



PRESS RELEASE

Initiative to re-qualify and optimise the capital structure of the Group

Brescia, 15th April 2009 - The Supervisory Board and the Management Board of UBI Banca have approved, within the capital management plan, a further measure designed to re-qualify and strengthen the structure of the capital base of the Group.

This new initiative consists of a public exchange offer on the entire amount of the preferred securities outstanding (with a nominal value of 570 million euro¹) and on 5 series of lower tier 2 bonds (with a nominal value of 1.550 million euro²), in return for senior debt securities for a maximum amount of 1.570 million euro which will be issued under the existing EMTN programme.

The offer will be subject to obtaining the necessary authorisations from the Bank of Italy and the Consob and will take place indicatively within the summer.

The public exchange offer will be on:

- the entire amount of the preferred securities (570 million euro) and the lower tier 2 debt issued maturing on 30th June 2009 (250 million euro³).
With regard to the latter, UBI Banca has also decided to exercise the call option on 30th June 2009, as permitted by the solid capital position of the Group and consistent with the treatment of previous operations: investors will therefore have the choice of either accepting the exchange offer or of obtaining redemption in cash.
- the remaining four lower tier 2 issues up to a maximum of 750 million euro, with a possible partial allotment if applications exceed that amount.

In relation to these issues and to the preferred securities, UBI Banca reserves the right to decide in due time whether or not to exercise the call option on the first date possible, on the basis of considerations which will also include market conditions at the time.

Investors who accept the exchange offer will be able to obtain senior securities with the certainty of the maturity date and the fixed rate or floating rate coupon, thereby stabilising their investment at a time when markets are highly volatile.

The UBI Group on the other hand will be able to capitalise any discount there may be on the nominal value of the securities and strengthen its core tier 1 capital.

With regard to lower tier 2 issues, the 2009 budget includes issues to ordinary customers during the year for a total amount of 1.000 million euro, equal to the amount of the securities subject to exchange. Issues of approximately 582 million euro were already made in the first quarter of 2009.

The public exchange offer will be addressed to bondholders resident or domiciled in Italy who will be able to take up the offer on the basis of the information contained in the Offer Document published in accordance with articles 101- *bis et seq.* of the Consolidated Law on Finance and also, without prejudice to that which follows, to bondholders resident or domiciled outside Italy who will be able to take up the offer according to the terms and conditions reported in the *Exchange Offer Memorandum*, which will

¹ ISIN: XS0108805564, XS0123998394, XS0131512450

² ISIN: XS0195722003, XS0237670319, XS0259653292, XS0278107999, XS0272418590

³ ISIN XS0195722003

contain information consistent with that reported in the Offer Document and which is not subject to approval by any supervisory authority.

The public exchange offer will not be promoted directly or indirectly in the United States of America, Australia, Canada, Japan or in other countries in which the offer is not permitted in the absence of authorisation from the competent authorities.

The public exchange offer in the terms described above is in any case subject to the possibility that it may be performed in line with best international practices and it may only be made after receiving approval by Consob of an Offer Document consistent with such practices.

The text of the communication made by UBI Banca, prepared in accordance with article 102 of the Consolidated Law on Finance is reported below.

COMMUNICATION PURSUANT TO ARTICLE 102 OF LEGISLATIVE DECREE No. 58 OF 24TH FEBRUARY 1998

Unione di Banche Italiane S.c.p.a. (hereinafter, "**UBI**" or the "**Offeror**") hereby communicates – pursuant to and to the extent provided for under article 102 of Legislative Decree No. 58 dated 24th February 1998, as amended (hereinafter, "**TUF**") – the intention to carry out a public exchange offer (hereinafter, the "**Offer**" or "**OPS**") over five series of Lower Tier II subordinated notes (hereinafter, the "**Subordinated Securities**") and three series of Tier I preferred securities (hereinafter, the "**Preferred Securities**", and collectively with the Subordinated Securities, the "**Securities**"), the details of which are indicated in the table hereunder:

Subordinated Securities

Issuer	Nominal Value (in million euro)	Early redemption date	Maturity date	Stock Exchange	ISIN
* Banca Lombarda e Piemontese S.p.A.	250	30 th June 2009	30 th June 2014	Luxembourg	XS0195722003
* Banche Popolari Unite S.c.p.a.	500	7 th December 2010	7 th December 2015	London	XS0237670319
* Banche Popolari Unite S.c.p.a.	300	30 th June 2011	30 th June 2016	London	XS0259653292
* Banca Lombarda e Piemontese S.p.A.	200	19 th December 2011	19 th December 2016	Luxembourg	XS0278107999
* Banche Popolari Unite S.c.p.a.	300	30 th October 2013	30 th October 2018	London	XS0272418590

* As at the date hereof, Unione di Banche Italiane S.c.p.a.

Preferred Securities

Issuer	Nominal Value (in million euro)	Early redemption date	Maturity date	Stock Exchange	ISIN
Banca Lombarda Preferred Securities Trust	155	10 th March 2010	Perpetual securities	London	XS0108805564
Banca Popolare di Bergamo Capital Trust	300	15 th February 2011	Perpetual securities	Luxembourg	XS0123998394
Banca Popolare Commercio e Industria Capital Trust	115	27 th June 2011	Perpetual securities	Luxembourg	XS0131512450

With regard to the Preferred Securities and to the first series of Subordinated Securities indicated in the table having an early redemption date as at 30 June 2009 and ISIN XS0195722003 (hereinafter, "**June 2009 Subordinated Securities**"), the Offer is performed over the entire nominal value of the Securities equal to Euro 820,000,000.

With regard to the other four series of Subordinated Securities, UBI shall accept subscriptions to the OPS over said Subordinated Securities having an overall nominal value up to a maximum of Euro 750,000,000; should the subscriptions exceed said amount, the Offeror shall apply the relevant allotment criteria according to the terms provided for under the relevant offer document to be filed within twenty days as of this communication, pursuant to the provisions of article 102, paragraph 3, of TUF (hereinafter, the "**Offer Document**").

Consideration for the Offer

Senior debt securities to be issued, in one or more series, on the basis of UBI *EMTN* Programme and listed on the London Stock Exchange (hereinafter, the "**Exchanged Securities**", the issue of which has been authorised by the Offeror for the purposes of the Offer) shall be allocated to those persons having validly subscribed to the Offer.

The number of Exchanged Securities to be allocated to OPS subscribers shall be calculated on the basis of the price, expressed in percentage terms with respect to the nominal value of each Security including the accrued interest in course, at which the Offeror shall purchase the Securities (hereinafter, the "**Repurchase Price**") and of the price, expressed in percentage terms with respect to the nominal value, at which the Exchanged Securities shall be issued (hereinafter, the "**Issue Price**").

With respect to each series of Securities, the ratio between the relevant Repurchase Price and the Issue Price shall amount to the relevant exchange ratio applicable to said series of Securities (hereinafter, the "**Exchange Ratio**").

Without prejudice to what foreseen in respect of June 2009 Securities, those subscribers who, on the basis of the Exchange Ratio and of the number of Securities held, are not entitled to receive at least an Exchanged Security, shall be entitled to an amount of money in Euros equal to the Repurchase Price of the respective Securities multiplied by the nominal value of the relevant Securities.

With regard to June 2009 Subordinated Securities, those holders who – on the basis of the Exchange Ratio applicable to same and of the number of Securities held – are not entitled to at least one Exchanged Security, shall not be entitled to participate in the OPS. Nonetheless, since, as described hereunder, the Offeror has authorised early redemption exercise as at payment date falling due on 30th June 2009, June 2009 Subordinated Securities holders shall in any event receive the early redemption amount indicated in the relevant securities regulation contained in the issue prospectus.

Any residual amount which is not a multiple of Euro 1,000 deriving from the Exchange Ratio shall be settled cash.

The Offer Document shall include the relevant details in respect of the ways of calculating the Repurchase Price, Issue Price, Exchange Ratio and Exchanged Securities coupon, along with the relevant applicable allotment criteria for subscriptions of Subordinated Securities holders other than June 2009 Subordinated Securities.

