

BANCA POPOLARE DI MILANO
Società Cooperativa a r.l.

CODE OF CONDUCT ON INTERNAL DEALING

(updated in accordance with Law 62 of 18 April 2005 and CONSOB Regulation 11971/99 as amended by Resolution 15232 of 29 November 2005 in force from 1 April 2006)

Approved by the Board of Directors on
10 December 2002
(updated to 14 March 2006)

INTRODUCTION

This Code of Conduct (“the Code”) was issued in December 2002 to implement the “Regulations governing the markets organised and run by Borsa Italiana SpA” and the related Instructions and has been amended and updated in accordance with the regulations on "Market Abuse" (Law 62 of 18 April 2005, the so-called "EC law 2004") and with CONSOB Regulation 11971/99, as amended by Resolution 15232 of 29 November 2005, which foresees that the rules on Internal Dealing are to come into effect from 1 April 2006. From that date, the regulations issued by Borsa Italiana SpA have been revoked.

This “Code” regulates the disclosure requirements and any restrictions involving dealings in listed financial instruments issued by Banca Popolare di Milano and related derivatives, carried out on their own account by “Relevant Persons” and by “Persons closely associated with Relevant Persons”.

The purpose of this Code is to ensure the utmost transparency and consistency of reporting to the market of the conduct of “Relevant Persons” in view of their access to price-sensitive information regarding the Bank and its Group.

Compliance with this Code does not exonerate “Relevant Persons” from their obligation to respect current rules and regulations governing insider trading, such as those contained in article 184 of Decree 58/98 on the abuse of privileged information.

1. RELEVANT PERSONS

Art. 152 –*sexies* of CONSOB Regulation 11971/99 considers the following to be “Relevant Persons”:

- a) The members of a listed issuer's administrative and control bodies;
- b) Persons who perform management functions at a listed issuer and managers who have regular access to privileged information and who have the power to make decisions that can affect the evolution and future prospects of the listed issuer;
- c) The members of the administrative and control bodies, those who perform management functions and managers who have regular access to privileged information and who have the power to make decisions that can affect the evolution and future prospects of a company controlled directly or indirectly by a listed issuer, if the book value of the investment in the subsidiary in question represents more than 50% of the listed issuer's total assets, as shown in its latest approved financial statements;
- d) whoever holds an investment, calculated in accordance with article 118, of at least 10% of the listed issuer's share capital represented by voting shares, as well as any other person who controls the listed issuer.

as well as “Persons closely associated with Relevant Persons”:

- a. the spouse, not legally separated, dependent children, also of the spouse, and, if living in the same house for at least a year, the parents, relatives and in-laws of Relevant Persons;
- b. legal entities, partnerships and trusts in which a Relevant Person or one of the persons indicated in letter a) is in charge, on their own or with others, of the management function;
- c. legal entities, controlled directly or indirectly by a Relevant Person or by one of the people mentioned in letter a);
- d. partnerships whose economic interests are substantially the same as those of the Relevant Person or of one of the people mentioned in letter a);
- e. Trusts set up for the benefit of a Relevant Person or one of the people mentioned in letter s);

The disclosure requirements contained in this Code apply to the following persons who have a relationship with Banca Popolare di Milano and therefore are defined as “Relevant Persons:

- Directors
- Statutory auditors
- General Manager
- Co-General Manager
- Deputy General Managers.

2. TRANSACTIONS BY RELEVANT PERSONS COVERED BY THE DISCLOSURE REQUIREMENTS

Relevant Persons must report any transactions that they have carried out in the following types of instruments, also through an interposed person, in the manner and terms set out in point 3:

- a) shares issued by Banca Popolare di Milano;
- b) financial instruments linked to BPM shares, by which is meant:
 - b.1) financial instruments which make it possible to subscribe, acquire or sell BPM shares;
 - b.2) financial debt instruments that are convertible into or exchangeable with BPM shares;
 - b.3) derivatives on BPM shares, as indicated in article 1.3 of the Consolidated Finance Act ;
 - b.4) any other financial instruments that are equivalent to and represent BPM shares;
 - b.5) listed shares issued by companies controlled by the listed issuer and financial instruments mentioned in letter b.1) a b.4) associated with them;
 - b.6) unlisted shares issued by companies controlled by the listed issuer, when the book value of the investment in the subsidiary represents over 50% of the total assets shown in the latest approved financial statements, and the financial instruments mentioned in letters b.1) a b.4) associated with them.

