



BANCA POPOLARE DI MILANO

PRESS RELEASE

EARLY REDEMPTION OF PERPETUAL TRUST PREFERRED SECURITIES

Milan, 27 February 2015 – Following the resolution of its Management Board that has verified compatibility of the transaction with the financial position and results of the Bank and the market conditions, and having received the authorization issued by the European Central Bank, Banca Popolare di Milano ("**BPM**" or the "**Bank**") announces that it will proceed with the early redemption of the hybrid instrument "BPM Capital Trust I 8.393% Noncumulative Perpetual Trust Preferred Securities" pursuant to its terms and conditions, as indicated below.

Issuer	ISIN	Listing Market	Aggregate liquidation preference (€/mln)	Current liquidation preference amount outstanding* (€/mln)	Maturity date	Early redemption date
BPM Capital Trust I	XS0131749623	Luxembourg	160,000,000	70,717,000	Perpetual	2 April 2015

* Net of Euro 89,283,000 in aggregate liquidation preference amount of Perpetual Trust Preferred Securities held by BPM and other group companies, of which Euro 88,866,000 in aggregate liquidation principal amount repurchased by BPM in 2009 following a tender offer.

In accordance with the Basel 3 regulations, starting from 2014 these instruments have been gradually excluded from the calculation of Tier 1. The redemption will not have any negative impact on capital ratios and will also result in savings of the instrument's maintenance costs.

It should be noted that, as at 31 December, 2014, the Common Equity Tier 1 ratio of the BPM Group amounted to 11.58% and its Total Capital ratio was equal to 15.35%.

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