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 Diffusione presunta
 Oggetto : Share buy-back programme launched.
 Allocation of shares to employees

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| <i>Testo del comunicato</i> |
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Vedi allegato.



BANCA POPOLARE DI MILANO

Press Release

**Share buy-back programme launched
Allocation of shares to employees**

Milan, 23 June 2015 - Notice is hereby given that at today's meeting of the Management Board of Banca Popolare di Milano S.c.r.l. (hereinafter "**BPM**" or "**Bank**"), having received the required authorisation from the European Central Bank, the Board approved a programme to buy back shares to be allocated to employees in accordance with the resolution passed by the General Meeting of the Bank's Members on 11 April 2015, as communicated to the market on the same date.

Details of the buy-back programme are provided below in accordance with art. 144-bis of Consob Reg. 11971/99 ("**Issuers Reg.**")

Objectives of the programme

In accordance with the authorisation of the General Meeting of 11 April 2015, the share buy-back programme approved by BPM's Management Board (the "**Programme**") has the following purposes:

- to implement, in accordance with accepted market practices, the provisions of art. 60 of the Articles of Association, which provides for the distribution in shares to all current employees, except for those in top management positions, of an amount equal to 5% of the gross profit achieved in 2014;
- to establish, in accordance with accepted market practices, a stock of shares for the implementation of the Bank's remuneration policies and, in particular, to carry out the plan to allocate BPM ordinary shares to the so-called "Key Personnel" ("**KP**") approved by the General Meeting of 11 April 2015 in accordance with art. 114-bis of Legislative Decree 58/98 (the Consolidated Finance Act or "**CFA**") and art. 84-bis of the Issuers Reg.

Duration of the Programme

The Management Board has decided that the buy-back programme would last from 24 June 2015 to 27 July 2015 (including the first and last day).

Note that the authorisation for the share buy-back granted at the General Meeting goes from 11 April 2015 up to the date of the Members' Meeting at which the 2015 financial statements will be submitted for approval; the authorisation to dispose of treasury shares, even before the buy-backs have been completed, was given without any time limit.

Maximum value of the Programme and maximum number of shares

It has been decided that the maximum total value of the BPM shares purchased under the Programme will be Euro 17.1 million, which as of today - considering the reference price of Euro 0.9875 per share - is equal to around 17.3 million shares, approximately 0.39% of BPM's share capital.



BANCA POPOLARE DI MILANO

We would point out that:

- (i) as regards the implementation of art. 60 of the Articles of Association, the total value of BPM shares to be allocated to the staff comes to Euro 15,975,983.60 (already reflected in the income statement of the Bank's separate financial statements at 31 December 2014 under "personnel expenses"), at a value for the shares equal to the average market price for the 30 days prior to the allocation;
- (ii) with reference to the allocation plan of BPM shares involved in the payment of variable remuneration to KP, the total value of BPM shares to be allocated to those entitled is equal to a maximum of Euro 1,114,214, and the total number of BPM shares attributable to each beneficiary will be calculated - in line with the provisions of the applicable remuneration policies of the BPM Group - according to their "normal value", i.e. the average share price during the 30 days preceding the moment when the up-front portion is granted, which gets recognised in the year that the up-front portion is awarded.

Note that as of today's date the Bank holds 1,395,574 shares, equal to 0.032% of the share capital, which will be used (in preference to new purchases) to pay the KP's variable remuneration in shares.

How the buy-back will take place

In accordance with the authorisation of the General Meeting of 11 April 2015, the share purchases will be made in accordance with art. 132 of the CFA and art. 144-bis of the Issuers' Reg.: (i) through a public purchase or exchange offer; or (ii) on the market, according to operating procedures established by Borsa Italiana SpA, the company that runs the market; or (iii) in accordance with the other methods foreseen in art. 144-bis of the Issuers' Reg., or otherwise permitted in accordance with current law and/or accepted market practices under art. 180, para. 1.c), CFA; in any case, in accordance with all applicable regulations, including pertinent EU rules, and taking into account the need to ensure equal treatment for all shareholders.

The purchase price of each share, including ancillary purchase costs, will have to be (minimum) not less than 15% and (maximum) not more than 15% of the official price recorded by the share on the MTA on the day before the purchase.

Under the current version of art. 5 Reg. 2273/2003/EC, the maximum daily amount of BPM shares that can be purchased cannot exceed 25% of the average daily volume of BPM shares traded in the reference market, based on the average daily volume traded in the 20 trading days prior to the purchase.

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