



PRESS RELEASE

UBI Banca enters into a strategic partnership in non-life bancassurance with Fortis and BNP Paribas Assurance

Bergamo, 17 September 2009 - **UBI Banca announces the set up of a non life bancassurance Joint Venture with Fortis and BNP Paribas Assurance.** The transaction will be executed through the disposal by the UBI Banca Group of 50% +1 share of UBI Assicurazioni to a holding company (F&B Insurance Holdings), which will be held by Fortis (50% + 1 share) and BNP Paribas Assurance (50% -1 share) and the signing of a long term distribution agreement through the UBI Banca Group branch network. The consideration for the transaction is 120 mln € in cash with an additional earn-out component dependent upon the achievement of certain volume thresholds in the future of approx. 40 mln € in terms of net present value, for an implied valuation of the 100% of UBI Assicurazioni of approx. 320 mln €

Following the completion of the transaction, the UBI Banca Group will hold 50%-1 share of UBI Assicurazioni, which is currently 100% owned by the Group.

The new partnership will enable the UBI Banca Group – among other things - to expand and enhance current non life product offering through distribution of high value added products, thus further broadening the portfolio to non-motor segments, to leverage on partners' industrial competences also in terms product innovation and to implement innovative commercial strategies in order to maximize bundling and cross-selling potential for credit protection and other non-life products, sold together with banking products.

The transaction is subject to regulatory approvals from the relevant authorities. Closing is expected to take place before the end of 2009, generating for the UBI Banca Group a capital gain, net of goodwill and taxes, of approximately 45 mln € and a positive impact estimated in approx. 10 bps and 13 bps respectively on consolidated Core Tier I Ratio and Total Capital ratio.

Victor Massiah, Chief Executive Officer of Group, commented *“The UBI Group has proceeded with another project included in its original Business Plan, confirming its implementation capacity even in a difficult market context. This operation demonstrates the great ability of the UBI Group to attract, through its strong distribution network, partnerships with the best players in the market. BNP Paribas Assurance and Fortis rank in fact among the leading world players in the non life insurance sector.”*

In the transaction UBI Group was assisted by Rothschild S.p.A. as financial advisor and by Pedersoli e Associati as legal advisor.

The Italian non-life insurance market harbors considerable potential for bancassurance. Italy is Europe's fifth-largest non-life insurance market with total non-life GWP of EUR 37.5 billion in 2008 and has experienced steady annual growth of nearly 4% since 2000. In 2008, only 2.2% of non-life gross written premiums were sold through the banking channel. However, bancassurance in Italy is expected to catch up with other European countries and therefore offers excellent growth opportunities.

UBI Assicurazioni, operational since December 1987, is one of the leading non-life bancassurance players in Italy. UBI Assicurazioni has over 20 years experience in the Italian market where it distributes its products through the almost 2,000 branches of UBI Banca. In 2008, UBI Assicurazioni recorded gross written premiums of approx. 238 mln € and pro-forma net equity of approx. 70 mln €.

BNP Paribas Assurance (www.assurance.bnpparibas.com) is the Life and Property & Casualty insurance arm of BNP Paribas. It develops and markets products and services under two commercial brands. Products distributed through the BNP Paribas retail branch network in France are branded BNP Paribas. Those distributed by other channels in France and in international markets are branded Cardif. BNP Paribas Assurance is the world leader in creditor insurance and the fourth-largest life insurance company in France. Its life and non-life insurance units have received an AA rating from Standard & Poor's.

BNP Paribas Assurance is actively committed to exemplary Corporate Social Responsibility. It has adopted a Socially Responsible Investment program, encourages diversity throughout the enterprise (earning the "Equality at Work" label in France) and supports local economic development in the markets where it operates. BNP Paribas Assurance is equally committed to environmental responsibility, targeting a 10-percent reduction in the company's carbon emissions by 2010. It had gross written premiums of 16.1 billion euros in 2008. With operations in 41 countries, BNP Paribas Assurance generated 42% of its 2008 gross written premiums outside the BNP Paribas group and 37% of gross written premiums outside France. It counts 8,000 employees, 70% of them outside France.

Fortis holding (Fortis SA/NV and Fortis N.V.) consists of (1) a 75% ownership of AG Insurance, (2) Fortis Insurance International, (3) a 45% stake in Royal Park Investments - a structured credit portfolio entity - and (4) financial assets and liabilities of various financing vehicles. AG Insurance is overall market leader and a leading player in the Employee Benefits market. The international insurance activities (Fortis Insurance International) are located in the UK, where Fortis is the third largest player in the market for private car insurance, France, Hong Kong, Luxembourg (Non-Life), Germany, Turkey, Russia, Ukraine and joint ventures in Luxembourg (Life), Portugal, with Millenniumbcp Fortis being a clear market leader, China, Malaysia, India and Thailand. Fortis currently employs over 10,000 people.

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