



NEWS RELEASE

Banco BPM sells without recourse approx. € 1.8 billion of unsecured bad loans

This is the biggest unsecured deal ever sold on the Italian market to date

Crossed the halfway mark of the de-risking program less than a year after the merger

Milan, 19 December 2017 – In today's meeting, the Board of Directors of Banco BPM Spa approved the sale without recourse of two unsecured bad loan portfolios: a portfolio denominated Large, comprising about 370 borrowers under insolvency procedure with a GBV above €1m, and one denominated Mid, comprising about 16,400 borrowers with a GBV below €1m. The total nominal amount at 30 September 2017 added up to a gross value of approx. €1.8 billion.

The deal is the result of two separate competitive bids that were carried out in parallel, involving more than 50 domestic and international investors.

At the end of the competitive bid, the best offer for the Large Portfolio had been submitted by J Invest Spa, an Italian investment company specializing in the purchase of unsecured NPLs, while Hoist Finance, a leading NPL investor, listed on the Nasdaq in Stockholm, was awarded the Mid Portfolio.

The sales will be finalized by 31 December 2017.

The deal is poised to be the biggest non-recourse disposal of unsecured loans ever on the Italian market to date: once completed, total bad loan disposals executed since 2016 under the de-risking program as part of the 2016-19 Strategic Plan, which envisages the disposal of € 8 billion of NPLs by 2019, will pass the € 4.5 billion mark, and will exceed the amount and price levels targeted by the Plan.

Banco BPM was assisted by Banca Akros and EY S.p.A as financial advisors and by Studio Orrick as legal advisor.

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