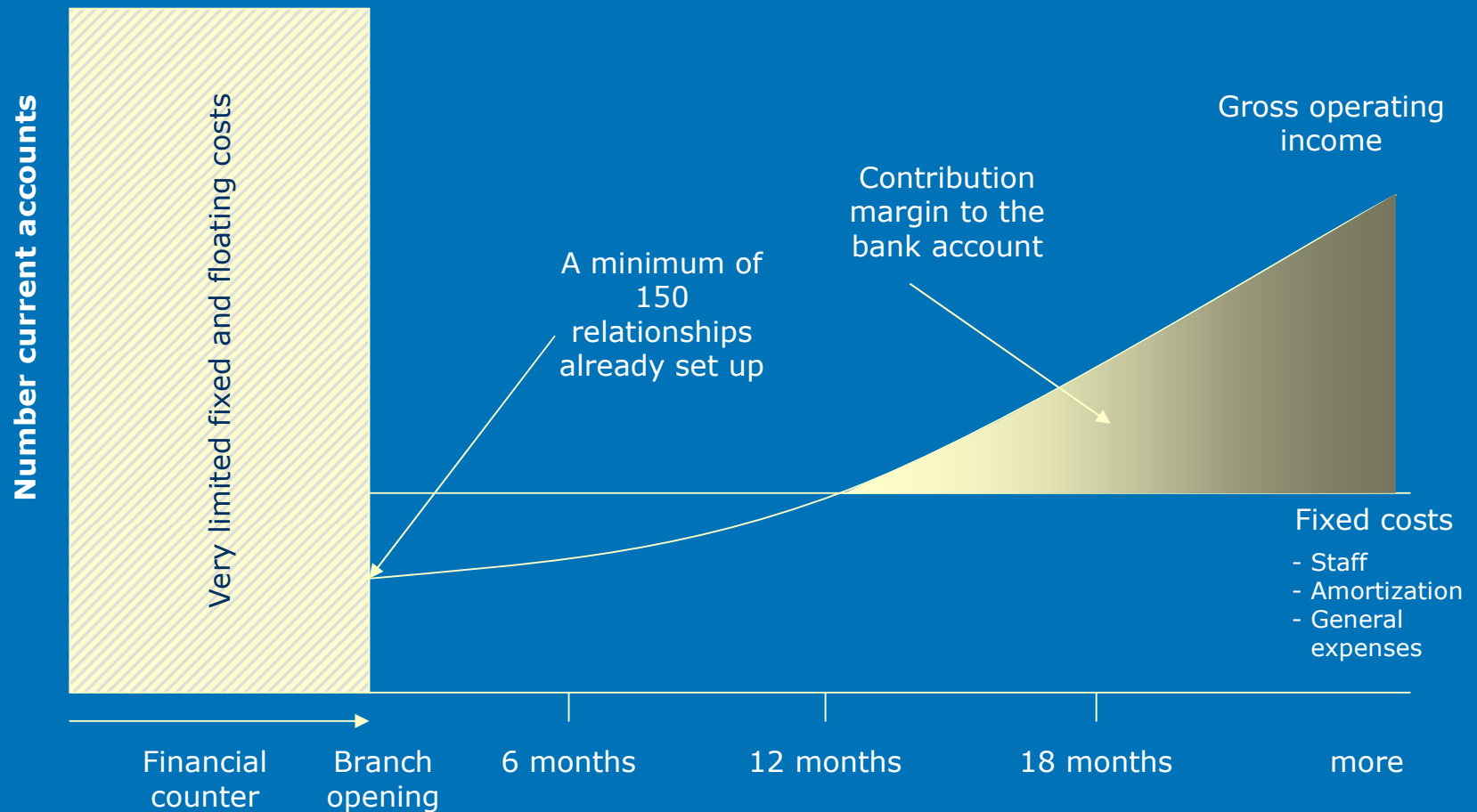
Preconditions to the opening of co-located branches: transformation of the financial counter into bank branch

The financial counter develops into co-located branch, subject to the following conditions:

- a. The financial advisers have already opened at least 150 current accounts;
- b. The co-located agency commits itself to achieve a total of 350 current accounts within 12 months from the opening of the branch;
- c. The co-located agent commits itself in achieving a minimum of 480 current accounts within 18 months from the opening; bank commercial ratio on customer-base of co-located agency must not be less than 15% (benchmark);
- d. Commitment to promote the commercial activity of the branch as regards the insurance agency, with VAT registration number aiming at opening at least 120 relationships, within 18 months from the branch opening;
- e. Commitment to achieve at least 30% of the customers of the co-located sales point, within 42 months from the branch opening.

Achievement of the co-located branch breakeven in 9-12 months and following positive and growing contribution, which can count on sound basis and definite commitments with agents aiming at further growth.

The co-located branch: first stage in evolution, breakeven and contribution to the bank profit and loss account



Unipol Banca: summary of the integrated network. A model already successfully tested

THE INTEGRATED NETWORK MODEL : RESULTS ACHIEVED AND EXPECTED GROWTH

Quick development and regular branch operational activities

(insurance customers become banking customers)

Thanks to the knowhow obtained and the preliminary agreements with agents, the **breakeven period for newly opened branches** has been consolidated in about **12 months** (in some cases **9 months**).

In the consolidated branches **the level of cross-selling** (insurance customers who have become banking customers) **has exceeded 30%** and is still growing.

Also, for the **branches acquired the breakeven process has been very quick** (rearranging loans and aligning with Unipol criteria).

The agent is a key player in the success

On average **34%** of customers from a single integrated branch have been **introduced by the agency channel**, reaching 52% at peak times.

Banking customers become insurance customers

The same factors key to the success of the co-located branch are mirrored in **an important migration of customers from banking to insurance**. The average cross-selling rates are basically higher than for the reverse case which is also due to easier get-out clauses for insurance customers.

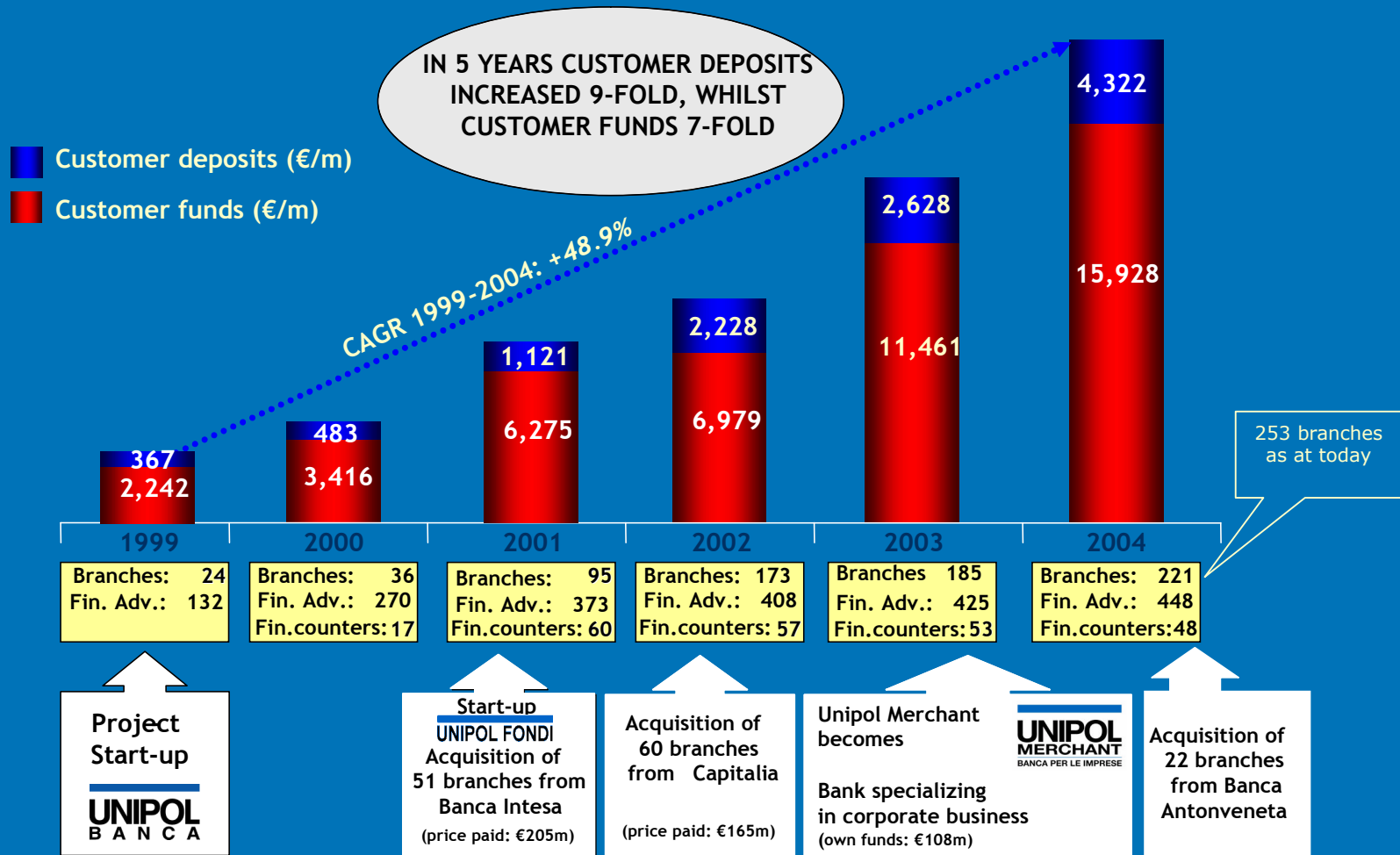
Well-consolidated expertise in implementing integrations

Only 6 months are needed **to implement a branch's integration project** (this has more than halved compared to initial attempts).

Framework agreement approved by agents

The relationships between agencies and banking branches are based on a framework agreement approved by agents, resulting from consolidated co-operation among the several key players involved.

Unipol Banca: 1999-2004 growth

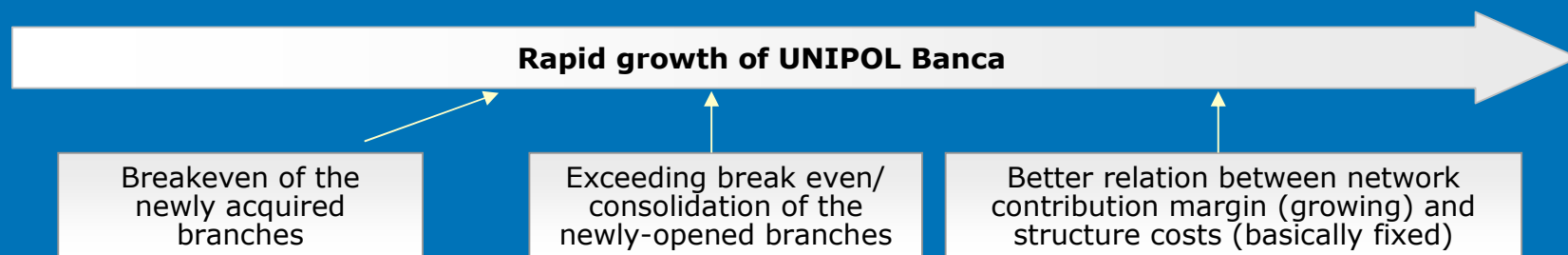


Unipol Banca: results achieved and expected development

Thanks to the completion of the model, Unipol Banca is achieving results which are consistently improving. Further considerable developments are expected in the next three years as a consequence of the commercial feedback consolidation on the operating branches and of the further network growth, according to the 2005-2008 Unipol Banca business plan submitted to the Bank of Italy on 26 May 2005

Unipol Banca SpA ⁽¹⁾ - €/m	2004	2005 E	2008 E
Net interest income	72.5	122	> 300
Gross operating income	190.5	254	> 500
Cost / Income⁽²⁾	63.6%	59%	about 50%
Gross result (EBITDA)	66.0	105	> 250
Goodwill amortization	(11.2)	(16)	0.0
Ordinary profit	36.8	52	about 200
Net profit	18.1	29	about 120

As from 2006 - with the adoption of the Ias - the goodwill amortization is excluded



(1) IAS figures as from 2006. 2006-2008 expectations do not include any income from securitizations carried out in the goodwill amortization period.

