PRESS RELEASE

As anticipated in press release of 12 April 2011, the Directors of Bipiemme (the "Bank") have examined at today’s Board Meeting Bank of Italy’s appraisals on the outcome of the inspections conducted at the Bank during the period 27 September 2010 to 4 March 2011. The Board has resolved to integrate Bipiemme’s industrial plan to provide for the strengthening of its capital base and improvements in the technical/organizational structure of the Bank, in order to achieve the following objectives:

- to reach 9.8% Tier 1 Core Capital in 2013;
- to achieve a return on tangible equity in line with its peers;
- to simplify the structure of the Group with a view to improving efficiency;
- to modernize its internal organizational structure and the relating procedures; and
- to strengthen corporate governance through reorganizations and by-law reforms.

The fundamental aspects of the industrial plan to achieve the above objectives are:

- share capital increase by up to Euro 1.2 billion;
- increase to n.5 the maximum number of voting proxies permitted by the Bank’s by-laws;
- significant simplification and reorganization of the Group;
- structural improvements in the Bank’s IT system;
- reallocation of resources engaged in each product sector;
- disposal of non-strategic minority interests;
- redefinition of the Bank’s remuneration and incentive policies;
- reduction of structural costs and consequential increase in productivity.

**Bank of Italy’s appraisal.** Bank of Italy’s appraisal – which concluded with a “partially unfavourable” opinion – revealed critical aspects attributable to the Bank’s technical–organizational structure and controlling organs, as well as to the governance and Group structure. As a result of these findings, the Bank of Italy has requested Bipiemme to adopt, for so long as the shortcomings revealed during the inspection prevail, particularly prudent risk weighting coefficients and to proceed with a correlated share capital increase.

The Board of Directors, having considered Bank of Italy’s appraisals and requests, while reserving its right to submit counter-arguments in compliance with law, has resolved at today’s Meeting to adopt measures in order to implement the rulings of the supervisory authority.

**Strengthening of Capital Base, Organisational Structure and Governance.** In order to meet the increased capital requirements imposed by the Bank of Italy on a temporary basis and to consolidate Bipiemme’s strategic and industrial prospects in the current market, the Board has resolved that at the next Board Meeting of 12th May, it shall convene a shareholders’ meeting (to take place during the last week of June) in order to consider and approve a share capital increase of up to Euro 1.2 billion through the issue of new shares to be offered to existing shareholders and holders of convertible bonds.

Banca Akros S.p.A. and Mediobanca – Banca di Credito Finanziario S.p.A. will act as joint global co-ordinators of the offer. Mediobanca – Banca di Credito Finanziario S.p.A. has undertaken to underwrite, on market terms and conditions for transactions of this nature, any part of the capital increase that remains un-opted at the closure of the offer period.

The same shareholders’ meeting will propose to the shareholders, at the extraordinary session, to increase to n.5 the maximum number of voting proxies permitted under the Bank’s by-laws and, at the ordinary session, to approve a new remuneration policy that reflects the most recent supervisory rules and takes into account the indications contained in Bank of Italy’s appraisal.

The Board has assigned to the Direzione Generale the task of integrating the Bank’s industrial plan in order to incorporate the above-mentioned measures, with emphasis on action to be taken for the IT system’s improvements, so that the Board of Directors can adopt the necessary measures at the forthcoming Meeting of 12th May.

The Bank is confident that with the introduction of the organizational measures referred to above, the increased capital requirements imposed by the Bank of Italy on a
temporary basis may no longer be necessary, thereby resulting in Bipiemme having a capital base far exceeding what is considered as adequate on a prudential basis and ultimately permitting a distribution of any excess to the market commencing from 2013. As a result of the proposed share capital increase and taking into account the bancassurance plan approved by the Board today, Bipiemme would have a Tier 1 Core Capital of 8.6% in 2011. Should the increased capital requirements imposed by the Bank of Italy on a temporary basis be no longer necessary, Bipiemme would have a Tier 1 Core Capital of 9.8% in 2013 (taking into account the redemption of the Tremonti Bonds and the automatic exchange of existing convertible bonds), thus exceeding the 9% threshold which is considered as adequate also under Basilea 3.

Milan, 19th April 2011

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