



PRESS RELEASE

Completion of the Group's branch network optimisation and of the reorganisation of Aviva's equity investments in the Group network banks. The partnership between UBI Banca e Fortis/BNP Paribas Assurance in the non life *bancassurance* sector goes ahead

Bergamo, 10th February 2010 – UBI Banca announces the following:

- ✓ Branch network optimisation: on 25th-26th January 2010, the migration was successfully performed of the approximately 300 branches involved in the branch network optimisation project announced on 30th September 2009. As a result of that project, each network bank of the UBI Group was assigned virtually exclusive territorial coverage with an increase in the respective market shares and greater visibility given by grouping the branches present in an area under the same brand name. The Group therefore now operates with a single brand name in 74 of the 78 provinces in which it is present. In relation to the optimisation, approximately €8m one off costs were recognised in the accounts to 31st December 2009. A positive effect on the Group's core tier 1 ratio of approximately 10 basis points is expected in 2010 as a consequence of the share exchanges resulting from the optimisation project.
- ✓ Reorganisation of the equity investments held by Aviva in the network banks of the UBI Group: in line with the provisions of the Agreements signed in 2004 with Aviva relative to the extension to all the network banks of the former BPU Group of the partnership in life *bancassurance*, the equity investments held by Aviva in the network banks of the UBI Group were reorganised at the end of 2009. The reorganisation left the existing commercial agreements unchanged and led to a new investment by Aviva in Banca Popolare di Ancona and to the modification of the percentages of the shares Aviva holds in Banca Popolare Commercio e Industria and Banca Carime as follows (*the share structure relates to after the branch network optimisation*):
 - 1) the purchase by UBI of approximately 3,5% of the share capital of BPCI from Aviva, for approximately €82m – the interest held by Aviva fell from 12,2% to approximately 8,7%;
 - 2) on positive conclusion on the 9th of February of the confirmatory due diligence by Aviva, the purchase by the latter of approximately 6,5% of the share capital of BPA for €111m;
 - 3) the purchase by UBI of approximately 7% of the share capital of Banca Carime from Aviva, for approximately €111m – the interest held by Aviva fell from 14,2% to approximately 7,2%.

The overall effects of the operation to reorganise the equity investments held by Aviva were as follows:

- recognition in consolidated 2009 accounts of a net capital gain of over €30m on the sale of the interest in BPA;
- a negative impact on the consolidated core tier 1 ratio of approximately 10 basis points as a result of the repurchase of 3,5% of BPCI and of the redistribution of Aviva's holdings in BPA and Banca Carime.

- ✓ Joint venture in the non life *banc assurance* sector: on 29th December 2009, following the receipt of all the authorisations required from the authorities concerned, the contract for the sale of shares signed on 17th September 2009 between UBI Banca and F&B Insurance Holdings (a company registered in Belgium in which Fortis holds 50%+1 share and BNP Paribas Assurance holds 50%-1 share) was implemented with the purchase by the latter of 50%+1 share of UBI Assicurazioni. The business partnership will therefore be implemented as announced in the press release of 17th September 2009. The operation generated a net capital gain for the UBI Banca Group of more than €40m, recognised in 2009, with an estimated positive impact of approximately 10 basis points on the Group core tier 1.

In summary, the rationalization and simplification of the branch networks, the reorganisation of the Aviva minorities in the capital of the network banks and the enhancement of the non life bancassurance activities, will together bring a benefit at group level estimated as of today of approximately 10 bps of core tier 1.

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