(2) As from 2006 the plan is expected to include the IT system internalization

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Unipol Group key strategic targets

Strategic mission

To be the lead provider of integrated banking, insurance, supplementary pension, health and asset-management products

KEY BASIS 1

Insurance business

Maintaining current ranking as regards insurance business (among the top 4 insurance groups, with a market share of around 10%)

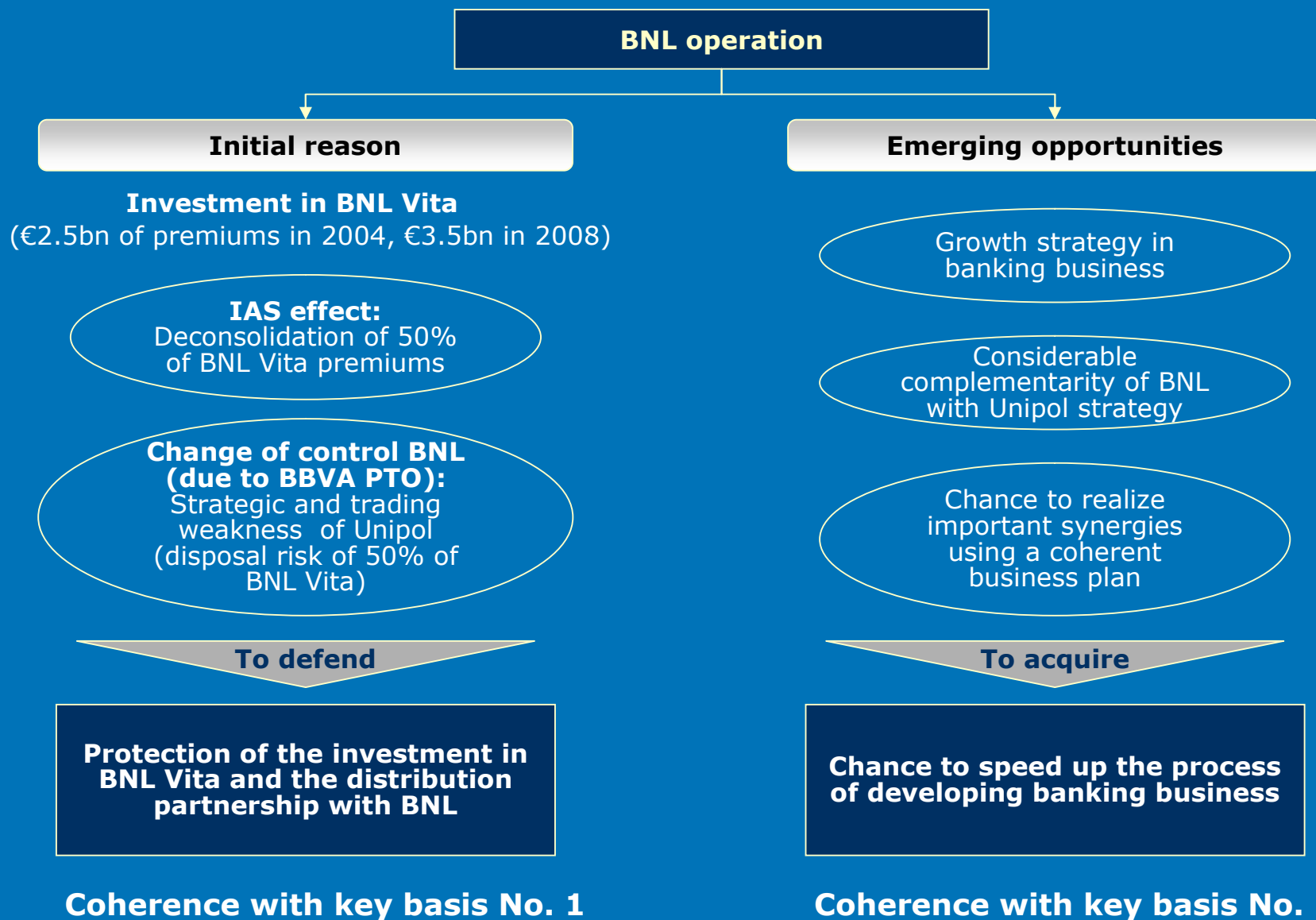
KEY BASIS 2

Banking business

Developing organically and through acquisitions in order to bring the number of branches throughout Italy (800-1,000 branches) in line with the presence and distribution of the insurance network (1,817 agencies and 4,500 sales points), with the aim of broadening the integrated distribution model.

'Integrated' strategy already set out by the Group and disclosed to the market

The acquisition of BNL according to Unipol strategic targets



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Rationale to the project

- ✓ **Creation of a large national integrated banking and insurance group**, with a unique presence in terms of distribution and achievement of customer synergies in the domestic market.
- ✓ **Extension of the integrated distribution model to BNL**, by applying on a wide scale what has already been successfully tested in UNIPOL Banca, though preserving the autonomy of the banking and insurance distribution networks.
- ✓ **Strong boost to growth in size and income for UNIPOL and BNL and strong value creation for all shareholders** owing to several cost and revenue synergies resulting from business improvement.
- ✓ **Profitable matching of traditional BNL'S focus** (corporate/large corporate) with **rooted presence of UNIPOL in the retail, small business, co-operative, craftsmen and salesmen sectors**, with a remarkable contribution by UNIPOL (as regards territorial network and access to loyal customer base) to the strategic repositioning of BNL

Strengthening of BNL and UNIPOL within a large integrated financial Group focused on development and profitability

Strengthening of BNL

- ✓ **Growth:**
 - + **253** branches, of which 18 approved and soon to be opened (+35%)
 - + further **260** planned by end of 2008
- ✓ **Access to 6 m** retail / small business customers of UNIPOL
- ✓ **Banking business contribution (deposits, funds and loans)**
- ✓ **Synergies with co-operatives, craftsmen and salesmen**
- ✓ **Several recovery levers relating to profitability/cost synergies**

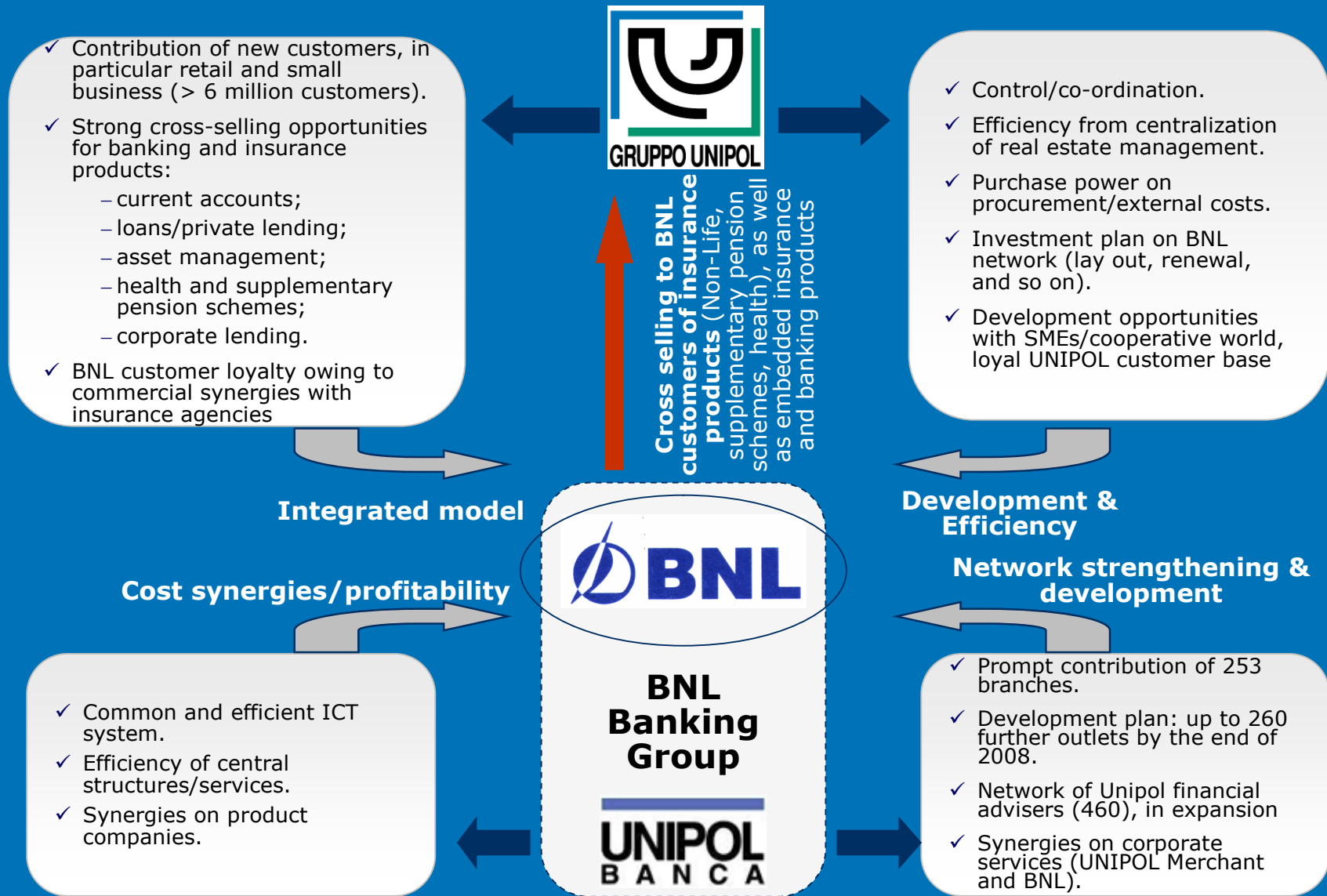
Large integrated financial Group

- ✓ **4th Financial Group in Italy** in terms of revenue (€12bn).
- ✓ **A total of around 9 million customers.**
- ✓ **Unique positioning in terms of customer service:** integrated offer of financial and insurance products (including complementary pension and health schemes) concentrated in one sales point only

Strengthening of UNIPOL

- ✓ **Full consolidation of BNL Vita and strategic control of BNL distribution network**
- ✓ **Access to 3 million BNL customers** and considerable feedback on insurance, pension and health products
- ✓ **Full display of potentialities offered by loyal UNIPOL customer base** (retail/small business and co-operative world) thanks to BNL territorial network and size

Reciprocal contribution to development and profitability: reference flowchart



New Group ranking: Financial Groups' pro-forma ranking



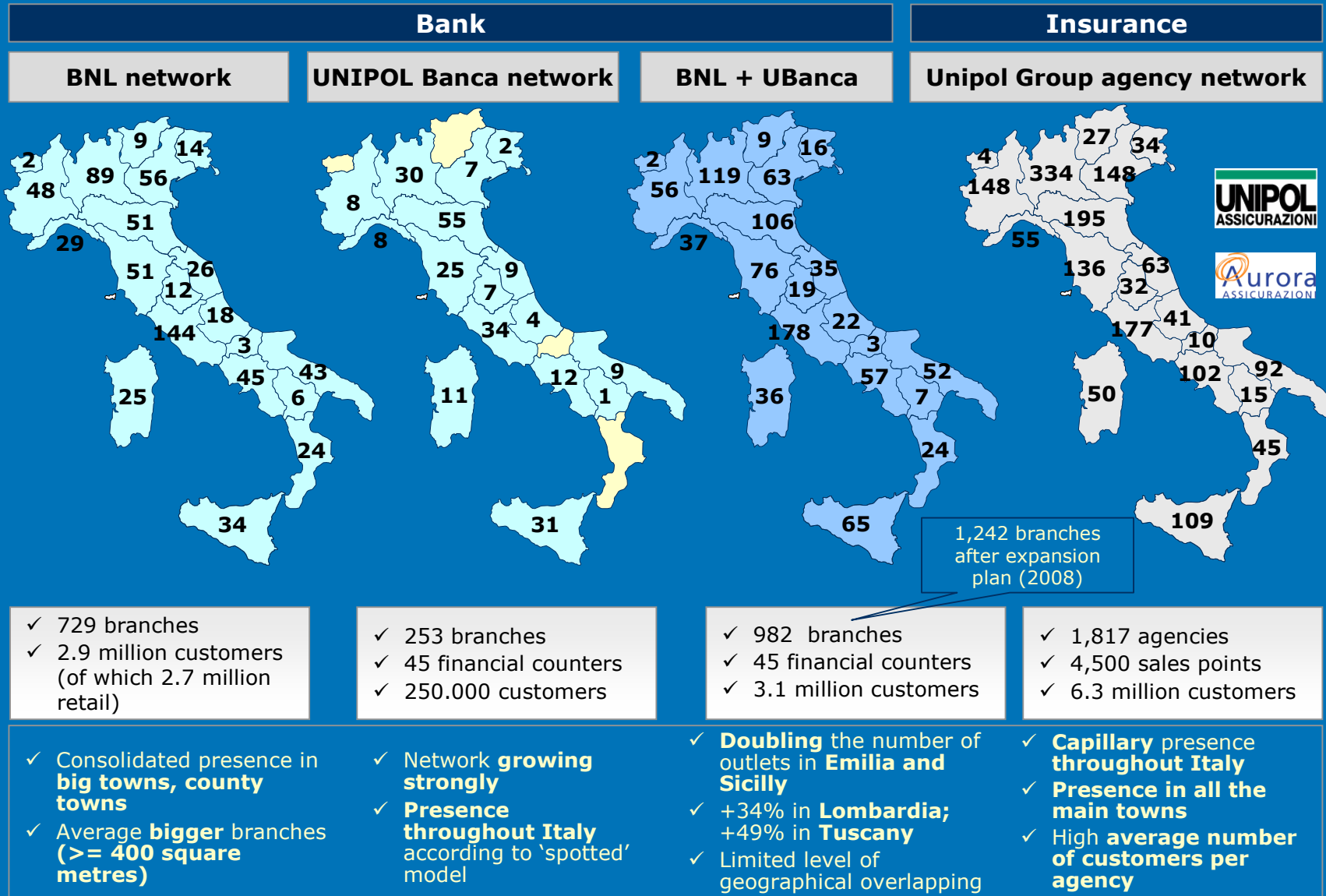
2004 figures

(1) Total assets in terms of insurance undertakings - and total assets net of interbanking deposits in terms of banks.
 (2) Gross operating income + net premiums.
 (3) Profit on ordinary activities (in terms of insurance undertakings) + net operating result (in terms of banks).

