

PRESS RELEASE

BPER BANCA SUBMITS NON-BINDING OFFER FOR THE ACQUISITION OF CARIGE TO THE INTERBANK DEPOSIT GUARANTEE FUND

THE TRANSACTION IS FUNCTIONAL FOR BPER'S OBJECTIVE TO EXPAND THE BANKING GROUP'S SCOPE AND CUSTOMER BASE CREATING VALUE FOR ALL STAKEHOLDERS

Modena - 14 December 2021. At its meeting today, the Board of Directors of BPER Banca ("**BPER Banca**") approved the submission of a non-binding offer (the "**Offer**") to the Interbank Deposit Guarantee Fund ("**FITD**" and, jointly with BPER Banca, the "**Parties**") for the acquisition of a shareholding of 88.3%¹, of which 8.3% held by Cassa Centrale Banca ("**CCB**"), of the share capital of CARIGE ("**CARIGE**" or the "**Company**") (as a whole, the "**Transaction**").

BPER's interest in the completion of the Transaction is consistent with its objective of expanding the Banking Group's scope through targeted transactions resulting in value accretion for all stakeholders, while continuing to preserve BPER Banca's high capital strength, at a level at least equal to its current profile. The Transaction would additionally make it possible to definitively resolve CARIGE's issues, thereby safeguarding its customers and all of its stakeholders, as well as protecting the interests of minority shareholders.

The Offer shall lapse if FITD, by 20 December 2021, does not grant BPER Banca an exclusivity period or else if the Parties do not enter into a binding Memorandum of Understanding (the "**MOU**") by 31 December 2021. In addition to the precise terms of the Transaction, the MOU will provide for the obligation of the Parties to enter into a final acquisition agreement (the "**Acquisition Agreement**") by 31 January 2022.

The industrial rationale for the Transaction

The guidelines for the Transaction primarily focus on:

- transaction neutrality with respect to the BPER Group's current capital position;
- combined asset quality improvement, with derisking continuing to be pursued;
- significant increase in the BPER Group's profitability in terms of earnings per share from as early as 2023.

In this perspective, the following aspects are particularly noteworthy:

- dimensional growth and competitive position improvement in Italy thanks to largely complementary distribution networks and significant growth in regions such as Liguria and Tuscany;

¹ Shareholding based on Carige's current share capital.

- with the addition of CARIGE's over 800 thousand customers, 20% customer base increase to over 5 million;
- loan book and total assets increase (post-deal total assets exceeding EUR 150 billion, ranking fourth by size in Italy);
- asset quality improvement and further reduction of the Group's NPE ratio;
- cost synergies estimated to arise from CARIGE's integration in BPER Banca, with particular regard to the potential upside deriving from the merging Group's larger size and better ratings;
- potential revenue synergies from commercial revamping and increased cross-selling arising from the integration of the two networks, with CARIGE customers being offered the full-fledged selling proposition of the BPER Group product factories for both retail and corporate banking customers;
- BPER Banca's proven track record in the execution of bank integration processes;
- opportunity for Banca Cesare Ponti to evolve in its role with a view to enhancing the BPER Group's Private Banking business and confirmation of Arca SGR as the company of choice for customer asset management.

Main terms and conditions of the Offer

From the date of granting of the Exclusivity, a legal, equity, tax, accounting and industrial due diligence will be conducted by BPER on the Company. The due diligence will last five weeks and will be confirmatory in nature.

Closing of the Acquisition Agreement (the "**Closing**") shall be subject to the necessary authorisations being obtained from the relevant Authorities.

As part of the Transaction, the following is envisaged:

- prior to the Closing, FITD shall make a capital contribution of EUR 1 billion to CARIGE to provide the latter with the necessary resources to cover, *inter alia*, the: (i) costs relating to the integration of CARIGE into BPER, (ii) derisking actions on the entire loan portfolio, maintaining the capital base in line with market requirements and in any case not lower than BPER's current levels, and (iii) charges potentially arising from the early termination of certain commercial and operational agreements which, together with operational/structural revisions, will ensure the achievement of adequate levels of profitability on a combined basis;
- at the Closing, the acquisition by BPER of a shareholding in CARIGE corresponding to 88.3%¹ of its share capital (the "**Shareholding**") against payment of a consideration of EUR 1 for the entire shareholding, along with BPER Banca's takeover of all loans and credit lines issued by FITD and CCB to CARIGE at their nominal value; after the Closing, launch of a mandatory public purchase offer by BPER Banca on the remaining share capital of the Company, for a price of EUR 0.80 per share, inclusive of a premium of approximately 29% over the closing price of Carige's stock as at 13 December 2021;
- likewise after the Closing, initiation of the procedures for the merger by absorption of CARIGE by and into BPER Banca, to be completed after the end of the public purchase offer. In order to make an appropriate estimate of the economic capital of BPER Banca and CARIGE for the purpose of determining the merger exchange ratio, the most common methodologies used in best market practice will apply.

¹ Shareholding based on Carige's current share capital

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