Relevant Persons must also report the exercise of stock options or option rights; in this case the countervalue to be considered is the value of the shares to which the rights refer.

For the purposes of the above requirement:

- purchase, sale, subscription or exchange transactions in BPM shares or in financial instruments associated with the BPM shares carried out by “Relevant Persons” and by the “Persons closely associated with them” have to be reported;
- transactions totalling less than Euro 5,000 within any one year do not have to be reported; as regards linked derivatives, the amount is calculated with reference to the underlying shares. The amount of Euro 5,000 is calculated by adding up all the transactions in the shares and financial instruments associated with them carried out on behalf of each Relevant Person with those carried out on behalf of the persons closely associated with them;
- transactions between Relevant Persons and the Persons closely associated with them do not have to be reported;
- on the basis of this regulation, the transactions carried out by BPM and by the companies controlled by it do not have to be reported.

3. TIMING, CONTENTS AND PROCEDURES FOR REPORTING TO CONSOB, THE COMPANY AND THE MARKET

1. The Relevant Persons identified in this “Code” have to report to CONSOB and to BPM (in the person of the so-called “Person in charge” – see para. 4):
 - within 5 trading days, any transactions in BPM shares and financial instruments associated with them, carried out by them or by the persons closely associated with them, if the amount makes all of the transactions carried out during that year exceed the threshold of Euro 5,000.

2. BPM publishes the information mentioned in the preceding point by the end of the trading day after the day of receipt by means of a press release sent to Borsa Italiana SpA, two press agencies and CONSOB.
3. The communication to CONSOB may be made, on behalf of the Relevant Persons, by BPM within 5 trading days of the transaction date.

In consideration of this faculty, the Bank is available, with the prior agreement of Relevant Persons, to report to CONSOB on their behalf (see annex sub 3). In this case, relevant Persons will have to report any transactions carried out by them or by any persons closely associated with them on a timely basis, and in any case within 2 trading days of the execution date, so that the Bank can comply with CONSOB's reporting deadline.

Reporting to CONSOB, whether by a Relevant Person or by the Bank (as agreed) has to be done by filling in and signing the form contained in annex 1 to this “Code”, sending it by one of the following methods:

- CONSOB's fax no. 06.84.77.612, *or*:
- e-mail to INTERNALDEALING@CONSOB.IT, *or*:
- other methods indicated by CONSOB as posted subsequently on its website, *or*:
- with telematic information transmission systems used by the companies that manage the market to which CONSOB has access (e.g. the NIS system, which can only be used by BPM).

Communication to the market is done by sending the same form to the press agencies and to Borsa Italiana SpA by fax, e-mail or through the NIS system.

All communications between Relevant Persons and the Person in charge of market disclosure must be carried out by filling in and signing the form contained in annex 1 to this “Code”, sending it by one of the following methods:

- e-mail: to “segreteria.cda@bpm.it”, *or*:
- fax no. 02.77003389, *or*:
- hand delivery to the following address:
Banca Popolare di Milano
Secretary to the Board
Piazza F. Meda 4
20121 MILAN

and in any case giving prior notice by phone by calling 02,77002540.

4. PERSON IN CHARGE OF RECEIVING, MANAGING AND PUBLISHING THE INFORMATION

The Person in charge of receiving, managing and publishing (also informing CONSOB, if the parties agree) the communications received from Relevant Persons of Banca Popolare di Milano is the Head of “Administration and Operations” (or in their absence, the Head of “Parent Bank Corporate Affairs”).

This person will see to preparing and updating the list of “Relevant Persons” to whom the “Code” is to be sent, submitting any amendments or additions to the Board of Directors, except for purely formal amendments and additions and those relating to changes in the regulations, in which case the Person in charge only has to notify the Relevant Persons.

5. BLACK-OUT PERIODS

Relevant Persons are prohibited from dealing in the financial instruments listed in point 2 of the Code during the 30 days prior to the Board of Director's approval of the annual financial statements (as listed in the corporate events calendar) and during the 30 days prior to any extraordinary/ordinary general meetings that do not involve approving the annual financial statements, or prior to the date of the notice of calling to the meeting sent by the Board of Directors, if this is earlier.

6. FAILURE TO COMPLY WITH THE CODE OF CONDUCT

The Person in charge of market disclosure is not responsible for breaches of the company's reporting obligations to the market (and to CONSOB, if agreed) if these are caused by late or no communication by the Relevant Persons.

If Relevant Persons fail to comply with their reporting obligations to BPM, they will be liable to a fine of Euro 5,000 for each omitted disclosure.