Key aspects: complementing UNIPOL with BNL characteristics

Overall Unipol strategy	Contacts with BNL	Unipol Banca business strategy
<ol style="list-style-type: none"> 1. Offer of integrated insurance, banking, health, supplementary pension, asset management services. 2. Countrywide extension of the Unipol integrated distribution model (agency + branch), leveraging on Aurora network as well. 3. Full streamlining of high development potential offered by the reliable relationship between UNIPOL and its customers: households, SMEs/cooperative world 	<ol style="list-style-type: none"> 1. National banking network with over 729 outlets. 2. Clustered distribution focused on big towns, county towns and wide centres coherent with Unipol distribution model. 3. Bigger branches with high front-office/agency integration potential, including possible split of a considerable number of branches (> 230 buildings for own use/branches bigger than 400 square metres and average size of rented branches no lower than 300 square metres) 4. Comprehensive products portfolio to satisfy customer demand, which complements the Unipol portfolio. 5. Remarkable BNL potential/input towards strategic repositioning on households, SMEs and craftsmen segments. BNL to take advantage of UNIPOL's traditional roots with retail/small business customers. 	<ol style="list-style-type: none"> 1. Geographic focus on banking network development: <ol style="list-style-type: none"> i. in large metropolitan areas: Milan, Rome, Florence, Bologna, Naples, Palermo and their respective customer bases; ii. in areas where UNIPOL has high market shares: Lombardia, Emilia Romagna, Tuscany, Lazio, Campania and Sicilly; iii. in county towns. 2. Research on network growth opportunities (organically/through acquisitions) by way of individualising bank branches which can be quickly integrated with the model (branches large enough, i.e. = or > than 300 square metres – split into the geographic areas of the utmost interest for the Unipol Group).

Key aspects: complementing the BNL and the UNIPOL-Aurora networks



1,242 branches after expansion plan (2008)





Important introduction: integrated Group with a complete products portfolio

Insurance activities	Retail banking activities	Corporate/Merchant banking	Asset management	Auxiliary banking
UNIPOL Assicurazioni	BNL SpA	BNL SpA	BNL Gestioni SGR	Ifitalia
Aurora Assicurazioni	Artigiancassa	UNIPOL Merchant	BNL Fondi Immobiliari	Locafit
Linear Assicurazioni	BNL SpA Banca Multicanale		BNL International Inv. (Lux)	BNL Finance
UNISALUTE	UNIPOL Banca		BNL International (Lux)	Servizio Italia
Navale assicurazioni			UNIPOL Fondi	Advera
BNL Vita			UNIPOL SGR	Credit cards
			UNIPOL Assicurazioni	
			Aurora Assicurazioni	

Ability to service customers on a comprehensive basis from both the financial and insurance standpoint

Important complementary points of contact (products/customer focus/geographical presence), **that are mirrored in concrete competitive advantages and relevant synergies, also owing to the factors represented by the development of the integrated network model**

-  Companies belonging to the UNIPOL Group
-  Companies belonging to the BNL Group

Agenda

I Introduction: project overview and Unipol Group highlights

II Unipol Banca and the integrated network model

III Unipol key strategy and reasons for BNL operation

IV The integration business plan

-rationale behind the operation and key aspects

-key synergy areas and integration costs

V Acquiring control of BNL and fundraising sources

VI The Unipol Group following acquisition of control over BNL

Key revenue synergies⁽¹⁾ - Summary

Planned actions	Rationale
<p>Transfer of UNIPOL integrated model to BNL</p>	<p><u>From insurance to bank</u> Implementation of the integrated network model to realize the migration of insurance customers becoming banking customers and, hence, the cross-selling of current accounts, loans, asset management and so on.</p>
	<p><u>From bank to insurance</u> Streamlining the integrated network model to carry out the migration of banking customers becoming insurance customers and, hence, the sale of Non-Life, supplementary pension and health insurance products.</p>
<p>Strengthening/ investments on current BNL network apart from the integrated network model</p>	<p>Increase in the number of retail customers/average profitability per BNL retail customer by implementing structural and organizational action</p>

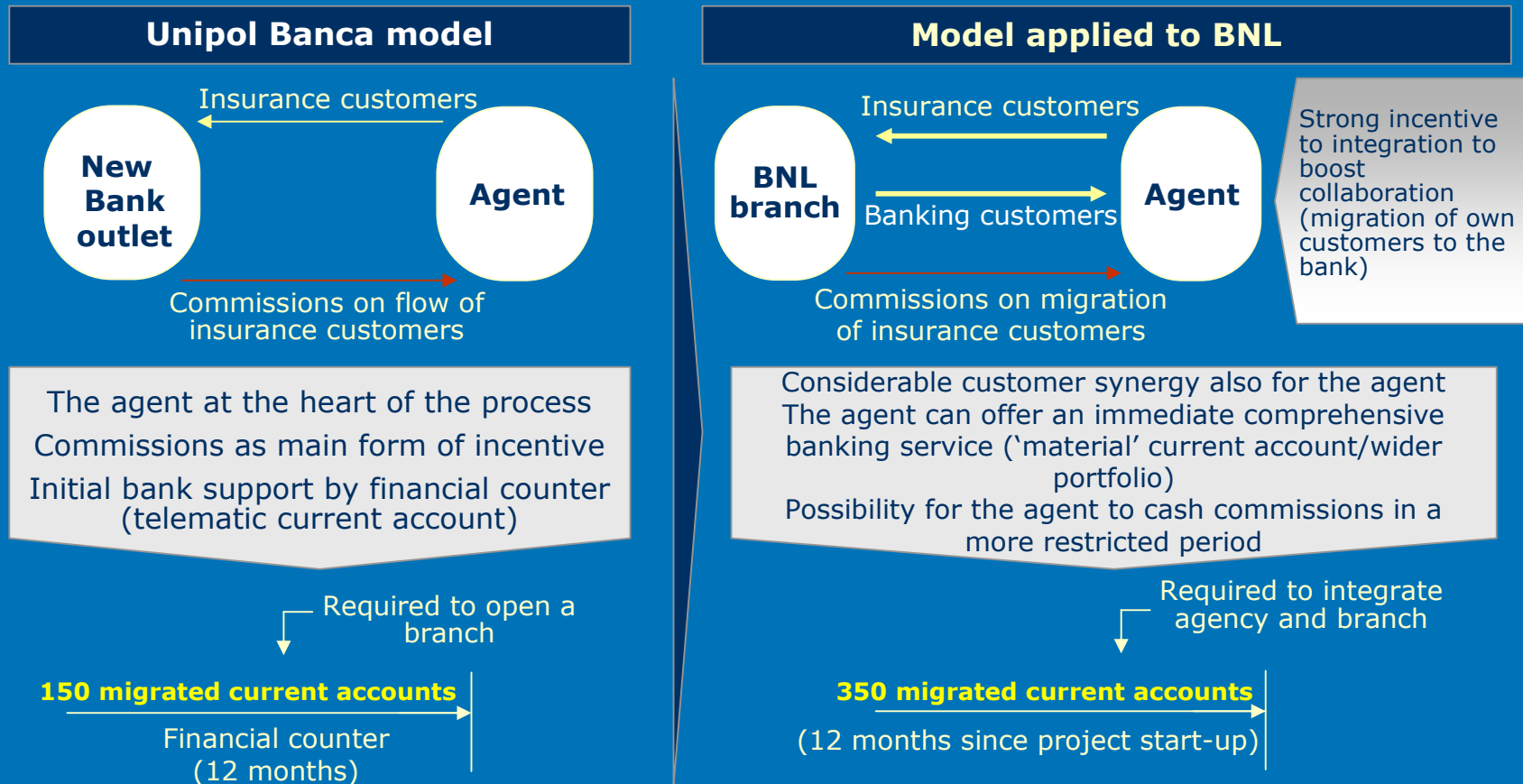
(1) Excluding synergy areas not yet quantified: cross-selling in the corporate segment both to BNL and Unipol customers, synergies in distribution of pension funds and healthcare products, joint sale of insurance and banking products, asset management/private banking (role of financial advisers' network and so on), synergies in the small business areas (Unipol - Artigiancassa).

Key cost synergies - Summary

Planned actions	Rationale
Improvement in profitability according to the development of the new banking group network	Streamlining the back office – front office mix through motivating involvement of BNL network resources in integrated branches just opened in nearby areas (or resulting from the split of branches which already exist)
Combining the IT platform	Integration toward a common IT BNL – Unipol Banca platform and exploitation of the higher critical mass with regard to investment and recurring cost economies
Streamlining central structures/product companies and exploiting the higher critical mass	Matching production levels with sector best practice on a combined basis, exploiting the efficiency made available by higher critical mass and economies of scale/scope
Streamlining procurement and external costs	Co-ordination of procurement and sharing of framework agreements under interesting conditions , within the higher critical mass on a UNIPOL – BNL combined basis

Extension to BNL of the integrated model: more efficacy with regard to the Unipol Banca experience

More efficacy in the model applied to BNL means an acceleration of the cross-selling process with regard to the Unipol Banca experience

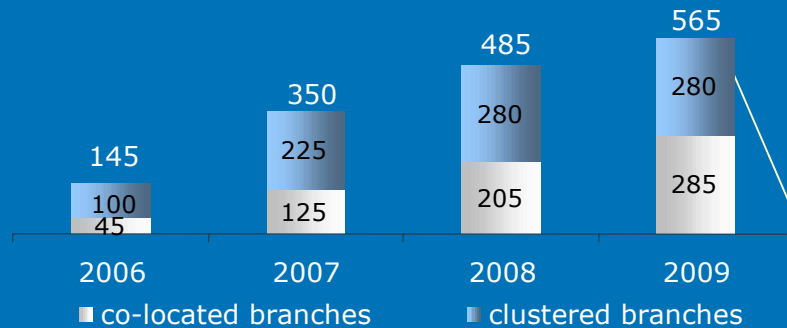


The planned cross-selling timeframe does not include the advantages from extending the model to BNL, since the national agents' agreement must also be renewed in advance.

Extension of the integrated network model: hypothesis adopted

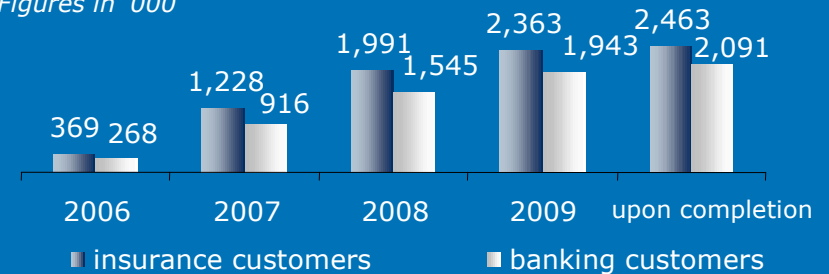
Branches involved and customers to be targeted

BNL branches involved in the model
(cumulated figures)



Potential customers to target (cumulated figures)

Figures in '000



A total of > 650 integrated branches, incl. Unipol Banca current integrated branches and newly-opened integrated branches ⁽¹⁾

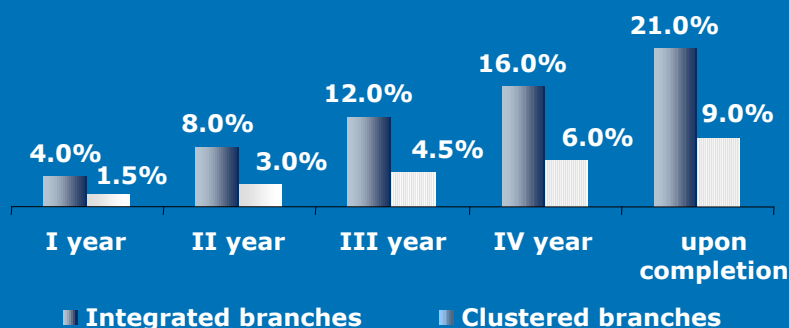
- ✓ About 39% of BNL branches involved as 'clustered branches' (with lower cross-selling), even though they are destined to be fully integrated in a long-term period.
- ✓ About 23% of BNL branches are prudentially not involved, since they are located in areas with few insurance agencies, even though some branches may be involved in the long-term, according to the agency network dynamic.
- ✓ No growth considered on a timely basis for Unipol and BNL customer
- ✓ No. of potential customers to be targeted upon completion of the model, calculated on the basis of the number of estimated customers for the BNL branches involved in the model, and for the insurance agencies that may be connected to them as co-located and clustered agencies.

