



PRESS RELEASE

ASSIGNMENT OF RECEIVABLES (C.D. "PROJECT EXODUS") THROUGH A SECURITISATION TRANSACTION OF A PORTFOLIO OF CLAIMS CLASSIFIED AS BAD LOANS (A SOFFERENZA) FOR A GROSS NOMINAL VALUE OF EURO 5,1 BILLIONS

Verona, 31st May 2018 – Today, in the context of the wider de-risking programme undertaken by the Group, the Board of Directors of Banco BPM S.p.A. has approved the assignment of a portfolio of claims classified as bad loans (in sofferenza) originated by the banks belonging to the Group whose gross nominal value at the cut-off date (30 September 2017) is Euro 5,1 billions (Euro 4,9 billions at 31 March 2018) to the special purpose vehicle Red Sea SPV S.r.l.. The assignment is made in the context of a securitisation transaction in relation of which the bank intends to require the release of the guarantee granted by the Italian State for the securitisation of bad loans on the senior notes pursuant to Law Decree No 18 of 2016 ("GACS").

It is foreseen that the assignment price for the assignment will be substantially in line with the current net-book value of the receivables in the balance sheet of the transferring banks.

Upon perfection of the assignment, the special purpose vehicle will proceed with the issuance of the senior, mezzanine and junior tranche which will be subscribed by Banco BPM S.p.A.. The mezzanine and the junior tranche will be subsequently transferred to third party investors while the senior tranche will be maintained in the portfolio of Banco BPM S.p.A.. The accounting impacts of the securitization are expected to be incorporated in the financial report of the first half of 2018.

The transaction is part of the Euro 13 billion disposal plan announced by the Group, complementing the € 4.5 billion already achieved up to now and with a residual part of about Euro 3.5 billion. Banco Bpm has already started the selection of the advisors for the assistance to be provided in favour of Banco BPM in order to accelerate the completion of the plan.

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