Relevant Persons have to make persons closely associated with them aware of the conditions under which the latter are obliged to comply with the reporting requirements contained in this “Code”.

7. PROCESSING OF PERSONAL DATA

Each Relevant Person will sign the Acceptance Form contained in annex 2 to this Code, thereby giving their irrevocable consent to processing their personal data required under this Code, for the sole purpose of fulfilling the regulations issued by CONSOB.

8. IMPLEMENTATION

This Code of Conduct will come into force from 1 April 2006.

COMMUNICATION FORM AS PER ART. 152-octies,7

1. RELEVANT PERSON MAKING THE DECLARATION									
1.1 PERSONAL DETAILS									
IF A PERSON									
SURNAME		NAME			GENDER*				
TAX CODE*		DATE OF BIRTH* (dd/mm/yy)		PLACE OF BIRTH*		PROVINCE OF BIRTH*		STATE OF BIRTH*	
DOMICILE FOR OFFICIAL PURPOSES*									
IF A LEGAL ENTITY, COMPANY OR TRUST									
NAME									
TAX CODE*		LEGAL STATUS*				DATE OF INCORPORATION (dd/mm/yy)*			
HEAD OFFICE *									
1.2 RELATIONSHIP WITH THE LISTED ISSUER									
C.1) PERSON WHO PERFORMS ADMINISTRATION, CONTROL OR MANAGEMENT FUNCTIONS AT A LISTED ISSUER								S/N	
C.2) MANAGER WHO HAS REGULAR ACCESS TO PRIVILEGED INFORMATION AND HAS THE POWER OF MAKING OPERATING DECISIONS WHICH CAN AFFECT THE EVOLUTION AND FUTURE PROSPECTS OF THE LISTED ISSUER								S/N	
C.3) PERSON WHO CARRIES OUT THE FUNCTIONS MENTIONED IN POINT C.1) OR C.2) IN A COMPANY CONTROLLED BY THE LISTED ISSUER								S/N	
C.4) PERSON WHO HOLDS AT LEAST 10% OF THE SHARE CAPITAL OF THE LISTED ISSUER OR WHO CONTROLS THE LISTED ISSUER								S/N	
2. LISTED ISSUER									
NAME							TAX CODE *		
3. PERSON WHO HAS CARRIED OUT THE TRANSACTIONS									
3.1. NATURE OF THE PERSON WHO HAS CARRIED OUT THE TRANSACTIONS									
RELEVANT PERSON								S/N	
PERSON CLOSELY ASSOCIATED WITH A RELEVANT PERSON (SPOUSE, NOT LEGALLY SEPARATED, DEPENDENT CHILDREN, ALSO OF THE SPOUSE, AND, IF LIVING IN THE SAME HOUSE, A PARENT, A RELATIVES OR IN-LAW)								S/N	
LEGAL ENTITY, COMPANY OR TRUST CLOSELY ASSOCIATED WITH A RELEVANT PERSON OR TO A PERSON MENTIONED IN THE PRECEDING POINT								S/N	

3.2 PERSONAL DETAILS ¹

IF A PERSON

SURNAME		NAME		GENDER*	
TAX CODE*	DATE OF BIRTH* (dd/mm/yy)	PLACE OF BIRTH*	PROVINCE OF BIRTH*	STATE OF BIRTH*	
ADDRESS					
IF A LEGAL ENTITY, COMPANY OR TRUST					
NAME					
TAX CODE*	LEGAL STATUS*	DATE OF INCORPORATION (dd/mm/yy)*			
HEAD OFFICE *					

* information to be included only in the event that transmission is by telematic systems installed by the company that runs the market and which does not have to be published to the market by the latter.

¹ this section on the personal details of the person does not have to be filled in if the person is the same as the one that made the declaration in section 1.1.

