



# Letter to BPM Members

Ordinary and Extraordinary  
Members' Meeting

25 April 2009  
Fieramilanocity

Pavilion 1- 2,  
Viale Scarampo

**Roberto  
Mazzotta**

Chairman  
Banca Popolare  
di Milano

Members,

The next Members' Meeting on 25 April will be asked to make a number of very important decisions concerning the approval of the 2008 Financial Statements, the renewal of the Board of Directors and the Board of Statutory Auditors for the next three years and a substantial and technically original operation to strengthen the Bank's capital.

As always, the reasons for this operation are explained in the letter from the General Manager (see below) and in the pages that follow, which contain more detailed technical information.

It is up to me to call your attention to the external context in which we too have to operate and to the three objectives that the Meeting will have to concentrate on in the interest of the Bank and of the Cooperative. Since halfway through last year, we have been in the midst of an international financial crisis that is without precedence since the end of World War II; a crisis that is reflected in a drastic loss of value on the part of assets, market trauma and the declared or feared instability of many important intermediaries in various countries around the world. It has also had a knock-on effect on households and companies, triggering off a rapid and severe slowdown in economic activity. The characteristics of this infection are different from those that we encountered during the various cyclical downturns that took place from the start of the '70s and which we have learnt to combat. The more expert observers are saying that they are not in a position to make reliable forecasts, given the variety and complexity of the variables in play in different parts of the world, which for the first time are closely and irreversibly interconnected. We only know that the crisis is unlikely to be brief and that, in any case, the economic and social world that will come out of it will not be the same as before.

Italian society certainly hasn't escaped from the global storm, but it is showing a greater ability to resist and respond to the pressures of the crisis than many other countries. Our strengths are well known, but they are always worth recalling: the lower level of debt on the part of Italian households and companies, widespread home ownership, the economic and social role of the family, the broad distribution and quality of our industry and other productive structures, and the importance of local economies. For better or for worse, banks play a crucial role in all of these strengths. It is then easy to see that the cooperative banking movement is tailor-made to resolve the current needs of the real economy.

The decisions that we have to take are important for the Bank, for its shareholders and for its employees, but they also affect wider interests that involve the economic and social life of our territory. An awareness of this has explicitly oriented our work and it also underlies the main proposals that we submit to the Meeting. In the interests of simplicity and brevity, I will summarise them in three distinct points, each of a different nature, but which in practice are closely interlinked.

1. With the 2008 financial statements, we present a Bank and a Group with clean portfolios and transparent accounts. Anyone who reflects on the reasons why the financial crisis has gone on so long, knowing that the ongoing opacity of too many intermediaries' accounts plays an ill-fated role, above all in an international context, cannot but approve our decision. It is obviously not enough just to want this; you also have to have the underlying conditions that allow it. Having for some time restored BPM to its original core business - commercial banking - we have avoided all sorts of negative situations that could have been destabilising. This context is reassuring on its own, but on top of it we also decided to adopt of very prudent line when preparing the financial statements, with no "window-dressing", making full adjustments and provisions wherever they were needed and without using any of the exceptions to IFRS that are currently being conceded. This has obviously had an impact on the bottom line, but we have still left room to pay a dividend. In jargon, this is called "putting hay in the barn". You will see from the tables that, despite the crisis, the commercial banking activity is going well, deposits are up and we have not reduced our level of loans. Costs are also down and management has started implementing policies to raise staff efficiency in full respect of individual rights.



2. The Extraordinary General Meeting will examine the Board's proposals to strengthen the Bank's capital. I would suggest looking carefully at the details of this operation, because it takes an original approach to the opportunities that are available. In the current market situation, a high level of capital is essential for us to carry on our profession, which is to provide financial support so that households and companies can satisfy their needs. This is a concept that I have always defended; the provisions that the Members' Meeting will be asked to approve will put us in a condition of guaranteed stability and higher competitiveness. Clean accounts and robust capital are requisites that a bank has to have if it is to survive the stormy seas that we find ourselves now and which will accompany us, with all their perils, for some time to come. Knowing with evident and tangible certainty that our Bank has these requisites is extremely important. It is the result of a long, hard struggle that has required a huge effort on the part of everyone, at the corporate centre as at the branches, at the Parent Bank as at the subsidiaries. This huge effort deserves recognition.

3. The Bank's work needs unity and cohesion on the part of everyone involved in the Cooperative. Those who represent the various stakeholders - Customers, Employees, Pensioners and Investors - have to find a satisfactory and effective point of contact. This is feasible, but only if no one absolutely wants to prevail without taking into account the fact that the story has changed and the times we live in need something different. I have tried and am still trying to achieve this result, without being conditioned by the polemics and rumours about the Board elections that we have been hearing constantly in recent months and which have not helped our communal reputation. Now we are in a 2009 that is showing every sign of being a hard and risky year. So we all have a duty to celebrate together a Members' Meeting that marks a positive day for the Bank and for the Cooperative.

