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PRESS RELEASE

Banco Popolare announces an invitation to holders of Tier 1 and Tier 2 instruments issued by the Group to submit offers to sell their securities

Verona, 16 May 2013 – Banco Popolare (the “**Purchaser**”) announced today an invitation to holders (“**Holders**”) of the following Tier 1 and Tier 2 instruments issued by the Group (together, the “**Securities**”) to submit offers to sell their Securities to the Purchaser for cash at the Purchase Price (the “**Invitation**”), on the terms and subject to the conditions set out in the invitation for offers document dated 16 May 2013 (the “**Invitation for Offers**”) and provided that the final principal or liquidation preference amount of all Securities accepted for purchase pursuant to the Invitation shall not exceed the Final Acceptance Amount (as defined below):

Description of the Securities	Outstanding principal or liquidation preference amount ⁽¹⁾	ISIN	Principal/liquidation preference amount per Security	Purchase Price (%) ⁽⁶⁾
Perpetual Step-Up Subordinated Fixed/Floating Rate Notes issued by Banco Popolare Soc. Coop. (formerly Banco Popolare di Verona e Novara S.c.a r.l.) (the BP Step-Up Notes)	€ 73,050,000	XS0304963290	€50,000	66.50
Perpetual Non Step-Up Subordinated Fixed/Floating Rate Notes issued by Banco Popolare Soc. Coop. (formerly Banco Popolare di Verona e Novara S.c.a r.l.) (the BP Non Step-Up Notes)	€ 124,550,000	XS0304963373	€50,000	66.00
Non-cumulative Guaranteed Floating Rate Perpetual Trust Preferred Securities issued by Banca Italease Capital Trust ⁽²⁾ (the Banca Italease Preferred Securities) (5)	€ 30,484,000	XS0255673070	€50,000 (4)	40.00
Non-cumulative Guaranteed Fixed/Floating Rate Perpetual Trust Preferred Securities issued by Banca Popolare di Lodi Investor Trust III ⁽³⁾ (the Banca Popolare di Lodi Preferred Securities) (5)	€ 354,032,000	XS0223454512	€1,000	86.00
Lower Tier II Subordinated Callable Floating Rate Notes due June 2016 issued by Banca Italease S.p.A. (the Banca Italease FRN due June 2016)	€ 64,021,000	XS0259400918	€50,000 (4)	91.00
Lower Tier II Subordinated Callable Step-up Floating Rate Notes due June 2016 issued by Banco Popolare Soc. Coop. (formerly Banco Popolare di Verona e Novara S.c.a r.l.) (the BP FRN due June 2016)	€ 164,650,000	XS0256368050	€50,000	91.75

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Description of the Securities	Outstanding principal or liquidation preference amount ⁽¹⁾	ISIN	Principal/liquidation preference amount per Security	Purchase Price (%) ⁽⁶⁾
Lower Tier II Subordinated Callable Step-up Floating Rate Notes due November 2016 issued by Banco Popolare Soc. Coop. (formerly Banco Popolare di Verona e Novara S.c.a r.l.) (the BP FRN due November 2016)	€ 157,900,000	XS0276033510	€50,000	90.75
Lower Tier II Subordinated Callable Step-Up Floating Rate Notes due February 2017 issued by Banco Popolare Soc. Coop. (formerly Banco Popolare di Verona e Novara S.c.a r.l.) (the BP FRN due February 2017)	€ 112,050,000	XS0284945135	€50,000	92.00
Lower Tier 2 Subordinated 5.473 per cent. Fixed Rate Notes due November 2016 issued by Banco Popolare Soc. Coop. (the BP 5.473% Notes due November 2016)	€ 282,504,000	XS0464464964	€50,000 ⁽⁴⁾	105.25

(1) The principal or liquidation preference amounts reported represent the principal or liquidation preference amount upon issue less (i) Securities held by the Purchaser and its subsidiaries (other than Banca Aletti & C. S.p.A.); and (ii) Securities cancelled pursuant to their terms and conditions. To the best of its knowledge, the Purchaser and its subsidiaries (other than Banca Aletti & C. S.p.A.) beneficially owned, as of 14 May 2013, approximately € 351,513,000 in aggregate principal or liquidation preference amount of Securities. Banca Aletti & C. S.p.A. beneficially owned, as of 14 May 2013, €330,000 in aggregate principal or liquidation preference amount of Securities.