⁽¹⁾ Economic margins linked to Unipol Banca development and to the opening of new branches not included in the business plan.

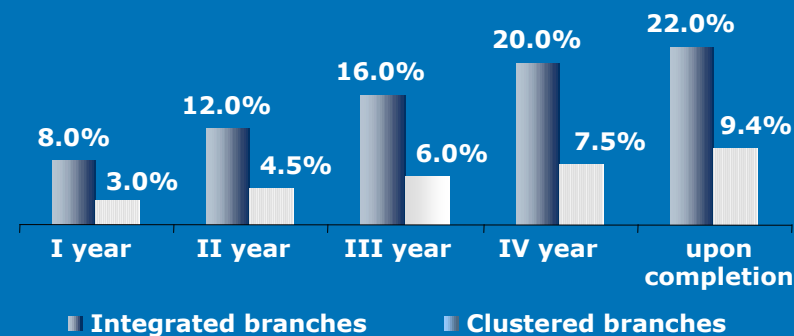
Extension of the integrated network model: cross-selling and acquired customers percentages

Considered targets

Cross-selling (from insurance to bank)



Cross-selling (from bank to insurance)



✓ Increase in cross-selling rates limited to the plan timetable (5 years)

✓ No. of customers acquired upon completion of the plan:

- Insurance customers that have become banking customers : 310,000 (around 12% of potential customers)
- Banking customers that have become insurance customers : 330,000 (around 16% of potential customers)

✓ Net margins per acquired customer, assumed equal to, respectively, the gross operating income per Unipol Banca retail customer, and the net margin per Unipol retail customer (Non-Life business), net of acquisition out-of-pocket expenses and of new customers' retention costs.

Expected revenue synergies upon completion of the plan:

on insurance customers become banking customers:	€190 million
on banking customers become insurance customers:	€50 million

Network synergies, excluding the integrated network model

Actions on BNL current network



729
branches



- ✓ Medium- large-sized branches
- ✓ Margin to improve productivity
- ✓ Need/opportunity to modernize

Considerable investments on current BNL network to improve retail profitability

Structural actions

(facilities, lay out and so on) according to the plan, notwithstanding the setting up of branches integrated with insurance agencies



Organizational action/IT

Review of organizing models / sharing best practice
More focus on front office
Strengthening network ICT supports

Network development and productivity recovery



253
branches



260
branches
according to the
plans for
opening

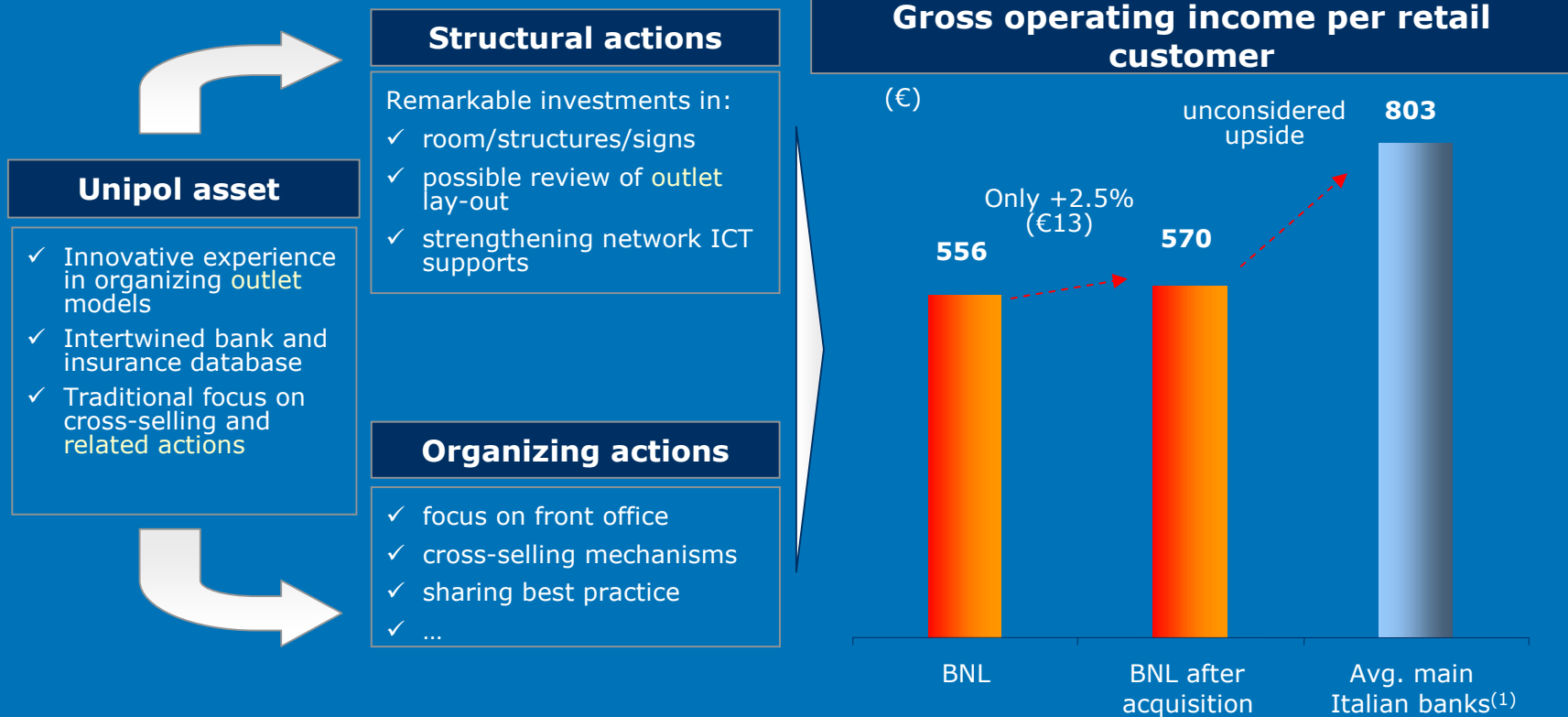
New BNL Group
1,242
branches
upon
completion

Higher network density
Strengthening above all in Emilia Romagna, Tuscany and Lombardia.
Opportunities to rationalize plans for opening.

Profitability recovery through streamlining the network resources

- ✓ Considerable network development (immediate and in future)
- ✓ Requirement of qualified staff supporting the growth process
- ✓ **Large margin to streamline the network resources through key involvement in newly-opened co-located branches in related areas.**

Synergies on the network excluding the integrated network model: retail profitability



BNL, which has just set out a repositioning plan on the retail market, still maintains a high recovery potential in terms of profitability per retail customer

The expected structural and organizational activity foster this kind of recovery

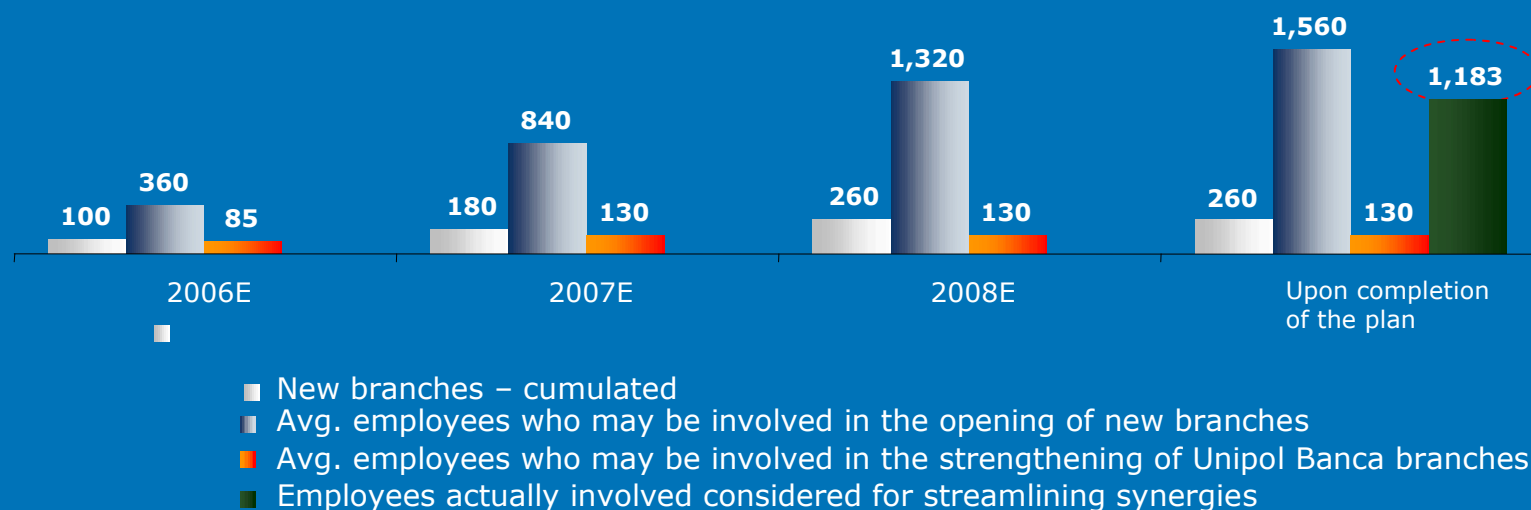
On the basis of the prudent hypotheses adopted, too, and in consideration of the number of customers (2.7 m), revenue synergies for €40m are assumed.

(1) Including Unicredit, Banca Intesa and San Paolo Imi. As regards Banca Intesa and Unicredit, foreign activities are excluded.

Synergies on network apart from the integrated network: development and increase in profitability

Development plan of the banking group branches and staff involved

The development of the Unipol Banca branches and the expected opening of new integrated branches involve the staff relocation offering professional opportunities for all the Group resources.



The involvement of staff from the network in new integrated branches nearby will allow: **(i) a considerable increase in profitability/cost saving related to staff that, otherwise, should be recruited; (ii) the lack of linked restructuring charges and (iii) the enhanced level of professionalism within the banking Group in terms of stimulating growth.**

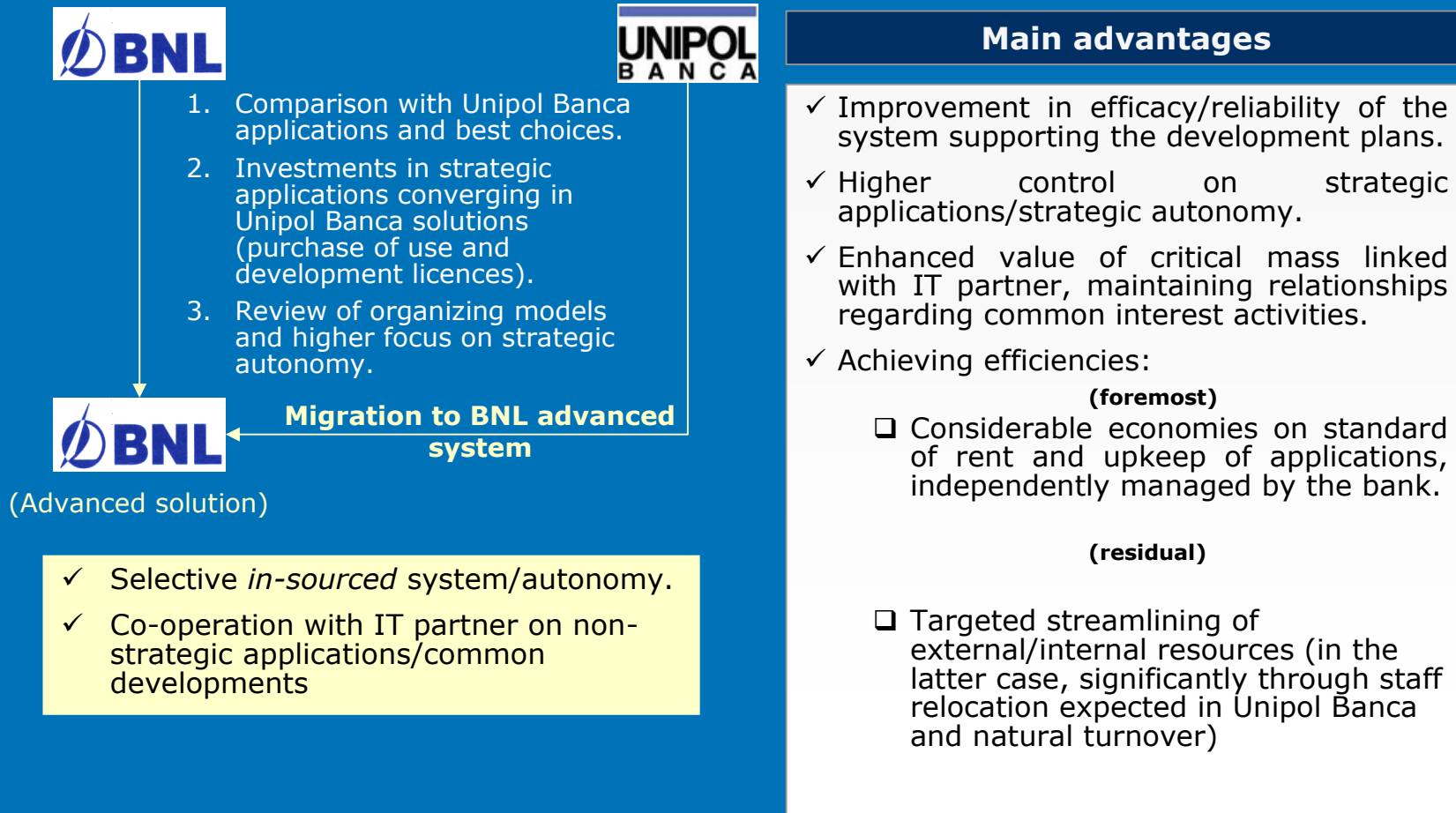
Expected cost synergies of about €75m upon completion of the plan⁽¹⁾

(1) Expected synergies by slashing of 30% the new banking group resources, which may be involved in the opening of the aforesaid new branches.

