



PRESS RELEASE

ECB has granted the authorization to include the half-year profits in Banco BPM Group' CET1 capital

Milan – Verona, 10 August 2017. Banco BPM communicates that today it has received from the European Central Bank ("**ECB**") the authorization¹ to include the entire amount of half-year net consolidated profits in CET1 capital, thus confirming the CET1 ratio phase-in of 11.07% and the CET1 ratio fully loaded of 10.40% (11.31% Pro-forma including the positive effect arising from the agreement to sell Aletti Gestielle SGR to Anima Holding), as previously disclosed to the market on 4 August 2017.

The issuance of the aforesaid authorization terminates the procedure related to the inclusion in Banco BPM's CET1 capital of the portion of interim profits arising from the recognition of the badwill resulting from the merger between Banco Popolare and BPM, which – following the conclusion of the Purchase Price Allocation process ("**PPA**") required by IFRS 3 – amounts to EUR 3,076.1 million.

In particular, ECB has granted the authorization to include the 1st half 2017 interim profits in CET1 capital in the total amount of EUR 3,205.3 million, of which: (i) EUR 2,684.1 million, on 26 July 2017, related to the 1st quarter 2017, considering also the preliminary nature of the PPA as at the date of the approval of the results at 31 March 2017 (thus comparing the capital ratios published in the press release on 11 May 2017, which were computed including the entire amount of 1st quarter 2017 interim profits, the Banco BPM capital ratios at 31 March 2017 are equal to: CET1 ratio phase-in of 10.68% and the CET1 ratio fully loaded of 10.07%); (ii) EUR 521.2 million, in today's date, related to the 2nd quarter 2017, thus confirming the capital ratios at 30 June 2017, already disclosed to the market on 4 August 2017.

Contacts:

Investor Relations

Roberto Peronaglio
+39 02.77.00.2057
investor.relations@bancobpm.it

Communications

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

Press Office

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

¹ Pursuant to art. 26, paragraph 2, of Regulation (EU) no. 575/2013 of 26 June 2013 (CRR), year-end profits may be included in Common Equity Tier 1 Capital only with the prior permission of the competent authority (ECB).