

**Agreement between ABI and Borsa Italiana:
to promote listings, support growth and develop specialised funds for SMEs**

ABI – the Italian Banking Association – and Borsa Italiana – the Italian Stock Exchange – have signed an agreement to promote listing, as a tool for business growth and competitiveness, to develop the activities of Italian brokers that operate on the stock market and to expand the industry of institutional investors in stocks and shares.

In all countries, listing on the Stock Exchange is a synonym of growth, competitiveness, the dynamism of the economic and financial system, and of the industrial fabric. It enables companies to collect resources for their recapitalisation or to set up a global project to expand physically and culturally.

The primary objective of the agreement between Borsa Italiana and ABI is to accelerate the growth of enterprises and to improve their competitiveness, encouraging the use of market listing as a tool to collect financial resources in the form of venture capital, sustaining the business development of stock market brokers.

Massimo Capuano, Managing Director of Borsa Italiana commented: “We are very pleased to have reached this agreement that not only acknowledges the close complementary nature of forms of bank financing and the capital market, but above all offers tangible assistance to companies to use listing on the Stock Market as another tool to seize the opportunities offered by the recovery.”

“The agreement with ABI also represents a fundamental tool for the development of funds that invest in small and medium sized enterprises, thus creating a more favourable market environment for both issuers and investors, sustaining further economic growth of the country”.

Giovanni Sabatini, ABI’s General Manager commented: “The agreement we have signed is particularly important as it increases the opportunities for companies to collect financial resources, and marks another step up the ladder in bank-enterprise relations: by virtue of this agreement, companies will be able to explore alternative forms of financing to bank credit and collect resources via direct capital intervention. The important role played by banks is also acknowledged as they accompany firms towards the capital market and therefore towards their expansion and growth”.

“The agreement also represents an element of continuity with the initiative recently promoted by the Government for the capitalisation of companies, namely the establishment of a fund that invests in the capital of SMEs – continued Sabatini – Promoting access to the market of SMEs in which the fund will invest is a natural next step for an enterprise, with the entrance of new capital investors”.

The main operational aspects of the project are outlined below:

- to encourage the development of a company’s financial structure by drawing up an agreement with member banks that envisages making available, at the discretion of the bank, specific credit lines to newly-listed companies that have collected venture capital through the IPO;
- to encourage the creation of funds that specialise in investment in SMEs by drawing up a specific legislative proposal and setting up targeted initiatives to stimulate wider participation of the bank system in the placement of SMEs on the markets organised and managed by Borsa Italiana (both in terms of subscription and support of the liquidity of securities);

- to use the bank system to make SMEs aware of the opportunity of market listing as a means of collecting financial resources that is complementary and synergic to bank financing;
- to organise, also using ABI's network of Regional Commissions, training and information on the characteristics of the markets organised and managed by Borsa Italiana targeting banks and their customers, also involving Borsa Italiana's Partner Equity Markets.

To confirm the high-level operational nature of the agreement, a technical desk will be set up to handle matters retained important and that merit joint analysis to establish the details of how the agreement reached is to be implemented.

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