

Final Terms dated 20 November 2018

**BANCO BPM S.p.A. (the "Issuer")**

**Issue of €600,000,000 Floating Rate Covered Bonds due 23 November 2022**

**Guaranteed by**

**BPM Covered Bond S.r.l. (the "Guarantor")**

**under the €10,000,000,000 Programme**

**PART A – CONTRACTUAL TERMS**

***PROHIBITION OF SALES TO EEA RETAIL INVESTORS*** - *The Covered Bonds are not intended to be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended "MiFID II"); or (ii) a customer within the meaning of Directive 2016/97/EU ("IMD"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.*

***MIFID II Product Governance / Professional investors and ECPs only target market*** - *Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Covered Bonds has led to the conclusion that: (i) the target market for the Covered Bonds is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Covered Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (a "distributor") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.*

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the "**Conditions**") set forth in the prospectus dated 24 April 2018 and the supplement to the prospectus dated 13 November 2018 which constitutes a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Directive (Directive 2003/71/EC) (as amended from time to time, the "**Prospectus Directive**"). This document constitutes the Final Terms of the Covered Bonds described herein for the purposes of Article 5.4 of the Prospectus Directive. These Final Terms contain the final terms of the Covered Bonds and must be read in conjunction with such Base Prospectus, as so completed. Full information on the Issuer, the Guarantor and the offer of the Covered Bonds described herein is only available on the basis of the combination of these Final Terms and the Base Prospectus as so completed. The Base Prospectus, including the supplement, is available for viewing at [www.bancobpm.it](http://www.bancobpm.it) and at the website of the Luxembourg Stock Exchange at [www.bourse.lu](http://www.bourse.lu). These Final Terms will be published on website of the Luxembourg Stock Exchange at



[www.bourse.lu](http://www.bourse.lu) and will be available from the registered office of the Issuer and the Specified Office of the Paying Agent.

1. (i) Series Number: 10  
(ii) Tranche Number: 1
2. Specified Currency or Currencies: EURO ("€")
3. Aggregate Nominal Amount  
(i) Series Number: € 600,000,000  
(ii) Tranche Number: € 600,000,000  
(iii) Aggregate Nominal Amount: € 600,000,000
4. Issue Price: 100% per cent. of the Aggregate Nominal Amount
5. (i) Specified Denominations: €100,000 plus integral multiples of €1,000 in excess thereof up to and including €99,000  
(ii) Calculation Amount: €1,000  
(iii) Rounding: The provisions of Condition 18 apply  
(iv) Issue Date: 23 November 2018  
(v) Interest Commencement Date: Issue Date
6. Maturity Date: 23 November 2022
7. Extended Maturity Date of Guaranteed Amounts corresponding to Final Redemption Amount under the Guarantee: 23 November 2023
8. Interest Basis: For the period from (and including) the Issue Date to (and including) the Extended Maturity Date, 3 months EURIBOR *plus* 0.90 per cent. per annum
9. Redemption/Payment Basis: Redemption at par (subject to, upon an Issuer Event of Default, Condition 12 (*Limited recourse and non petition*))



10. Change of Interest Redemption/Payment Basis: Not applicable.

11. Put/Call Options: Issuer Call

*(further particulars specified below)*

12. Date Board approval for issuance of Covered Bonds and Guarantee respectively obtained: Resolutions of Board of Directors of the Issuer of 13 November 2007 and 8 July 2008 and resolution of Board of Directors of 27 February 2018, with reference to approval of the issuance of Covered Bonds by the Issuer.

Resolution of Quotaholder's Meeting of the Guarantor of 6 June 2008, with reference to approval of the Guarantee by the Guarantor and Resolution of Board of Directors of 6 April 2018, with reference to approval of the issuance of Covered Bonds by the Guarantor.

13. Method of distribution: Non-syndicated.

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. Fixed Rate Provisions Not applicable.

15. Floating Rate Provisions The provisions of Condition 6 apply.



(i) Interest Period(s): Interest will be payable quarterly in arrears on each Interest Payment Date from (and including) the First Interest Payment Date up to (and including) the Extended Maturity Date or, if earlier, the date on which the Covered Bonds are redeemed in full.

(ii) Specified Period: Not applicable.

(iii) Interest Payment Dates: The 23 day of February, May, August and November of each year, starting from 23 February 2019 up to (and including) the



- Extended Maturity Date.
- (iv) First Interest Payment Date: 23 February 2019
- (v) Business Day Convention: Following Business Day Convention.
- (vi) Additional Business Centre(s): TARGET/London/Luxembourg/Milan.
- (vii) Manner in which the Rate(s) of Interest is/are to be determined: Screen Rate Determination.
- (viii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Principal Paying Agent): Not applicable.
- (ix) Screen Rate Determination:
- Reference Rate: 3 months EURIBOR.
  - Interest Determination Date(s): The second TARGET Settlement Day prior to the commencement of each Interest Period.
  - Relevant Screen Page: Reuters EURIBOR 03.
  - Relevant Time: 11.00 a.m. Luxembourg time/Brussels time
  - Relevant Financial Centre: Euro Zone.
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- (x) ISDA Determination: Not applicable.
- (xi) Margin(s): 0.90 per cent. per annum.
- (xii) Minimum Rate of Interest: Not applicable.
- (xiii) Maximum Rate of Interest: Not applicable.
- (xiv) Day Count Fraction: Actual/360, unadjusted
- (xv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating: Not applicable.





Rate Covered Bonds, if different from those set out in the Conditions:

**16. Zero Coupon Provisions**

Not applicable.