Combining the IT platform

- ✓ The set up of a common IT platform represents **one of the key opportunities to achieve economies of scale and cost savings** within banking groups (mainly fixed costs).
- ✓ **The efficacy, the reliability and the better management of both system and strategic applications are keys to gaining a competitive advantage**, with further benefits on the whole operative activity compared to the bare cost saving.
- ✓ The plan includes the **implementation of only one platform at BNL - Unipol Banca**, characterized by function and size levels, in light of the analysis carried out, are considered particularly interesting, in relation to both the new group's current critical mass and the projected branches' development plan.
- ✓ Unipol Banca has already successfully tested the migration to one IT platform only - acquisition of branches from Antonveneta (22 in 2004), Capitalia (60 in 2002) and Intesa (51 in 2001).
- ✓ Following the considerable investment plan, **remarkable ongoing cost savings**, as well as advantages in terms of uniformity and strengthening of the applications according to the best standards on the market are to be envisaged, **as well as for the further development and updating of the system.**

Combining IT platforms: target flowchart

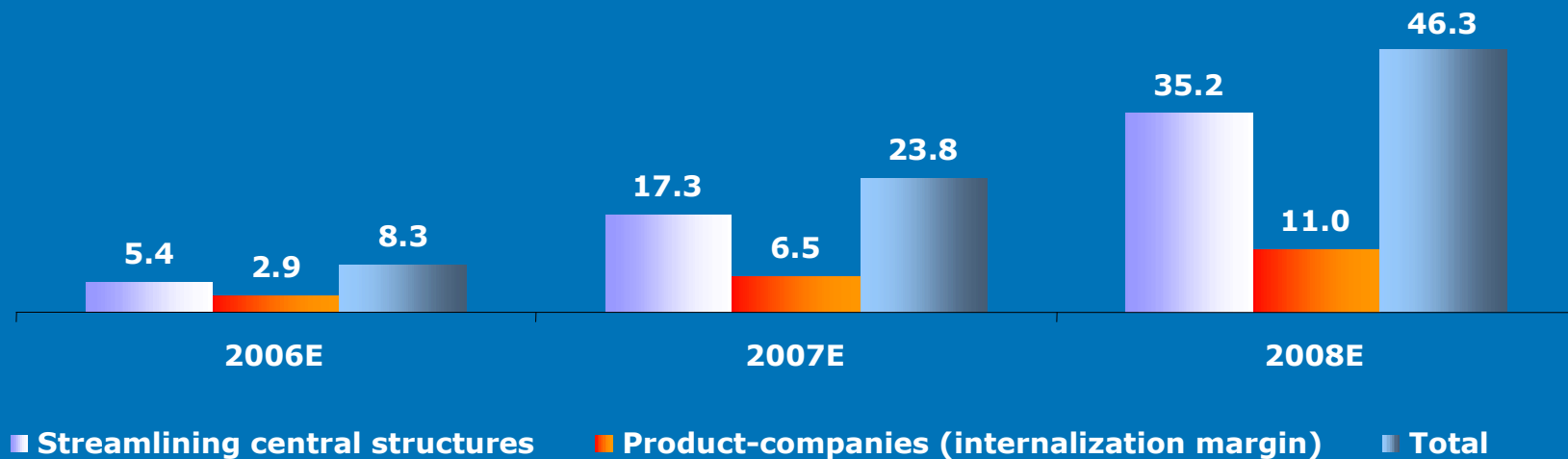


These actions are expected to lead to the achievement of cost synergies of about €65m upon completion of the plan.

Streamlining central structures and marketing own products

Central structures and product companies – expected savings

(€/m)



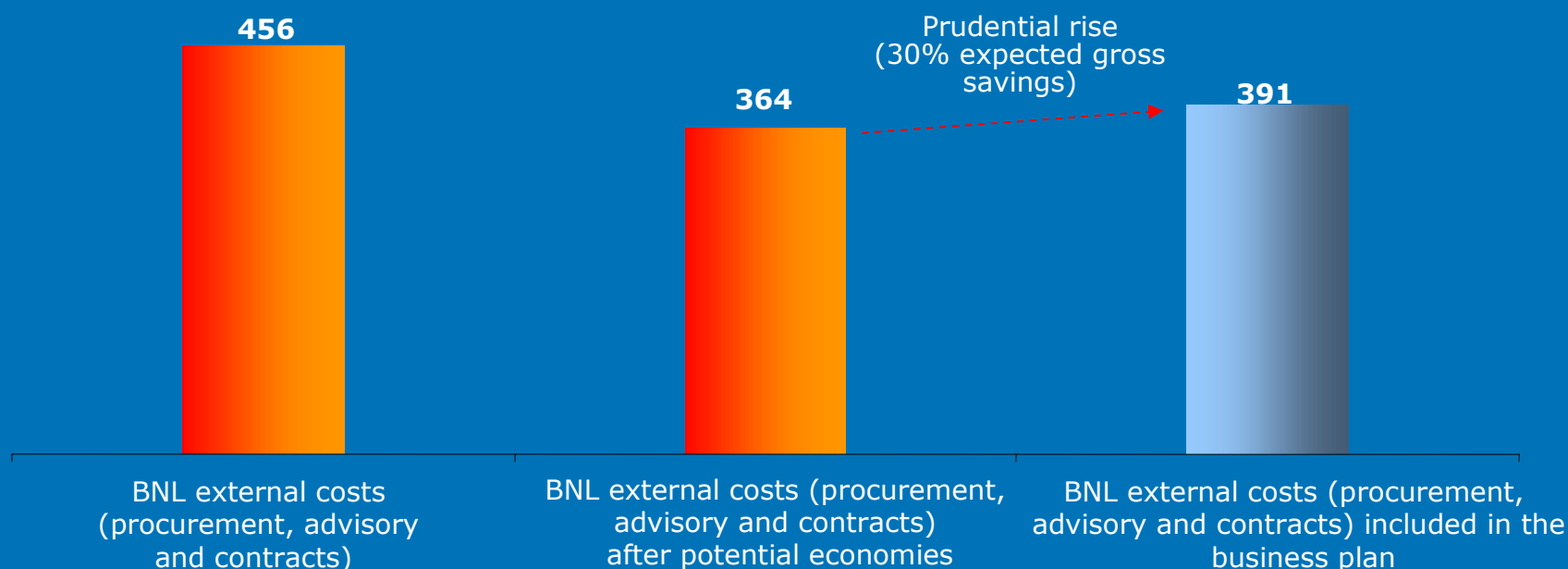
Rationalization at central structures level within the higher critical mass and achievable economies of scale and scope – natural exploitation of turnover

Marketing of products already available at BNL, that Unipol Banca currently acquires externally, and keeping the related margins within the Group

Streamlining external costs

External costs (procurement, advisory and contracts) – assumed economies ⁽¹⁾

(€/m)



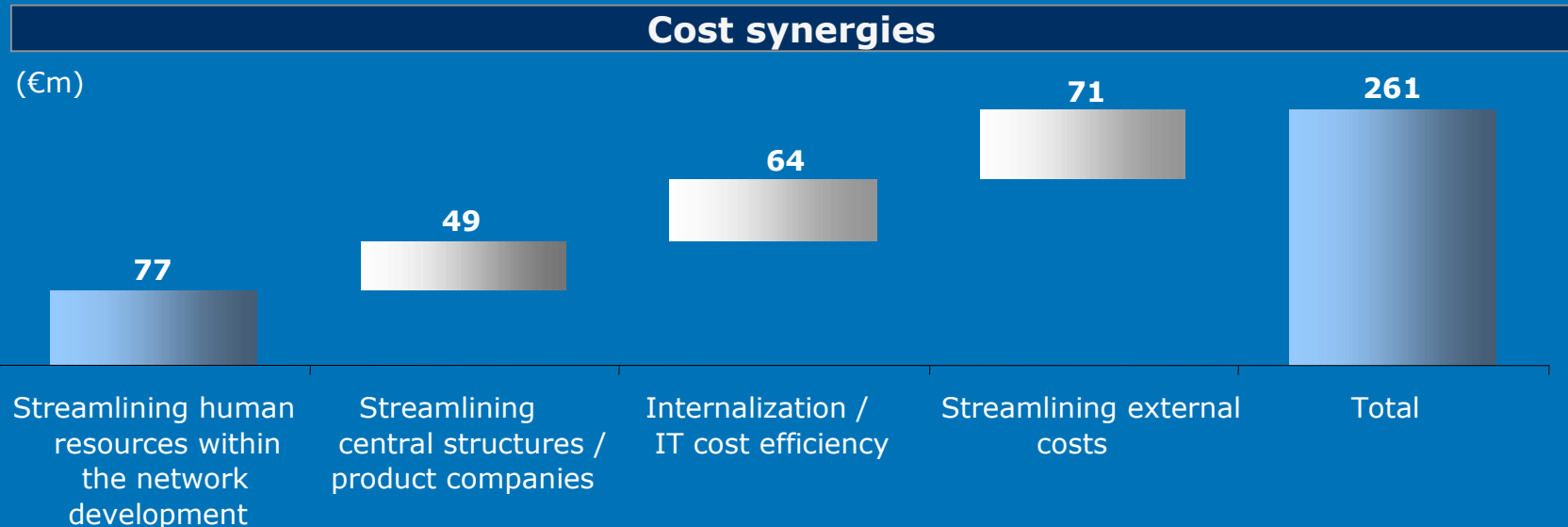
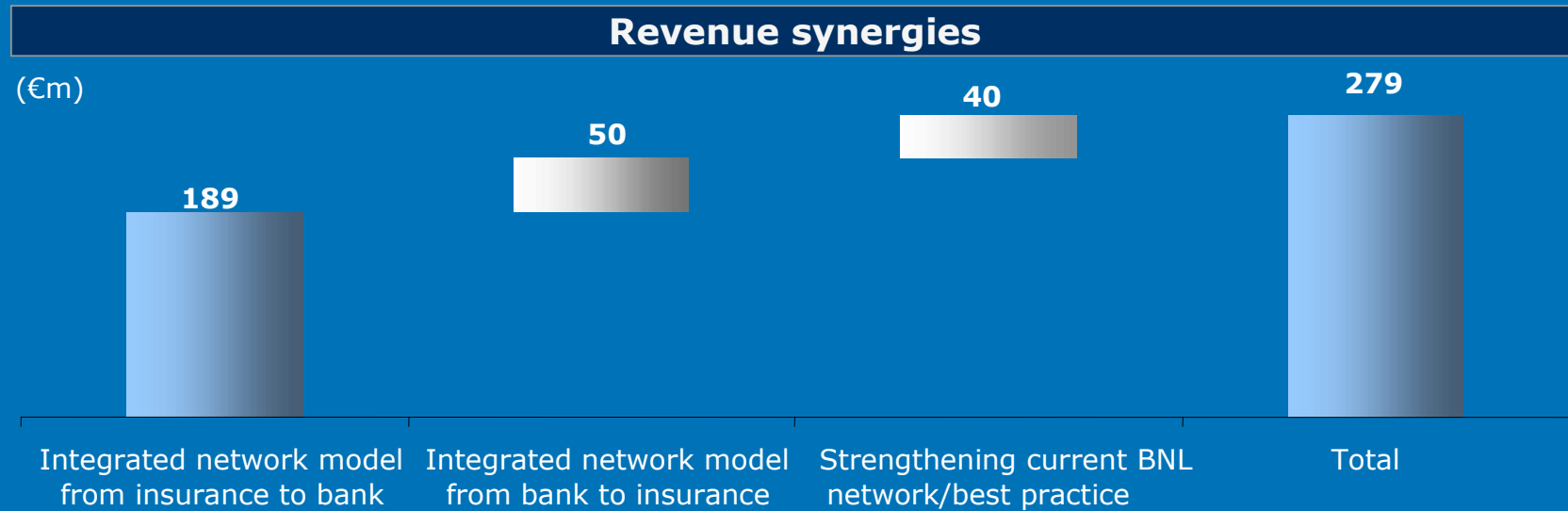
On the basis of recent experiences (acquisition of Winterthur) and including the scale effects at Group level, as well as the benchmarking analysis, **cost savings on procurement are expected to be about €70m upon completion of the plan**, thanks to the co-ordination of procurement and sharing of best practice and framework contracts– whose conditions are deemed interesting - at Group level.

