

PRESS RELEASE

BPER Banca and Banca Popolare di Sondrio acquire 39.99% of Arca Holding S.p.A.

BPER Banca and Banca Popolare di Sondrio will acquire the shares of Arca Holding S.p.A. ("Arca Holding") auctioned off by the receiverships of Banca Popolare di Vicenza S.p.A. in LCA and Veneto Banca S.p.A. in LCA, for a total of 39.99% of the share capital of Arca Holding, which in turn holds all the shares of Arca Fondi SGR ("Arca SGR").

As a result of this deal, the stakes held by BPER Banca and Banca Popolare di Sondrio in Arca Holding will come to 57.06% and 36.83% respectively.

The initiative is based on a solid business and financial rationale and aims to enhance Arca SGR as a reference player in Italy's asset management market, further strengthening its competitive positioning and helping to develop its distribution and service capacity. This objective will be pursued by favouring the participation of minority shareholders and assessing potential new partners.

Modena/Sondrio – 13 February 2019. Following a joint presentation on 12 July 2018 and subsequent additions and amendments of a binding offer for the purchase of 19,999,000 Arca Holding ordinary shares held by Banca Popolare di Vicenza S.p.A. ("BPVI") in receivership together with Veneto Banca S.p.A. ("VB") in receivership, the auction was won by BPER Banca S.p.A. and Banca Popolare di Sondrio S.c.p.a. ("BPER", "BPS" and, together, the "Banks").

BPER and BPS are already shareholders of Arca Holding (which in turn owns 100% of Arca SGR) with 32.75% and 21.14% respectively; as a result of this deal, the Banks will respectively hold 57.06% and 36.83% of Arca Holding.

The rationales and key elements of the deal

The deal has a solid industrial and financial rationale and is the natural evolution of the investment made by the Banks several years ago in the asset management company.

BPER and BPS are, in fact, among the founding members of Arca SGR, created in October 1983 by the original 12 cooperative banking shareholders, to which numerous other banks and finance companies have been added as placement agents over the years.

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Arca SGR is one of the main players in the Italian mutual fund market and a top player in the pension fund market, with € 30.7 billion of total assets under management and over 830 thousand clients at the end of December 2018. The company has a wide range of mutual funds, which are distributed throughout the country by more than 8 thousand bank branches. Arca SGR also manages the largest open-end pension fund in Italy, Arca Previdenza, which has over 170,000 members and total assets of € 3.5 billion. Arca SGR has received numerous prizes and awards for the quality and performance of its products over the last few years.

The Banks' main objectives in acquiring 39.99% of Arca Holding are:

- to enhance Arca SGR as a reference player in the field of asset management, at the same time confirming its operating independence, with a view to favouring the growth of its assets under management through distributors' networks and external lines;
- to strengthen the participation of minority shareholders in Arca Holding;
- to develop Arca SGR's distribution and service capacity, also considering the possibility of extending Arca Holding's shareholder structure to entities that can boost the development of Arca SGR's distribution channels or contribute to the further diversification and optimisation of its production capacity and scope for innovation.

Main financial terms of the deal

- Purchase from BPVI of 9,999,500 Arca Holding ordinary shares at a price of € 6.9 per share;
- Purchase from VB of 9,999,500 Arca Holding ordinary shares at a price of € 6.9 per share;
- Overall value of the deal: € 137,993,100.00.

Allocation of the shares between the Banks:

- BPER will acquire a total of 12,154,752 Arca Holding ordinary shares for € 83,867,788.80, reaching 57.06% of its share capital;
- BPS will acquire a total of 7,844,248 Arca Holding ordinary shares for € 54,125,311.20, reaching 36.83% of its share capital.

This deal, to which by the Board of Directors of Arca Holding has given its approval, as required by article 7 of its Articles of Association, is subject to prior notification to the competent Authorities and/or their authorisations. Even though the timing of the deal depends on several variables, some of which are outside the Banks' control, it is expected to be completed by the end of the first half of 2019.

It is the Banks' intention at the closing date to sign shareholder agreements for the Arca Holding shares that they hold in order to regulate their reciprocal relationships in terms of corporate governance and circulation of the shares.

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BPER and BPS believe that the financial content of the deal and Arca SGR's excellent reputation are the prerequisites for significant value creation in favour of their shareholders and stakeholders.

The Banks were assisted by the law firm Legance – Avvocati Associati and by KPMG and Goldman Sachs as financial advisors, respectively, for BPS and BPER.

BPER Banca S.p.A.

Banca Popolare di Sondrio S.c.p.a.

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

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