PRESS RELEASE

As anticipated in the press release issued on 19 April 2011, during today’s Board Meeting the Directors of Bpiemme (the “Bank”) examined the guidelines of the 2011-2013 Industrial Plan, which is aimed at the strengthening of the Bank’s capital base and improvements in its technical/organisational structure, pursuant also to the directions issued by the Bank of Italy further to the inspection conducted. The 2011-2013 Industrial Plan takes into account the weakened macro-economic situation compared to the assumptions underlying the 2010-2012 Plan and also the persisting uncertainty of the current economic climate.

The 2011-2013 Plan has confirmed the action points set out in the 2010-12 Plan. These provided for the enhancement of existing client relationships, the strengthening of market shares and the improvement of efficiency.

The main targets of the 2011-13 Industrial Plan discussed today are as follows:

- Core Tier 1 capital reaching 10.4% in 2013 (this was calculated without taking into account the temporary prudential measures imposed by the Bank of Italy);
- average growth of clients’ deposits reaching 7% in 2013;
- average growth of credits to clients reaching 3%;
- 2013 operating income in the region of around € 1.8 billion;
- 2013 operating costs (*) in the region of € 1.1 billion;
- 2013 net profit in the region of € 300 million (**);
- 2013 cost/income ratio at 61%.

The 2011-2013 Plan targets reported above do not include the effects of structural improvements, such as the simplification of the Group and the overhaul of the IT system, which will be (*) including costs forecast in relation to the CCNL renewal and variable costs.
(**) this does take into account the effects of the simplification of the Group and of the IT system overhaul.
included in the final version of the 2011-13 Industrial Plan due to be completed by July 2011 and which could be extended to cover up to 2015. In particular, with regards to the project aimed at significantly simplifying the Group structure, today’s Board Meeting resolved to take a closer look at the idea of merging its Banca di Legnano and Cassa di Risparmio di Alessandria subsidiaries, which solution would achieve the simplification objective and comply with the requirement to implement it in a short period of time. With this in mind, the Board instructed the President and General Management to explore the technical aspects of the proposed merger, including in relation to the minority shareholdings present in both subsidiaries.

***

Also in accordance with the guidelines set out in the 2011-2013 Industrial Plan discussed today, the Board of Directors convened a shareholders’ meeting for the 24/25 June 2011 (as a first and second session respectively) in order to consider and approve the granting to the Board of Directors, pursuant to Art. 2443 of the Civil Code, of the authority to carry out a capital increase, in divisible form, of up to Euro 1,2 billion through an optional offering of ordinary shares to current shareholders and to holders of “Convertendo BPM 2009/2013 – 6,75%” (the “Mandatory Convertible Bonds” or the “Bonds”)). The offering will be on terms affording the widest discretion to subscribers, within the abovementioned limits, to set the terms and conditions of the transaction, including pricing and premium on the shares. The capital increase will be preceded by the deletion of the nominal value expressed on the face of the shares.

The same shareholders’ meeting will also be asked to consider and approve other amendments to the constitution of the Bank, such as in particular the increase in the number of proxies allowed from 3 to 5, and, in the extraordinary session, amendments to the remuneration and incentivisation policies and to the regulations applicable to shareholders’ meetings.

Please note that starting from 9 June 2011 the agenda for the shareholders’ meeting referred to above will be available at the Bank’s registered office and on the www.bpm.it website.

***
In accordance with the guidelines set out in the Industrial Plan discussed today, the Board of Directors adopted a resolution relating to a proposal for the restructuring of the Mandatory Convertible Bonds.

On the basis of such restructuring proposal, the conversion price of the Bonds will be reduced and, consistently, the number of shares underlying the Mandatory Convertible Bonds will be increased. In addition, under the envisaged restructuring, it is intended that the maturity date of the Bonds is anticipated, so that BPM will be in a position to redeem the Tremonti Bonds.

The conversion price, that is currently Euro 6, may be reduced up to Euro 2.71 and, consistently, the number of shares underlying the Bonds may increase up to 82 million.

For the purposes of the above mentioned restructuring, the shareholders’ meeting will also be asked to empower the Board of Directors to amend the terms of the capital increase underlying the Bonds, in compliance with the procedures applicable in case of exclusion of pre-emption rights.

The restructuring will therefore be subject to the approval of the holders of the Bonds, in a bondholders meeting which will be called after the execution of the up to Euro 1.2 billion capital increase.

The transactions described above will be submitted to the bank of Italy for the necessary approvals.

In the same meeting the Board nominated Mr. Carlo Frascarolo under article 50 of the Bank’s bylaws. The proposed new CEO’s curriculum vitae is available on the Bank’s website. Please note that once the Board has carried out the necessary checks, further details will be released to the market in accordance with applicable regulations.

Milan, 12 May 2011
been, and will not be, registered under the United States Securities Act of 1933 (the “Securities Act”). The securities may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as such term is defined in Regulation S under the Securities Act) except pursuant to an exemption from the registration requirements of the Securities Act. There will be no public offer of securities in the United States. It may be unlawful to distribute these materials in certain jurisdictions. The information contained herein is not for publication or distribution in Canada, Japan or Australia and does not constitute an offer of securities for sale in Canada, Japan or Australia.