



NEWS RELEASE

BANCO BPM

MERGER BETWEEN BANCO POPOLARE AND BPM EFFECTIVE ON 1 JANUARY 2017

STOCK SWAPS TO TAKE PLACE AS OF 2 JANUARY 2017

Verona, 1 January 2017 - Further to the news release published on 23 December 2016 by Banco Popolare – Società Cooperativa ("**Banco Popolare**") and by Banca Popolare di Milano S.c. a r.l. ("**BPM**"), Banco BPM Società per Azioni ("**Banco BPM**"), formed from the merger between Banco Popolare and BPM (the "**Merger**"), announces that, after the registration today of the merger deed with the competent Company Registries in Verona and Milan, the Merger-related legal, accounting and fiscal effects will start on 1 January 2017.

Banco BPM starts off with a share capital of Euro 7,100,000,000.00, represented by no. 1,515,182,126 ordinary shares without par value.

The shares of the Merging companies are swapped on the basis of the following swap ratios: (i) 1 Banco BPM share for every one Banco Popolare share; (ii) 1 Banco BPM share for every 6.386 BPM shares, with cash settlement of any residual fractions resulting from the stock swap by the intermediaries with whom the BPM shares are deposited. The own shares held by Banco Popolare and by BPM are cancelled with no share exchange.

Banco BPM shares issued to cover the share swap will be made available to the former ordinary and registered shareholders of Banco Popolare and BPM, under dematerialized form and centralized management with Monte Titoli S.p.A. and through the authorized intermediaries, as of 4 January 2017, and the stock swap will be at no charge for the former ordinary and registered shareholders of the two Merging companies.

The effective date on which Banco BPM shares start trading on the MTA (Mercato Telematico Azionario) organized and managed by Borsa Italiana S.p.A. has been set on 2 January 2017 (with consequent and concurrent trading revocation of Banco Popolare and BPM shares on the MTA).

Please note that the Prospectus for the listing of Banco BPM shares and the other Merger documents are made available to the public, inter alia, at the registered office of Banco BPM (Milan, Piazza Filippo Meda no. 4) and on the Company's website (www.bancobpm.it).

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Lastly, the transfer of the business unit comprising BPM's bank branches (together with the assets and liabilities closely connected with the customer relations and operations of said branches) carried out by BPM in favor of Banca Popolare di Mantova S.p.A. (which has taken the new name of Banca Popolare di Milano S.p.A. – the “**New BPM**”) has also come into effect today. After the Merger, Banco BPM will hold a controlling stake exceeding 99.9% in the New BPM, which will be subject to its management control and coordination.

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