

**PRESS RELEASE**

**Filing in the Companies Register of the resolution for the transformation into a joint-stock company**

**Methods and terms for exercising the right of withdrawal**

Modena – 28 November 2016. We would like to announce that on 28 November 2016 (“**Registration Date**”) the resolution of the Extraordinary Shareholders’ Meeting held on 26 November 2016, at second calling (“**Shareholders’ Meeting**”) approving the transformation of Banca popolare dell’Emilia Romagna società cooperativa (“**BPER Banca**” or “**Bank**”) in BPER Banca S.p.A. (the “**Transformation**”) was filed in the Modena Companies Register.

The minutes of the Shareholders’ Meeting and the updated version of the Articles of Association shall be made available –within the terms prescribed by law- at the company’s registered office, at Borsa Italiana S.p.A. and published on the Bank’s website [www.bper.it](http://www.bper.it) – Governance – Corporate Bodies – Shareholders’ Meeting section.

**1. Right of withdrawal**

Shareholders and Members of BPER Banca (hereinafter collectively referred to as “**Shareholders**” or individually as the “**Shareholder**”) who did not take part in the resolutions concerning the Transformation (those who voted against, those who abstained or those who were absent) (collectively referred to as “**Eligible Shareholders**” or individually as “**Eligible Shareholder**”) are entitled to exercise the right of withdrawal pursuant to art. 2437, paragraph 1, lett. b) of the Italian Civil Code (the “**Right of Withdrawal**”).

**2. Liquidation value**

As announced to the market on 19 October 2016, the liquidation value of the shares under the Right of Withdrawal has been set at Euro 3,8070 per share, in accordance with the provisions of art. 2437-ter, paragraph 3, of the Italian Civil Code, that is on the basis of an arithmetical average of the closing prices of BPER Banca’s shares over the six months prior to 19 October 2016, the date of publication of the notice convening the Shareholders’ Meeting on BPER Banca’s website [www.bper.it](http://www.bper.it) and in the daily newspapers “Il Sole 24 Ore” and “QN Quotidiano Nazionale”.

**3. Declaration of Withdrawal**

The Declaration of Withdrawal can be exercised by each Eligible Shareholder, for all or part of the shares held, further to art. 2437-bis of the Italian Civil Code, through a recorded delivery letter with advice of receipt (the “**Declaration of Withdrawal**”) which must be sent within fifteen calendar days from the Registration Date and therefore no later than 13 December 2016.

The Declaration of Withdrawal can be formulated using the specific form provided on BPER Banca’s website ([www.bper.it](http://www.bper.it) – Governance – Corporate Bodies – Shareholders’ Meeting section) or, alternatively, through a letter which can be freely drafted specifying the following information:

- the personal information of the shareholder wishing to exercise the Right of Withdrawal (name, surname, place and date of birth and fiscal code in case of individuals or name, registered office and VAT number in case of companies), address, telephone number and, if possible, e-mail address for any communications regarding the withdrawal process);
- the number of shares for which the Shareholder wishes to exercise withdrawal (the “**Withdrawal Shares**”);
- details and coordinates of the current account in the name of the Shareholder wishing to exercise withdrawal on which the liquidation value of the shares shall be deposited;
- the name of the intermediary that holds the account on which the Withdrawal Shares are deposited and through which the transaction is to be settled.

The Declaration of Withdrawal must be addressed to Servizio Segreteria Generale – Ufficio Soci, Via San Carlo, 8/20, 41121 – Modena (MO), indicating on the envelope “**Exercise of Right of Withdrawal**”.

In accordance with art. 23 of the Bank of Italy - Consob Regulation dated 22 February 2008, as subsequently

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amended, the eligibility to exercise the Right of Withdrawal, under penalty of inadmissibility of the Declaration of Withdrawal, must be certified by a special communication (the "**Communication**") issued by the intermediary that holds the account on which the shares for which the right of withdrawal is being exercised are deposited and sent to the issuer in the manner established by applicable laws and regulations.

The Communication must certify:

- uninterrupted ownership on the part of the withdrawing Shareholder of the Withdrawal Shares withdrawn with effect from a date prior to the Extraordinary Shareholders' Meeting up to the date of exercising the Right of Withdrawal. For the existence of such a requirement, anyone who bought shares of Banca popolare dell'Emilia Romagna on regulated markets (the "**Stock Exchange**") and received them against payment before the start of the Extraordinary Shareholders' Meeting, will be considered entitled to exercise the right of withdrawal;
- the absence of any pledge or other encumbrance on the Withdrawal Shares; otherwise, the Shareholder wishing to exercise the right of withdraw will be required to send to BPER Banca, in the same manner and together with the Declaration of Withdrawal, as a condition for its admissibility, a specific statement made by the pledgee or by the person in whose favour there is another constraint on the Shares subject to Withdrawal, with which this person irrevocably gives their consent to carrying out the liquidation of the Shares subject to Withdrawal in accordance with the withdrawing Shareholder's instructions.

