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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, 6 February 2012 – 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**”):

Description of the Securities	Outstanding principal or liquidation preference amount <sup>(1)</sup>	ISIN	Principal/ liquidation preference amount per Security	Purchase Price (as a percentage of the principal / liquidation preference amount) <sup>(6)</sup>
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.)	€ 269,050,000	XS0304963290	€50,000	70.0
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.)	€ 278,550,000	XS0304963373	€50,000	71.0
Non-cumulative Guaranteed Floating Rate Perpetual Trust Preferred Securities issued by Banca Italease Capital Trust <sup>(2)</sup> (the “ <b>Banca Italease Preferred Securities</b> ”) <sup>(5)</sup>	€ 145,000,000	XS0255673070	€50,000 <sup>(4)</sup>	43.0
Non-cumulative Guaranteed Fixed/Floating Rate Perpetual Trust Preferred Securities issued by Banca Popolare di Lodi Investor Trust III <sup>(3)</sup> (the “ <b>Banca Popolare di Lodi Preferred Securities</b> ”) <sup>(5)</sup>	€ 486,979,000	XS0223454512	€1,000	78.0
Lower Tier II Subordinated Callable Floating Rate Notes due June 2016 issued by Banca Italease S.p.A.	€ 76,476,000	XS0259400918	€50,000 <sup>(4)</sup>	75.0
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.)	€ 235,400,000	XS0256368050	€50,000	78.0

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[ufficio.stampa@bancopopolare.it](mailto:ufficio.stampa@bancopopolare.it)

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 Tel. +39-045-8675537  
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Description of the Securities	Outstanding principal or liquidation preference amount <sup>(1)</sup>	ISIN	Principal/ liquidation preference amount per Security	Purchase Price (as a percentage of the principal / liquidation preference amount) <sup>(6)</sup>
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.)	€ 168,350,000	XS0276033510	€50,000	78.0
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.)	€ 180,800,000	XS0284945135	€50,000	76.0
Lower Tier 2 Subordinated 5.473 per cent. Fixed Rate Notes due November 2016 issued by Banco Popolare Soc. Coop.	€ 318,400,000	XS0464464964	€50,000 <sup>(4)</sup>	89.0
Lower Tier II 6.00% Subordinated Notes due November 2020 issued by Banco Popolare Soc. Coop.	€ 949,750,000	XS0555834984	€50,000 <sup>(4)</sup>	91.0
Lower Tier II Subordinated 6.375% Fixed Rate Notes due May 2021 issued by Banco Popolare Soc. Coop.	€ 600,391,000	XS0632503412	€50,000 <sup>(4)</sup>	90.5
Upper Tier II 4.625% Subordinated Instruments due March 2015 issued by Banco Popolare Soc. Coop. (formerly Banca Popolare di Lodi S.c. a.r.l.)	€ 298,324,000	XS0215451559	€10,000	90.0

(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; and (ii) Securities cancelled pursuant to their terms and conditions. To the best of its knowledge, the Purchaser and its subsidiaries beneficially own, as of 3 February 2012, approximately € 260,223,000 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). **No Accrued Amounts shall be payable in respect of the Banca Italease Preferred Securities.**

The Invitation and the transactions contemplated in the Invitation for Offers (as defined below) (including, for the avoidance of doubt, the settlement of tenders submitted by Holders) are conditional on the granting, prior to the Settlement Date, by the Bank of Italy of authorisation for the repurchase by the Purchaser of each Series of Securities in the context of the Invitation, which it expects to receive

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[ufficio.stampa@bancopopolare.it](mailto:ufficio.stampa@bancopopolare.it)

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shortly. The Purchaser expects to announce whether such condition has been satisfied contemporaneously with its announcement of the Invitation results.

The Purchaser shall not exercise the call option to redeem the Lower Tier II Subordinated Callable Step-Up Floating Rate Notes due February 2017 (XS0284945135) on the Interest Payment Date falling on 8 February 2012. 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 is being carried out in Italy as an exempted offer pursuant to (a) in relation to the Securities of all series other than the Preferred Securities, article 35-bis, paragraph 4(b) of CONSOB Regulation 11971, as amended; and (b) in relation to the Preferred Securities, article 35-bis, paragraph 3 of CONSOB Regulation 11971, as amended.

Accordingly, in Italy (a) in the case of Securities (other than the Preferred Securities), a Holder resident or otherwise located in Italy can participate in the Invitation only if the Securities offered to sell by it have a principal amount, or an aggregate principal amount, equal to or greater than €50,000; and (b) in the case of the Preferred Securities, a Holder resident or otherwise located in Italy can participate in the Invitation only if it is a "qualified investor" within the meaning of article 35-bis, paragraph 3 and as defined in article 34-ter, paragraph 1), letter b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended.

