



BANCA POPOLARE DI MILANO



PRESS RELEASE

BMPS, BPM and Clessidra have allied to set up Italy's largest independent asset manager

Milan, 20 July 2010 – Banca Monte dei Paschi di Siena, Banca Popolare di Milano and Clessidra Sgr, via Lauro Quarantadue S.p.A., on behalf of the Clessidra Capital Partners II fund, have agreed upon the text of a memorandum of understanding for the development of a strategic alliance in asset management, with a view to creating the largest independent asset manager in Italy and one of the largest in Europe. The project is aimed at the integration of the asset management companies Anima Sgr and Prima Sgr which, as at 31 March 2010, managed over EUR 41 bln worth of volumes with a cumulative distribution network of over 4,000 bank branches and approximately 200 agreements with placement agents.

The transaction is expected to be effected through Prima Holding, a joint-venture between Banca Monte dei Paschi di Siena and Clessidra, the latter via Lauro Quarantadue S.p.A. on behalf of the Clessidra Capital Partners II fund.

Prima Holding owns the entire share capital of Prima sgr.

In particular, the transaction entails the BPM Group's disposal to Prima Holding of its entire shareholding in Anima Sgr and BPM's concomitant participation in the share capital of Prima Holding. Upon conclusion of the transaction, Prima Holding will have stakes held by Clessidra via Lauro Quarantadue S.p.A., on behalf of the Clessidra Capital Partners II fund, as well as by the two afore-mentioned banking groups, with shareholding percentages currently being defined which, however, will not give rise to any form of control and/or joint control by the investors.

For the purpose of the BPM Group's entry into Prima Holding's share capital – to be obtained through the afore-mentioned disposal for a consideration of EUR 400 mln and by way of a capital increase not exceeding EUR 200 mln – the valuations of Anima Sgr and Prima Sgr used as a base for the transaction were EUR 400 mln and EUR 626 mln respectively.

The Parties are expected to define the contents of the contractual documentation subject to prior completion of due diligence in as short a time as possible to allow the transaction to be executed by the end of the current year. The transaction is subject to regulatory approvals.

BMPS STATEMENT:

"The integration between Prima Sgr and Anima Sgr confirms the validity of BMPS asset management strategies" affirms Antonio Vigni, CEO of BMPS.

At one year from the alliance with Clessidra, the BMPS project, guided by the principles of independence and separation between production and distribution, further consolidates its industrial component by expanding the project scope to include Anima Sgr.

The transaction confirms and corroborates the high quality level of personnel from both Prima Sgr and Anima with an outlook of growth in what is emerging as an important pole of aggregation of asset management in Italy".

The new entity gives the initiative new 'dimensional' momentum (both in terms of assets under management and existing distribution agreements), which is essential to ensure the definitive positioning in the market of an innovative player who intends to consolidate its leadership as an aggregating, independent competitor by offering high-quality services to customers who, in this way, will have instruments at their disposal that perfectly meet their individual requirements".

BPM STATEMENT:

"BPM deems the transaction as consistent with the objectives of its 2010 – 2012 Business Plan and long-pursued strategic intent of enhancing its long-standing, consolidated footprint in asset management, says Fiorenzo Dalu, General Director of Banca Popolare di Milano.

The bid for Anima in 2008 and its subsequent merger with Bipiemme Gestioni met the strategic objective of strengthening the asset management company's growth potential within and beyond the Group Banks' catchment areas, through the development of over 160 distribution agreements with third-party networks acquired as a result of the merger.



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The alliance with BMPS and Clessidra brings the announced effort to completion, enhancing the reputational profile of professionalism and competence that are embedded in the Anima brand and emphasizing its distinctive qualities of independence and openness to the market.

Additionally, the transaction creates, for both asset management companies involved, the conditions to ensure significant immediate dimensional growth, which is essential to further enrich the range on offer with distinctive products and services benefitting the distribution networks and customers, in particular.

In line with Supervisory Authority's guidance, the afore-mentioned features are absolute prerequisites for the Bank's sales and marketing policies when it comes to an offer of financial products intended to achieve a new and increasingly evolved logic of customer relationship with the focus being on identifying and meeting customer needs through the use of innovative analysis tools and pre- and after sale service components.

The transaction is expected to generate an estimated pre-tax capital gain of approx. EUR 200 mln for the BPM Group".

CLESSIDRA STATEMENT:

"One year ago, together with Banca MPS, we charted an ambitious path, starting with Prima Sgr, directed towards the creation of an authoritative, independent player in Italy's asset management industry, with a business model which, since the very beginning, we had indicated as being open to attracting other players of excellence within the sector – declares Claudio Sposito, Chairman and CEO of Clessidra.

"The project involving Prima Sgr and Anima Sgr is an outstanding step forward along this path, which has now been heightened with a wider vision thus making the new entity eligible to become a point of reference for the entire industry. Indeed, the combined volumes of assets under management and the qualified professionalism of the two players, underpinned by a distribution network numbering over [4,000] bank branches and approximately [200] agreements with placement agents are distinctive of something unique in Italy's asset management".

The transaction sees the BPM Group counselled by financial advisor Rothschild S.p.A. and legal advisors Studio Biscozzi Nobili and Studio Annunziata e Associati.

Prima Holding will be counselled by Lazard & Co. as financial advisor and Chiomenti Studio Legale as legal advisor.

BMPS is counselled by Deutsche Bank as financial advisor and Studio Galante as legal advisor.

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