EUROPEAN COMMISSION

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PUBLIC VERSION

In the published version of this decision, some information has been omitted pursuant to Article 17(2) of Council Regulation (EC) No 139/2004 concerning non-disclosure of business secrets and other confidential information. The omissions are shown thus […]. Where possible the information omitted has been replaced by ranges of figures or a general description.

UniCredit S.p.A.
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Italy

Subject: **Case M.11830 – UNICREDIT / BANCO BPM**
Commission decision pursuant to Article 6(1)(b) in conjunction with Article 6(2) of Council Regulation No 139/2004 ([1]) and Article 57 of the Agreement on the European Economic Area ([2])

Dear Sir or Madam,

(1) On 24 April 2025, the Commission received a notification of a proposed concentration pursuant to Article 4 of Council Regulation (EC) No 139/2004 (the "Merger Regulation") by which UniCredit S.p.A ("UniCredit") will acquire, within the meaning of Article 3(1)(b) of the Merger Regulation ("EUMR"), sole control of the whole of Banco BPM S.p.A ("BPM") ([3]) (and together the "Parties" and the "Transaction").

([1]) OJ L 24, 29.1.2004, p. 1 (the 'Merger Regulation'). With effect from 1 December 2009, the Treaty on the Functioning of the European Union ('TFEU') has introduced certain changes, such as the replacement of 'Community' by 'Union' and 'common market' by 'internal market'. The terminology of the TFEU will be used throughout this decision.
([2]) OJ L 1, 3.1.1994, p. 3 (the 'EEA Agreement').
([3]) OJ C, C/2025/2611, 6.5.2025.

1. THE PARTIES

(2) **UniCredit** provides retail, commercial and private banking, insurance and asset management services to over 15 million clients worldwide. It is mainly active in Italy, Germany, Central and Eastern Europe but also has a small presence in the UK and the US.

(3) In Italy, UniCredit is the second largest banking group by assets, behind Intesa Sanpaolo. It has a network of 2,223 branches with a significant presence in the central and southern regions of Italy.

(4) UniCredit is a public company with shares listed on the Milan, Frankfurt and Warsaw stock exchanges. UniCredit is neither owned nor controlled by a single undertaking and none of its shareholders individually hold more than 10% of the shares or voting rights or have a controlling influence over the company.

(5) **BPM** provides retail, commercial, investment banking, asset management and insurance services in Italy. BPM is currently the third largest banking group in Italy, and the 4th largest by market capitalisation. BPM serves approximately 4 million customers through a network of around 1,434 branches, mostly located in the North of Italy, and in particular in the Lombardy region.

(6) BPM is a public company with shares listed on the Milan stock exchange. It was created in 2017 through the merger of Banco Popolare and Banca Popolare di Milano. At the time of the notification, BPM's largest shareholder (and the only one that individually owns more than 10% of the shares) is Crédit Agricole, which owns a 19.8% stake in the company. ([4])

2. THE OPERATION

(7) On 25 November 2024, UniCredit announced its intention to launch a voluntary public exchange offer ("VPE Offer") for all the ordinary shares in BPM. The VPE offer relates to a maximum of 1,515,182,126 shares representing 100% of BPM's share capital, and is subject to the condition that upon completion UniCredit will hold a stake equal to at least 66.67% of BPM's share capital. ([5])

(8) Upon completion of the Transaction, UniCredit will therefore acquire sole control over BPM within the meaning of Article 3(1)(b) of the Merger Regulation.

3. UNION DIMENSION

(9) The Parties have a combined aggregate world-wide turnover of more than EUR 5 000 million. ([6]) Each of them has a Union-wide turnover in excess of EUR 250 million, but each does not achieve more than two-thirds of its aggregate

([4]) Form CO, Footnote 10. Credit Agricole also owns the asset manager Amundi, which has a stake of just over 5% in Anima, the asset manager acquired by BPM in April 2025.