If we look at our accounts, our fundamentals, if we consider the professional reputation that our men and women have earned through their day-to-day work with customers, if we make an objective assessment of the work performed by our management and by our Board of Directors, we can find many reasons to be proud. Knowing the banking system in this country the way I do, I feel able to say publicly that BPM today is one of its strongpoints in terms of stability and transparency. The Meeting has to be fully aware of this, taking the necessary steps to transmit for another three years' hard work the momentum required in terms of member cohesion and employee dedication. I would advise bearing in mind that whoever would like to interrupt the Bank's long working history and widespread cohesion on the part of all the Members would be taking on a grave responsibility at a time when infighting is not allowed.

Members,

There is an area in the Meeting Hall devoted to initiatives that are part of the "Members' Project", which the Board has approved and which are meant to act as an incentive to join the Cooperative, at the same time reinforcing the shareholder base. In recent months, various initiatives have been successfully completed and adopted to serve the purpose indicated.

As always, we encourage active participation at the Meeting. The Bank and the Cooperative need you to take part.

With very best wishes.

**Roberto Mazzotta**  
Chairman  
Banca Popolare di Milano

# 2008: positive results despite the difficult economic and financial context

**Fiorenzo Dalu** *General Manager, Banca Popolare di Milano*

2008 was characterised by the ongoing international economic and financial crisis that started in the summer of 2007, triggered off by the problems caused by American subprime mortgages. The continuing difficulties in the international financial system led to a deterioration in the expectations of all economic operators throughout the world, aggravating a recession that was already underway and increasing the risk of a depression. The depth of the crisis induced the authorities of the entire planet, both governments and monetary authorities, to take urgent and extraordinary measures to provide credit support for households and sustain overall demand. The second half of 2008 accentuated the negative signals, confirming that the Euro-zone, America and Japan had technically started to go into recession. In 2008, GDP slipped by 1% and various institutional sources are foreseeing a contraction of more than 2% in 2009.

This slowdown in the economic cycle has obviously affected the BPM Group's results. High market volatility and a deterioration in the liquidity crisis at international level have negatively conditioned the performance of the finance sector, not sufficiently offset by the improvement in corporate and commercial banking activities. During the course of 2008, the BPM Group continued to strengthen its network, with 14 new branches in its traditional territories.

## Significant events in 2008

### Acquisition of branches of the UniCredit Group

In December 2008, BPM completed the acquisition of 38 branches from the UniCredit Group, as announced last May. The process of IT and organisational integration was successfully completed by the time that the deal was closed, so the newly acquired branches were immediately able to operate to all effects in the same way as the other branches of the network.

### Acquisition of 56.99% of Banca Popolare di Mantova S.p.A.

Also in December 2008, BPM acquired from Banca Popolare di Lodi (Banco Popolare Group) a controlling interest (56.99%) in Banca Popolare di Mantova S.p.A., located in the Province of Mantua with 8 branches.

This acquisition forms part of a strategy to strengthen the Group's market share in the provinces next to its traditional territories and is in line with the current distribution of BPM's branches in east Lombardy.

### Transformation of We@Service into an on-line bank

In July 2008, the Board of Directors of Banca Popolare di Milano approved the transformation of We@Service from a near-banking company of the BPM Group devoted to the Group's internet activities into an on-line bank with the Webank brand. It also started the process of requesting authorisation from the Bank of Italy. The transformation will expand the range of products and services that Webank can offer on the on-line market (including new non-captive business).

### Public Purchase Offer by Banca Popolare di Milano for Anima SGR

In September 2008 the Board of Directors of Banca Popolare di Milano decided to launch a voluntary public purchase offer for all of the ordinary shares of Anima S.G.R. (of which BPM already held 29.9%) at a price of Euro 1.45 per share. This initiative forms part of a plan to reorganise the BPM Group's asset management activities by combining Anima SGR and Bipiemme Gestioni SGR. This transaction was completed on 2 March 2009.

### Efficiency Plan Agreement (Solidarity Fund)

In December 2008, BPM's Board of Directors gave a mandate to the General Manager to draw up a framework agreement for the application and implementation of the "Solidarity Fund" for bank employees, which BPM staff will be able to access on a voluntary basis as part of an overall policy of cost containment and higher efficiency on the part of the operating structures. The objective is to reduce the overall number of employees at the three commercial banks of the BPM Group by around 500.

## 2008 Results

### Customer deposits

Total direct deposits reached € 35,064 million, an increase of 7.8% compared with 31 December 2007. Particularly significant is the increase in debt securities in issue coming to € 12,009 million (+48.9% compared with December 2007), thanks mainly to the positive trend in bonds.

### Loans and advances to customers

Customer loans amount to € 32,899 million (+10.5% on 2007), driven by the growth in mortgage loans (+20.5% compared with the end of 2007) and personal loans and credit cards, which came in at € 724 million (+24% on December 2007). Asset quality is good, which reflects a low proportion of

net impaired loans to total loans (2.3%), up from 1.3% at the end of 2007 as a result of the difficult national and international macroeconomic situation. In detail, the ratio of net non-performing loans to total loans remains at good level (0.6%). The adjustments to non-performing loans provide coverage of 65.5%, whereas impaired assets are provisioned for 40.8%. Lastly, the coverage of performing loans has also been raised from 0.56% at the end of 2007 to 0.59% at the end of 2008.

