



NEWS RELEASE

Banco BPM sells without recourse secured bad loans for about € 693 million.

Covered one third of the de-risking programme in the first six months since the merger effectiveness.

Among the top secured-NPL deals on the Italian market.

Milan/Verona, 13 June 2017 – In today's meeting, the Board of Directors of Banco BPM Spa has approved the sale without recourse of a portfolio of secured bad loans – the so-called "Project Rainbow" portfolio – with a gross total nominal value of approx. € 693 million as at 31 March 2017.

The sale is set to be finalized by 30 June 2017, after signing the agreement with an SPV of Algebris, one of the most active financial institutions in this sector.

The deal will raise the total bad loans sale volume since the beginning of 2016 to about € 2.5 billion (€2.7 billion when adding the "single name" disposals in the pipeline pending completion), that are part of the de-risking programme included in the 2016-19 Strategic Plan, providing for the sale of € 8 billion NPLs by 2019.

The composition (entirely secured by mortgages) and the size of the portfolio make this transaction stand out on the Italian NPL market; moreover, the valuation assigned to the sold loans is well above that envisaged under the Strategic Plan.

The portfolio under disposal, made up of loans backed by commercial, tourism/hotel and residential property, shows a balanced distribution in terms of single asset valuations.

The deal was reached at the end of a competitive bidding process with the participation of roughly 30 international investors.

Banco BPM was assisted by Banca Akros and KPMG Corporate Finance as financial advisors and by Studio Chiomenti as legal advisor.

Contacts:

Investor Relations

Roberto Peronaglio
+39 02.77.00.2057
investor.relations@bancobpm.it

Communications

Matteo Cidda
+39 02.77.00.7438
matteo.cidda@bancobpm.it

Press Office

Monica Provini
+39 02.77.00.3515
monica.provini@bancobpm.it