

## PRESS RELEASE

### Santander and Monte dei Paschi di Siena: agreement on Antonveneta

*Siena, 8 November 2007* - The Board of Directors of Banco Santander and of Banca Monte dei Paschi di Siena, which have been held today, have authorised the signing of an agreement which has as object the Gruppo Banca Antonveneta.

#### I. Main Terms of the Transaction

Based on the agreement reached, Banco Santander, as soon as it will have completed the acquisition of Banca Antonveneta from ABN AMRO currently underway, will sell the entire share capital to Banca Monte dei Paschi di Siena for a total consideration of €9 billion, excluding the Interbanca controlling stake. The agreement foresees that Interbanca, at the moment of the transfer of Antonveneta to Monte dei Paschi di Siena, will exit the Antonveneta Group.

#### II. Strong Strategic Rationale

Antonveneta represents an important opportunity for its industrial appeal (territorial complementarity and common retail culture), lean governance (no constraints or complexities) and size. In particular, the transaction has a strong strategic rationale, allowing for:

- Consolidation of the role of **third banking group in Italy** well-positioned to compete with the other leading banking groups in the domestic and European market;
- **Strong reinforcement in its core business:** the acquisition of Antonveneta allows Gruppo Banca Monte dei Paschi to enhance significantly its penetration in the retail market in Italy;
- **Significant dimensional growth**, increasing the branches network (from 2,000 to 3,000 branches) and market share (from 6% to 9%). In particular MPS Group increases by 100% its presence in the regions of Northern Italy reaching a market share of 6.5% in both Lombardy and Emilia Romagna and of 10.6% in Veneto. From a dimensional standpoint Antonveneta allows MPS Group to grow by 30% in terms of main economic and balance sheet aggregates (revenues, total funding);
- **High Value Creation:** Antonveneta represents a good opportunity to further upgrade the already good MPS profitability thanks to the room for efficiency improvement deriving from the integration with MPS Group and to the possibility to enhance the commercial performance. Based on preliminary estimates the transaction could generate a significant value creation with estimated gross synergies of minimum €360m, of which ~€220m from costs synergies (25% of Antonveneta costs) and ~€140m from additional revenues (8% of Antonveneta revenues). Significant opportunities could arise from the consumer credit, bancassurance and asset management business.

### III. Financial Impact

BMPS Group foresees to fund the acquisition for approximately 50% of the consideration through equity, for approximately 20/25% through disposals of non strategic assets and the acceleration of the capital reallocation process on the “core business” and for the remaining part through the existing liquidity and through funding via debt instruments (senior and subordinated).

The transaction will have an **accretive effect on MPS consensus earnings** starting from 2009.

The transaction, which the parties foresee to finalise within the minimum technical time required, will be subject to the authorisations required by applicable laws from Antitrust and from banking supervisory authorities.

Merrill Lynch International and Mediobanca are acting as financial advisors to Banca Monte dei Paschi di Siena in the transaction.