### Indirect customer deposits

Indirect deposits amount to € 35,468 million, a decline of 13.3% with respect to the previous year. Assets under management have fallen by 20.7% to € 15,979 million. This trend is related to the particularly negative moment for the mutual fund industry that began in 2007 and which has got even worse in the last few months. Looking at the system as a whole, open-ended mutual funds suffered net outflows in 2008 of around € 140 billion, with an overall drop in assets of 35%. However, the BPM Group managed to boost its market share to 2.28%, from 2.02% in December 2007. Customers' assets under administration have fallen to € 19,488 million (-6.1% compared with the end of 2007). This performance has been affected by the deterioration in financial markets: The nominal value of the existing stock held by the Group's commercial banks did in fact grow by 12% compared with the end of 2007.

## Income statement

### Total revenues

Total revenues reach € 1,612.9 million, (11% down on December 2007). Net interest income has risen by 3.9% to € 1,067.7 million, thanks to higher customer volumes and - to a lesser extent - better spreads. Within "Service revenues", net fee and commission income has fallen by € 68 million, coming in at € 517.5 million (-11.6%). In particular, there has been a contraction in net fee and commission income from management, dealing and advisory services for € 74.3 million, linked to the negative trend in asset management volumes which have been affected by the overall performance of this sector. "Net income from financial activities", which should be read together with "dividend and similar income", comes to € -31.3 million compared with € 121.6 million in December 2007. The result of the finance sector reflects the extremely negative trend in financial markets, despite the positive contribution made by the subsidiary Banca Akros.

### Operating costs

Tight control over the sector made it possible to reduce operating costs to € 1,081 million, a decrease of € 1.8 million compared with the end of 2007. In detail, payroll expenses are down by 11.1 million (-1.6%), mainly thanks to staff turnover and a reduction in the variable portion of remuneration. "Other administrative expenses" and "net adjustments to property, plant and equipment and intangible

assets" have increased slightly (+2.5%) on December 2007, which is particularly satisfactory given the increase in the Group's operations, the development of the distribution network (+14 branches) and the integration of the branches previously belonging to the Unicredit Group and Banca Popolare di Mantova.

### Provisions and adjustments

Total provisions amount to € 273.3 million. Total net adjustments come to € 238.8 million, made up of € 205 million of adjustments to loans and € 33.8 million of adjustments to financial assets available for sale and to guarantees given and commitments. Provisions for loan losses come to € 34.5 million, a rise of € 6.7 million compared with the end of 2007, mainly due to provisions for recovery procedures and legal disputes.

### Ordinary and net operating profit

Operating profit comes to € 532 million, 27% down on the previous year. The line item "Profits (losses) from equity and other investments" shows of negative balance of € 45.5 million, mainly attributable to the € 35.9 million writedown of Anima Sgr and the € 9 million impairment adjustment made to the goodwill of Cassa di Risparmio di Alessandria to bring its value into line with lower expectations for the affiliate's profitability. Profit from current operations before tax comes to € 213.1 million, a decrease of 61.6% compared with 31.12.2007. Excluding the impact of non-recurring items, i.e. those not related to ordinary operations, for a total of € 107.8 million, profit before tax would have come to € 320.9, a decrease of 42.2% on the previous year. After deducting taxes and minority interests, net profit for the year amounts to € 75.3 million, a decrease of 76.8% compared with the end of 2007.

### Proposed dividend for 2008

The level and quality of the results achieved, together with the Bank's capital solidity, have induced the Board of Directors to propose to the Members' Meeting, called for 24-25 April 2009 in first and second calling, to distribute a dividend of 0.10 euro, payable from 21 May 2009. BPM's stock will go ex-dividend from 18 May 2009.

## BPM Group - Reclassified balance sheet

Compulsory format codes	Asset line items	31.12.2008	31.12.2007	Change A-B	
		A	B	(+/-)	%
10.	Cash and balances with central banks	252,708	225,643	27,065	12.0
	Financial assets designated at fair value through profit and loss and hedging derivatives:				
	- Financial assets held for trading	5,362,142	7,189,224	-1,827,082	-25.4
20.	- Financial assets held for trading	2,348,353	3,812,546	-1,464,193	-38.4
30.	- Financial assets designated at fair value through profit and loss	865,806	1,236,726	-370,920	-30.0
40.	- Financial assets available for sale	1,994,565	2,121,819	-127,254	-6.0
80.	- Hedging derivatives	153,418	18,133	135,285	746.1
60.	Loans and advances to banks	3,476,438	3,603,085	-126,647	-3.5
70.	Loans and advances to customers	32,898,927	29,766,745	3,132,182	10.5
100. 120. 130.	Fixed assets	1,777,635	1,663,094	114,541	6.9
140. 160.	Other assets	1,270,871	1,179,236	91,635	7.8
	<b>Total assets</b>	<b>45,038,721</b>	<b>43,627,027</b>	<b>1,411,694</b>	<b>3.2</b>