(1) All the external costs (procurement, advisory and contracts) excluding IT. 2004 values.

Summary of key integration actions and related costs

Action	Comment	Related costs
Transfer of UNIPOL integrated model to BNL	Costs of material integration of agencies and branches and staff training	Total <i>una tantum</i> expenses of about €40m
Strengthening of BNL network (apart from the integration with agency network)	Structural improvements in the BNL network apart from the integrated network model (including hypothesis of splitting branches)	Total <i>una tantum</i> expenses of about €70m
Streamlining central structures	Introduction of best practices (review of training, procedures, evaluation systems and so on)	Total <i>una tantum</i> expenses of about €40m
Combining IT platform	Integration towards a common BNL-Unipol Banca IT platform exploitation of the higher critical mass for economies of scope/scale	Total <i>una tantum</i> expenses of about €50m

High value creation for shareholders: revenue and cost synergies upon completion of the plan ⁽¹⁾ ⁽²⁾

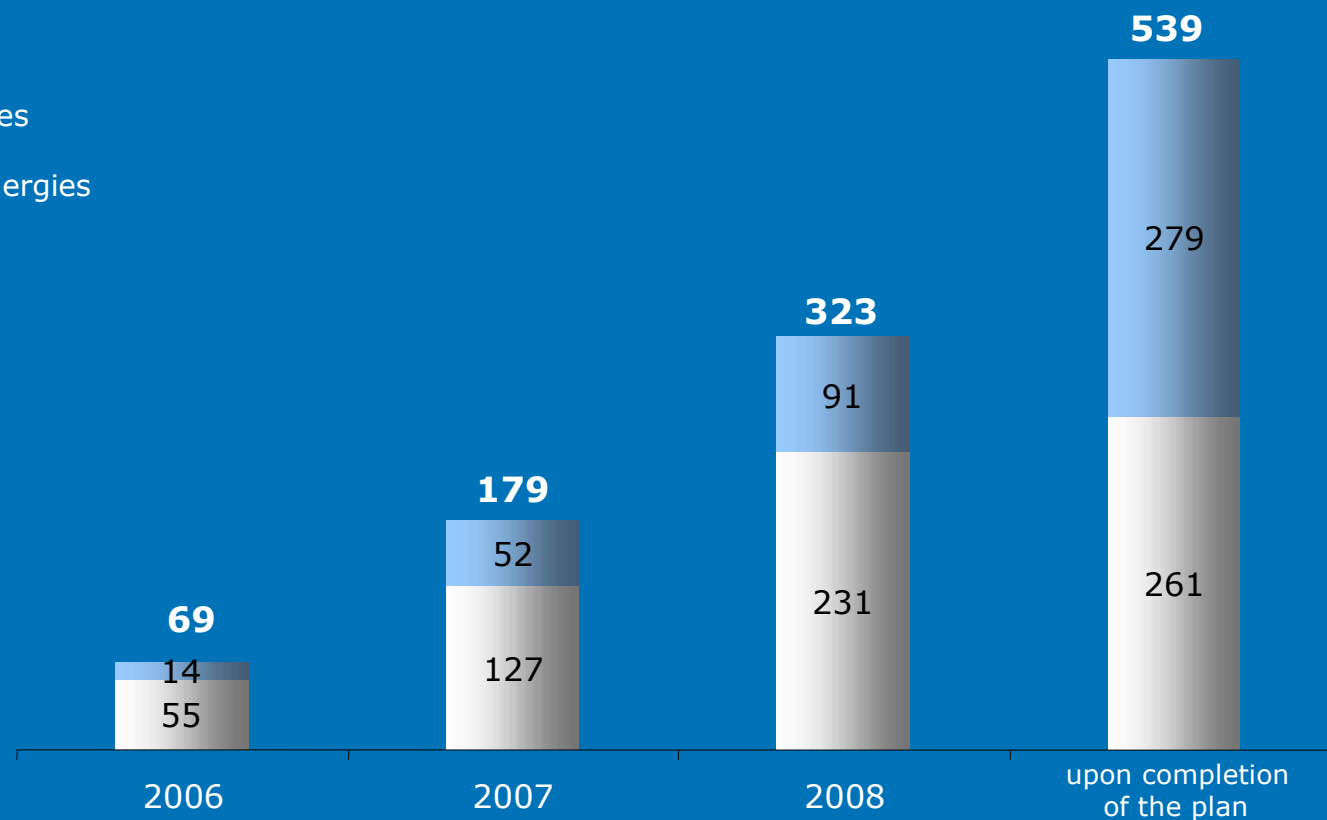
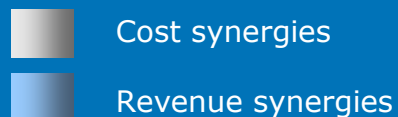


(1) Excluding the related tax effects.

(2) Differential benefits relating to UNIPOL and UNIPOL Banca's development plans.

Development of synergies⁽¹⁾ - timetable

(€/m)



Integration costs (effects in P&L acc.)

(19.4)

(34.3)

(42.1)

n.a.

Achievement of synergies by degree (above all revenue synergies) in line with the progressive implementation of the banking network growth and integration model (with the agency network)

(1) Excluding the related tax effects.

Other areas of emerging opportunities not considered when streamlining synergies

Area	Complementarity / Emerging opportunities
<p>Synergies on corporate customers</p>	<ul style="list-style-type: none"> ✓ BNL access to over 35,000 Unipol Group corporate customers (basically highly loyal) and implementation of the opportunities not fully streamlined by Unipol Banca. BNL contributes to the following: <ul style="list-style-type: none"> □ Higher capillarity □ Tradition/skill in corporate lending sector □ International presence/foreign service ✓ Access of UNIPOL to 270,000 BNL corporate customers to cover large insurance risks (impact on credit rating - Basel II)
<p>Combined sale of banking and insurance products</p>	<ul style="list-style-type: none"> ✓ Retail business (examples) <ul style="list-style-type: none"> • Mortgage loans and house insurance policies (i.e. fire policy) and term-life policy (to guarantee debt repayment in case of borrower's death) • Consumer credit (individual loans, credit cards and so on) and term-life, accident and job-loss policies • Debit cards and insurance covers for fraudulent use of the cards in case of loss, theft and so on). ✓ Corporate business (examples) <ul style="list-style-type: none"> • Mortgage loans and bond policies to constructors, to guarantee buyers and construction defects, also in consideration of the requirements introduced by the recent Law No 210 (the Unipol Group is the only one in Italy to make a joint inquiry covering both insurance guarantees and mortgage loans). • Sureties and advances on VAT refunds. The Unipol Group is already very active in granting these guarantees. BNL has the unique opportunity of taking advantage of advances-related operations.

Other areas of emerging opportunity not considered when streamlining synergies

Area	Complementary / emerging opportunities
Repositioning of BNL and Unipol relationship with co-operatives members /employees	✓ The Group relationship with about 400,000 employees and 3 million members of the co-operatives, which are Unipol shareholders, is an important valuable asset in order to enable BNL repositioning in the retail/small business sector, also with possible further actions not included in the synergies plan
Pension funds	✓ Possibility of developing pension funds also through the important platform represented by BNL (i.e. small business, public sector/large corporate)
Health care	✓ Similarly to the distribution of pension funds, BNL network is an important resource for distributing health policies
Corporate finance	✓ BNL strong tradition and focus on corporate lending ✓ Unipol Merchant enhances the corporate offer with services (M&A, financial advice)
Asset management /private banking	✓ Possible development of Unipol financial advisers' network (loyalty to agencies) within the agency network strengthening, with the aim of seizing opportunities offered more rapidly and effectively by the integrated model on a national scale.

Further considerations on the banking business trend

- ▶ Considering that Unipol disposes only of public information regarding BNL, the plan may be subject to further refinements, also thanks to the important involvement of BNL management. This will allow, *inter alia*, the clarification regarding the further synergies area mentioned above, which have not been quantified yet.
- ▶ In this scenario, some key aspects relating to the trend policies of the lending activities and of the network, according to the plan, may be anticipated:
 - ✓ prosecution of the re-balancing strategy as regards the credit portfolio aiming at achieving a higher incidence of the mid corporate and small business segments;
 - ✓ trend in the large corporate loans for the future years will be basically close to zero;
 - ✓ with reference to the branches network trend, the opening plan of new branches – already submitted by Unipol Banca to the Bank of Italy – is going to be passed to the BNL Group overall to the tune.

Conclusions

A unique project in Italy with business characteristics enabling considerable synergies to be made and which cannot be replicated by other projects:

BNL profitability recovery on a stand alone basis (thanks to investments in network, actions on productivity, commercial best practice, streamlining of external costs)

+

Synergies arising from combining national and additional banking assets: BNL and UNIPOL Banca (co-ordinated network development/increase in productivity, combining IT platform, streamlining of central functions and product companies, streamlining external costs)

+

Synergies resulting from the extension to BNL (and, hence, on a wider scale) of **UNIPOL integrated network model**

+

Access of BNL to SMEs /co-operative world, loyal UNIPOL customers, and access by UNIPOL to **BNL corporate customers for covering large insurance risks**

+

Protection and stability of BNL great strategic economic value for UNIPOL, also as a distribution platform for Life products (BNL Vita) and supplementary pension and health schemes

Reciprocal contribution to the growth and the value creation between BNL and the UNIPOL Group

Creation of a large national integrated banking and insurance group with a strong and original competitive position and a considerable value creation for UNIPOL and BNL shareholders

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Public Tender Offer – main points

Offer description	<ul style="list-style-type: none">✓ Mandatory Public Tender Offer - pursuant to Articles 102 and 106(1) and 109(1)(a) of the Consolidated Law – on 59% of BNL ordinary shares
Shares involved in the Offer	<ul style="list-style-type: none">✓ All the shares of BNL approved ordinary capital (including own shares and shares that service stock option plans) except the shares held by Unipol and by the members of the shareholders' agreements subscribed on 18 July (59.24% of the fully diluted ordinary share capital)✓ Total shares involved in the Offer: 1,836 million
Price	<ul style="list-style-type: none">✓ All cash offer✓ €2.70 per ordinary share
Maximum expenditure for securities involved in the offer	<ul style="list-style-type: none">✓ €2.70 per BNL ordinary share✓ Should all shareholders tender their shares, the expenditure on the part of Unipol would be €4.96bn and the stake would rise to 73.82%✓ Considering the Deutsche Bank shares (involved in call options by Unipol), the option agreements (Credit Suisse) and the shareholding of Banca Popolare dell'Emilia not adhering to the Offer, Unipol expenditure would be €4.2bn, whilst the stake in BNL would be 64.76% fully diluted.

