



PRESS RELEASE

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

Milan, 12 January 2021 - Banco BPM S.p.A. announces that it has successfully launched the issue of an Additional Tier 1 perpetual instrument for an amount equal to 400 million euros, intended for institutional investors.

The transaction is part of bank's plan to optimize the efficiency of its capital structure and it allows to reach the Group's Tier 1 capital target, leading to a further strengthening of the Group's capital position.

The bonds, issued at par, pay a semi-annual, non-cumulative fixed coupon of 6.50% and may be called by the issuer on 19 January 2026 and, subsequently, every 6 months.

In the event of no recall, the new fixed-rate coupon will be determined by adding the original spread to the 5-year mid swap rate in euro recorded on the reset date and it will remain fixed for the following 5 years (until the next recalculation date).

Coupon payment is fully discretionary and subject to certain limitations.

In addition, the bond provides for the temporary principle write-down mechanism of the nominal value in case the CET1 ratio of the Group should fall below 5.125%.

The investors who have participated in the deal are mainly asset managers (70% of the total), hedge funds (16%) and Banks (10%), while the geographical distribution sees the presence predominantly of international investors (of which: United Kingdom at 44% and France at 11%), together with Italian investors (31%).

Citi and Goldman Sachs have acted as Global Coordinators and Joint Bookrunners, together with Banca Akros (a related party of the issuer¹), Barclays, BNP Paribas, UBS and Mediobanca as Joint Bookrunners.

¹ 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, 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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