Compulsory format codes	Equity and liabilities	31.12.2008	31.12.2007	Change A-B	
		A	B	(+/-)	%
10.	Deposits from banks	3,473,930	4,292,214	-818,284	-19.1
20.	Due to customers	20,517,894	21,615,950	-1,098,056	-5.1
30.	Debt securities in issue	12,009,442	8,065,143	3,944,299	48.9
	Financial liabilities and hedging derivatives:				
	- Financial liabilities held for trading	3,658,670	4,208,092	-549,422	-13.1
40.	- Financial liabilities held for trading	1,120,320	1,362,149	-241,829	-17.8
50.	- Financial liabilities designated at fair value through profit and loss	2,536,335	2,844,799	-308,464	-10.8
60.	- Hedging derivatives	2,015	1,144	871	76.1
80. 100.	Provisions for specific use	1,539,170	1,417,782	121,388	8.6
110. 120.	Fondi a destinazione specifica	451,033	429,894	21,139	4.9
140. 160.					
170. 180. 190.200.	Capital and reserves	3,177,278	3,151,415	25,863	0.8
210.	Minority interests (+/-)	136,035	122,776	13,259	10.8
220.	Net profit (loss) for the period (+/-)	75,269	323,761	-248,492	-76.8
	<b>Total equity and liabilities</b>	<b>45,038,721</b>	<b>43,627,027</b>	<b>1,411,694</b>	<b>3.2</b>

## BPM Group - Reclassified income statement

Compulsory format codes	Income statement line items	31.12.2008	31.12.2007	Change	
				(+/-)	in %
10. 20.	Net interest income	1,067,707	1,027,785	39,922	3.9
40. 50.	Net fee and commission income	517,480	585,537	(68,057)	-11.6
of which 240.	Share of profit (loss) of equity investments valued at equity	2,277	14,469	(12,192)	-84.3
70.	Dividend and similar income	178,724	188,302	(9,578)	-5.1
80. 90.					
100. 110.	Net income from financial assets	(209,988)	(66,661)	143,327	215.0
220.	Other operating charges/income	56,678	62,421	(5,743)	-9.2
	<b>Operating income</b>	<b>1,612,878</b>	<b>1,811,853</b>	<b>(198,975)</b>	<b>-11.0</b>
180.	Administrative expenses:	(1,008,282)	(1,005,693)	2,589	0.3
	a) payroll	(692,176)	(703,315)	(11,139)	-1.6
	b) other administrative expenses	(316,106)	(302,378)	13,728	4.5
200. 210.	Net adjustments to property, plant and equipment and intangible assets	(72,729)	(77,113)	(4,384)	-5.7
	<b>Operating costs</b>	<b>(1,081,011)</b>	<b>(1,082,806)</b>	<b>(1,795)</b>	<b>-0.2</b>
	<b>Operating profit</b>	<b>531,867</b>	<b>729,047</b>	<b>(197,180)</b>	<b>-27.0</b>
130.	Net adjustments for the impairment of loans and financial assets	(238,755)	(122,833)	115,922	94.4
190.	Net charges to provisions for risks and charges	(34,527)	(27,847)	6,680	24.0
240. 250.					
260. 270.	Profits (losses) from equity and other investments	(45,516)	(22,815)	(22,701)	-99.5
<b>280.</b>	<b>Profit (loss) from current operations before tax</b>	<b>213,069</b>	<b>555,552</b>	<b>(342,483)</b>	<b>-61.6</b>
290.	Income taxes on current operations	(130,143)	(220,233)	(90,090)	-40.9
<b>320.</b>	<b>Net profit (loss) for the period</b>	<b>82,926</b>	<b>335,319</b>	<b>(252,393)</b>	<b>-75.3</b>
330.	Minority interests	(7,657)	(11,558)	(3,901)	-33.8
<b>340.</b>	<b>Net profit (loss) for the period pertaining to the Parent Bank</b>	<b>75,269</b>	<b>323,761</b>	<b>(248,492)</b>	<b>-76.8</b>
	<b>Earnings per share (Euro)</b>	<b>0.182</b>	<b>0.780</b>		
	<b>Diluted earnings per share (Euro)</b>	<b>0.185</b>	<b>0.746</b>		

### Method of preparing the reclassified income statement

For management reporting purposes the results for the year have been presented in a reclassified format, in which line items have been aggregated and reclassified in keeping with market practice in such a way as to provide a clearer picture of performance.

