

Milan, 31 March 2020

**NOTICE RELATING TO THE ADOPTION OF THE RECOMMENDATION ISSUED BY THE EUROPEAN CENTRAL BANK ON 27 MARCH 2020 REGARDING THE DISTRIBUTION OF PROFIT FOR FY 2019**

*With reference to the macro-chapter “Together to create value” of the 2019 Consolidated Non-Financial Statement of Banco BPM, the distribution of a share of the profits made in 2019 should have been submitted to the approval of the Shareholders’ Meeting of 4 April 2020, however, following the recommendation issued by the ECB on 27 March 2020, which asked significant banks under its supervision not to pay dividends (not yet resolved) and not to make any irrevocable commitment to their payment for FY 2019 and 2020 at least until 1 October 2020, on 31 March 2020, the Board of Directors of Banco BPM stated that at the Shareholders’ Meeting on 4 April 2020, no discussions will be held on the distribution of profit (for further details see the press release available on the website [https://gruppo.bancobpm.it/media/dlm\\_uploads/2020-03-31\\_Recepite-previsioni-BCE.pdf](https://gruppo.bancobpm.it/media/dlm_uploads/2020-03-31_Recepite-previsioni-BCE.pdf)).*

*The Board of Directors of Banco BPM will assess whether it is able to distribute profits after 1 October 2020, or following any new announcement by the ECB and in any event, after confirming that the uncertainties caused by the Covid-19 epidemic no longer exist.*

*The data and information contained in the macro-chapter “Together to create value” therefore refer to the proposed distribution of profit prior to the recommendation of the ECB on 27 March 2020 and to the resolution of 31 March 2020 of the Board of Directors of Banco BPM.*

*To better understand the consequences of the above decision, the content of the 2019 Consolidated Non-Financial Statement (document registered and published within the deadline envisaged by the law) relating to the decision of the Board of Directors is shown below, with the changes after the resolution shown in the column on the right with respect to the wording marked in red in the column on the left.*

<b>CONTENT OF THE 2019 CONSOLIDATED NON-FINANCIAL STATEMENT</b>	<b>CHANGES FOLLOWING THE RESOLUTION OF THE BOARD OF DIRECTORS OF 31 MARCH 2020</b>
<p><b>HIGHLIGHTS (page 23)</b></p> <p>Economic value generated of over €4 billion, of which <b>70% distributed to our people, to our suppliers, to the public administration, to our shareholders, to our community and to the environment</b></p> <p>phased-in CET1 ratio of <b>14.56%</b> compared to the minimum capital requirement of 9.315% requested by the ECB</p>	<p>Economic value generated of over €4 billion, of which 67% distributed to our people, to our suppliers, to the public administration, to our community and to the environment</p> <p>phased-in CET1 ratio of 14.76% compared to the minimum capital requirement of 9.315% requested by the ECB.</p>

<p><b>ECONOMIC VALUE GENERATED AND DISTRIBUTED (page 24)</b></p> <p>Over 70% of this value is distributed to our stakeholders, mainly to our employees, partners and suppliers as shown in the chart</p> <p>PIE CHART:  60% employees and partners  21% suppliers  15% public administration  4% shareholders</p> <p>Compared to 2018, the amount distributed to shareholders (€ 121 million) is worth noting, due to the proposed dividend of € 0.08 per share<sup>2</sup> as well as that distributed to the public administration of € 434 million (mainly for contributions paid to deposit guarantee schemes and resolution mechanisms).</p> <p>Around 30% of the value generated was retained to further strengthen the Group's equity.</p> <p><sup>2</sup> The distribution of profits will be submitted to the Shareholders' Meeting planned for 4 April 2020.</p>	<p>Around 67% of this value is distributed to our stakeholders, mainly to our employees, partners and suppliers as shown in the chart</p> <p>PIE CHART:  62% employees and partners  22% suppliers  16% public administration</p> <p>/</p> <p>Around 33% of the value generated was retained to further strengthen the Group's equity.</p> <p>/</p>
<p><b>CAPITAL SOLIDITY AND FINANCIAL STABILITY (page 26)</b></p> <p>PHASED-IN CET 1 RATIO (IN%) GRAPH  Value of the 2019 bar: 14.56%</p>	<p>PHASED-IN CET 1 RATIO (IN%) GRAPH  Value of the 2019 bar: 14.76%</p>