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BANCA POPOLARE DI MILANO

PRESS RELEASE

- **Resolution of the Management Board:**
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 - **Measures concerning governance included in the revised Business Plan**
 - **Pre-underwriting commitment of the consortium banks extended to 30 April 2014**
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- **Resolution of the Supervisory Board**

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1. **Approval of presentation of considerations regarding the findings and observations made by the Bank of Italy**

The Management Board of Banca Popolare di Milano, which met today under the chairmanship of Andrea C. Bonomi, reviewed and approved the considerations regarding the findings and observations made by the Bank of Italy based on the outcome of the inspections it undertook between 22 October 2012 and 15 May 2013 and which were presented to the Management Board, in the presence of the Supervisory Board, on 25 July. The Bank's considerations regarding the aforementioned findings and observations will be transmitted today to the Bank of Italy.

With specific reference to the findings concerning governance, the Management Board has informed the Bank of Italy of its renewed commitment to reform, aimed, on one hand, at taking account of various factors that will preserve the “popular model” and, on the other hand, at setting out all the measures that will lead to a marked rebalancing of the governance structure of the Bank and a more balanced representation of the interests of all the stakeholders. The definition of the above measures, which are of fundamental importance for the revitalisation of the Bank, pursues the objectives – as also indicated by the Market Supervisory Authority – of ensuring the stability and transparency of governance and of removing obstacles to capital strengthening.

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As announced on 27 August, the development of the Bank's governance will be incorporated into the revised 2012-2015 Business Plan, which will be approved by the end of October.

Under these circumstances, the timing of the execution of the share capital increase of a maximum amount of Euro 500 million, approved by the Extraordinary General Meeting of Members held on 22 June, will be assessed subsequent to the revision of the Business Plan. To this end, today, the Bank took steps to extend from 31 October 2013 to 30 April 2014 the pre-underwriting commitment, with respect to any shares not taken up at the end of the offering period, assumed by the Joint Global Coordinators and Joint Bookrunners - Barclays Bank PLC, Deutsche Bank AG, London Branch, J.P. Morgan Securities plc and Mediobanca Banca di Credito Finanziario S.p.A. - by signing the pre-underwriting agreement on 19 March; the approval of the developments concerning governance by the Supervisory Authority and by the General Meeting of Members is one of the conditions of the pre-underwriting commitment assumed by the Banks.

2. Decision not to proceed with payment of the quarterly coupon on the Company Preferred Securities

The Management Board also decided today not to proceed with payment of the quarterly coupon on the Company Preferred Securities at the next scheduled payment date of 2 October 2013. Consequently, on 2 October 2013, interest on the Trust Preferred Securities (instruments placed at the time with institutional investors) will not be paid either.

This optional suspension of interest payments, which is permitted by the regulations governing these securities, has been approved in accordance with the decisions taken previously and already disclosed to the market, to suspend payment of the annual coupons for Tier 1 securities, since the financial statements of BPM for the year ended 31 December 2012 closed with a loss and no dividend was paid on the ordinary shares of BPM during the 12 months preceding the respective payment dates of the coupons.

The required communications to holders of the Trust Preferred Securities will follow in accordance with the terms and methods foreseen in the regulations.

3. Appointment of the Financial Reporting Manager

The Management Board also appointed - with the favourable opinion of the Supervisory Board - Angelo Zanzi as financial reporting manager pursuant to Art. 154-bis of Legislative Decree No. 58/98, with effect from 1 October.

Angelo Zanzi, 50 years old, has a degree in Business Studies obtained at the Bocconi University in Milan, he has worked for the Banca Popolare di Milano since 1989, holding important positions in accounting and financial reporting and has been a manager since 2008. He is currently head of the "Accounting and Financial Reporting" function.

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Resolution of the Supervisory Board

The Supervisory Board of Banca Popolare di Milano, which met today under the chairmanship of Giuseppe Coppini, reviewed the considerations made by the Management Board regarding the findings and observations made by the Bank of Italy, to the extent of its competence, without making any remarks thereon.

At the same time, the Supervisory Board reviewed and sent the responses to the findings from the inspections of the Supervisory Authority of 25 July.

Milan, 23 September 2013

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