



BANCA POPOLARE DI MILANO

PRESS RELEASE

**Fitch Ratings upgrades the Viability Rating of Banca Popolare di Milano to “bb+” (from “b+”) and affirms the long term rating (LT IDR) “BB+”.
Outlook upgraded to “stable” (from “negative”).**

Milan, 19 May 2015 – The International Rating Agency Fitch Ratings, within the review of the sovereign support for banks - which the Agency announced to the market in March 2014 - removed the *Support Rating Floor* (SRF) of Banca Popolare di Milano according to the new regulatory framework introduced by the Bank Recovery and Resolution Directive ('BRRD') and the Single Resolution Mechanism ('SRM') which have substantially reduced the likelihood of sovereign support for commercial banks. As a result of the revision of the SRF, BPM's long term IDR is now driven by the bank's standalone creditworthiness as expressed in its Viability Rating (VR).

At the same time, Fitch Ratings upgraded by three notches the VR of BPM to “bb+” from “b+”, due to the soundness of its capital position, the improved asset quality and the recovered profitability.

The upgrade of VR has allowed to offset the removal of sovereign support and therefore affirm the long term IDR “BB+”.

Fitch Ratings also revised the outlook from Negative to Stable.



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Please find below the rating actions taken on Banca Popolare di Milano:

Long-term IDR: affirmed at 'BB+'; Outlook Stable

Short-term IDR: affirmed at 'B'

Viability Rating: upgraded to 'bb+' from 'b+'

Support Rating: downgraded to '5' from '3'

Support Rating Floor: revised to 'No Floor' from 'BB+'

Senior unsecured notes (including EMTN): affirmed at 'BB+'/'B'

Commercial paper: affirmed at 'B'

Subordinated lower tier 2 debt: upgraded to 'BB' from 'B'

Preferred stock and hybrid capital instrument: upgraded to 'B+' from 'CCC'

The press release of Fitch Ratings dated 19 May 2015 is available on the Rating Agency website www.fitchratings.com

Information:

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