

PRESS RELEASE

Supplementary agreement for the acquisition of a going concern from Intesa Sanpaolo Group

Modena - 15 June 2020. With reference to the agreement signed on 17 February 2020 with Intesa Sanpaolo S.p.A. ("**Intesa Sanpaolo**"), pursuant to which, upon completion of the voluntary public exchange offer (the "**PTO**") launched by Intesa Sanpaolo on the entire share capital of UBI Banca S.p.A. ("**UBI**"), BPER Banca S.p.A. ("**BPER**" or "**BPER Group**" and, together with Intesa Sanpaolo, the "**Parties**") will purchase a going concern (the "**Going Concern**") from Intesa Sanpaolo Group (the "**Transaction**"), a supplementary agreement was signed today by the Parties (the "**Supplementary Agreement**"), aiming at defining more precisely the perimeter of the Going Concern to be acquired.

The Supplementary Agreement underpins the strategic and industrial rationale of the Transaction, in line with the objectives of dimensional growth and enhancement of the competitive positioning of BPER Group, further strengthening its customer base and market share in some of the country richest areas where BPER currently has a limited presence.

The Supplementary Agreement envisages a marginal enlargement of the Going Concern to include 532 branches vis-à-vis the 400-500 originally indicated. The Going Concern will consist of customer deposits and indirect funding estimated at c. € 29 billion and € 31 billion respectively, as well as of net loans estimated at c. € 26 billion.

Over 70% of assets and liabilities¹ of the Going Concern are related to customers located in the Northern regions of Italy. This strengthening of BPER's distribution network will enable, among other things, the full deployment of BPER Group's product factories.

The Supplementary Agreement envisages that the additional loans to be included in the Going Concern, estimated to be equal to c. € 4.5 billion, will consist exclusively of performing exposures. Furthermore, a downward revision of the mechanism for the calculation of the consideration for the Going Concern has been agreed by the Parties, which shall now be the lower of:

- i. 0.55 times the amount of the Common Equity Tier 1 of the Going Concern, and
- ii. 78% of the implied multiple paid by Intesa Sanpaolo for the Common Equity Tier 1 of UBI.

As already announced, the consideration for the Going Concern will be paid in cash, and financed by means of a rights issue for a maximum amount of € 1.0 billion, as already approved by BPER's Shareholders' Meeting on 22 April 2020.

¹ Gross loans and customer deposits

This is a translation into English of the original in Italian. The Italian text shall prevail over the English version.

The acquisition of the Going Concern will result, in particular, in a further improvement of the asset quality of BPER, with a pro-forma Gross NPE ratio estimated at 8.4%, based on data as of 31 March 2020 and taking into account both the asset quality profile of the Going Concern and the ongoing disposal of NPLs via securitization with State Guarantee (GACS).

Following the Transaction, BPER Group will benefit from a solid capital position, with a pro-forma consolidated CET1 ratio Fully Loaded estimated at 12.5% in 2020.

The acquisition of the Going Concern is subject to, among others, the settlement of the PTO and the obtainment of the supervisory and antitrust clearances necessary for the transfer of the Going Concern.

In the context of the Transaction BPER is assisted by Rothschild & Co, BofA Securities and Citigroup as financial advisors and by Chiomenti Studio legale, as legal advisor.

BPER Banca S.p.A.

This press release is also available in the 1INFO storage device.

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