



NEWS RELEASE

Banco BPM: signed agreement with Aviva group to repurchase the shareholding in Avipop Assicurazioni

Milan, 28 September 2017 – Following the disclosures to the market on 30 June and 25 August 2017, today Banco BPM has signed an agreement with Aviva group to repurchase the 50%+1 share in Avipop Assicurazioni's capital held by Aviva Italia Holding. Avipop Assicurazioni is the P&C insurance company which owns Avipop Vita, a life-insurance company, and that operates through the distribution network of Gruppo Banco BPM (excluding BPM S.p.A. branches).

As already announced to the market with reference to the non-renewal of the Bancassurance distribution agreement with Avipop Assicurazioni and Avipop Vita, Aviva Italia Holding has exercised the put option on the entire stake held in Avipop Assicurazioni (50%+1 share).

The agreement we signed today defines the mutually agreed consideration to be paid by Banco BPM to Aviva Italia Holding for the transfer of the shareholding, thus avoiding the purchase price setting procedures under agreement between the parties.

In particular, the financial terms under the agreement with Aviva - which take into account, among other things, the shareholding valuation criteria defined in the Shareholding Agreement - foresee a purchase price for the 50%+1 share in Avipop Assicurazioni of Euro 252.5 million, corresponding to a valuation of Euro 505 million for 100% of the company. Moreover, in compliance with what agreed between the Parties, Aviva is entitled to receive 50% of the dividends paid out of Avipop Assicurazioni's 2017 ordinary earnings, which, according to the available estimates and the results already attained by the Company as at 30 June 2017, have been calculated to amount to Euro 12.5 million.

The repurchase of the shareholding in Avipop Assicurazioni by the Bank, pending the required authorizations under the law, shall generate a 15-bps decline in the fully-loaded CET 1 ratio as compared to 30 June 2017 (10.40% and 11.31% proforma).

Today's agreement marks a first important milestone along the bancassurance business rationalization process undertaken by Banco BPM, which, among other things, includes the search for new partners to enter long-term distribution agreements, with the aim also to minimize capital impacts connected with the overall bancassurance reorganization project already disclosed to the market. To this respect, as already announced, the Bank has launched a competitive process to find a new partner, and yesterday primary insurance companies have submitted their proposals, to be assessed by Banco BPM.

KPMG Advisory S.p.A. acted as sole financial advisor for Banco BPM, while Studio Gatti Pavese Bianchi acted as legal advisor for the Transaction.

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