PRESS RELEASE

BANCA POPOLARE DI MILANO POSTPONES THE DEADLINE FOR ACCESS TO THE CONCILIATORY PROCEDURE FOR THE “CONVERTENDO” BOND LOAN AND EXTENDS IT TO A NEW CATEGORY OF SUBSCRIBERS

Banca Popolare di Milano has signed an agreement with Adiconsum, Adoc and Federconsumatori amending and supplementing the Memorandum of Understanding dated 3 August 2012 concerning the joint conciliation procedure for the "Convertendo 2009/2013 - 6.75%" bond loan (ISIN code IT0004504046).

Milan, 30 June 2014 - Banca Popolare di Milano would like to announce that it has today signed an agreement with Adiconsum, Adoc and Federconsumatori amending and supplementing the Memorandum of Understanding dated 3 August 2012 (the “Agreement”) concerning the joint conciliation procedure for the “Convertendo 2009/2013 - 6.75%” bond loan (ISIN code IT0004504046), postponing the deadline for submission of applications for the admission of retail customers and the possibility also for BPM Shareholders to access to the procedure, under certain conditions.

ACU – Associazione Consumatori Utenti, Adusbef, Altroconsumo, Asso-Consum, Assoutenti, Casa del Consumatore, Cittadinanzattiva, Confconsumatori and Movimento Consumatori have already announced their intention to accept the Agreement signed today.

Under this Agreement, the following persons will be able to access the conciliation procedure, which remains free of charge for anyone who wants to take advantage of it:

- BPM Shareholders (individuals) who during the period between 15 June 2009 and 15 July 2009 exercised all or part of their option rights for the Convertendo bonds automatically assigned to them and/or who purchased, and subsequently exercised, the new option rights on the Convertendo bonds to integrate those assigned to them, even if they did not fully understand the nature and risks of an investment in the Convertendo bonds;

- Retail customers (individuals) who have not already accessed the procedure, with whatever outcome, and who, in the period between 7 September 2009 and 30 December 2009, subscribed for Convertendo bonds at a branch of the BPM Group's commercial banks (i.e. in addition to the Parent Company, the former Banca di Legnano and CR Alessandria and Banca Popolare di Mantova);

- Retail customers (individuals) who, during the period from 15 June 2009 and 15 July 2009, bought option rights for the Convertendo bonds at a branch of the said banks of the BPM Group.
The following persons are still excluded from the procedure: institutional and/or professional investors who autonomously subscribed for Convertendo bonds exclusively online and those shareholders who did not receive any solicitation to invest in them from the staff of the BPM Group’s commercial banks.

From a practical point of view, shareholders and customers wanting to access the procedure have to complete a registration form (which will be available from September 2014 on the websites of the BPM Group and of the Associations that have signed or accepted the Agreement, as well as at all branches of the BPM Group banks mentioned above and at the offices of the said Associations). This form will then have to be presented at a branch of one of the commercial 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/with the assistance of a Consumer Association chosen by the customer or shareholder. To this end, the form will give a complete list of the Associations that have signed or accepted the Agreement, with customers or shareholders free to choose the one they prefer to help them, without incurring any cost or restriction.

Applications for access to the conciliation procedure can be submitted from 15 September 2014 to 30 September 2015.

Again from a procedural standpoint, to assess the eligibility of applications and, if so, whether the conditions exist for a refund together with the terms of any conciliation, each position will normally be processed within ninety days of receipt of the customer’s or shareholder’s application by the Convertendo Technical Secretariat.

A special Mediation Commission (made up of one representative of BPM and one of the Consumer Association indicated on the form by the customer of shareholder) will then proceed to analyse individual cases and, if the mediators agree that certain conditions exist, they will then make the customer or shareholder 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 or shareholder will be free to take whatever action they consider appropriate.

In order to determine the percentage of any refund, the position of the customer or shareholder will be put by the Commission in one of three categories envisaged by the Agreement, which entail different percentage refunds of the loss: the latter is quantified - in a lump sum and standardised form - as 65% of the nominal value of the bonds subscribed (also by exercising the option rights). The three categories are listed below:

- **Category A**: maximum refund of up to 100% of the lump-sum loss (i.e. 65% of the nominal value of the bonds subscribed);
- **Category B**: maximum refund of up to 60% of the lump-sum loss (i.e. 65% of the nominal value of the bonds) for customers and up to 50% of the lump-sum loss (i.e. 65% of the nominal value of the bonds) for shareholders;
- **Category C**: no refund.
Lastly, it should be noted that the full text of the Agreement signed today, to which reference should be made for further information, will be published in the next few days on the websites of the Group's commercial banks and those of the Consumer Associations that have signed or accepted the Agreement.

As regards the additional cost to be borne by the Bank as a result of this postponement and extension of the Conciliatory Procedure, even though it will only be possible to quantify it accurately at the end of the whole process, BPM is of the opinion that the residual provision already set aside in the financial statements at 31 December 2013 should be sufficient to cover it.

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