PRESS RELEASE

Banca Popolare di Milano to launch a public tender offer over existing innovative capital instruments previously issued by companies in the BPM group, as part of measures for the strengthening and stabilisation of its capital, resolved upon on 24 March 2009

In connection with measures for the strengthening and stabilisation of its capital that were resolved upon by the Bank and disclosed to the market on 24 March 2009, the Board of Directors of Banca Popolare di Milano ("BPM" or the "Bank") has today resolved to launch a public offer for the purchase of innovative capital instruments (known as Tier 1 securities and preference securities) issued by companies in the BPM group. The offer is for an aggregate nominal amount of Euro 460 million (the "Offer").

The Offer will be brought subject to authorisation from CONSOB for publication of the Italian offer document, which the Bank expects to receive by the end of the year.

The Offer has already been authorised by the Bank of Italy and completion is subject to the securities issued by the BPM group pursuant to article 12 of Decree 185/2008 (known as “Tremonti Bonds”) forming part of the BPM group’s regulatory capital.

The Offer will be made in relation to the whole amount of the following instruments:

1. 8.393% Noncumulative Perpetual Trust Preferred Securities, issued in a nominal amount of Euro 160 million (ISIN code XS0131749623) (the “Trust Preferred Securities”); and

2. 9 per cent. Perpetual Subordinated Fixed/Floating Rate Notes, issued in a nominal amount of Euro 300 million (ISIN code XS0372300227) (the “Perpetual Subordinated Notes” and, together with the Trust Preferred Securities, the “Notes” or the “Securities”).

Persons who validly accept BPM's offer will be entitled to receive payment of the interest accrued from the last date on which interest was paid on such notes and up to (but not including) the day of payment of the offer price, and a further, additional cash amount (the “Price”).

Indicatively, the Price for the Notes is expected to be approximately 95 per cent. of nominal value, for both the Trust Preferred Securities and the Perpetual Notes.

The Offer, which had been previously been announced in connection with the measures for the strengthening and stabilisation of the Bank’s capital which were resolved upon on 24 March 2009, is intended to improve the quality of BPM’s capital base, by raising the amount of a key component (representing capital and reserves) of its core capital. More precisely, the purchase of the Notes will result in a net gain in capital, suitable for recognition as part of the Bank’s core capital. At the same time, the capital reduction resulting from the purchase will be set off by the increase in prime-quality equity that is being obtained from the issue of what have become commonly known as “Tremonti” bonds, such that the overall effect of the transaction is to strengthen the Bank's capital.
Following the Offer, future decisions by the Bank regarding whether the Issuer should exercise options to redeem the Notes early, as well as in relation to the payment of coupons in cases where payment may be suspended pursuant to the conditions of the Notes, will be based purely upon whether that decision is convenient for BPM in financial and regulatory terms, subject always to the Bank of Italy's prior authorisation in the case of early redemption; and to such regulatory considerations as may apply at that point in time.

The Offer will be addressed to holders of the Preferred Securities and Notes resident or domiciled in Italy, who may accept the offer on the basis of the information contained in the offer document to be published in accordance with current legislation (the “Italian Offer Document”); and, subject to the following, to holders of the Notes Under Purchase resident or domiciled outside Italy, who may accept the offer on the basis of the terms set forth in a Tender Offer Memorandum that will contain information consistent with that carried by the Italian Offer Document and shall not be approved by any regulatory authority.

The Offer will not be brought directly or indirectly in the United States of America, Australia, Canada, Japan or in any other countries in which such an offer is not permitted without authorisation from the appropriate authorities.

The conduct of the offer as described above is in any event conditional upon it being possible for it to be conducted in accordance with best international practice, and may take place only following CONSOB’s approval of the Italian Offer Document, in accordance with that practice.

The text of the communication made by the Bank, prepared in accordance with article 102 of the Consolidated Law on Financial Intermediation, is set forth below.

Milan, 10 November 2009

It may be unlawful to distribute these materials in certain jurisdictions. These written materials are not for distribution in the United States, Canada, Australia or Japan. The information contained herein does not constitute an offer of securities for sale in the United States, Canada, Australia or Japan. These materials do not constitute or form part of an offer to sell or the solicitation of an offer to buy the securities discussed herein. The securities mentioned herein have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold in the United States absent registration or an exemption from the registration requirements of the Securities Act. There will be no public offer of the securities in the United States.

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NOTICE PURSUANT TO ARTICLE 102 OF LEGISLATIVE DECREES NO. 58 OF 24 FEBRUARY 1998

Banca Popolare di Milano S.C.a r.l. ("BPM", the "Offeror", or the "Bank") hereby gives notice, pursuant to and for the purposes of article 102 of Legislative Decree No. 58 of 24 February 1998, as amended (the “Consolidated Law on Financial Intermediation”), of its intention to bring a public tender offer (the “Offer”) for the whole amount (of Euro 460 million) of two innovative capital instruments issued by companies of the group headed by BPM (the “Securities”), details of which are set forth in the following table.