The intermediary must send the Communication by certified email to the following address: [eventisocietari@pec.gruppobper.it](mailto:eventisocietari@pec.gruppobper.it).

The above communications, statements and certifications must also be made by the Shareholders wishing to withdraw in the event that they hold any Banca popolare dell'Emilia Romagna shares that have not yet been dematerialized. In this case, they must deliver their share certificates beforehand to an approved intermediary authorized for shares' centralization in Monte Titoli S.p.A. and request the issue of the Communication for the exercise of the Right of Withdrawal.

It is the responsibility of Shareholders wishing to exercise the Right of Withdrawal to ensure the correctness of the information contained in the Declaration of Withdrawal and to send it in by the deadline indicated above.

The Declarations of Withdrawal sent after this period, those that do not contain the required information and/or are not accompanied on a timely basis by the related Communication, will be considered inadmissible.

#### **4. Unavailability of the Shares subject to Withdrawal**

In accordance with provisions of art. 2437-bis, paragraph 2, of the Italian Civil Code and the regulatory provisions in force, the release of the Communication by the intermediary will be accompanied by a block on the Shares subject to withdrawal by the intermediary and, as a result, these shares will be unavailable and will not be transferred until the end of the liquidation procedure.

#### **5. Liquidation procedure**

Should one or more Shareholders exercise the Right of Withdrawal, the liquidation procedure will be carried out in compliance with the provisions of art. 2437-quater of the Italian Civil Code.

##### **5.1. Option Offer**

Firstly, any Withdrawal Shares will be offered under option to BPER Banca Shareholders who have not exercised the Right of Withdrawal, in proportion to the number of shares held (the "**Option Offer**").

To exercise the option right, a period of not less than 30 days after the filing of the Option Offer in the Modena Companies Register will be given and this will be disclosed to Shareholders by means of a notice issued according to the law, made available on the Bank's website ([www.bper.it](http://www.bper.it) – Governance – Corporate bodies – Shareholders' Meeting section) and published in the daily newspapers "Il Sole 24 Ore" and "QN Quotidiano Nazionale".

The parties exercising the option right, provided that they make a simultaneous request, shall also be entitled to a pre-emption right over any shares not taken up (art. 2437-quater, paragraphs 2 and 3, of the Italian Civil Code).

In the event that the shares subject to Withdrawal have not been purchased, in whole or in part, by other Shareholders, they will be placed through an offer on the regulated markets (art. 2437-quarter, paragraph 4, of the Italian Civil Code).

##### **5.2. Stock Market Offer**

The Withdrawal Shares which remain unsold at the end of the Option Offer will be placed on the online Stock Market organized and managed by Borsa Italiana S.p.A. (the "**Stock Market Offer**") further to applicable laws and

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regulations. All the necessary information regarding the Stock Market Offer will be provided in good time on the Bank's website [www.bper.it](http://www.bper.it) as well as in at least one national, widely-distributed daily newspaper.

### 5.3. Limitation on the right of reimbursement

Further to art. 2437-quater, paragraph 5, of the Italian Civil Code, in the event of a failed (or partial) exercise of the option and pre-emption right mentioned above, as well as a failed (or partial) placement on the regulated markets within 180 days from the date of the Withdrawal Declaration, the remaining shares will be reimbursed, through their purchase by BPER Banca.

Furthermore, it should be noted that with reference to the reimbursement of the Shares subject to Withdrawal, article 1 of Legislative Decree 3 of 24 January 2015, (the "**Decree**"), converted into Law 33 of 24 March 2015, modified some provisions of the Consolidated Banking Act (Legislative Decree 385/93, CBA) relating to cooperative banks and, in particular, in art. 28 CBA paragraph 2-ter was introduced which expressly states that "*in cooperative banks, the right to reimburse shares in the event of withdrawal, also as a result of transformation death or exclusion of the shareholder, is limited as provided by the Bank of Italy, also as an exception to the law, where necessary to ensure the computability of the shares in the bank's Tier 1 capital for supervisory purposes. For the same purposes, the Bank of Italy, may limit the right of reimbursement of other capital instruments issued*".

