Banca Popolare di Milano has decided to extend to 31 December 2013 the deadline for the submission of applications for admission to the joint mediation relating to the "Convertendo BPM 2009/2013 - 6.75%" bond, ISIN code IT0004504046.

This extension, which is the result of consultation with the Consumer Associations that signed the Memorandum of 3 August 2012, is designed to allow access to the mediation procedure also to those who were unable to submit their application by 30 April 2013, the deadline originally set, even if they were interested in taking advantage of this mediation.

The conditions and characteristics of the mediation procedure, which is free for customers, remain as they were. For the convenience of those interested, the following is a summary of the characteristics of the procedure, previously announced on 3 August 2012.

The procedure can be accessed by:

- individuals who during the period from 7 September 2009 to 30 December 2009 subscribed Convertendo bonds at a branch of the commercial banks of the BPM Group (i.e. in addition to the Parent Company, Banca di Legnano - along with CR Alessandria which is currently being merged - and Banca Popolare di Mantova);

- individuals who during the period from 15 June 2009 and 16 July 2009 bought option rights for the Convertendo bonds at a branch of the said banks of the BPM Group.

The approved Memorandum states that, in any case, the procedure excludes institutional investors and those who, being already shareholders of BPM, exercised their option rights in respect of the Convertendo bonds in the
period from 15 June 2009 to 3 July 2009 or who also purchased, at any time, additional stock options to supplement those assigned to them, as well as customers who subscribed for Convertendo bonds independently through the Internet.

Customers who wish to access the procedure must complete a registration form (which will be available from September on the websites of the BPM Group and of the Associations that have signed and adhered to the Memorandum, as well as at all branches of the banks of the BPM Group mentioned above and at the headquarters of the said associations). This form will then have to be presented at a branch of one of the banks of the BPM Group, or sent by registered mail to the Convertendo Technical Secretariat, Banca Popolare di Milano, Galleria De Cristoforis 7/8, 20121 Milan, or through, or with the assistance of, a Consumer Association, according to the customer's preference. To this end, the form will give a complete list of the Associations that have signed or adhered to the Memorandum. Customers will be free to choose the one they prefer to help them, without incurring any cost or restriction.

A special Mediation Commission (made up 50/50 by representatives of the Bank and of the Consumer Association indicated on the form by the customer) will then proceed to analyse individual cases and, if the mediators agree that certain conditions exist, they will then make the customer a proposal. If the proposal is accepted, payment of the sum agreed upon is expected to take place within thirty days from the date of receipt of the acceptance by the Convertendo Technical Secretariat. If, on the other hand, the proposal is not accepted, the customer will be free to take whatever action they consider appropriate.

As regards the evaluation criteria, the Memorandum of Understanding quantifies - on a forfeit, standardised basis - the extent of the loss suffered by the individual customer at 65% of the nominal value of the Convertendo bonds subscribed.

In order to determine the percentage of any refund, the customer's position will be put by the Committee in one of three categories envisaged by the Memorandum, which entail different refund percentages:

- Category A: maximum refund of up to 100% of the loss;
- Category B: maximum refund of up to 60% of the loss;
- Category C: no refund.
Note that the full text of the Memorandum of Understanding is available on BPM’s website and that, for any further information, you can contact branches of the BPM Group or branches of the Consumer Associations that signed or joined the Memorandum of Understanding.

Mediation will be suspended for the entire month of August and will resume on 2 September 2013.

Milan, 30 July 2013