**PROVISIONS RELATING TO REDEMPTION**

**17. Call Option**

The provisions of Condition 8(d) apply.

- (i) Optional Redemption Date(s): At any time starting from May 2020 up to the Maturity Date.
- (ii) Optional Redemption Amount(s) of Covered Bonds and method, if any, of calculation of such amount(s): €1,000 per Calculation Amount.
- (iii) If redeemable in part:
  - (a) Minimum Redemption Amount: €1,000 per Calculation Amount.
  - (b) Maximum Redemption Amount: An amount equal to the Principal Amount Outstanding of the Covered Bonds as at the Optional Redemption Date.
- (iv) Notice period: As specified in Condition 8(d) (*Redemption at the option of the Issuer*).

**18. Put Option**

Not applicable.

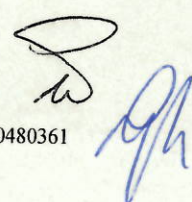
**19. Final Redemption Amount of Covered Bonds**

100 per cent. of the aggregate principal amount of the Covered Bonds.

**20. Early Redemption Amount**

Not applicable.

Early redemption amount(s) per Calculation Amount payable on redemption for taxation reasons or on acceleration following a Guarantor Event of Default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):





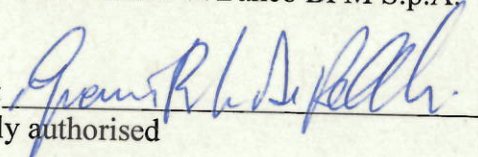
## GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

21. Additional Financial Centre(s) or other special provisions relating to payment dates: Milan, London
22. Details relating to Covered Bonds for which principal is repayable in instalments: amount of each instalment, date on which each payment is to be made: Not applicable.
23. Redenomination provisions: Redenomination not applicable.

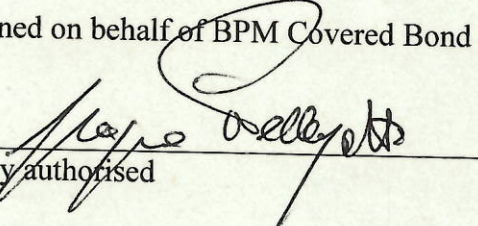
## DISTRIBUTION

24. If syndicated, names and business addresses of Managers Not applicable.
25. Name(s) and business addresse(s) of Stabilising Manager(s) (if any): Not applicable.
26. If non-syndicated, name and business address of Dealer: **UBS Limited**  
5 Broadgate,  
London, EC2M 2QS  
United Kingdom
27. U.S. Selling Restrictions: Reg. S Compliance Category 2.

Signed on behalf of Banco BPM S.p.A.

By:   
Duly authorised

Signed on behalf of BPM Covered Bond S.r.l.

By:   
Duly authorised



## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- |      |                      |   |
|------|----------------------|---|
| (i)  | Listing              | Official list of the Luxembourg Stock Exchange  |
| (ii) | Admission to trading | Application is expected to be made by the Issuer (or on its behalf) for the Covered Bonds to be admitted to trading on the regulated market of the Luxembourg Stock Exchange with effect from 23 November 2018. |

### 2. RATINGS

Ratings: The Covered Bonds to be issued have been rated:

Moody's: A1

Moody's is established in the EEA and is registered under Regulation (EU) No 1060/2009.

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the Regulation (EU) No 1060/2009 (as amended, "**CRA Regulation**") unless the rating is provided by a credit rating agency operating in the EEA before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused. (Please refer to the ESMA [webpage](http://www.esma.europa.eu/page/List-registered-and-certified-CRAs) <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs> in order to consult the updated list of registered credit rating agencies).

### 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

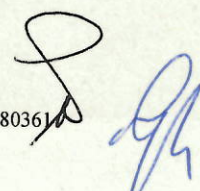
So far as the Issuer is aware, no person involved in the offer of the Covered Bonds has an interest material to the offer.

### 4. TOTAL EXPENSES

Estimated total expenses: €4,800

### 5. HISTORIC INTEREST RATES

Details of historic EURIBOR rates can be obtained from Reuters.





Benchmarks:

Amounts payable under the Covered Bonds will be calculated by reference to EURIBOR which is provided by the European Money Markets Institute ("EMMI"). As at the Issue Date, EMMI does not appear on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmarks Regulation (Regulation (EU) 2016/1011) (the "**Benchmarks Regulation**"). As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that EMMI is not currently required to obtain authorisation or registration.

## 6. OPERATIONAL INFORMATION

ISIN Code: IT0005352841

Common Code: [•]

Any Relevant Clearing System(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* and the relevant identification number(s): Monte Titoli S.p.A.

Delivery: Delivery against payment.

Names and Specified Offices of additional Paying Agent(s) (if any): Not applicable.

Name of the calculation agent in respect of the Covered Bonds: The Bank of New York Mellon (Luxembourg) S.A., Italian branch.

Name of the Representative of the Bondholders: BNY Mellon Corporate Trustee Services Limited.

Intended to be held in a manner which would allow Eurosystem eligibility: Yes.

Note that the designation "yes" simply means that the Covered Bonds are intended upon issue to be held in a form which would allow Eurosystem eligibility (i.e. issued in dematerialised form (*emesse in forma dematerializzata*) and wholly and exclusively deposited with Monte Titoli in accordance with 83-*bis* of Italian legislative decree No. 58 of 24 February 1998, as



amended, through the authorised institutions listed in article 83-*quater* of such legislative decree) and does not necessarily mean that the Covered Bonds will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