(2) Guaranteed by Banca Italease S.p.A.

(3) Guaranteed by Banco Popolare Soc. Coop.

(4) Plus integral multiples of €1,000 above €50,000.

(5) the Banca Italease Preferred Securities and the Banca Popolare di Lodi Preferred Securities are together referred to as the **Preferred Securities**.

(6) The Purchaser will also pay Accrued Amounts on the Securities of all Series (except for the Banca Italease Preferred Securities), as further described below. **No Accrued Amounts shall be payable in respect of the Banca Italease Preferred Securities.**

The Invitation for the Securities is being made with the objective to rebalance the regulatory capital composition of the Purchaser and the Group, in view of the regulatory developments provided under the Basel III standard, while at the same time offering Holders the possibility to realise their investments in the Securities at prices higher than their prevailing market values during the period prior to announcement of the Invitation.

Any decisions to exercise calls (as and when exercisable under the terms and conditions of the Securities) in respect of the Securities of any series that are not purchased by the Purchaser pursuant to the Invitation will be taken having regard to the economic impact of exercising (or not exercising) such calls, the Purchaser's regulatory capital requirements and prevailing market conditions.

The Invitation – already approved by the Bank of Italy – is carried out in Italy as an exempt offer pursuant to article 101-bis, paragraph 3-bis, of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented, and article 35-bis, paragraph 4 of CONSOB Regulation No. 11971 of 14 May 1999, as amended and supplemented.

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The terms and conditions of the Invitation are indicated in the Invitation for Offers. Copies of the Invitation for Offers are available from the Dealer Managers and the Tender Agent whose contact details are indicated below.

Summary details of the Invitation are set forth below.

Purchase Price and Accrued Amounts

Each Holder who validly submits an offer to sell its Securities to the Purchaser pursuant to the Invitation and whose offer is – subject to the terms and conditions of the Invitation - accepted by the Purchaser shall receive on the Settlement Date a cash consideration equal to the product of (a) the aggregate principal or liquidation preference amount of the tendered Securities (subject to application of the relevant Pro-Ration Factor, if any) accepted for purchase by the Purchaser; and (b) the Purchase Price, expressed as a percentage of the principal or liquidation amount (the “**Total Purchase Price**”), as indicated, for the Securities of each series, in the table above.

In addition, Holders of Securities, other than the Banca Italease Preferred Securities, whose Offers are accepted for purchase will receive, on the Settlement Date, an amount in cash equal to the accrued interest or dividends in respect of such Securities from (and including) the interest or dividend payment date immediately preceding the Settlement Date to (but excluding) the Settlement Date (the “**Accrued Amount Payment**”). **No Accrued Amount Payments shall be made in respect of the Banca Italease Preferred Securities.**

Final Acceptance Amount and Series Acceptance Amount

The Purchaser currently proposes to accept to purchase pursuant to the Invitation up to an amount to be determined taking into account the Purchase Price of the Securities of each relevant Series such that the Total Purchase Price to be paid by the Purchaser for all Securities accepted for purchase by the Purchaser shall not exceed €600,000,000 (the final aggregate principal or liquidation preference amount of all Securities accepted for purchase pursuant to the Invitation being the **Final Acceptance Amount**). The final aggregate principal or liquidation preference amount, as applicable, of a Series accepted for purchase is referred to herein as the **Series Acceptance Amount** in respect of such Series.

Scaling of Offers

If the Total Purchase Price in respect of Securities of all Series offered for sale by Holders exceeds €600,000,000, the Purchaser will determine the allocation of the Final Acceptance Amount between each Series in its sole discretion, and reserves the right to accept significantly more or less (or none) of the Securities of any Series as compared to the other Series.

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If the Purchaser accepts to purchase, pursuant to the Invitation, Securities of a Series (the **Relevant Securities**) and the aggregate principal or liquidation preference amount of the Relevant Securities validly offered for purchase is greater than the Series Acceptance Amount for that Series, the Purchaser intends to accept to purchase:

- (a) *firstly*, from each Holder who has submitted a valid Offer, a principal or liquidation preference amount of the Relevant Securities equal to the minimum denomination of such Series; and
- (b) thereafter, the remaining Relevant Securities validly offered for purchase (the **Residual Relevant Securities**) on a *pro rata* basis. In this case, each Offer of the Residual Relevant Securities will be scaled by a factor (a **Pro-Ration Factor**) equal to (A) the relevant Series Acceptance Amount reduced by the aggregate principal or liquidation preference amount of Relevant Securities accepted for purchase pursuant to sub-paragraph (a) above, divided by (B) the aggregate principal or liquidation preference amount of the Residual Relevant Securities validly offered for purchase pursuant to the Invitation (subject to adjustment to allow for the aggregate principal or liquidation preference amount, as applicable, of the Relevant Securities accepted for purchase, following the rounding of Offers described in the next sentence, to equal the relevant Series Acceptance Amount exactly).

