



NEWS RELEASE

ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING: IMPLEMENTATION OF THE PROVISIONS SET FORTH IN THE RECOMMENDATION OF THE EUROPEAN CENTRAL BANK OF 27 MARCH 2020

Milan, 31 March 2020 – In today's meeting, the Board of Directors of Banco BPM has acknowledged the recommendation of the European Central Bank of 27 March 2020, with which, in order to strengthen the capital of significant supervised banks and to maximize the capital resources to support households and businesses amid the Covid-19-related healthcare emergency, having regard to art. 4, paragraph 3, of Regulation (EU) no. 1024/2013, the ECB recommended that, *inter alia*, at least until 1 October 2020 no (not yet approved) dividends be paid out and no irrevocable commitment to pay out dividends be undertaken for financial years 2019 and 2020 by the above banks.

To this respect, and with the purpose of implementing the indications set forth by the European Central Bank, the Board of Directors decided that, during the Shareholders' Meeting of Banco BPM to be held on Saturday 4 April 2020, item no.2 on the agenda of the Ordinary general meeting (*Resolutions on profit allocation and distribution*) shall not be discussed and no votes shall be taken.

As a result, the net income of Euro 942,476,323.08 posted in the annual report of the Parent company Banco BPM at 31 December 2019 shall be set aside in the Bank's shareholder's equity, after deducting the amount of Euro 105,130,400.60 still allocated to retained earnings under art. 6 Lgs.D. 38/2005, which leaves Euro 837,345,922.48 to be designated as a reserve available for distribution as dividend.

After 1 October 2020, or should a new ECB recommendation be issued, and in any case after having ascertained that the uncertainty caused by the Covid-19 outbreak has been overcome, the Board of Directors of the Bank shall evaluate whether it is possible to distribute the earnings set aside in the above-mentioned reserve. In that event, the Board reserves the right to call a Shareholders' Meeting to discuss the proposals on the allocation of the earnings carried forward.

The decisions that have been made today are neutral with respect to the payment of AT1 coupons.

The 2019 dividend amount shall no longer be deducted from the CET1 capital for prudential purposes, producing a positive effect of about 20 basis points on the CET 1 ratio. Thus, the Bank further bolsters its already solid capital position through an action that allows the bank to increase its resources to support the real economy and to stand by its customers amid this tough healthcare emergency.

To tackle the adverse business sales impact from the Covid-19 outbreak, the Bank made a Euro 3 billion credit facility available for companies and a credit facility of about Euro 1 billion for Italian self-employed workers.

The Group continues to be active on its served territories, by identifying the most urgent initiatives to support households and local communities, also through the support of its Foundations.

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