



BANCO POPOLARE DI VERONA E NOVARA, BANCA POPOLARE ITALIANA AND FONDIARIA-SAI HAVE SIGNED AN STRATEGIC PARTNERSHIP IN LIFE BANCASSURANCE BUSINESS

JOINT STATEMENT

Pursuant to art. 114 of Legislative Decree 58/98

- **BANCO POPOLARE DI VERONA E NOVARA, BANCA POPOLARE ITALIANA AND FONDIARIA-SAI HAVE SIGNED AN STRATEGIC PARTNERSHIP IN *LIFE BANCASSURANCE BUSINESS*;**
- **ACCORDING TO THE TERMS OF THE AGREEMENT, BANCA POPOLARE DI VERONA E NOVARA AND ITS SUBSIDIARY CREDITO BERGAMASCO, WILL TRANSFER A TOTAL STAKE OF 50% IN THE SHARE CAPITAL OF BPV VITA TO FONDIARIA-SAI, AT A PRICE OF EURO 530 MILLION AND THEREAFTER MERGE NOVARA VITA INTO THE SAME BPV VITA;**
- **THE DURATION OF THE DISTRIBUTION AGREEMENT WILL BE TEN YEARS STARTING FROM 1 JANUARY 2008, RENEWABLE FOR ADDITIONAL 5-YEARS PERIODS THEREAFTER;**

* * *

31 May 2007

BANCO POPOLARE DI VERONA E NOVARA ("**BPVN**"), BANCA POPOLARE ITALIANA ("**BPI**"), jointly referred to as "**BANCO POPOLARE**", and FONDIARIA-SAI ("**FonSAI**") have today signed a strategic partnership agreement for the exclusive development of the Banco Popolare *bancassurance* activities in the life insurance and pensions business.

According to the terms of the agreement, subject to authorization from the supervisory authorities, the BPVN Group will transfer a total stake of 50% of the share capital of BPV VITA S.P.A. to FonSAI, for the price of Euro 530 million.

In detail, FonSAI will acquire a stake of 35% from BPVN for the price of Euro 371 million, while from CREDITO BERGAMASCO S.P.A. ("**Creberg**"), it will acquire a stake of 15% for the price of Euro 159 million.

Banco Popolare and FonSAI will also sign a shareholders' agreement to govern the industrial aspects of the partnership and the corporate governance regulations of BPV VITA. The agreement will also include, among other provisions, clauses to permit full consolidation of the company with FonSAI, reciprocal put and call options in the event of a break-up of the partnership, with provisions to evaluate the FonSAI participation by the appraisal value method.

The distribution agreement between BP Vita, that will incorporate Novara Vita, and the networks of Banco Popolare, will have a duration of 10 years, renewable for additional periods of 5 years, and will be exclusive as of 1 January 2008, while the outstanding distribution agreements with AVIVA (non exclusive agreement with expiry at year-end 2009) and AURORA (exclusive agreement with expiry in May 2008) will remain in place in the BPI and "ex-Reti Bancarie S.p.A." branch networks respectively. When fully up and running, BPV VITA will have a distribution network of about 2,200 branches, with a target equal to €6 billion in annual premium income.

To maximize the greatest administrative and operational efficiency, and therefore to produce value for the partners, the organizational structure of BPV VITA will be adopting an in-house operational structure at the head office in Verona, and to rely on the partners for a number of functions in outsourcing. In particular, it is expected that the company will use the Asset Management services of BANCA ALETTI S.P.A. and the insurance services of FonSAI.

For FonSAI, the agreement represents an additional opportunity to develop its life insurance business, where the group collected premiums, during 2006, for about Euro 2,670 million (IAS/IFRS), of which Euro 667 million through the *bancassurance* channel, both in harmony with the targets of its own business plans, and the strong and consolidated ties with BPVN, with which it has, over time, consolidated a significant unity of intent in business management, and a shared strategic vision that puts the customer at the heart of commercial development policies.

From an industrial point of view, the operation is perfectly in line with the existing FonSAI *bancassurance* agreements, which will continue to be strategic to the growth policies of the group.

For the Banco Popolare, the agreement is the first step in the long-term *bancassurance* reorganization process and an important aspect of the capital strengthening initiatives considered under the *capital management plan*. From the business point of view, the agreement enters an overall framework of continuity of the partnership between BPVN and FonSAI, which constitutes a major opportunity to strengthen Banco Popolare's competitive position in the Italian Life *bancassurance* business.

The completion of the disposal of the equity stake held in BPV VITA will result in a gross capital gain that is expected to reach about Euro 470 million in BPVN Group's consolidated financial statements. The gross capital gain expected to be recorded in the separated financial statement of the subsidiary company Credito Bergamasco is about Euro 140 million. On the basis of the rules currently in force, only some 16% of these capital gains will go towards forming the taxable income (I.R.E.S.).

BPVN and BPI were assisted by CREDIT SUISSE as their financial advisors, and STUDIO LEGALE ASSOCIATO PAVESI GITTI VERZONI for legal advice and by BAIN & co in their capacity as industrial advisors.

FonSAI took financial advice from KPMG CORPORATE FINANCE and MEDIOBANCA DI CREDITO FINANZIARIO and legal advice from STUDIO LEGALE ASSOCIATO D'URSO MUNARI GATTI.

This press release is issued to the market by Banco Popolare di Verona e Novara, in its role as parent company, in the interest also and on behalf of Credito Bergamasco for all aspects concerning it.

Company contacts:

Banco Popolare di Verona e Novara

Public Relations

Tel. : +39-045 867.5182-5867
relazest@bpv.it
www.bpv.it

Investor Relations

Tel. : +39-045 867.5537
investor.relations@bpv.it
www.bpv.it (IR section)

Fondiarria-SAI

Press Office

Federica Dal Conte
Claudia Galassi
Tel. : +39-02 66.70.4324

Investor Relations

Luca Guasco
Giancarlo Lana
Floriana Amari
Tel. : +39-011 66.57.642

Banca Popolare Italiana

Press Office

Tel. : +39-0371 580264-257
Tel. : +39-0371 580128-514

Investor Relations

Tel. : +39-0371 580036-580073
investor.relations@bipielle.it
www.bancapopolareitaliana.it

Credito Bergamasco S.p.A
Funzione Studi e Relazione Esterne

Tel. : + 39-035 393 397
relest@creberg.it
www.creberg.it