The terms and conditions of the Invitation are indicated in the invitation for offers document dated 6 February 2012 (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.

### **Total Purchase Price and Accrued Amount**

Each Holder who validly submits an offer to sell its Securities to the Purchaser pursuant to the Invitation and whose offer is 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; and (b) the Purchase Price, expressed as a percentage of the principal or liquidation amount (the "**Purchase Price**"), as indicated, for the Securities of each series, in the table above.

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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. **No Accrued Amounts shall be payable in respect of the Banca Italease Preferred 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.

#### **Timetable of the Invitation**

<i>Event</i>	<i>Date and times (CET)</i>
<b>Announcement of the Invitation</b>	
Invitation announced. Copies of the Invitation for Offers are available to Holders, subject to invitation and distribution restrictions, and notice of the Invitation published.	Monday, 6 February 2012
<b>Invitation Expiration</b>	
Deadline for the receipt by Tender Agent of all Electronic Offer Instructions	5:00 p.m., Wednesday, 15 February 2012
<b>End of Invitation Period (subject to Purchaser's right to extend, re-open, amend and/or terminate the Invitation)</b>	
<b>Announcement of Invitation results; Satisfaction of Condition</b>	

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Announcement by the Purchaser of 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. Announcement by the Purchaser whether the Bank of Italy has granted authorisation for the repurchase by the Purchaser of each Series of Securities in the context of the Invitation.

Thursday, 16 February  
2012

**Settlement Date**

Monday, 20 February  
2012

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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 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., BNP PARIBAS, Goldman Sachs International and Mediobanca – Banca di Credito Finanziario S.p.A. are acting as Dealer Managers of the Invitation.

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

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#### DEALER MANAGERS

**Banca Aletti & C. S.p.A.**

Via Roncaglia, 12  
20146 Milan, Italy  
Attention: Debt Capital Market  
Email: [dcm@alettibank.it](mailto:dcm@alettibank.it)  
Telephone: +39 02 43358 731/732

**BNP PARIBAS**

**10 Harewood Avenue**  
London NW1 6AA, England  
Attention: Liability Management Group  
Tel: +44 207 595 5095  
Email: [liability.management@bnpparibas.com](mailto:liability.management@bnpparibas.com)

**Goldman Sachs International**

Peterborough Court  
133 Fleet Street, London EC4A 2BB  
England  
Attention: Liability Management Group  
Tel: +44 20 7774 4799  
Email: [liabilitymanagement.eu@gs.com](mailto:liabilitymanagement.eu@gs.com)

**Mediobanca – Banca di Credito  
Finanziario S.p.A.**

Piazzetta E. Cuccia 1  
20121 Milan, Italy  
Attention: DCM FIG Team  
Tel: +39 02 8829984  
Email: [DCM\\_FIG@mediobanca.it](mailto:DCM_FIG@mediobanca.it)

#### Tender Agent

**Lucid Issuer Services Limited**

Leroy House  
436 Essex Road  
London N1 3QP  
Attention: Thomas Choquet/Sunjeev Patel  
Tel: +44 (0) 20 7704 0880  
Email: [bancopopolare@lucid-is.com](mailto:bancopopolare@lucid-is.com)

**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

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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. Securities may not be offered or sold in the United States absent registration under, or an exemption from the registration requirements of, the Securities Act. 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 a person in the United States or otherwise to any person other than in an offshore transaction in accordance with Regulation S under the Securities Act.

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 exempted offers pursuant to, in the case of the invitation to Holders of Securities (other than the Preferred Securities) to submit offer to sell their Securities, article 35-bis paragraph 4(b) of CONSOB Regulation No. 11971 of 14 May 1999, as

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amended; and in the case of the invitation to Holders of the Preferred Securities to participate in the Invitation, article 35-bis paragraph 3 of CONSOB Regulation No. 11971 of 14 May 1999, as amended.

In the case of Securities other than the Preferred Securities, a Holder resident or otherwise located in Italy can participate in the Invitation only if the Securities offered by it have a principal amount, or an aggregate principal amount, equal to or greater than €50,000.

In the case of the Preferred Securities, a Holder resident or otherwise located in Italy can participate in the Invitation only if it is a "qualified investor" within the meaning of article 35-bis, paragraph 3 and as defined in article 34-ter, letter b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended. Accordingly, Holders of the Preferred Securities who is resident or otherwise located in Italy that do not qualify as such may not participate in the Invitation on the Preferred Securities.

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 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.

#### **Other**

The Invitation is not being made, and will not be made, directly or indirectly, in 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 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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