



## BANCA POPOLARE DI MILANO

### PRESS RELEASE

#### **FITCHRATINGS REMOVES THE RATING WATCH NEGATIVE (RWN) AND DOWNGRADES THE RATINGS OF BANCA POPOLARE DI MILANO**

#### **BPM EXPRESS ITS UPMOST DISSENT AT THE OPINIONS FORMULATED BY THE RATING AGENCY**

**Milan, 23 December 2016** – Banca Popolare di Milano informs that the international rating agency FitchRatings has revised the Long Term Issuer Default Rating (LT IDR) to “BB-” from “BB+” and the *Viability Rating* (VR) to “bb-” from “bb+” of BPM. The *Rating Watch Negative* placed the 21st of April was removed. FitchRatings confirmed the Short Term Issuer Default Rating “B”. The *Outlook* is “Stable”.

For further information, please refer to the press release of FitchRatings dated 23 December 2016, which is available on the Rating Agency website [www.fitchratings.com](http://www.fitchratings.com).

Banca Popolare di Milano take cognizance with disappointment of the opinions formulated by the rating agency, from which it dissents, as, in the Bank's opinion, they do not take into account the results already obtained in terms of capital strengthening, with the €1 billion capital increase, and of coverage ratios and decline in NPL stock, which improve the new Group's risk profile. Nor does the rating agency considers the benefits to be reaped from the merger with Banco Popolare in terms of market positioning, profitability improvement thanks to the significant cost and revenue synergies, the marked reductions in the cost of funding and the important derisking plan the new Group is going to implement by 2019.

To this respect, Banca Popolare di Milano wishes to point out that BancoBPM's 2016-2019 business plan has been approved by the ECB and by the other supervisory authorities at the beginning of September, following a broad and deep analysis, as part of the authorizations issued for the merger.

It should also be called to attention that the quality of new Group's loan book is above the national average standard, thanks to the sizable collateral backing the loans and considering the business territories covered by the two banks, which on 1 January 2017 will give rise to the country's third banking group.



## BANCA POPOLARE DI MILANO

Finally, we would like to remark that, even the exchanges with the Supervisory Authorities after the formal approval in September, did not give rise to requests to change the Business Plan, which was the base on which the merger authorizations were issued, and whose assumptions and projections also in terms of bad loans and associated coverage remain confirmed.

Banca Popolare di Milano reaffirms its utmost dissent at the opinions expressed by the rating agency, and it considers them to be detrimental to its own as well as to its stakeholders' interest.

For information:

### **Banca Popolare di Milano**

#### **Communication**

Matteo Cidda  
+39 02.77.00.7438  
matteo.cidda@bpm.it

#### **Investor Relations & Research**

Roberto Peronaglio  
+39 02.77.00.2057  
investor.relations@bpm.it

#### **Press Office**

Monica Provini  
+39 02.77.00.3515  
monica.provini@bpm.it