



PRESS RELEASE

BANCO BPM –Project Rockets

- **Securitisation of a portfolio of bad loans of € 1.5 billion completed**
 - **A GACS will be required on the senior tranche**
- **With the completion of the transaction, the gross NPE Ratio falls to 6.3% (vs. 24.1% as at 1/1/2017), equal to an adjusted ratio of 5.3%, calculated according to EBA methodology**

Milan, 22 June 2021 - Further to the communication issued to the market at the time of presentation of the results as at 31 March 2021, Banco BPM S.p.A. today announces the completion of the securitisation (named "Rockets Project") of a portfolio of bad loans for a gross amount (GBV) of € 1.5 billion, of which about a half unsecured. As part of the securitisation, Credito Fondiario is Master and Corporate Servicer, while the role of Special Servicer will be taken on by CF Liberty Servicing S.p.A., the joint-venture between Credito Fondiario S.p.A. and Banco BPM S.p.A. The securitisation was completed through the issue, by the special purpose vehicle "Aurelia SPV S.r.l.", of the following classes of securities (ABS – Asset-Backed Securities):

- Senior securities of € 342 million, corresponding to 22.7% of the GBV. The senior securities will have a coupon equal to the 6-month Euribor + 0.5%;
- Mezzanine securities of € 40 million;
- Junior securities of approximately € 12 million.

The senior securities obtained an investment grade rating of BBB (sf) from Scope Ratings GmbH and DBRS Morningstar, and the State Guarantee (GACS), recently extended by the European Commission, will be required on said securities.

95% of the mezzanine and junior notes will be purchased by companies controlled by Elliott funds: the transfer will be completed by 30 June 2021.

With the completion of the Rockets Project, based on the data as at 31 March 2021, the gross bad loans of Banco BPM decrease to € 2.1 billion, equal to 1.8% of total loans, and the bank reaches a gross NPE Ratio of 6.3% (adjusted ratio of 5.3%, calculated according to the EBA methodology¹), a clear decrease compared to 24.1% as at 1/1/2017².

The transaction was structured by the team of Banca Akros (Originator's related party³) and Deutsche Bank as Arrangers; Deloitte assisted Banco BPM as business advisor; Chiomenti and Orrick assisted, respectively, Banco BPM and the Arrangers with the legal aspects.

Contacts:

Investor Relations

Roberto Peronaglio

+39 02.94.77.2108

investor.relations@bancobpm.it

Communication

Matteo Cidda

+39 02.77.00.7438

matteo.cidda@bancobpm.it

Media Relations

stampa@bancobpm.it

¹ Methodology used by the EBA to present data as part of the EU Transparency Exercise.

² Date of formation of the Banco BPM Group. Management data adjusted to include a part of the loans written off at the time, consistent with the reclassification of the write-offs carried out at the end of 2017.

³ The transaction in question is configured as a related party transaction pursuant to Consob Regulation no. 17221 of 12 March 2010 and subsequent amendments (the "Consob RPT Regulation") and the related corporate regulations adopted by the Bank (the "Banco BPM Procedure", available on the website www.gruppo.bancobpm.it, Corporate Governance section, Company documents) and it qualifies in particular as a "minor" and "intra-group" transaction - in consideration of the controlling interest held by Banco BPM S.p.A. in Banca Akros S.p.A. - thus benefiting from the exemptions provided for in the Consob RPT Regulation and the Banco BPM procedure, having been noted that there are no significant interests of other related parties.