



NEWS RELEASE

REORGANISATION OF THE CONSUMER CREDIT SEGMENT OF BANCO BPM FINALISED CLOSING OF THE AGREEMENT WITH CRÉDIT AGRICOLE

- **ProAgos, the company that shall manage the captive business of former ProFamily, was sold for 310 milioni euro to Agos (in which Banco BPM holds a 39% stake)**
- **The non-captive business is transferred into the NewCo ProFamily, which is 100% controlled by Banco BPM**
- **The transaction as a whole entails a positive impact of about 80bps on the fully phased CET 1 ratio**

Milan, 28 June 2019 – Further to what was communicated to the market on 30 November 2018, and with the fulfilment of the conditions precedent and authorisations issued by the competent Authorities, the operations envisaged by the agreements signed at the end of 2018 between Banco BPM, Crédit Agricole S.A. and Crédit Agricole Consumer Finance S.A. were finalised today, with the aim of strengthening the partnership in the consumer credit segment in Italy of Agos Ducato S.p.A. ("Agos"). Banco BPM holds 39% of the latter's share capital, while Crédit Agricole Consumer Finance holds 61%.

More specifically, Banco BPM has transferred to Agos, for an amount of Euro 310 million, 100% of the share capital in ProFamily S.p.A., from which the non-captive business was demerged prior to this transaction through a spin-off operation in favour of a new company which keeps the name of ProFamily S.p.A. and which is 100% held by Banco BPM.

The company subject to the disposal, which shall manage the captive business, was renamed ProAgos S.p.A.

Also today, Banco BPM, Crédit Agricole and Crédit Agricole Consumer Finance formalised the contract documentation confirming the current partnership over the next 15 years. The parties have thus signed:

- the exclusive distribution agreement for the Banco BPM Group commercial network;
- the shareholders' agreement relating to Agos corporate governance;
- the funding agreement relating to Agos.

Through this operation, Agos Ducato shall strengthen its own leadership position, customer volumes and market shares.

In addition, Banco BPM obtained an unconditional sales option from Crédit Agricole (*put option*) for a 10% stake in the share capital of Agos, exercisable in June 2021 at a price of 150 million euro.

The ProFamily transfer resulted in a capital gain of around 184 million euro, net of tax¹, to be recorded in the first half in the Income Statement of the Consolidated Financial Statements. The Consolidated Income Statement will further benefit from the contribution from the ProFamily economic result accrued during the first half of the year to date, which is estimated to come in at about 8 million euro.

The total impact on Banco BPM's CET1 fully-phased ratio², resulting from the completion of the transaction, is estimated at around 80 bps³.

Nomura International acted as financial consultant for Banco BPM, and the Gatti Pavesi Bianchi Law offices acted as the legal consultant for the transaction.

For Banco BPM, the ProFamily transfer transaction – realised after the demerger of the non-captive assets - qualifies as a transaction with related parties pursuant to Consob Resolution no. 17221/10 (the "Consob RPT Regulation") and the relevant company rules adopted by the Bank (the "Banco BPM Procedure", available on the website www.bancobpm.it, under the Governance, Company Documents section), given that in terms of the afore-mentioned regulation, Agos was considered a company in which Banco BPM exercises significant influence.

In this regard, it should be noted that for the purposes of the referenced regulatory and corporate regulations - the transfer qualifies as a transaction "of minor significance"; nonetheless as this refers to a transaction "with an associate company" and given that there are no significant interests in Agos held by other Banco BPM related parties, the assumptions envisaged for the exemptions provided for by the Consob RPT Regulation and BPM Procedure find application, without prejudice to the obligation to report on the transaction in accordance with applicable legislation.

For information:

Investor Relations

Roberto Peronaglio
+39 02.94.77.2108
investor.relations@bancobpm.it

Comunicazione

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

Media Relations

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

¹ The capital gain credited to the Consolidated income statement corresponds to 61% of the difference between the price paid by Agos (310 million euro) and the shareholding's carrying value. In accordance with the reference accounting standard for these cases, 39% of the afore-mentioned difference (equalling the portion of the shareholding held by Banco BPM) was recorded as a reduction in the carrying value of the shareholding held in Agos.

² The "fully phased" CET1 ratio refers to the CET 1 ratio calculated with all other conditions being equal, excluding the benefit resulting from the transitional rules envisaged under article 473 bis of EU Regulation no. 575/2013, which phases in the impact on own funds resulting from the application of the new impairment model introduced with accounting standard IFRS9.

³ The impact is estimated by assuming the asset ratios at 31 March 2019 as a reference, as communicated to the market on 8 May 2019. The estimate includes both the impact resulting from the recognition of the above capital gain from the transfer, as well as the effect from the CET1 Capital in terms of lower deductions, as a consequence of Crédit Agricole Consumer Finance releasing the put option to Banco BPM.