



NEWS RELEASE

BANCO BPM RECEIVES OFFERS ON UNLIKELY TO PAY (“UTP”) PORTFOLIOS WITH A GROSS BOOK VALUE (“GBV”) EXCEEDING 1 BILLION EURO

AMONG THE MOST SIGNIFICANT UTP DISPOSALS ON THE ITALIAN MARKET

Milan, 5 November 2020 – Today, the Board of Directors of Banco BPM S.p.A. analyzed the offers for the project known as “DJANGO” regarding the sale of UTP loans, mainly to corporate clients, for a total nominal amount of more than 1 billion Euro. Having completed the analysis, the Board of Directors approved the financial terms of the offers and instructed the Bank management to carry on with the negotiation of the other terms and conditions necessary to complete the project.

The transaction, which qualifies as one of the most significant involving UTP loans on the Italian market, is the outcome of a competitive bidding during which AMCO and Credito Fondiario submitted binding bids for two portfolios, with a GBV of Euro 641 million and Euro 301 million, respectively, plus additional loans with a GBV of Euro 75 million sold to other counterparties.

The completion of the disposals and of the other transactions under finalization, for a total amount estimated at up to 1.2 billion Euro, which should take place by year-end – subject, as pertains Amco, to the required authorizations under the law – will generate a reduction in the amount of non-performing loans, gross of loan loss provisions, from 9.8 billion to about 8.6 billion (adjusted at 30 September 2020) and a decline of the Gross NPE ratio from 8.6% to around 7.7%, which falls to 6.7% when calculated in coherence with the EBA definition.

Banco BPM was advised by Banca Akros and Deloitte acting as financial advisors and by Studio Chiomenti as legal advisor.

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