

Press Kit



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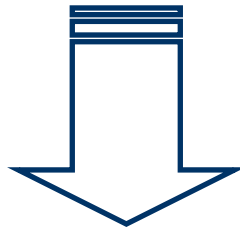
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1. Our Mission

“A multi-regional Group close to its customers and to their communities”.

a. To be a ‘popular bank’ and consequently strongly rooted in the economic and social life of local communities, developing business to stimulate growth in them.

b. To be protagonists on the national banking market with concrete proactive participation distinguished by its efficiency and capacity to create lasting value.



To combine the best of being a “POPULAR BANK” (close to customers) with the best of being a “NATIONAL BANK” (dynamism, strength, soundness, energy), to the benefit of all our customers.

2. Operating and financial highlights

UBI Banca - Unione di Banche Italiane is a banking group formed on 1st April 2007 from the merger of the expertise and experience of the BPU Group – Banche Popolari Unite – and that of the Banca Lombarda e Piemontese Group.

The history of the Group is the result of a succession of mergers which led banks with strong roots in their local communities to become the significant reality that exists today. The Group employs a federal model of organisation with nine network banks and a broad range of product companies under the leadership of UBI Banca, listed on the *Mercato Telematico Azionario (MTA* - electronic stock exchange) of Borsa Italiana.

Highlights as at 30 September 2011:

The fifth largest Italian banking group by number of branches and the largest “popular” banking Group by stock market capitalisation, UBI Banca has:

- 1.877 branches including 852 in Lombardy and 226 in Piedmont;
- approximately four million customers, mainly retail;
- a national market share of approximately 6%. In terms of branches, the Group has local market shares of approximately 12,9% in Lombardy and 8,4% in Piedmont as well as substantial presences in central and southern Italy;
- human resources numbering 19.515;
- direct funding of 103,9 billion euro;
- indirect funding of 73,1 billion euro;
- total assets of 133,6 billion euro;
- lending of 102,8 billion euro;
- an annualised cost of credit of 0,52%;
- high credit quality: a ratio of net non performing loans to net loans of 2,28% and a ratio of net impaired loans to net loans of 2,55%;
- sound capital ratios* (core tier 1 ratio: 8,26%, tier 1 ratio: 8,78%, total capital ratio: 13,17%)
- a very contained appetite for risk: approx. 77% of assets consist of conventional loans. Funding is mainly from the customer base with limited use of international financial markets;
- ratings: S&P: A-2/A-/Stable; Moody's: A3/Prime-2/C-/Stable; Fitch: F2/A-/Negative.

* The Group position as at 30th September 2011 restated in terms that are perfectly consistent with the positions in June 2011 and December 2010. In accordance with supervisory regulations, the ratios are: core tier 1 ratio: 8,44%, tier 1 ratio: 8,97%, total capital ratio: 13,37%).

The benefits relating to a potential conversion of the convertible loan are not included.

3. The Organisational Structure and National and International Presence

The Group employs an integrated and federal organisational model:

1. **UBI Banca** is the parent bank listed on the Milan Stock Exchange in the FTSE Mib index. In addition to Group governance and control functions, commercial and credit co-ordination, treasury, finance, IT, organisation, logistics and purchasing functions are also managed centrally by the Parent. The network banks and the product companies of the Group fall under its leadership;
2. the **Network Banks** specialise in banking business in their respective historical local markets, the true patrimony of the Group. They provide multi-regional market coverage in the North with **Banca Popolare di Bergamo** (headquarters in Bergamo), **Banco di Brescia** (headquarters in Brescia), **Banca Popolare Commercio & Industria** (headquarters in Milano), **Banca Regionale Europea** (headquarters in Cuneo, General Management based in Torino), **Banca di Valle Camonica** (headquarters in Breno) and **Banco di San Giorgio** (headquarters in Genova), in central Italy with **Banca Popolare di Ancona** (headquarters in Jesi) and in southern Italy with **Banca Carime** (headquarters in Cosenza). **UBI Banca Private Investment** offers advisory and private banking services and products and has a presence throughout Italy with a network of operational branches and centres (advice centres, “financial shops” and private banking centres);
3. a broad range of **product companies** that specialise in the creation and provision of specific financial products. They operate in the following sectors: consumer credit, asset management, *banc assurance*, leasing, factoring, corporate & investment banking, services to businesses and online banking.