Each Offer of Residual Relevant Securities that is scaled in this manner will be rounded down to the nearest minimum denomination of the relevant Series of Notes (in the case of the Banca Italease Preferred Securities, the Banca Italease FRN due June 2016 and the BP 5.473% Notes due November 2016, to the nearest €1,000).

The Purchaser will only accept valid Offers of Securities to the extent any pro-rating would not result in the relevant Holder transferring Securities to the Purchaser in an aggregate principal or liquidation preference amount which is less than the minimum denomination of the relevant Series of Securities.

Offer to sell Instructions

In order to offer to sell its Securities to the Purchaser pursuant to the Invitation, each Holder must validly submit an offer to sell its Securities by delivering, or arrange to have delivered on its behalf, a valid Electronic Offer Instruction to the Tender Agent before the Invitation Expiration indicated below.

Electronic Offer Instructions will be irrevocable, save in the limited circumstances where revocation is permitted as indicated in the Invitation for Offers.

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Timetable of the Invitation

Events	Dates and Times (<i>All times are CET</i>)
Invitation announced. Copies of the Invitation for Offers are available to Holders, subject to invitation and distribution restrictions and notice of the Invitation published.	On Thursday, 16 May 2013
Commencement of the Invitation Period	On Thursday, 16 May 2013
Invitation Expiration Deadline for receipt of all Electronic Offer Instructions. End of Invitation Period.	5.00 p.m. on Friday, 24 May 2013
Announcement of Invitation Results Announcement by the Purchaser of the Final Acceptance Amount, the Series Acceptance Amount, the aggregate principal or liquidation preference amount of the Securities of each Series offered for sale by Holders and accepted by the Purchaser for purchase pursuant to the Invitation and Pro-Ration Factors, if applicable.	On Monday, 27 May 2013
Settlement Date Payment of Total Purchase Price and , save in the case of the Banca Italease Preferred Securities, Accrued Amount Payment for Securities offered for sale by Holders and accepted by the Purchaser for purchase.	On Thursday, 30 May 2013

The above times and dates are indicative and are subject to the right of the Purchaser to extend, re-open, amend and/or terminate the Invitation (subject to applicable law and as provided in the Invitation for Offers).

Holders are advised to check with any bank, securities broker or other intermediary through which they hold their Securities whether such intermediary needs to receive instructions from a Holder before the deadlines set out above in order for that Holder to be able to participate in (or, in the limited circumstances in which revocation is permitted, revoke their instruction to participate in) the Invitation. **The deadlines**

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set by each Clearing System for the submission of Electronic Offer Instructions will also be earlier than the deadlines above.

Announcements in connection with the Invitation will be made, as applicable, (a) by publication on the website of the Luxembourg Stock Exchange, (b) by the delivery of notices to the Clearing Systems for communication to Direct Participants, and/or (c) through the issue of a press release, and may also be found on the relevant Reuters International Insider Screen.

Holders are invited to read carefully the Invitation for Offers for all the details and information on the procedures to participate in the Invitation.

Banca Aletti & C. S.p.A., Credit Suisse Securities (Europe) Limited and Goldman Sachs International are acting as Dealer Managers of the Invitation.

Lucid Issuer Services Limited is acting as Tender Agent of the Invitation.

DEALER MANAGERS

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DISCLAIMER This announcement must be read in conjunction with the Invitation for Offers. This announcement and the Invitation for Offers contain important information which should be read carefully before any decision is made with respect to the Invitation. If you are in any doubt as to the contents of this announcement or the Invitation for Offers or the action you should take, you are recommended to seek your own financial and legal advice, including as to any tax consequences, immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial or legal adviser. Any individual or company whose Securities are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee or intermediary must contact such entity if it wishes to submit offers to sell Securities to the Purchaser pursuant to the Invitation. None of the Dealer Managers, the Tender Agent or the Purchaser makes any recommendation as to whether Holders should submit offers to sell Securities to the Purchaser pursuant to the Invitation.

