



JOINT PRESS RELEASE

BANCO DI DESIO E DELLA BRIANZA S.P.A.

BANCA POPOLARE DI SPOLETO S.P.A. (UNDER EXTRAORDINARY ADMINISTRATION)

**BANCA POPOLARE DI SPOLETO WILL BECOME THE
BANCO DESIO GROUP'S BANK FOR CENTRAL ITALY**

- **Investment Agreement signed between Banco di Desio e della Brianza and Banca Popolare di Spoleto (under Extraordinary Administration) for Banco di Desio e della Brianza's investment in Banca Popolare di Spoleto share capital.**
- **Amongst other things, the Investment Agreement envisages a cash subscription to a Euro 139,750,000 share capital increase reserved to Banco di Desio e della Brianza, as a result of which Banco di Desio e della Brianza will hold ordinary Banca Popolare di Spoleto shares accounting for between 66.8% and 72.2% of the share capital.**
- **The share capital increase, arranged from own funds, aims to strengthen the capital of Banca Popolare di Spoleto and restore its solvency and regulatory capital ratios, and to create the conditions for re-establishment of the corporate bodies.**
- **SCS will receive a loan in support of its restructuring needs.**
- **Subject to obtaining all necessary approval from the competent Authorities, the share capital increase is to be implemented by the end of July 2014, whilst re-establishment of Banca Popolare di Spoleto corporate bodies is planned by the end of September 2014.**
- **After the Transaction, BPS is expected to allocate warrants free of charge to SCS and to all other BPS shareholders other than Banco Desio.**

MILAN, 1 APRIL 2014 - An investment agreement (the "**Investment Agreement**") was signed today between Banco di Desio e della Brianza S.p.A. ("**Banco Desio**") and Banca Popolare di Spoleto S.p.A. (under Extraordinary Administration) ("**BPS**" or the "**Bank**") with the aim of strengthening the capital of Banca Popolare di Spoleto, restoring its solvency and regulatory capital ratios, and creating the conditions for re-establishment of the Bank's corporate bodies to be arranged by Banco Desio and to bring BPS' extraordinary administration procedure to a close.

The main terms and conditions of the Investment Agreement are as follows (the "**Transaction**"):

- (i) an indivisible cash increase in the Bank's share capital, without option rights and reserved to Banco Desio (the "**Reserved Share Capital Increase**") for a total value of Euro 139,750,000, through the issue of 77,124,724 new ordinary shares at a subscription price of Euro 1,812 per share (the "**Subscription Price**");
- (ii) a divisible cash increase in the Bank's share capital, without option rights and reserved to BPS employees pursuant to art. 5, paragraph 2 of the BPS Articles of Association (the "**Reserved Tranche**") for a maximum value of Euro 15,527,778, through the issue of a maximum 8,569,414 new ordinary shares at the same Subscription Price; and
- (iii) the appointment of new BPS corporate bodies (Board of Directors and Board of Statutory Auditors) by Banco Desio as part of a shareholders' meeting to be held following implementation of the aforementioned share capital increases.

Following subscription to the Reserved Share Capital Increase, Banco Desio will hold 77,124,724 ordinary BPS shares, accounting for between 66.8% and 72.2% of BPS share capital, based on whether or not the Reserved Tranche is subscribed.

Banco Desio capital ratios will in any event remain more than adequate to meet requirements, even after completion of the aforementioned transaction, and therefore any share capital increase by Banco Desio is excluded.

The Transaction is, amongst other things, subject to: (i) obtaining all authorisations and/or approvals necessary from every competent Authority, at national level (including the Bank of Italy and the Ministry for Economy and Finance) and at international level, to finalise the Transaction; (ii) the release of unconditional approval from the Antitrust Authority (or other competent national or EU authority responsible for safeguarding competition); (iii) absence of the need for a compulsory global takeover bid on BPS shares pursuant to applicable regulations; and (iv) the registration and full, unconditional validity of the necessary BPS shareholders' meeting resolutions.

The first shareholders' meeting called to approve the Reserved Share Capital Increase and the share capital increase servicing the Reserved Tranche is planned for July 2014, whilst the second meeting called to approve the re-establishment of the Bank's corporate bodies will be held by the end of September 2014.

Following restoration of the capital ratios through the share capital increase in cash, the plan envisages that Banco Desio will transfer to BPS the business unit made up of Banco Desio Lazio S.p.A. branches and the Banco Desio branches located in the Tuscany region (the "**Transfer**"). In this context, after implementation of the Transaction, it is planned to issue a maximum number of warrants of between 3,085,238 and 11,155,968 (the "**Warrants**"), to be decided on the number of ordinary BPS shares subscribed as part of the Reserved Tranche, to be allocated free of charge to all BPS shareholders other than Banco Desio, as Banco Desio is expected to waive allocation of its own quota of Warrants, with main characteristics as follows: (a) duration, maturing 30 June 2017, (b) exercise period, from 30 June 2015 to 30 June 2017; (c) exercise ratio, 1 Warrant for every 1 ordinary share subscribed; and (d) subscription price of the shares resulting from the capital increase, equal to the Subscription Price (Euro 1.812). The Warrants will be issued at the same time as, and subject to, the validity of the resolution carried by the extraordinary shareholders' meeting of BPS called to approve the Transfer.

As part of the Transaction described above, Banco Desio signed a framework agreement today (the "**Framework Agreement**") with Spoleto Credito e Servizi SCRL (under Extraordinary Administration), the majority shareholder of BPS with 15,236,673 ordinary shares of the Bank,

equal to 51.217% of the share capital, under the terms of which SCS is committed - amongst other things - to voting in favour of the Reserved Share Capital Increase and the share capital increase to service the Reserved Tranche. In addition, SCS will receive financial support from Banco Desio for a maximum Euro 15,000,000 to meet its own restructuring needs.

Following the signing of the Investment Agreement and Framework Agreement, as soon as possible Banco Desio and the government-appointed commissioner of BPS will begin the authorisation procedure with the Supervisory Authorities.

Banco Desio was assisted by Banca IMI as financial advisor and by Studio d'Urso Gatti e Bianchi as legal advisor.

BPS was assisted by Lazard as financial advisor.

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