<table>
<thead>
<tr>
<th>Issuer</th>
<th>Securities</th>
<th>Date of early redemption</th>
<th>Maturity date</th>
<th>Nominal value (in millions of Euro)</th>
<th>ISIN code</th>
</tr>
</thead>
<tbody>
<tr>
<td>BPM Capital Trust I</td>
<td>€ 160,000,000,000 8.393% Noncumulative Perpetual Trust Preferred Securities</td>
<td>2 July 2011</td>
<td>Perpetual</td>
<td>160</td>
<td>XS0131749623</td>
</tr>
<tr>
<td>Banca Popolare di Milano S.C.a r.l.</td>
<td>€ 300,000,000,000 9 per cent. Perpetual Subordinated Fixed/Floating Rate Notes</td>
<td>25 June 2018</td>
<td>Perpetual</td>
<td>300</td>
<td>XS0372300227</td>
</tr>
</tbody>
</table>

The Offer Price and the Italian Offer Document

Persons who validly accept BPM’s offer will be entitled to receive payment of the interest accrued from the last date on which interest was paid on such Securities and up to (but not including) the day of payment of the consideration under the Offer, and a further, additional cash amount (the “Price”).

The Price offered for the Securities is expected to be approximately 95% of the nominal value of each Security. The Offer Document will contain details of the methods by which the Offer Price will be paid.

The Italian Offer Document will require regulatory approval and accordingly will be submitted to CONSOB for such approval in accordance with article 102, paragraph 3, of the Consolidated Law on Financial Intermediation.

The Acceptance Period

The acceptance period to the Offer will, subject to authorisation from CONSOB, be during...
December 2009. The final timetable for the Offer will be agreed with CONSOB.

Acceptances of the Offer will be made through the custodians that hold the Securities, in accordance with the procedure that will be described in the Italian Offer Document and the Tender Offer Memorandum (as defined below). Payment of amounts due to persons who have validly accepted the Offer will be at the end of the acceptance period, upon a date that will be indicated by the Italian Offer Document.

**Conditions to the Offer**

The Offer will be conditional upon there being no occurrence, before the end of the calendar day prior to the Payment Date under the Offer, at a national and/or international level, of: (a) any extraordinary event or circumstance which results, or may result, in serious changes in the political, financial, economic, currency or market conditions that have, or may have, a material adverse effect on the Offer; (b) any event or circumstance that results in a significant worsening in the Offeror's capital, income, financial, tax, regulatory, corporate or legal condition, compared with the condition reported in its most recently published financial information, that has, or may have, a material adverse effect in relation to the Offer; or (c) any change in laws or regulations that would limit, or otherwise prejudice, the purchase of the Securities, the exercise of the rights of title thereto, or the exercise of any rights inherent therein (the “MAC Condition”).

The completion of the Offer, which has already been authorised by the Bank of Italy, is subject to the Tremonti Bonds issued by the BPM group forming part of its regulatory capital.

**Reasons for the Offer**

The Offer, which was previously been announced in connection with measures for the strengthening and stabilisation of the Bank’s capital, resolved upon on 24 March 2009, is intended to improve the quality of the Bank's capital base, by raising the core component (representing capital and reserves) of the core capital. More precisely, the purchase of the Securities will result in a net gain in capital, suitable for recognition as part of the Bank's core capital. At the same time, the capital reduction resulting from the purchase will be set off by the increase in prime-quality equity that is being obtained from the issue of what have become commonly known as “Tremonti” bonds, such that the overall effect of the transaction is to strengthen the Bank’s capital.

**Financing and security**

On the basis of the Offer Price, the maximum aggregate financial commitment for the Offeror, in relation to the payment of the Price for acceptances to the Offer, will be approximately Euro 437 million (the “Maximum Price Disbursement”), net of interest accrued between the last coupon payment date and the date of payment of the Offer Price.

The Offeror shall meet the Maximum Price Disbursement using funds of its own which it already has at its disposal.

As security for the due performance of the payment obligations in connection with the Price, the Offeror will pay the amount necessary for payment of the Price, up to the amount of the Maximum Price Disbursement, into an account that will be secured to the interest of the
subscribers to the Offer.

**Markets in which the Offer will be brought**

The Italian Offer Document to be approved by CONSOB will be addressed exclusively to holders of the Securities who are resident or domiciled in Italy. Subject as set out below, holders of Securities resident or domiciled outside Italy will be able to accept the Exchange Offer pursuant to the terms set forth in a separate document, the Tender Offer Memorandum, which will be made available to them. The Tender Offer Memorandum will include information consistent with that set forth in the Italian Offer Document and will not be subject to approval by any supervisory authority.

The Offer will not be brought directly or indirectly in the United States of America, Australia, Canada, Japan or in any other countries in which such an offer is not permitted in the absence of authorisation from the competent authorities.

Acceptance of the Exchange Offer by persons who are resident or domiciled in countries other than Italy may be subject to specific obligations or restrictions set forth by laws or regulatory provisions. It will be the exclusive responsibility of the persons to whom the Offer is made to ascertain the existence and applicability of such provisions by referring to their own advisors and to comply with such provisions, prior to accepting the Offer.

**Changes to the terms of the Offer**

The Offeror reserves the right to amend the terms of the Offer, in accordance with article 43 of CONSOB Regulation No. 11971/1999, and will provide notice of any such amendments in accordance with article 37 of the same CONSOB Regulation.

**Advisors**

The Offeror, for the purposes of the Offer, is assisted by Goldman Sachs International, in its capacity as Sole Structuring Adviser and Dealer Manager; and by Studio Legale Riolo Calderaro Crisostomo, as legal advisors.