INVITATION AND DISTRIBUTION RESTRICTIONS

Neither this announcement nor the Invitation for Offers constitute an offer to buy or a solicitation of an offer to sell Securities in any jurisdiction in which, or to or from any person to or from whom, it is unlawful to make such offer or solicitation under applicable securities laws or otherwise. The distribution of this announcement and the Invitation for Offers in certain jurisdictions (in particular, the United States, Italy, the United Kingdom, France and Belgium) may be restricted by law. Persons into whose possession the Invitation for Offers comes are required by each of Dealer Managers, the Purchaser and the Tender Agent to inform themselves about, and to observe, any such restrictions.

United States

The Invitation is not being made, and will not be made, directly or indirectly in or into, or by use of the mail of, or by any means or instrumentality of interstate or foreign commerce of, or of any facilities of a national securities exchange of, the United States or to, for the account or benefit of, U.S. persons. This includes, but is not limited to, facsimile transmission, electronic mail, telex, telephone, the internet and other forms of electronic communication. Accordingly, copies of this announcement and the Invitation for Offers and any other documents or materials relating to the Invitation are not being, and must not be, directly or indirectly mailed or otherwise transmitted, distributed or forwarded (including, without limitation, by custodians, nominees or trustees) in or into the United States or to U.S. persons, and the Securities cannot be offered for purchase in the Invitation by any such use, means, instrumentality or facilities or from or within the United States or by U.S. persons. Any purported offer of Securities for purchase resulting directly or indirectly from a violation of these restrictions will be invalid, and any purported offer of Securities for purchase made by a U.S. person, a person located in the United States or any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States or for a U.S. person will be invalid and will not be accepted.

Neither this announcement nor the Invitation for Offers is an offer of securities for sale in the United States or to U.S. persons. The Securities have not been, and will not be, registered under the Securities Act or the securities laws of any state or jurisdiction of the United States, and may not be offered, sold or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons. The purpose of this announcement and the Invitation for Offers is limited to the Invitation and this announcement and the Invitation for Offers may not be sent or given to any person other than in accordance with Regulation S under the Securities Act.

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Each Holder participating in the Invitation will represent that it is not located in the United States and is not participating in the Invitation from the United States, that it is participating in the Invitation in accordance with Regulation S under the Securities Act and that it is not a U.S. person or it is acting on a non-discretionary basis for a principal located outside the United States that is not giving an order to participate in the Invitation from the United States and is not a U.S. person.

For the purposes of the above three paragraphs, **United States** means United States of America, its territories and possessions, any state of the United States of America and the District of Columbia and "US person" has the meaning given to such term in Regulation S under the Securities Act.

Italy

None of the Invitation, this announcement nor the Invitation for Offers or any other documents or materials relating to the Invitation have been or will be submitted to the clearance procedure of the Commissione Nazionale per le Società e la Borsa (**CONSOB**).

In Italy, the Invitation on each Series of Securities is being carried out as an exempted offer pursuant to article 101-bis, paragraph 3-bis of Legislative Decree No. 58 of 24 February 1998, as amended (the **Italian Financial Services Act**), and article 35-bis, paragraph 4 of CONSOB Regulation No. 11971 of 14 May 1999, as amended.

Holders or beneficial owners of the Securities can submit offers to sell the Securities through authorised persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with the Italian Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007, as amended from time to time, and Legislative Decree No. 385 of September 1, 1993, as amended) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority.

Each intermediary must comply with the applicable laws and regulations concerning information duties vis-à-vis its clients in connection with the Securities or this Invitation for Offers.

Other

The Invitation is not being made, and will not be made, directly or indirectly, in or to the public in the United Kingdom, Belgium or France. In the United Kingdom, Belgium and France, only the following persons may participate in the Invitation and receive this announcement and the Invitation for Offers (as more fully set out in the Invitation for Offers).

United Kingdom (investment professionals as defined in Article 19(5) and persons within Article 43 or otherwise permitted by the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005) / **Belgium** (qualified investors) / **France** (certain qualified investors and providers of investment services relating to portfolio management for the account of third parties, other than individuals).

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