Evolution of BNL shareholding structure

Pre OPA – August 2005 (1)

Other pact members

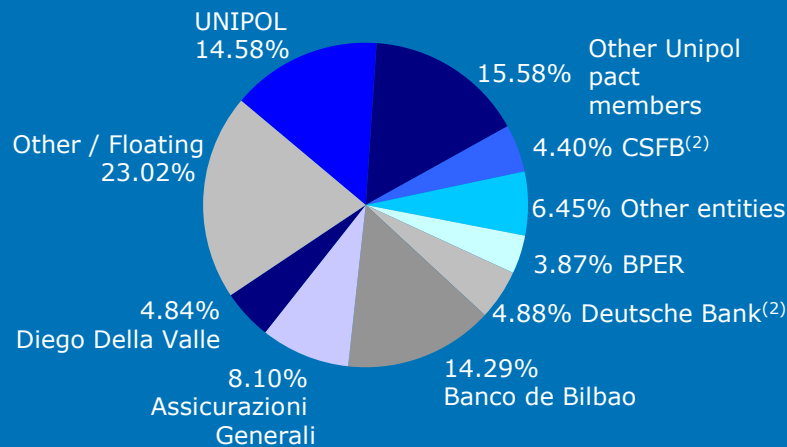
Nomura	4.86%
Hopa	4.88%
Carige	1.94%
Co-operatives	3.92%

TOTAL 15.58%

Other entities

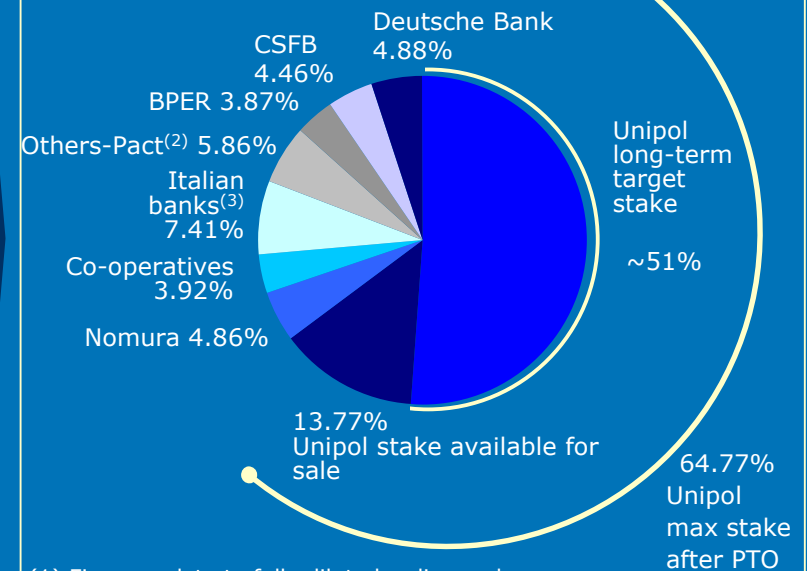
BPVI	3.84%
BPI	1.63%
Alvaro Pascotto	0.49%
Sias	0.49%

TOTAL 6.45%



(1) Figures relate to fully diluted ordinary shares
 (2) Including potential shareholding

Expected after OPA(1)

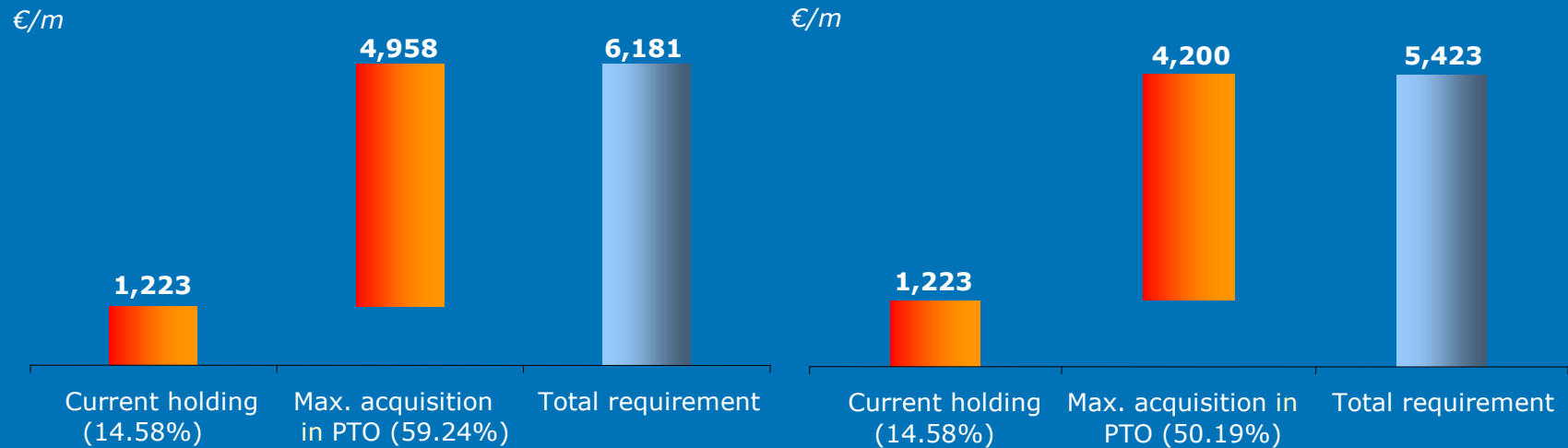


(1) Figures relate to fully diluted ordinary shares
 (2) Including Hopa, Alvaro Pascotto and Sias
 (3) Including Carige, BPVI and BPI.

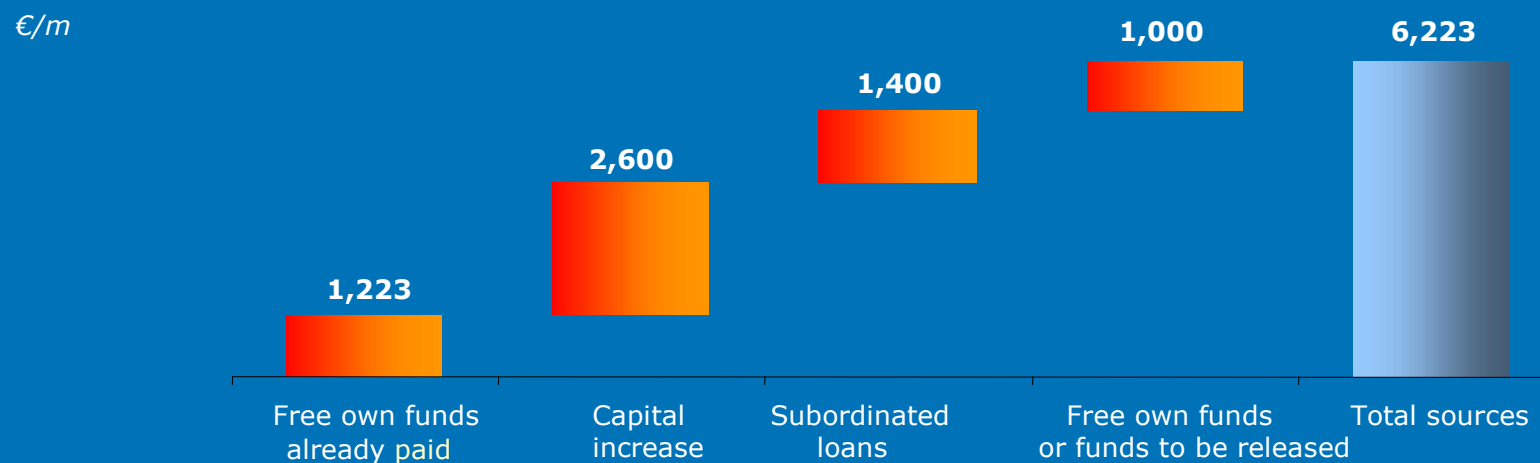
Fundraising sources: the overall operation ⁽¹⁾

Hypothetical capital requirement for the operation

Hypothetical max. requirement⁽²⁾ for the operation



Fundraising sources

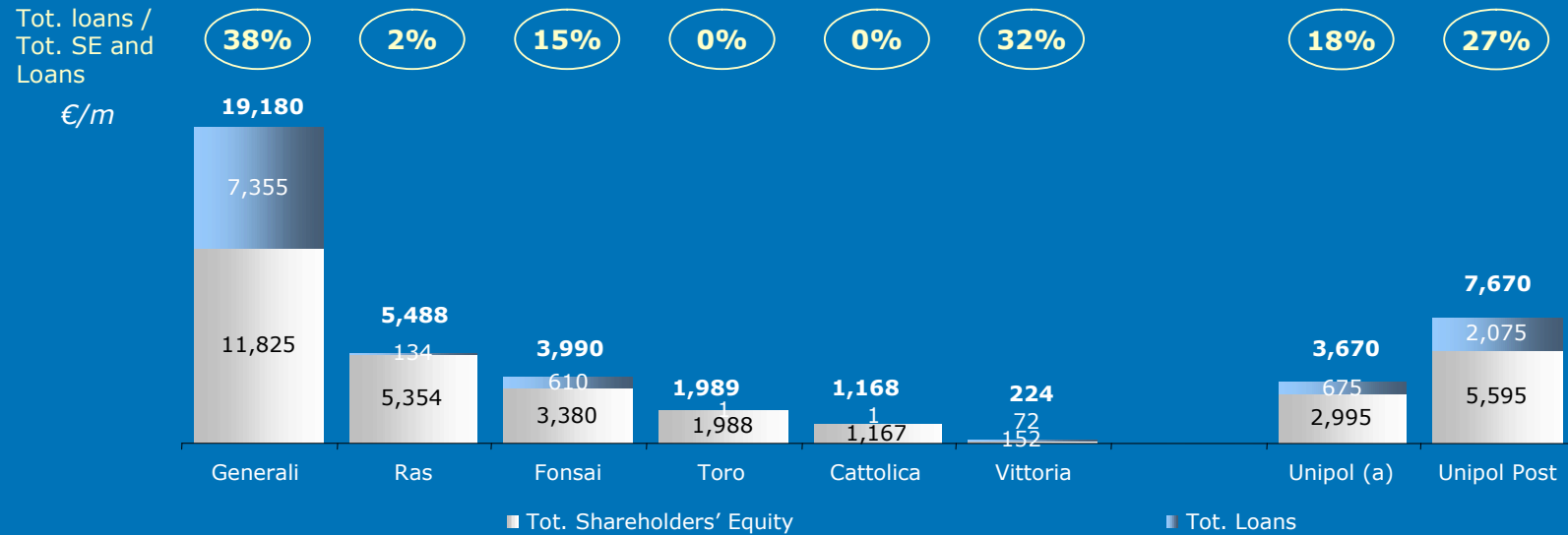


(1) Stock % referring to fully diluted ordinary shares.

(2) Excluding Deutsche Bank, option agreements with Credit Suisse and Popolare dell'Emilia.

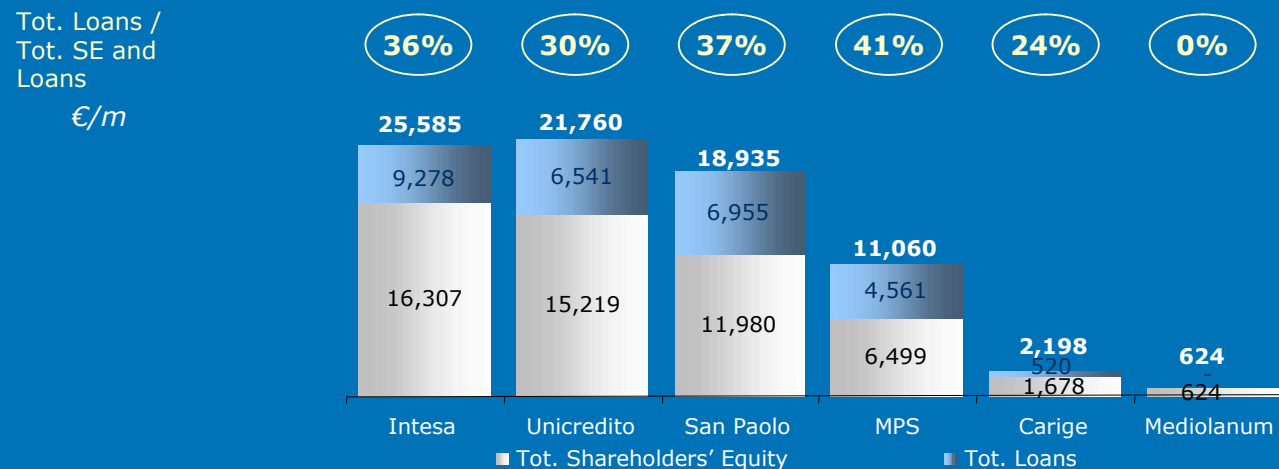
Comparison of debt ratios – 2004 figures

Listed insurance groups



(a) Including effects relating to warrants exercised in the first half of 2005.