For the purposes of easily reconciling the reclassified income statement with the compulsory format, the code numbers from the compulsory format are shown beside each item in the reclassified statement; the following reclassifications have been made:

- The **share of profit (loss) of investments valued under the equity method** (€ 2,277 thousand at 31.12.2008 and € 14,469 thousand at 31.12.2007), recorded in line item 240 "Share of profit (loss) of equity investments" has been reported in a separate line forming part of "Operating income" in the reclassified format;
- Other operating charges/income** (line item 220) recorded as part of "Operating costs" in the official reporting format have been adjusted to exclude "Recoverable indirect taxes" (€ 58,600 thousand at 31.12.2008 and € 59,051 thousand at 31.12.2007) and to include "Depreciation of leasehold improvements" (€ 4,488 thousand at 31.12.2008 and € 5,881 thousand at 31.12.2007). After reclassification, this item has been included in "Operating income" in the reclassified income statement;
- Other administrative expenses** (line item 180 b) have been adjusted to exclude the "Recoverable indirect taxes" discussed in point 2) above;
- Net adjustments to property, plant and equipment and intangible assets** (line items 200 and 210) have been increased in the reclassified income statement by the "Depreciation of leasehold improvements" discussed in point 2) above;
- Net adjustments for the impairment of loans and financial assets** (€ 238,755 thousand at 31.12.2008 and € 122,833 thousand at 31.12.2007) reported in line item 130 have been reclassified below "Operating profit" in the reclassified format.

# Notice of Ordinary Shareholders' Meeting

An ordinary meeting of the shareholders of Banca Popolare di Milano Scrl will be held in first calling at 9.00 a.m. on 24 April 2009 at the Bank's registered office in Piazza Filippo Meda 4, Milan, to consider the following

## Agenda:

1. Reports of the Board of Directors and the Board of Statutory Auditors on the 2008 financial statements. Review of the financial statements; related resolutions;
2. Fixing of the remuneration of the Board of Directors, Executive Committee and the Board of Statutory Auditors pursuant to articles 35 and 40 of the Articles of Association;
3. Appointment of the entire Board of Directors pursuant to articles 32 and 50 of the Articles of Association for the three-year period 2009-2011;
4. Appointment of the entire Board of Statutory Auditors pursuant to articles 40 and 41 of the Articles of Association for the three-year period 2009-2011;
5. Appointment of the Arbitration Committee pursuant to article 42 of the Articles of Association for the three-year period 2009-2011.

Members eligible to attend are those:

- who have been included in the Register of Members for at least ninety days (i.e. by 24 January 2009);
- who are in possession of a certificate issued by an intermediary belonging to the centralised system of Monte Titoli SpA, pursuant to article 85.4 of Decree 58 of 24 February 1998 and article 23 of the Bank of Italy-CONSOB joint resolution dated 22 February 2008. Members whose shares are already lodged with the Bank for safe custody and administration must nonetheless request the required certification in writing from the Bank's branches where the shares are deposited. Alternatively, they can go in person to the Bank's Shareholders' Office in Piazza Filippo Meda 4, Milan, between 9.00 a.m. and 1.30 p.m., where they can ask for and collect their certification.

These requests must be made between 9 March and 22 April 2009.

For the purposes of issuing the necessary certification, members holding shares which are still in printed form must deliver the shares to an intermediary for their input into the centralised electronic administration system, in accordance with current regulations.

If there are not enough members to form a quorum at the first meeting called for 24 April 2009 in accordance with article 30 of the Articles of Association, the meeting will be held in

## second calling

on 25 April 2009, at 9.00 a.m.,

## at Fieramilanocity Pavilion 1-2,

Viale Scarampo - Porta Teodorico 12, in Milan

with the same agenda.

Members wishing to be represented at the meeting by a proxy are reminded of the current Regulations for Shareholders' Meetings which state as follows.

Every member entitled to attend meetings can act as proxy, in accordance with the Articles of Association, for just two other members and proxies cannot be given to persons who are not allowed to be proxyholders under the applicable regulations.

Proxies cannot be given with the name of the representative left blank and the signature of the person delegating has to be authenticated by an officer at the Bank's head office or one of its branches, or by the intermediary who issued the attendance certification, or by a public official.

Legal entities, with the exception of Italian and foreign Undertakings for Collective Investment in Transferable Assets (UCITS), as well as foreign collective entities and legal entities, can only attend meetings in the person of their legal representative; alternatively, the legal representative can give a proxy to another member in accordance with the previous two paragraphs.

For attendance purposes, only the certifications and proxies handed over by each participant when registering for the first time that they enter the meeting will be considered valid.

With reference to points 3 and 4 on the agenda, members are informed that in accordance with articles 32 and 41 of the Articles of Association, and article 21 of the Regulations for Shareholders' Meetings, the Board of Directors and the Board of Statutory Auditors will be appointed on the basis of lists presented by the members, in which the candidates are progressively numbered.

In particular, it is stated that:

- each list has to be presented by at least three hundred sponsoring members representing in total at least 0.5% of the share capital, who have been included in the Register of Members for at least ninety days prior to the date set for the meeting (in other words, by 27 January 2009), together with a copy of the certification issued by intermediaries certifying their right to attend and vote at the meeting;
- each member is only allowed to present one list: if this rule is not respected, the signature of the member in question will not be taken into account for any of the lists;

- each candidate can only be included on one list; otherwise, the person will be considered ineligible;
- in accordance with article 32.5 of the Articles of Association, at least four members of the Board of Directors have to have the requisites of independence laid down in art. 147-ter, para. 4, Decree 58/98, and to this end each list presented by the members to appoint the Board of Directors has to contain an indication of at least two - or four if only a single list is presented - candidates that have the said requisites of independence; otherwise it will not be admitted.

