



## PRESS RELEASE

### **BANCO BPM HAS SUCCESSFULLY LAUNCHED AN ADDITIONAL TIER 1 ISSUE OF EURO 400 MILLION FOR INSTITUTIONAL INVESTORS ONLY**

Milan, 14 January 2020 – Banco BPM S.p.A. communicates that it has successfully launched an Additional Tier1 bond for a notional amount of 400 million euros, intended for institutional investors only.

The transaction is part of the bank's plan to optimize capital efficiency.

The AT1 Notes are perpetual and may be redeemed at the option of Banco BPM, in compliance with applicable regulations, on 21 January 2025 and, if not redeemed on such date, the option may be exercised every 6 months thereafter.

The non-cumulative semi-annual coupon has been set at 6.125%, compared to a first indicative price talk (IPT) of 6.75% - 6.875%, as a result of the high number of orders coming from more 300 institutional investors from Europe and as well as Asia.

The success of this transaction proves the trust of the international financial market into Banco BPM Group.

If the early redemption option envisaged for 21 January 2025 were not exercised, a new fixed rate coupon will be determined by adding the original spread to the 5-year Euro Mid-Swap Rate at the reset date. Such new coupon shall remain fixed for the following 5 years (until the next reset date). Payment of the coupon is fully discretionary and subject to certain limitations.

The Note will be listed on the multilateral trading facility of the Luxembourg Stock Exchange (Euro MTF).

The Additional Tier 1 notes have been mainly allocated to asset managers (59%), banks (20%) and hedge funds (17%).

In terms of geographical distribution, the United Kingdom and Ireland (32%), France (16%), Italy (15%), Asia (10%), Switzerland (9%) and Germany (8%) have received the major part of the final allocation.

The AT1 Notes provide for a temporary principal write-down mechanism in case the CET1 ratio of the Bank (on a standalone basis) or of the Group were less than 5.125% (trigger event).

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Citi has acted as Global Coordinator and Joint Bookrunner, together with Banca Akros (issuer's related party<sup>1</sup>), Barclays, BNP Paribas, Credit Suisse and Morgan Stanley as Joint Bookrunners of the Additional Tier 1 offering.

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<sup>1</sup> 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.bancobpm.it](http://www.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 SpA 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.

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