PRESS RELEASE

BPM GROUP AND TRADE UNIONS
SIGN FRAMEWORK AGREEMENT

Agreement is a fundamental step for BPM, based on a common desire to revitalise the Bank and protect its employees

Milan, 7 December 2012 - Banca Popolare di Milano and the Group's Trade Union Delegation (FABI, FIBA/CISL, FISAC/CGIL, SINFUB, UGL CREDITO, UILCA and FALCRI) have signed a Framework Agreement for the personnel following implementation of the BPM Group's 2012-2015 Business Plan.

The document signed yesterday evening stems from the parties' willingness to work together to ensure the revitalisation of BPM and an untroubled future for its employees.

This is a critical step that shows a strong sense of responsibility on the part of all parties involved; indeed, thanks to the successful outcome of these union negotiations the Bank can now look to the future with greater trust and continue implementing the Business Plan with renewed confidence.

Achieving the targets laid down in the Plan will allow the BPM Group to take on more young employees, starting with the stabilisation of current short-term contracts.

Reaching the set objectives will also allow cost savings that are vital for BPM; moreover, with the retirement of personnel with adequate pension rights and protected by the solidarity fund, it should be possible to consolidate much of the pay of younger colleagues working for the Bank who represent its future.

The trade union procedure, which began on 9 August, aims, among other things, to achieve a structural containment of labour costs of around 70 million euro.

This agreement will make it possible to reduce the BPM Group's total workforce by 700 people through a voluntary retirement plan on the part of those who will be eligible for a pension as of 31/12/2015 (the deadline of the Business Plan) and extraordinary access to the sector's Solidarity Fund for those who will be eligible for retirement benefits by 31 December 2018, with the possibility of an extension to 30 June 2020.
The investment required is put at between 180 and 200 million euro and will be fully accounted for in the 2012 financial statements.

The main guidelines of the agreement signed by the parties are as follows.

**Meeting with the Group’s Trade Union Representatives on 6 December 2012**

**Solidarity Fund**
- Voluntary membership at the first possible window
- Open to those who accrue AGO pension rights by 31.12.2018 (AGO stands for Assicurazione Generale Obbligatoria i.e. obligatory social security for most of the population)
- Open to managers who accrue AGO pension rights by 30.6.2020 (without prejudice to applicable law and labour contracts)
- Open to those who accrue AGO pension rights between 1.1.2019 and 30.6.2020

**Incentives**
- % of RAL (gross annual retribution) for each month in the Fund (0.3% Managers - 0.5% Officials (QD3/QD4) - 0.7% Officials (QD1/QD2) - 0.9% Employees (AP))
- Timeliness (if application by 31.12.2012): another 2 monthly salaries
- 62 years old by 31.12.2017: another 2 monthly salaries (if penalised in pension terms)

**Retirements**
- Obligatory for those already entitled to an AGO pension or who accrue AGO pension rights by 31.12.2015 and do not ask to join the Solidarity Fund
- Stop working at the earliest possible date

**Incentives**
- 7 monthly salaries for those eligible for a pension by 31.12.2012
- Another 7 monthly salaries for female employees (eligible for a pension by 31.12.2012) with 35 years’ contributions and 57 years of age
- 62 years old by 31.12.2012: another 2 monthly salaries (if penalised in pension terms)

**In-house Supplementary Contract**
- Personalised consolidation of 100% of the RIA (in-house supplementary remuneration) and 70% of the PRE (extrastandard performance bonus) in favour of those who already receive them (consolidation of the amount already accrued for newly recruited employees)
- Extension until 31.3.2013 of the winter indemnity, additional indemnity for officers, 30% of the extrastandard performance bonus
- Extension to 31.12.2013 of the in-house fixed productivity quota
- Extension until 31.3.2013 of leave for medical/family reasons, scholarships, allowances related to distress and/or risk (e.g. transport allowance, risk indemnity)
• Negotiations regarding employment levels for the new Network Model (with retroactive effect from
the individual's appointment - the current allowances will continue to be applied until the start of the
new model)
• Confirmed indefinitely: welfare (assistance, social security, luncheon vouchers/canteen, etc.),
financial conditions

**Employment**
• Permanent employment of temporary staff who have worked for the Group for at least three years
• Short-term employees, other temporary staff, applications under previous agreements: if positively
assessed, they will act as a pool of reference for possible new hires during the Plan, including the use
of part-time, also in relation to the economic impact of new employment levels

**Other interventions**
• Elimination with frution of untaken holidays, time bank, various types of leave
• Non-payment of former public holidays and additional services
• Solidarity during the Plan: 3 days for AP - 4 days for QD - 6 days for Managers

**Check in January 2013**
• Evaluation of a specific union agreement to permit access to the Solidarity Fund by those eligible for
retirement between 1.1.2019 and 30.6.2020, providing they apply for it
• In the event of full achievement of the Plan's redundancy objectives:
  - personalised consolidation of additional quotas of remuneration (including 30% of the
    extrastandard performance bonus) in favour of those who already receive them
• In the event of partial achievement of the Plan's redundancy objectives:
  - personalised consolidation of additional quotas of remuneration on a pro-rata basis
  - containment of payments in favour of Ares and GeSeSo
  - increase in top management's contribution to the Employment Fund over the standard 4%