The lists for the appointment of the Board of Directors and Board of Statutory Auditors must be presented on a timely basis to allow the Bank to perform various formalities, including public announcements; in any case, at least 15 days prior to the date scheduled for the meeting in first calling - in other words, no later than 5.00 p.m. on 8 April 2008 - to the Company Secretary of Banca Popolare di Milano, Piazza Meda 4, 20121 Milano. In accordance with the Articles of Association and articles 144-sexies and 144-octies of the Issuers' Regulations (CONSOB Resolution 11971 of 14 May 1999 and subsequent amendments) and of the related CONSOB Recommendation DEM/9017893 of 26 February 2009, the lists have to be accompanied by:

- a list of the members presenting the list, together with their signatures and information regarding their identity, with a declaration of the number of BPM shares that they hold in total and a certificate that shows that they own the shares (issued by intermediaries that are members of the centralised electronic administration system);
- a signed curriculum vitae for each candidate containing a full description of their personal and professional experience; the text should also be sent by e-mail to settore.soci@bpm.it so that it can be published on the Bank's website ([www.bpm.it](http://www.bpm.it)) to provide the members with timely and up-to-date information;
- a statement by the candidate accepting his candidacy and confirming, under his own responsibility, that there are no reasons for ineligibility or incompatibility, and that he meets the requirements for holding the particular office as prescribed by law or the Articles of Association;
- a declaration by each of the candidates for the position of Director as to whether they qualify as independent in the sense laid down in article 3 of the Code of Conduct for Listed Companies (March 2006 version) which the Bank adopted at the time.
- a declaration by each of the candidates for the position of Director as to whether they qualify as independent according to article 147-ter, para. 4, Decree 58/98, without prejudice to the above requirement concerning the minimum number of candidates that have to have these requisites.

With reference to item 5 on the agenda, the members are informed that, in accordance with article 21 of the Regulations for Shareholders' Meetings, nominations for the position of Acting or Alternate Arbitrator must be signed by the persons presenting them and presented within the same deadline and to the same place as in the preceding point, accompanied by a curriculum vitae describing the personal and professional experience of each candidate and a statement of acceptance by the candidature, confirming that there are no reasons for ineligibility or incompatibility. Nominations for the position of Arbitrator must be accompanied by a list, complete with signatures and personal details, of at least three hundred sponsoring members who have been included in the Register of Members for at least ninety days prior to the date set for the meeting (in other words, by 24 January 2009), as well as a copy of the certification issued by intermediaries that are members of the centralised securities management system certifying the member's right to attend and vote at the meeting.

In accordance with article 144-octies of the current version of CONSOB's Issuers' Regulations, the lists of candidates - including the required accompanying documentation - will be made available to the public, among other things, at the Bank's head office and at the offices of Borsa Italiana from 14 April 2009.

In order to provide adequate background information, documentation regarding the other topics on the agenda - including the Bank's report on Corporate Governance for 2008 - will be available to members at the Bank's head office in Piazza Filippo Meda 4, Milan and at the offices of Borsa Italiana from 9 April 2009.

Members will be able to obtain a copy of the documentation made available at the Bank's head office at their own expense.

This documentation will also be available before the meeting on the Bank's website at [www.bpm.it](http://www.bpm.it).

Information concerning the procedures for attending the meeting can be requested from the Bank's Shareholders' Office in Piazza Filippo Meda 4, Milan by telephoning the free-phone number 800-013090 on weekdays between 9.00 a.m. and 5.00 p.m.

Publication of this announcement in Part II of the Official Gazette has been officially requested by Mr.

The Board of Directors  
The Chairman  
Roberto Mazzotta

Milan, 6 March 2009



BANCA POPOLARE DI MILANO

Capogruppo del Gruppo Bancario Bipiemme - Banca Popolare di Milano

# Calling of Extraordinary Shareholders' Meeting

With a notice of calling published on 6 March 2009 on the daily newspapers "Il Sole 24 Ore" and "Italia Oggi" and, on 14 March 2009, on the Official Gazette no. 30 Part II, the Members of Banca Popolare di Milano s.c.a.r.l. were called to an Ordinary Shareholders' Meeting in first calling on 24 April 2009, at 9.00 a.m., at the head office in Piazza Filippo Meda 4, Milan and, if necessary, in second calling on 25 April 2009, at 9.00 a.m., at Fieramilanocity Pad. 1 - 2, Viale Scarampo - Porta Teodorico 12, Milan. Having said this, the agenda for this Shareholders' Meeting has to be considered integrated by the insertion of the following point in an Extraordinary Part of the Shareholders' Meeting, so the Members of Banca Popolare di Milano s.c.a.r.l. are also called to an Extraordinary Shareholders' Meeting in first calling on 24 April 2009, at 9.00 a.m., at the head office in Piazza Filippo Meda 4, Milan and, if necessary, in second calling

**on 25 April 2009, at 9.00 a.m.,  
at Fieramilanocity Pad. 1 - 2  
Viale Scarampo - Porta Teodorico 12, Milan  
also to discuss the following**

## Agenda:Extraordinary Part

1. Proposal to grant a mandate to the Board of Directors, pursuant to art. 2420-ter of the Italian Civil Code, giving them the power to issue a bond loan with obligatory conversion into BPM ordinary shares for a maximum par value of up to Euro 700,000,000, also cum warrants, to be offered under option to all those entitled to them; related resolutions, including a further mandate to the Board of Directors giving them the power to increase the share capital to service this loan, as well as the power to increase the share capital to service the potential subscription of the warrants, amending art. 17 of the Articles of Association as a result.