4. TRANSACTIONS

SECTION A): RELATING TO BPM SHARES, EQUIVALENT FINANCIAL INSTRUMENTS AND ASSOCIATED CONVERTIBLE BONDS

Date	Type of Transaction ²	ISIN Code ³	Name of the security	Type of financial instrument ⁴	Quantity	PRICE (IN €) ⁵	Value (in €)	Transaction method ⁶	NOTES
TOTAL VALUE OF SECTION A (in €)									

² Indicate the type of transaction, also carried out through linked financial instruments

P = purchase
S = sale
S = subscription
X = exchange

³ The ISIN Code always has to be indicated if the financial instrument has been given one by an international numbering agency (e.g. U.I.C. for Italy)

⁴ Indicate the financial instrument involved in the transaction

AZO = ordinary shares
AZP = preference shares
AZR = savings shares
QFC = units of listed closed-end funds
EQV = any other financial instruments that are equivalent to and represent such shares
OBCV = convertible bonds or other financial instruments that can be exchanged for shares

⁵ If on the same day more than one transaction of the same type (see note 4) and using the same method (see note 6) has been carried out in a certain share, indicate the weighted average price of such transactions. In the case of convertible bonds, the price has to be indicated in cents (e.g. for a bond listed below par at a price of 99, show 0.99; for one listed above par at a price of 101, show 1.01).

⁶ Indicate the origin of the transaction:

MERC-IT = transaction on the organised Italian market
MERC-ES = transaction on a foreign market
FMERC = off-market transaction or blocks
CONV = conversion of convertible bonds or exchange of debt instruments with shares
ESE-SO = exercise of stock options/stock grants
ESE-DE = exercise of a derivative instrument or settlement of other derivative contracts (futures, swaps)
ESE-DI = exercise of rights (warrant/covered warrant /securitised derivatives/rights)

**SECTION B): RELATING TO OTHER FINANCIAL INSTRUMENTS ASSOCIATED WITH SHARES,
AS IN ART. 152 –SEXIES, 1, lett. b).**

Date	Type of transaction ⁷	Type of linked financial instrument ⁸	Type of option ⁹	ASSOCIATED FINANCIAL INSTRUMENT		UNDERLYING SHARE		Effective purchase/sale			Potential purchase/sale (notional)			Maturity date	Notes
				ISIN Code ¹⁰	Name ¹¹	ISIN Code	Name ¹²	Quantity	Price (in €) ¹³	Value (in €)	Quantity of underlying	Exercise or settlement price (in €)	Value (in €)		
TOTAL POTENTIAL VALUE OF SECTION A (in €)															
TOTAL VALUE OF SECTION A + OF SECTION B (in €)															

⁷ Indicate the type of transaction:

P = purchase
S = sale
S = subscription

⁸ Indicate the type of financial instrument:

W = warrant
OBW = bond cum warrant
SD = securitised derivative
OPZ = option
FUT = future
FW = forward contract
OS = structured bond
SW = swap
DIR = rights

⁹ Indicate the category of derivative (only for options):

CE = call European style
PE = put European style
CA = call American style
PA = put American style
AL = other (detail in a note)

¹⁰ Not to be indicated for non-standard derivatives or when the financial instrument has not received an ISIN Code from an international numbering agency (e.g. UIC for Italy).

¹¹ Indicate the financial instrument associated with the shares

¹² Indicate the underlying financial instrument (share)

¹³ If on the same day more than one transaction of the same type (see note 4) and using the same method (see note 6) has been carried out in a certain share, indicate the weighted average price of such transactions. In the case of convertible bonds, the price has to be indicated in cents (e.g. for a bond listed below par at a price of 99, show 0.99; for one listed above par at a price of 101, show 1.01).

Declaration of awareness and acceptance of the Code and authorization to process personal information pursuant to Law 196/03.

The undersigned, born in on....., resident in, acting as, being included in the list of “Relevant Persons” for the purposes of the Code of Conduct on Internal Dealing of Banca Popolare di Milano (the “Code”) – as approved by the Board of Directors on 10 December 2002, subsequently amended and updated on 14 March 2006 in light of the regulations on market abuse – declares to have received a copy of the said Code, to have read it and accepted its contents, and undertakes to comply with the obligations leading from it.

Milan,

.....
(signature)

Pursuant to Decree 196/03, the undersigned person gives specific consent to process (also through third parties) his personal data required under the Code, for the sole purpose of fulfilling the regulations issued by CONSOB.

.....
(signature)

Proxy given to Banca Popolare di Milano to file internal dealing reports with CONSOB.

The undersigned, born in
on....., resident in,
acting as,
being included in the list of “Relevant Persons” for the purposes of the Code of Conduct on
Internal Dealing of Banca Popolare di Milano (the “Code”) – delegates to Banca Popolare di
Milano (who accepts) to file with CONSOB the internal dealing reports on transactions
carried out by him/herself or by persons closely associated with him/her, undertaking at the
same time to communicate on a timely basis (and in any case not more than 2 days from
execution of the contract) to the Bank the fact that such transactions have been carried out,
using the methods laid down in the "Code".

Milan,

.....

(signature)