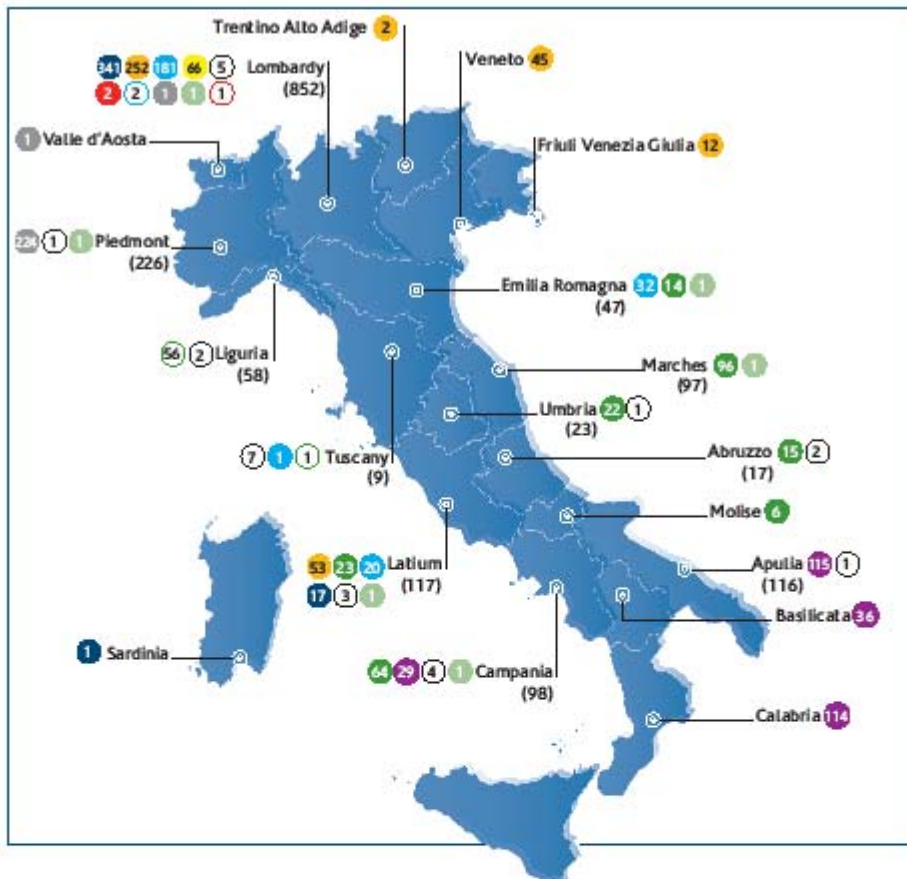
NETWORK BANKS

 Banca Popolare di Bergamo	359 Branches
 BancodiBrescia	364 Branches
 Banca Popolare Commercio & Industria	234 Branches
 Banca Regionale Europea	226 Branches
 Banca di Valle Camonica	66 Branches
 BancodiSanGiorgio	57 Branches
 Banca Popolare di Ancona	240 Branches
 Banca Carime	294 Branches
 Banca Private Investment	26 Branches and around 724 financial promoters

PRODUCT COMPANIES

 <small>Gruppo UBI Banca</small>	Corporate Banking
 <small>Partnership with Prudential US</small>	Asset management
 <small>Gruppo UBI Banca</small>	Consumer Credit
	Factoring
	Leasing
	Banking & Trading on line
 <small>Partnership with BNP Paribas / Fortis</small>	Non – Life Bancassurance
 <small>Partnership with Aviva</small>  <small>Partnership with Cattolica</small>	Life Bancassurance

UBI Banca Group: branch network



Gruppo UBI Banca

Branches in Italy	1.877	Branches abroad	9
UBI Banca Spa	2	Banca Regionale Europea Spa Nice, Mentone, Antibes (France)	
Banca Popolare di Bergamo Spa	359	Banque de Dépôts et de Gestion Sa (Switzerland) Lausanne, Lugano, Genève	
Banco di Brescia Spa	364	UBI Banca International Sa (Luxembourg) Luxembourg, Munich (Germany), Madrid (Spain)	
Banca Popolare Commercio e Industria Spa	234	International presences	
Banca Regionale Europea Spa	226	UBI Factor Spa Krakow (Poland)	
Banca Popolare di Ancona Spa	240	UBI Management Co. Sa Luxembourg	
Banca Carime Spa	294	Lombards China Fund Management Co. Shanghai (China)	
Banca di Valle Camonica Spa	66	UBI Trustee Sa Luxembourg	
Banco di San Giorgio Spa	57	BDG Singapore Pte Ltd Singapore	
UBI Banca Private Investment Spa	26	Representative offices Hong Kong, São Paulo (Brazil), Mumbai, Shanghai, Moscow.	
Centrobanca Spa	6		
Banca 24-7 Spa	1		
IW Bank Spa	2		

