



PRESS RELEASE

Banco BPM finalises with success the first Social Bond issue for 500 million euro to finance SMEs impacted by the Covid-19 pandemic emergency

The strong investors interest proves how sustainability is already integrated within the Bank's strategy

The decision to start ESG issues with a social bond is linked to the Group historical ties with its local areas of reference

Milan, Italy, 8 July 2021 – Banco BPM has finalised the placement of its first Social Bond issue (Senior Preferred) intended for institutional investors for an amount of 500 million euro, maturing on 15 July 2026.

The bond, issued within the sphere of the recently published Green, Social and Sustainability Bond Framework (the **Framework**) under the 25 billion euro EMTN programme, will finance a selected portfolio of SMEs that have been granted disbursements covered by the public guarantee envisaged by the Liquidity Decree to address the Covid-19 emergency.

For the entire duration of the bond, Banco BPM will publish on annually basis a report to ensure transparency on the allocation of the proceeds of the issue and on the social benefits for the purpose of safeguarding the jobs of SMEs affected by the health emergency.

The Framework integrates perfectly with Banco BPM's ESG (Environmental, Social and Governance) strategy and represents the effective implementation of the environmental and social sustainability objectives that will increasingly guide and characterise the Bank's various business areas. Banco BPM has also obtained certification for its Framework from the Institutional Shareholder Services companies group (ISS) as an independent party with expertise on environmental, social and sustainability issues: Second Party Opinion (SPO).

Both documents are available on the Bank's website via the link:

<https://gruppo.bancobpm.it/en/sustainability/green-social-sustainability-bonds-framework/>

The security, which will be listed on the Luxemburg Stock Exchange, has an expected rating of Ba2 (Moody's), BBBL (DBRS) and a maturity of five years. The annual coupon is equal to 0.875%. The settlement date will be 15 July 2021.

The issue has been subscribed by institutional investors, mainly Banks (43%) and Institutional Funds (40%), geographically distributed for 72% in Italy and for the remaining 28% in the main European countries.

Banca Akros, Bofa Securities, Credit Agricole CIB, HSBC, NatWest Markets and UniCredit have acted as Joint Bookrunners for the issue.

Credit Agricole CIB has also acted as Green and Social Structuring Advisor and Global Coordinator.

“This first issue – commented Giuseppe Castagna, Banco BPM's Chief Executive Officer – proves how sustainability is already integrated within the Bank's strategy. The response from the institutional market demonstrates once again the Bank's ability to combine its proximity to its local areas and to the entrepreneurial community with the appreciation of investors, including international ones”.

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