Other financial conglomerates



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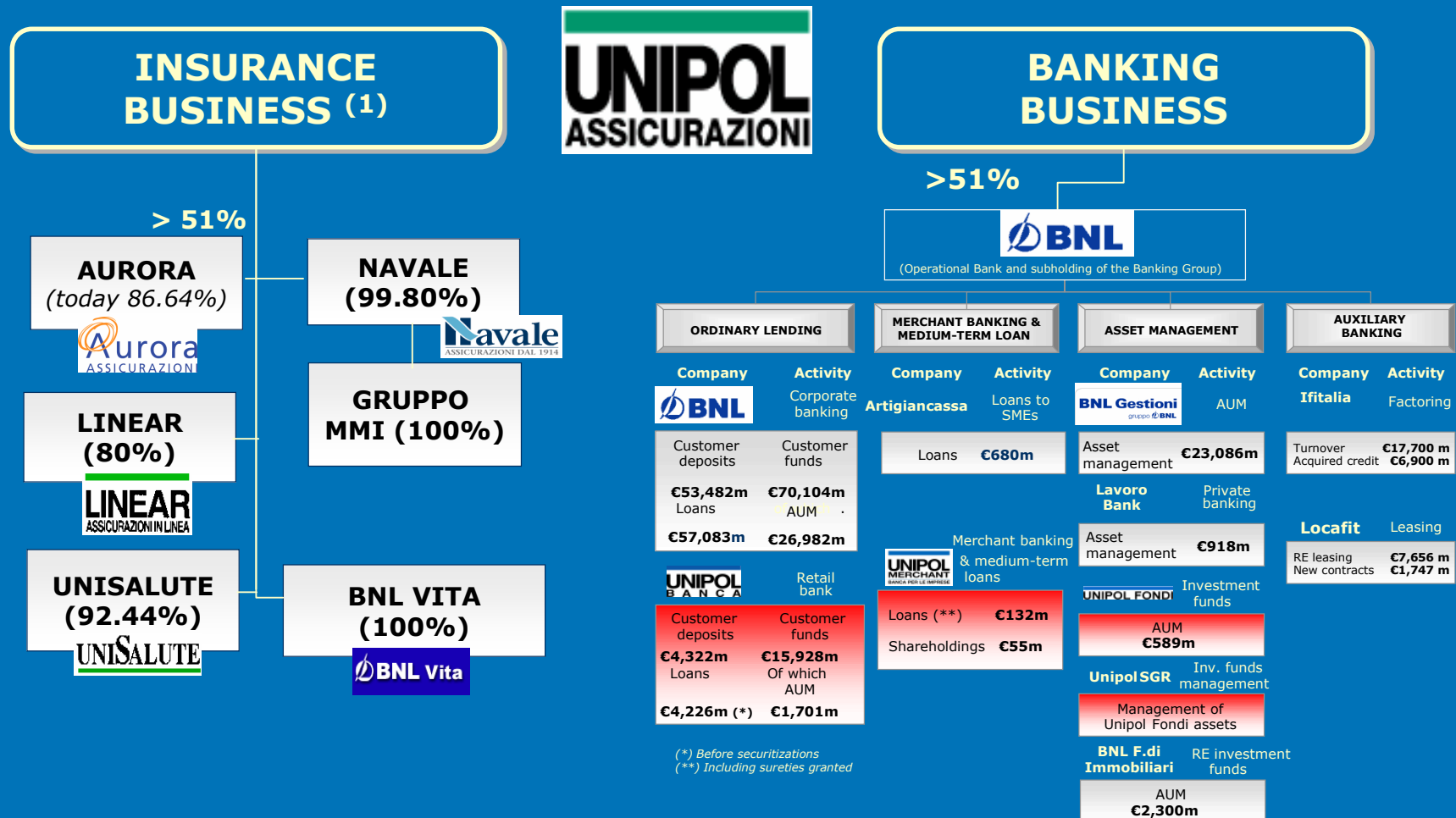
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The Unipol Group following acquisition



**Comprehensive integrated offer throughout the territory
(one stop shop)**

(1) Including the expected disposals of Aurora (up to 35%) and of the shareholding in Quadrifoglio Vita

Unipol Group three-year plan following acquisition of control over BNL

Considering that Unipol only disposes of public information regarding BNL, projections have been drawn up according to the following:

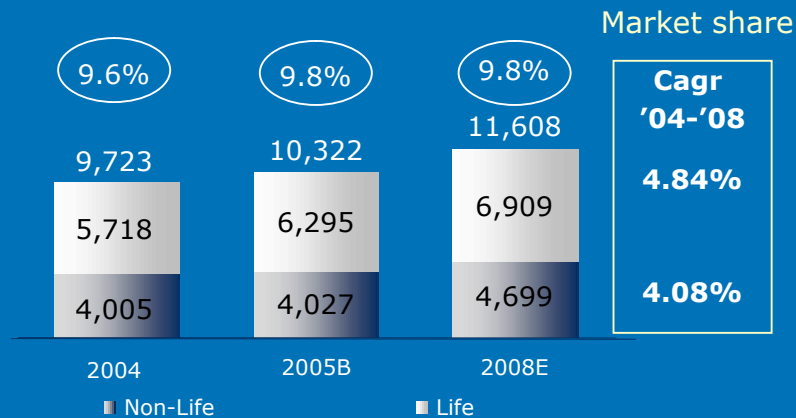
1. Unipol Group 2006-2008 business plan
2. Projections relating to BNL Group profits deriving from consensus data (for 2008, the 2007 figure + 10% has been assumed), which represent an initial rough idea
3. Differences linked to the project:
 - Synergies envisaged in the business plan for the period considered
 - Effects of the assumed extraordinary operations:
 - Acquisition by BNL of 100% of Unipol Banca and related shareholdings (assumed value - following expert opinion - between €950m and €1,050m)
 - Acquisition of 50% of BNL Vita by Unipol Assicurazioni (assumed value - expert opinion survey - between €150m and €200m)
 - Subordinated/irredeemable loans up to €1.4bn connected with the PTO
 - Disposal of minorities (Aurora, up to 35% and 50% of Quadrifoglio Vita)
 - Issue of up to €1bn as supplementary capital by BNL (€1bn as subordinated liabilities in the simulation presented above)
4. Unipol Group stake in BNL 64.76%, corresponding to a consolidated shareholding of 62.5%.

Unipol Group plan following acquisition of control over BNL – market scenario for insurance business

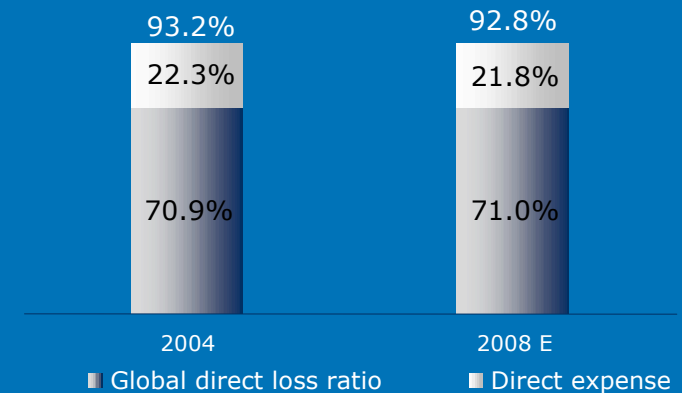
Insurance business	Market context																			
<p>Non-Life business</p>	<ul style="list-style-type: none"> ▶ Motor business: growth rate lower than inflation mostly linked to structural phenomena ▶ Non-motor business: average growth rate near 5% as per development in demand for traditional business lines 																			
<p>Life business</p>	<ul style="list-style-type: none"> ▶ Annual average growth rates lower than the historical ones, mainly as a consequence of the market slowdown, notwithstanding coverage needs caused by new emerging types of risk (such as terrorism) ▶ Boost to development owing to the effects of the new regulations relating to the pension reform (estimated as from 2006): <ul style="list-style-type: none"> • Individual policies • Class VI pension funds ▶ Evolution of sales channels: <ul style="list-style-type: none"> • Alignment of the growth rates relating to the different traditional distribution channels • Slowdown in premium income from financial advisers 																			
<p>Financial floating rates - trend</p>	<table border="1"> <thead> <tr> <th></th> <th>2005</th> <th>2006</th> <th>2007</th> <th>2008</th> </tr> </thead> <tbody> <tr> <td>10 years state fixed rate</td> <td>3.60%</td> <td>4.60%</td> <td>4.90%</td> <td>5.10%</td> </tr> <tr> <td>Floating rates (3 months Euribor)</td> <td>2.10%</td> <td>2.60%</td> <td>3.00%</td> <td>3.30%</td> </tr> </tbody> </table>						2005	2006	2007	2008	10 years state fixed rate	3.60%	4.60%	4.90%	5.10%	Floating rates (3 months Euribor)	2.10%	2.60%	3.00%	3.30%
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Unipol Group plan following acquisition of control over BNL- hypothesis adopted for insurance business

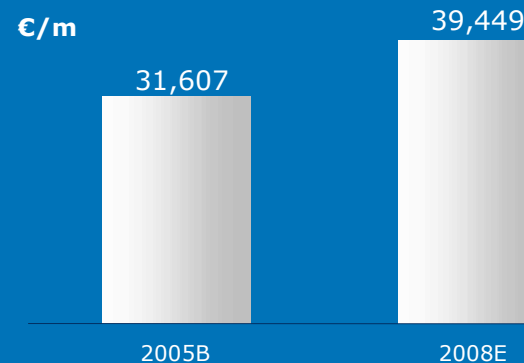
Expected premiums trend ⁽¹⁾ and market share



Combined Ratio



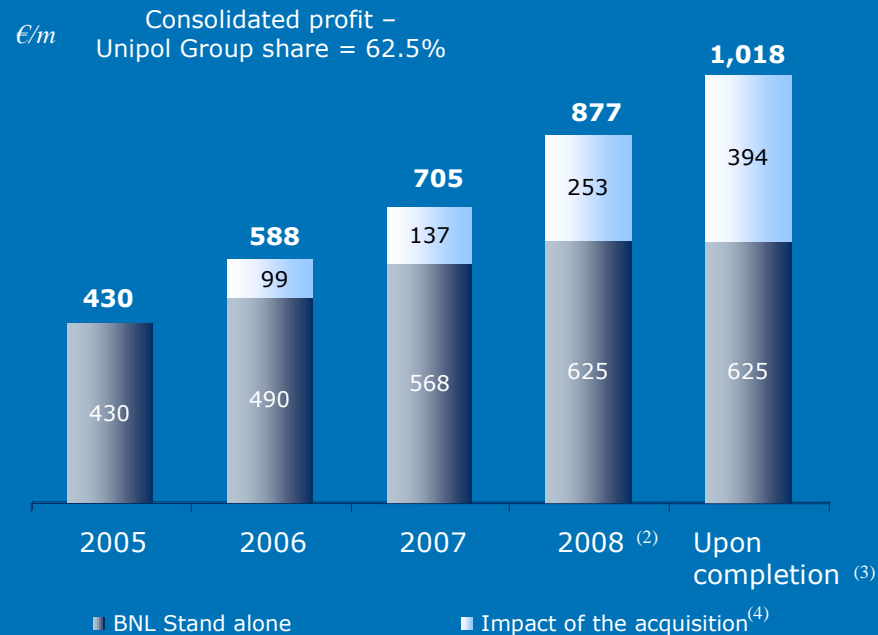
Total investments



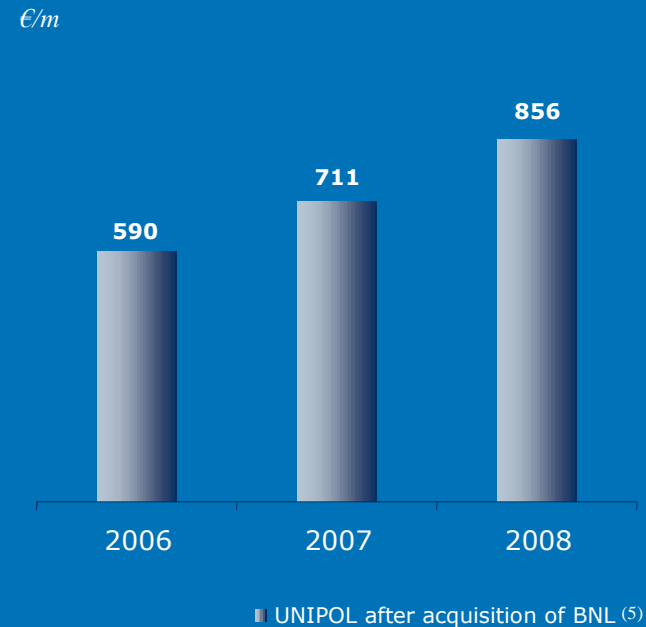
(1) Excluding premium income relating to Quadrifoglio Vita, which is expected to be outside the basis of consolidation as from 2006. Unit and index linked policies are still included in premiums for continuity's sake.

Consolidated profit trend for Unipol and BNL

Banking business (BNL Group Post) ⁽¹⁾



UNIPOL Group ⁽¹⁾



- (1) Excluding synergy areas not yet quantified.
- (2) BNL 2008 figures are roughly calculated as 2007 results + 10%.
- (3) The annual figures upon completion of the plan have been assumed as equal to 2008 only to compare the aggregated income with the projections of the synergies plan.
- (4) Including the impact of synergies, the effects of the envisaged extraordinary operations, the associated interests and financial charges. Amounts net of the relating tax effects. Sale of Unipol Banca and BNL Vita expected as at 30 June 2006.
- (5) Including the expected results of the insurance business and 62.5% of BNL net profit, as well as other effects linked to the project, as referred to in the above point 4).

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