PRESS RELEASE

Milan, 19 November 2012 - BPM would like to communicate that Moody's Investors Service ("Moody's") has decided to put the Long and Short-Term Debt and Deposit rating (Baa3/P-3) and the stand-alone Bank Financial Strength Rating – BFSR – (D+) of Banca Popolare di Milano under review for a possible downgrade.

BPM does not share this assessment and - as already communicated to the agency - would like to stress its disappointment at the way this decision has been reached.

It should in fact be noted that despite various invitations by BPM, no analyst from Moody's considered it necessary to meet the Bank's new management.

It is worth pointing out that the last meeting between the rating agency's analysts and BPM took place last year, before the change of governance and with the previous management. Since then, without any further meetings, Moody's has lowered BPM Long-Term Debt and Deposit rating by 3 notches (on 11 November 2011, during the capital increase) and went ahead with the current review process. This conduct ignores very important changes that have involved the entire Group, namely the change in governance, the appointment of new management, the presentation of the 2012-2015 Business Plan and all of the measures introduced to rationalize and relaunch the Group.

As regards to the RATING RATIONALE, we would like to point out the following matters:

1. Capital generation: they seem to have overlooked the fact that in the first nine months of 2012, the Group generated net income (net of non-recurring items) of € 103 million, a marked increase of +266% YoY. In addition, the Core Tier 1 ratio of the BPM Group rose from 8.02% in December 2011 to 8.91% in September 2012 (+89 bps);

2. High concentration and exposure to the real estate and corporate sector: the agency's failure to meet management did not allow it to verify the efforts that BPM has made to reduce this concentration and exposure to the sectors mentioned above;

3. Bank’s structural constraints to cost flexibility: the Bank has been focusing constantly on costs (operating costs -7.7% YoY). The 2012-2015 Business Plan clearly highlights the structural measures that the Group has in part already undertaken, and will undertake in the future, in order to reduce both staff and administrative costs by the end of 2015.

Note also that, in the BPM's opinion, a meeting with management would have made the review unnecessary, as the points highlighted in the press release (in the section entitled "FOCUS ON THE REVIEW") would have been answered satisfactorily.

BPM will consider to undertake any action to protect the interests of the Bank, its shareholders and investors, who to a certain extent base their investment decisions on the opinions of international rating agencies, which therefore have clear responsibility to provide up-to-date ratings based on adequate research.

Moody's press release is available on Moody's website.

Please note that the original version of this press release is in Italian.
In case of any misunderstandings the Italian version shall prevail.

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