Updated as at 30th September 2011

The Group also has **an international presence** through its bank branches, representative offices and asset management and factoring companies designed to assist customers with their business abroad.



4. The corporate governance model

- UBI Banca is a “popular” bank with the legal status of a joint stock co-operative company with the following characteristics: a distinction made between registered shareholders, a status acquired following acceptance decided by the Management Board and enrolment in the shareholders’ register with the right to participate in shareholders’ meetings, and non registered shareholders whose rights are financial only.
- Each registered shareholder has the right to one vote no matter how many shares are held.
- No one may hold shares amounting to more than 0,50% of the share capital (with the exception of collective investment companies).

The share capital of UBI Banca, as at 30 September 2011, amounts to 2.254.366.897,50 euro consisting of 901.746.759 ordinary shares with a nominal value of 2,5 euro.

On the basis of the latest update of the shareholders’ register, registered shareholders number more than 80.000. If non registered shareholders are also considered, total shareholders (registered and unregistered) number approximately 151 thousand.

UBI Banca’s governance model is based on a “**two tier**” system.

Under this two tier governance system a shareholders’ meeting appoints a supervisory board, which then appoints a management board.

In detail:

- the Supervisory Board combines in itself some of the powers typical of a shareholders’ meeting, the functions of a board of statutory auditors and some of the powers of senior management. It therefore performs the duties of strategic policy-making and supervision, including supervision of performance and operations in a broader sense than that typically performed by a statutory board of auditors in a “traditional” system of management and supervision;
- the Management Board has exclusive responsibility for the management of the company and for performing all those operations necessary for implementing the business purpose of the company in compliance with the general strategies and plans drawn up by the Supervisory Board.

The shareholders' meeting held on 24th April 2010 appointed the Supervisory Board which will remain in office for the three-year period 2010-2012 and is composed as follows:

Supervisory Board

- 1) Corrado Faissola Chairman
- 2) Giuseppe Calvi Senior Deputy Chairman
- 3) Battista Albertani
- 4) Enio Fontana
- 5) Giovanni Bazoli
- 6) Carlo Garavaglia
- 7) Luigi Bellini
- 8) Alfredo Gusmini
- 9) Mario Cattaneo
- 10) Italo Lucchini
- 11) Silvia Fidanza
- 12) Mario Mazzoleni
- 13) Alberto Folonari
- 14) Toti S. Musumeci
- 15) Pietro Gussalli Beretta
- 16) Sergio Orlandi
- 17) Giuseppe Lucchini
- 18) Alessandro Pedersoli
- 19) Federico Manzoni
- 20) Giorgio Perolari
- 21) Sergio Pivato
- 22) Roberto Sestini
- 23) Giuseppe Zannoni

On 27th April 2010, the newly formed Supervisory Board accepted the proposals of the Appointments Committee and appointed the members of the Management Board which is composed as follows:

Management Board

- 1) Emilio Zanetti Chairman
- 2) Flavio Pizzini Deputy Chairman
- 3) Victor Massiah Chief Executive Officer
- 4) Giampiero Auletta Armenise
- 5) Giuseppe Camadini
- 6) Mario Cera
- 7) Giorgio Frigeri
- 8) Gian Luigi Gola
- 9) Guido Lupini
- 10) Andrea Moltrasio
- 11) Franco Polotti

5. Our activities

The UBI Banca Group serves mainly retail and small-to-medium sized corporate customers. The Group is also the third largest operator on the Italian private banking market with assets under management of around 36 billion euro and more than 63.000 customers.

The UBI Banca Group's multi-functional structure and division based organisational model, which divides customers into retail, private banking and corporate segments, allows it to diversify its supply of products and services on the basis of specific customer groups with specialised products and services as illustrated below.