Once the Option Offer procedure has been completed together with the placement of shares subject to Withdrawal on the Stock Market and therefore the amount of the capital pertaining to the withdrawing Shareholders subject to reimbursement by BPER Banca is known, the Board of Directors, on the recommendation of the Chief Executive Officer and having heard the opinion of the Statutory Auditors, will assess whether to avail itself of the faculty introduced in art. 1 of the Decree, bearing in mind the implementing provisions issued by the Bank of Italy.

As indicated in the Explanatory Report to the Shareholders' Meeting published on 19 October 2016 (the "**Report**"), the Board of Directors, on the recommendation of the Chief Executive Officer and having heard the opinion of the Statutory Auditors, has already indicated the criterion it intends to follow in taking decisions related to the redemption of Shares subject to Withdrawal, in order to enable the Shareholders to be as aware as possible when exercising the right of withdrawal, orientated towards a limit in the total amount of reimbursable shares and identifying a threshold of 13,52% below which the fully loaded CET1 ratio ("**CET1 ratio**") of the BPER Banca Group (the "**Group**") cannot fall as a result of the redemption by purchase of the Shares subject to Withdrawal by the Bank (the "**Benchmark**").

This figure corresponds to the average level of capitalization of banks that are subject to the Single Supervisory Mechanism, according to the latest available official data, at 31 December 2015, and has been identified as the objectively appropriate threshold in order to maintain the positioning in terms of capital strength, with a view to an evaluation that takes account of the overall financial position, liquidity and solvency of the Group over a long-term horizon.

The Benchmark considered by the Board of Directors on the date when it will be eventually called upon to decide on a possible limitation of the reimbursement of the shares subject to withdrawal (the "**Reference date**"), will be updated to the latest data available, and, therefore, it may be different from that shown in the Report, but only if an update of the average level of fully loaded CET 1 ratio of banks subject to the Single Supervisory Mechanism is published by the ECB (the "**Updated Benchmark**").

In order to determine whether and to what extent to initiate reimbursement of the Withdrawal Shares, it should be noted that the Benchmark or, if available, the Updated Benchmark, will be compared by the Board of Directors with the net assets of the bank on a consolidated basis at the time of the Reference Date, as expressed by the amount of the fully loaded CET1 ratio resulting: (i) from the latest approved consolidated financial statements, even in preliminary form; or (ii), where appropriate, from any consolidated statement specifically prepared for the purpose.

In order to allow Shareholders to be as aware as possible when exercising their Right of Withdrawal, it is in any case worth noting as of now that the Bank's balance sheet (and, as a consequence, the fully loaded CET1 ratio of the Group) to be used for the purposes of this evaluation, could be deeply affected by a variety of factors as of the Reference Date.

For example, these could include:

- market risks, as well as the general economic trend and the dynamics of financial markets, as well as the particular situation of the Italian banking system, with consequent impacts on operations, as well as the latest forecasts on how it is evolving;
- the adoption of measures and/or policies for, among other things, the safety and soundness of the European banking system;
- the focus of the market and the Supervisory Authority on non-performing loans, which leads the banks under supervision to consider the possibility of reducing their stock, increasing coverage levels and aligning risk indicators to the reference benchmarks;

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- the introduction of regulatory changes that have already been identified, which require a higher absorption of capital, including the new provisions concerning the accounting treatment of financial instruments (in accordance with the new IFRS 9), the possible weighting of government bonds for the purpose of calculating RWA, the application of a new MREL indicator (Minimum Requirement for Own Funds and Eligible Liabilities) on the basis of the European Directive 2014/59/EU of 15 May 2014 (Bank Recovery and Resolution Directive – BRRD);
- any financial impact directly or indirectly arising from or linked to the Transformation.

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On the basis of the above-mentioned criteria, the Board of Directors will, therefore, take the relevant decisions concerning the possible amount to be allocated for reimbursement of the residual shares, also providing for:

- the limitation of the reimbursement (with proportional allocation to the withdrawing Shareholders of the amount available and dissolution of the unavailability constraint on the excess shares); or
- exclusion of the possibility of a reimbursement (releasing the residual shares subject to withdrawal from the unavailability constraint).

Any shares for which the right of withdrawal cannot be fulfilled will therefore become immediately available to the holder again.

In case of reimbursement, even if possibly limited, of the Withdrawal Shares subject to withdrawal, authorization is still required from the Supervisory Authority for a reduction in the Bank's own funds, in accordance with art. 77 of the Regulation (CRR) and the Delegated Regulation 241/2014.

BPER Banca will communicate the relevant information related to the liquidation procedure of Shares subject to Withdrawal in the terms and in the manner required by applicable laws and regulations.

This notice will be also be published in the daily newspapers "Il Sole 24 Ore" and "QN Quotidiano Nazionale".

BPER Banca S.p.A.

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

*Contacts:*

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