PRESS RELEASE

BANCO BPM LARGELY MEETS THE CAPITAL REQUIREMENT SET BY THE ECB

Milan, 24 February 2017 – Banco BPM communicates that today it has received from the European Central Bank ("**ECB**") the prudential decision ("SREP decision"), including the outcome of the annual Supervisory Review and Evaluation Process ("**SREP**").

Taking account of the analyses and evaluation carried out by the Supervisory Authority in 2016 with reference to the two banks that were part of the merger, the ECB has set the following prudential requirements, on a consolidated basis, for the year 2017:
- **8.15% *Common Equity Tier 1 ratio,*** pursuant to the transitional criteria in place for the year 2017
- **10.40% *Total SREP Capital requirement,*** pursuant to the transitional criteria in place for the year 2017
- **11.65% *Total Capital ratio***.

Banco BPM Group is placed largely above these prudential requirements, with a Common Equity Tier 1 ratio as at 31 December 2016 of **12.30%** at phase-in level (11.42% fully phased) and a Total Capital ratio equal to **14.94%** at phase-in level (13.84% fully phased), based on pro-forma data of the two merged banks.
It is also noted that the Group's ratios at year-end 2016 did not yet benefit from the positive impact deriving from the coupon stripping of associated companies and, above all, also not from the extension of the AIRB models to the perimeter of former BPM.

All the transitional requirements mentioned above include the Pillar 2 requirement of 2.40% as well as the Capital Conservation Buffer, equal to 1.25%.

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