Retail Market

The retail market by definition addresses a broad range of customers with financial demands of standard or average complexity. Geographical proximity is of crucial importance in the development of relationships with this type of customer. In order to address this need, the Group possesses a system for the distribution of specialist services and products through 1.877 branches evenly distributed throughout its geographical markets.

Private Banking Market

The private banking division provides a specialist service for the Group's most demanding customers through a network of experienced experts (approximately 370 private bankers in 106 private banking offices, comprising Private Banking units and PB Corners), who have exclusive and also innovative products and services available to them, from which to select the best solutions for each specific requirement that arises in the management of substantial net worths (above 500.000 euro).

Corporate Market

The corporate market division provides highly focused commercial services supplied by professional experts (corporate account managers and assistant corporate account managers) distributed in 98 units (corporate banking units and "branch corners"). They deliver a specialist service to businesses, providing them with customised products and services with a view to identifying the best solutions to meet all their specific financial needs.

6. Our products and services

The UBI Banca Group provides a service that is specialised according to customer segment (**retail, private banking and corporate**) through **Group Network Banks and Product Companies**, as follows:

- **banking services** provided through the Group's network banks, the financial advisors of *UBI Banca Lombarda Private Investment* and the internet bank *IW Bank*;
- **asset management products** produced and managed mainly through the company *UBI Pramerica SGR*. Formed from a joint-venture with Pramerica Financial (a leading American financial institution), UBI Pramerica offers its customers a vast range of mutual investment funds, in addition to customer portfolio management products. The UBI Banca Group is one of the leading operators in the Italian asset management sector, with a market share, in terms of assets under management in mutual investment funds and Sicav's, of approximately 3,27% (source: Assogestioni, Map of the Managed Saving).
- **consumer credit products**, the sector in which *B@nca 24-7* operates, specialised in the grant of personal loans and salary backed loans and the grant of mortgages;
- **Banc assurance products** with the supply of products for private individuals and businesses throughout the country, as follows:
 - *UBI Assicurazioni*, a joint-venture with Fortis and BNP Paribas Assurance, which operates in all non-life sectors and reinsurance non-life sectors with the exclusion of credit and suretyship insurance;
 - Aviva Vita and Lombarda Vita operating in the life sector, both joint-ventures with the Aviva insurance group and with the Cattolica Assicurazioni Group respectively.
- **leasing services** provided by *UBI Leasing*;
- **factoring services** by *UBI Factor*;
- **corporate and investment banking** services provided by *Centrobanca*.

On 14th November 2011, following the guidelines of the simplification actions already announced in the Industrial Plan, has informed:

- management by UBI Banca, on a divisional basis:
 - of large corporates not linked to a reference territory and of investment banking activities;
 - of outstanding consumer credit loans after rationalisation of Group presence in the sector;
 - consequent merger of Centrobanca and Banca 24/7 into UBI Banca;
- centralisation of salary backed loan business at Prestitalia;
- creation of a North Western pole through the merger of Banca Regionale Europea and Banco di San Giorgio.

7. Consolidated results

Key figures <i>(In millions of euro)</i>	30.09.2011	30.06.2011	Changes % 30.09.2011/ 30.06.2011	30.09.2010	Changes % 30.09.2011/ 30.09.2010
Loans to customers	102.765	102.774	0,0%	101.195	1,6%
Direct funding	103.895	106.164	(2,1%)	103.876	0,0%
Indirect funding	73.089	78.566	(7,0%)	79.036	(7,5%)
Total assets	133.628	132.751	0,7%	131.744	1,4%

Main income statement items			
<i>(In millions of euro)</i>	30.09.2011	30.09.2010	Changes %
Net interest income	1.575	1.594	(1,2%)
Net commission income	879	872	0,8%
Operating income	2.534	2.586	(2,0%)
Personnel expense	(1.073)	(1.107)	(3,1%)
Other administrative expenses	(522)	(568)	(8,1%)
Net impairment losses on property, equipment and investment property and intangible assets	(201)	(183)	9,9%
Operating expenses	(1.796)	(1.858)	(3,4%)
Net operating income	738	727	1,5%
Net impairment losses on loans	(399)	(456)	(12,5%)
Pre tax profit from continuing operations	55	319	(82,6%)
Profit for the period attributable to the shareholders of the Parent	183	198	(7,6)

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