
BANCA DEL MEZZOGIORNO S.P.A.

Summary document

Rome, March 11th, 2010

Ministry of Economy and Finance



Ministero dell'Economia e delle Finanze

The Financial Law 2010 (article 2 paragraph 169) states that Banca del Mezzogiorno S.p.A. (the “Bank”):

- Operates through the **network of banks and institutions** which **adhere to the initiative** and may stipulate proper **conventions** with **Poste Italiane S.p.A.** (the Italian Postal company)
- Operates for at least five years as a **second-level financial institution, supporting investment** projects in Southern Italian Regions and **promoting** in particular **lending for small and mid enterprises**
- **Sustains** with priority:
 - the establishment of **new enterprises**
 - **young and female entrepreneurship**
 - **dimensional increase** and **internationalization**
 - **research** and **innovation**

in order to create **increasing occupation**

THE BANK IS a bunch of tools set up with the aim of pursuing the following purposes:

- **link in a network the banks which already operate in the Southern Regions**, sustaining the concepts of **proximity** and **service customization**
- **enhance the offer range** for clients, in particular with **mid-long term financing** and **high value added services**
- support the **mid-long term collection**

IT IS NOT intended to solve by itself **other typical problems of the Southern Regions** such as, for example, the lack of infrastructures or the unefficient public services

The Bank in brief

Private shareholders

- **Private owned bank**
 - the Italian State, idea-holder, is the **facilitator** of this partners aggregation, stimulating synergies among local banks operating in Southern Regions
 - the (minority and limited) **stake of the State** must be divested **within 5 years**

Second level bank

- **Bank with no proprietary branches**, which might be operating relatively soon
- Operativeness as a **second-level bank**: its profitability will be depending upon its ability to **supply services** to the banks which will adhere to the project

Possible services

- **Warranty bank for the clients of** the partner banks
- **Advisory services** to partnering banks and SMEs
- Outpayment of **concessional** and **agrarian loans**
- **Credit merit valuation** for mid-long term innovative entrepreneurial projects
- **Mid-long term collection**, taking potentially advantage of **better conditions** than those exercisable by the single partnering banks
- **Capital release** for partnering banks and hence **credit enhancement**
- **Bonds issue** to finance **infrastructural projects**

Regulations – the Promoter Committee

The Financial Law 2010 (article 2 paragraph 165 and following) states the establishment of the **Promoter Committee** of the Bank, stating that:

- The Committee is composed by **fifteen members** named by the Prime Minister under proposal of the Minister of Economy and Finance
- The Promoter Committee has to **identify and select the founding partners**, others than the State
- The Promoter Committee defines Bank's **corporate governance rules**, the **minimum capital** required to institutions other than the State to participate to the project as “partners” and the **specific functions and activities**

The composition of the Promoter Committee

DELL'ERBA Vito Lorenzo Augusto - President	President Fed. BCC Puglia e Basilicata
Ermanno ALFONSI	Director , Fed. BCC Abruzzo e Molise
Gianluca BRANCADORO	Associate Professor of commercial law and financial markets law Teramo University
Rosa Maria CAPRINO	Entrepreneur
Nicola CULICCHIA	Director , Fed. BCC Sicilia
Enrico FALCONE	President Development Bank and General Manager BCC Rome
Pasquale LAMORTE	Vice President Unioncamere
Roberto MAZZOTTI	General Manager ICCREA Holding
Andrea MONTANINO	General Manager Department of the Treasury, Ministry of Economy and Finance
Massimo SARMI	CEO Poste Italiane S.p.A.
Arturo SEMERARI	President ISMEA
Franco SENESI	President Cassa Centrale Banca Credito Cooperativo del nord-est
Davide SOLA	Associate Professor of Strategy and Management, ESCP Europe, London – on the behalf of the Economic Development Ministry
Pierfilippo VERZARO	Director Fed. BCC Calabria
Francesco VILDACCI	Director Fed. BCC Campania

Secretary of the Promoter Committee Roberto DI SALVO, Deputy General Manager Federcasse

Consulting table

A “consulting table” composed by members of the major entrepreneurial organizations and economic associations stands next to the Promoter Committee, among others:

- Confindustria
- Confartigianato
- Confcommercio
- Confesercenti
- Coldiretti
- Lega delle Cooperative
- Confagricoltura
- CIA
- Casartigiani
- CNA
- Confapi

The Promoter Committee will share the project with the abovementioned social parties

Further tools for credit in Southern Regions

Start-up of new BCC

- Possibility for financing partners to **sustain the start-up of new BCC** which will **adhere to Banca del Mezzogiorno** with capital contribution more relevant than what is foreseen by the law

Finalized-bonds

- Possibility for any banks to issue **mid-long term finalized-bonds** aimed at channeling funds toward Southern Regions
- Soft tax rate equal to **5 per cent** on interest rates for investors, for a **maximum amount of 100,000 Euro** per subscriber

Italian Post role

- Possibility for **Italian Posts** to acquire, beyond Eurozone Government bonds, also other bonds guaranteed by the Italian State
- In particular cases, these **bonds** might be **issued by Banca del Mezzogiorno** in order to financing infrastructures **with no impact on public deficit**

- Approval of the Committee Regulations
- Identification of an **industrial advisor** and definition of the Bank's activities
- Identification of **further partners** and, in particular, of the **adhering banks**
- Identification of the **corporate domicile**
- Start of the **authorization phase**
- Start of the **recruitment phase**