

NEWS RELEASE**BANCO POPOLARE AND BPM REACH ANOTHER IMPORTANT AGREEMENT WITH TRADE UNIONS****Voluntary participation in redundancy fund extended to 2,100****400 new hires over the business plan period**

Milan, 23 December 2016 – Today, after intense negotiations with the Social Partners, another important milestone along the creation of the new Group Banco BPM has been reached with the signature of the merger union agreements between Banco Popolare and Banca Popolare di Milano.

In confirmation of the intense work carried out over the last few months within the two banks, and thanks to the fruitful dialogue with Trade Unions, a complex agreement could be reached, even before the actual effective date of the merger, based on which, against the 1,800 redundancies declared in the Business Plan, there is the possibility of accepting up to 2,100 voluntary early-retirement applications, thus making it possible to outperform the planned targets stated in the Business Plan itself.

Without affecting the estimated costs defined in the plan, this result could be attained while positively meeting employees' expectations.


Being aware of the importance young people play in building a future-oriented bank, poised to grow rapidly in the more innovative financial sectors, it was established to hire 400 employees over the Plan period.

Keeping in mind the manifested target to pursue the planned cost synergies, it was also agreed to provide voluntary access to 200,000 so-called "solidarity" – i.e., work-sharing - days, together with other solutions aiming at favoring a balanced combination between work and family life, including flexible working time and part time.

The integration process undertaken by the two banks will also be further facilitated by the consolidation of IT and back-office activities into one single consortium, in addition to the launch of professional training and requalification pathways.

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