June 2009 Subordinated Securities

With regard to June 2009 Subordinated Securities, UBI has authorised exercise of the early redemption right as at 30th June 2009 payment date; official communication of exercise of the relevant early redemption right shall be provided to June 2009 Subordinated Securities holders to the extent provided for under the relevant issue prospectus.

June 2009 Subordinated Securities shall be early redeemed as at 30th June 2009, subject to issue of the necessary prior authorisation of the Bank of Italy.

Markets in which the Offer is performed

The Offer Document to be approved by CONSOB shall exclusively be addressed to holders of Securities based in Italy.

Without prejudice to the provisions hereunder, holders of Securities based outside Italy may subscribe to the OPS pursuant to the terms included in a separate document – the *Exchange Offer Memorandum* – to be made available. The *Exchange Offer Memorandum* shall include consistent information with that conveyed in the Offer Document and shall not be subject to the approval of any supervisory authority.

The Offer shall not be directly or indirectly performed in the United States of America, Australia, Canada, Japan or in another State in which said offer is not allowed failing the authorisation of the competent authorities.

Subscription to the Offer by persons who are resident or domiciled in Countries other than Italy may be subject to specific obligations or restrictions set forth by law or regulatory provisions. It shall be the exclusive liability of the recipients of the Offer to ascertain existence and applicability of said provisions by referring to own advisors and to comply with said provisions prior to subscribing to the Offer.

Rationale of the Offer

The Offer falls within a widest context of a re-qualification and optimization of UBI supervisory capital structure.

Offer period

It is foreseen that the relevant Offer subscription period shall commence towards the end of May and the Offer calendar shall be finally agreed with CONSOB.

Subscription shall take place through the custodians at which the Securities are held pursuant to the procedures to be indicated in the Offer Document.

The consideration due to all those having validly subscribed to the Offer shall be paid at the end of the offer period on the date to be indicated under the Offer Document.

Funding and guarantees

Repurchase of Securities shall occur through issue - already authorised by the Offeror - of the Exchange Securities to be issued on the basis of UBI *EMTN Programme*.

In respect of any payment to be made in monies pursuant to the above, UBI shall set aside an adequate amount in respect of the characteristics of the Offer into a specific deposit account in order to guarantee the cash payment obligations described above.

Conditions for the Offer

Pursuant to article 102, paragraph 4, of TUF, in the events in which, for offer purposes, the relevant sector law provisions request authorisations of other authorities, the Italian Companies and Stock Exchange National Committee (*Commissione Nazionale per le Società e la Borsa*) shall approve the offer document within five days as of the communication of the relevant authorisations.

Approval of the Offer Document and, consequently, the Offer, are therefore subject to issue of the authorisation of the Bank of Italy in respect of repurchase of the Securities, pursuant to Heading I, Chapter 2, Section II, of the New Prudential Supervision Provisions for Banks pursuant to the Circular of the Bank of Italy No. 263 of 27th December 2006. A specific request aimed at repurchasing the Securities has already been submitted to the Bank of Italy by UBI.

Furthermore, it is hereby noted that performance of the Offer in the aforementioned terms is in any event subject to the feasibility that the same may be performed pursuant to procedures in line with the international best practice and may only occur following approval by CONSOB of an Offer Document in line with said practice.

Conditions for the validity of the Offer

The Offer is conditional upon the aggregate principal amount of subscriptions concerning Securities being not less than Euro 100,000,000.

The Offer is also conditional upon no event occurring, at a national and/or international level, up to and including the calendar day prior to the settlement date, which (a) causes serious changes in market conditions such as would have a material adverse effect on the Offer, or (b) involves adverse events or circumstances concerning the Offeror's assets and liabilities, profits and losses, or its tax, legal regulatory or corporate affairs or any legal or arbitration proceedings against or affecting the Offeror, concerning the situation of the Offeror resulting from the last financial data available, such as to have a material adverse effect on the outcome of the Offer or such change in legislation or regulations as would limit, or in any event adversely affect the purchase of the Securities, or the exercise of the right of ownership or of any other right attaching to the Securities.

Advisors

The Offeror, for the purposes of the Offer, is assisted by HSBC Bank plc in the capacity as Dealer Manager.

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