The points on the agenda for the Ordinary Part listed in the Notice of Calling mentioned above remain unchanged.

Members eligible to attend are those:

- who have been included in the Register of Members for at least ninety days (i.e. by 24 January 2009);
- who are in possession of a certificate issued by an intermediary belonging to the centralised system of Monte Titoli SpA, pursuant to article 85.4 of Decree 58 of 24 February 1998 and article 23 of the Bank of Italy - CONSOB joint resolution dated 22 February 2008. Members whose shares are already lodged with the Bank for safe custody and administration must nonetheless request the required certification in writing from the Bank's branches where the shares are deposited. Alternatively, they can go in person to the Bank's Shareholders' Office in Piazza Filippo Meda 4, Milan, between 9.00 a.m. and 1.30 p.m., where they can ask for and collect their certification.

Such requests must be made between 26 March and 22 April 2009, which is also the deadline for issuing tickets to attend the ordinary part of the Shareholders' Meeting.

Note that all communications and proxies that have already been issued to Members to attend the Ordinary Part of the Shareholders' Meeting will be considered valid also to attend the Extraordinary Part of the Shareholders' Meeting.

For the purposes of issuing the necessary certification, members holding shares which are still in printed form must deliver the shares to an intermediary for their input into the centralised electronic administration system, in accordance with current regulations.

Members wishing to be represented at the meeting by a proxy are reminded of the current Regulations for Shareholders' Meetings which state as follows.

Every member entitled to attend meetings can be represented, in accordance with the Articles of Association, by another member who can act as proxy for just two other members; proxies cannot be given to persons who are not allowed to be proxyholders under the applicable regulations

Proxies cannot be given with the name of the representative left blank and the signature of the person delegating has to be authenticated by an officer at the Bank's head office or one of its branches, or by the intermediary who issued the attendance certification, or by a public official.

Legal entities, with the exception of Italian and foreign Undertakings for Collective Investment in Transferable Securities (UCITS), as well as foreign collective entities and legal entities, can only attend meetings in the person of their legal representative; alternatively, the legal representative can give a proxy to another member in accordance with the previous two paragraphs.

For attendance purposes, only the certifications and proxies handed over by each participant when registering for the first time that they enter the meeting will be considered valid.

In order to provide adequate background information, documentation regarding the topic on the agenda of the Extraordinary Meeting will be available to Members at the Bank's head office in Piazza Filippo Meda 4, Milan and at the offices of Borsa Italiana from 9 April 2009.

Members will be able to obtain a copy of the documentation made available at the Bank's head office at their own expense.

This documentation will also be available before the meeting on the Bank's website at [www.bpm.it](http://www.bpm.it).

Information concerning the procedures for attending the meeting can be requested from the Bank's Shareholders' Office in Piazza Filippo Meda 4, Milan by telephoning the free-phone number 800-013090 on weekdays between 9.00 a.m. and 5.00 p.m.

The Board of Directors  
The Chairman  
Roberto Mazzotta

Milan, 24 March 2009



BANCA POPOLARE DI MILANO

Capogruppo del Gruppo Bancario Bipiemme - Banca Popolare di Milano

# Information on attending the General Meeting

The General Meeting of the Members of Banca Popolare di Milano is governed by the "Regulations for Shareholders' Meetings" approved by the Extraordinary Meeting held on 13 December 2008. Information to facilitate attendance at the General Meeting is provided below.

**The General Meeting will take place, in second calling  
on 25 April 2009, at 9.00 a.m.,  
at Fieramilanocity Pavilion 1 -2,  
Viale Scarampo - Porta Teodorico 12, Milan**  
with the agenda provided in the notice of calling.

## Who can attend

Members included in the Register of Members by 24 January 2009 and who have a copy of the communication certifying their ownership of the shares and participation right are entitled to attend the Meeting.

## The documents needed for admission are:

1. an identity document
2. the copy of the "Communication to attend the Members' Meeting"
3. any proxies received
4. autocertification in the case of exercising the rights of Members under the age of 18, to be filled in at the entrance to the Meeting by the Member acting as parent or guardian
5. in addition to the documents listed at points 1. 2. and 3., the following documents have to be presented:
  - for companies: an up-to-date chamber of commerce certificate;
  - for Italian and foreign Undertakings for Collective Investment in Transferable Assets (UCITS), as well as foreign collective entities and legal entities: designation document (e.g. an appointment minute or equivalent document) which shows the name and powers of the representative.

