



**Press Release**

**Redefinition of agreements between Banco BPM and the Covéa Group in the bancassurance sector**

**Banco BPM's right to acquire 100% of the share capital of JV Bipiemme Vita is extended until 31/12/2023**

**The time frame of the agreement is therefore aligned with the exit mechanisms defined with the other insurance partner Cattolica: greater flexibility for Banco BPM in a strategic sector**

*Milan, 25 June 2021* – Banco BPM announces that it has today signed agreements with the Covéa Group which involve changes to the partnership in the bancassurance sector currently in place and relating to the JVs Bipiemme Vita, a company operating in the life insurance business and 81%-owned by Covéa Coopérations, with Banco BPM holding the remaining 19% stake, and Bipiemme Assicurazioni, operating in the non-life insurance business and wholly-owned by Bipiemme Vita.

These agreements provide, inter alia, Banco BPM with the right to acquire 100% of the Company's share capital in the period between 8 September 2021 and 31 December 2023 and, therefore, allow Banco BPM to potentially align the time frame for purchase of the equity investment in Bipiemme Vita with the exit mechanisms governed in the agreements relating to the partnership in the bancassurance sector with Cattolica; more in general, Banco BPM will have more flexibility with its medium/long-term choices in a segment of significant strategic importance, in light of both the huge growth potential and the opportunity to strengthen the Group's business model in a significant way.

\* \* \*

The amendments made to the pre-existing agreements, which made provision for an exit 'window' through the exercise of a call option in favour of Banco BPM, limited to the period from 8 September 2021 to 23 October 2021, regulate the methods of continuation and conclusion of the partnership up until, at most, the end of 2028.

In particular, the amended agreements provide for the recognition, in favour of Banco BPM, of an unconditional option to purchase 81% of the Company, which can be exercised at any time in the period between 8 September 2021 and 31 December 2023. Where said option is not exercised, the partnership can continue until the end of 2028, except for the possibility to exercise certain put and call options recognised respectively to Covéa and the Bank in predefined time windows.

The price for exercising the call option by the Bank by 31 December 2023 will be equal to 81% of the regulatory capital represented by the Unrestricted T1 capital of Bipiemme Vita as at 30 June 2021 (essentially in line with that defined in the original agreements), less any dividends collected and plus any share capital increases of Bipiemme Vita carried out until the transfer of the equity investment. The put and call prices envisaged from 2024 and until 2028 will instead make reference to the Unrestricted T1 capital of Bipiemme Vita at the moment of any exercise of the option.

The completion of Banco BPM's acquisition of the equity investment held by Covéa in Bipiemme Vita resulting from the exercise of the options will be subject to obtaining the legal authorisations from the competent Authorities.

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