## How to request a copy of the "Communication to attend the General Meeting" and who issues it

The "Communication to attend the General Meeting" is the document confirming the existence of the shares and entitlement to the rights. The methods for requesting and issuing this document are governed by CONSOB's instructions; it is issued from 9 March through 22 April 2009, by BPM or by another banking intermediary who has the shares in custody. The holder of the shares has to request, in writing, the "Communication to attend the General Meeting" from the bank where the shares are deposited and the bank has to issue the document within the second working day after receiving the request.

**Members whose shares are in custody with Banca Popolare di Milano also have to apply in writing for the "Communication to attend the Members' Meeting". To facilitate obtaining this documentation, Members should present themselves in person so that they can make the request and obtain the documentation immediately from any BPM branch during normal working hours and from the Members' Sector of the Bank in Piazza Meda 4, Milan, from 9.00 a.m. to 1.30 p.m.**

To encourage maximum participation at the General Meeting, for Members whose shares are in custody with Banca Popolare di Milano but who have a problem presenting themselves in person, by way of an exception to the general rule, the Members' Sector is willing to receive requests for the "Communication to attend the Members' Meeting" delivered by hand by third parties or by fax sent to 02 77005729 (from 8.00 a.m. to 5.00 p.m.), providing they are prepared on the special form designed for this purpose (available on the website [www.bpm.it](http://www.bpm.it) - "Shareholders and Members" section), filled in full and signed by the Member making the request. Once the Members' Sector has made the necessary checks to ensure correct identification of the applicant, it will send the "Communication" by registered letter directly to the domicile of the Member making the request.

For further information, please call the freephone no. 800-013090 (Monday-Friday from 9.00 a.m. to 5.00 p.m.).

## Proxies

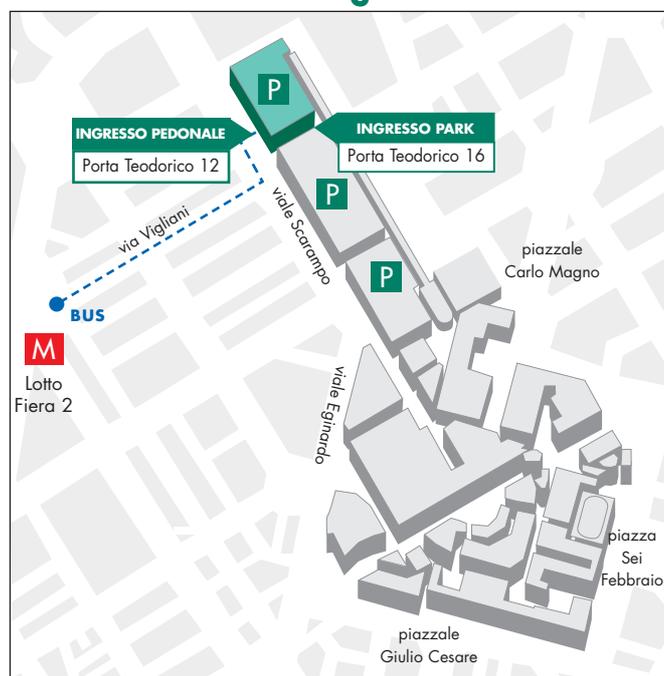
- Any Member can be represented by another Member with a written proxy. Any Member can act as a proxy, but for not more than two other Members.
- Proxies cannot be given to persons who are not allowed to be proxyholders under the applicable regulations (i.e. the Bank's and Group's employees and directors, as per art. 2372 of the Civil Code)
- Proxies cannot be given with the name of the representative left blank and the signature of the person delegating has to be authenticated by an officer at the Bank's head office or one of its branches, or by the intermediary who issued the "Communication to attend the Members' Meeting" or by a public official.
- Legal entities, with the exception of Italian and foreign Undertakings for Collective Investment in Transferable Assets (UCITS), as well as foreign collective entities and legal entities, can only attend meetings in the person of their legal representative; alternatively, the legal representative can give a proxy to another Member in accordance with the articles of association.

## How to use proxies

The "Communication to attend the General Meeting" has a space to delegate one's right to attend and vote at the General Meeting. To avoid having to go several times to a branch of the Bank, any Member who intends to give a proxy should fill in this space with the details required at the time that they pick up the document, so that their signature can be authenticated at the same time.

**For attendance purposes, only the certifications and proxies handed over by each participant when registering for the first time that they enter the meeting will be considered valid.**

## How to reach the place where the General Meeting is to be held



## Underground Line 1 (Red) - in the direction of Molino Dorino.

Get off at the station called LOTTO FIERA 2. A shuttle service will be available from the Underground Station Lotto Fiera 2 (terminus no. 421 between Via Vigliani and Via P. Uccello) to the pavilion where the General Meeting takes place, entrance at Porta Teodorico 12.



90 - 91 - 78 - 48



Free parking space is available on the roof of the pavilions, until the carpark is full.