([5]) UniCredit reserves the right to partially waive this condition, provided that the stake held by UniCredit upon completion of the VPE Offer is at least equal to 50% of the share capital plus 1 (one) BPM's share. More details on the VPE Offer are available here: https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/press-and-media/price-sensitive/2024/november/Notice-pursuant-art.102-TUF-UniCredit_Banco-BPM-exchange-offer_25112024.pdf.

([6]) Turnover calculated in accordance with Article 5(1) of the Merger Regulation and the Commission Consolidated Jurisdictional Notice (OJ C95, 16.4.2008, p. 1).

Union-wide turnover within one and the same Member State. The notified operation therefore has a Union dimension.

4. PROCEDURE PURSUANT TO THE ITALIAN FOREIGN DIRECT INVESTMENT APPROVAL PROCESS

(10) As a part of the Italian Foreign Direct Investment approval process, on 18 April 2025, the Italian authorities issued a Decree pursuant to Decree-Law No 21 of 15 March 2012 (the "Decree"), imposing a number of conditions on UniCredit. In particular, the Decree requires:

(1) [Prescriptions imposed by the Italian authorities under the Decree];

(2) [Prescriptions imposed by the Italian authorities under the Decree];

(3) [Prescriptions imposed by the Italian authorities under the Decree];

(4) [Prescriptions imposed by the Italian authorities under the Decree].

(11) On 26 May 2025, the Commission's services sent a request for information to the Italian Authorities to understand whether these measures are compatible with the Commission's exclusive jurisdiction to assess mergers with a Union dimension in accordance with Article 21(4) of the EUMR.

(12) The Commission's assessment of the competitive impact of the Transaction, as a concentration with a Union dimension, is without prejudice to the Decree. It is also without prejudice to any assessment of the Decree under Article 21(4) of the Merger Regulation.

5. MARKET DEFINITION

(13) The Transaction gives rise to affected markets for retail banking, corporate banking and distribution of life insurance.

(14) The Parties' activities also overlap in the markets for retail personal savings accounts, payment cards issuing, merchant acquiring, point-of-sale (POS) merchant acquiring, E-commerce merchant acquiring, leasing, factoring, investment banking, asset management, financial market services, the production of life and non-life insurance and the distribution of non – life insurance. Moreover, the Transaction gives rise to the following seven additional overlaps where the combined market share of the Parties is above 20%: domestic payment services, foreign payment services, cash management, documentary credit, guarantees, retail current accounts and card-based consumer loans. However, none of these overlaps give rise to affected markets within the meaning of recital 25(g) Annex I to Regulation (EU) 2023/914 ([7]), as they meet the conditions for review under point 5 or benefit from the flexibility clause set out in point 8(a) of the Notice on Simplified Treatment ([8]). Therefore, they will not be considered further for the purposes of this decision.

([7]) Commission Implementing Regulation (EU) 2023/914 of 20 April 2023 implementing Council Regulation (EC) No 139/2004 on the control of concentrations between undertakings and repealing Commission Regulation (EC) No 802/2004, OJ L 119, 5.5.2023, p. 22.

([8]) Commission Notice on a simplified treatment for certain concentrations under Council Regulation (EC) No 139/2004 on the control of concentrations between undertakings (2023/C 160/01), para 5.

5.1. Retail banking

5.1.1. The Commission's past practice

(15) In previous decisions, the Commission has found that retail banking includes all banking services to private individuals and very small enterprises. It has left open whether retail banking can be further divided into a number of individual product markets, namely personal current accounts, saving accounts (deposits), lending (personal loans, consumer credit, mortgages, etc.), private banking services, mutual funds and other investment products. ([9])

5.1.1.1. The Notifying Parties' view

(16) The Notifying Party does not contest the abovementioned market definition. However, it also highlights several elements that may support the appropriateness of considering a single product market encompassing all retail banking services. In particular: (a) for certain customers, a bank's position in one product area largely depends on its ability to offer a range of other products to the same customer segment; and (b) there is a significant degree of supply-side substitutability between these products for banks—especially those with an established branch network and customer base—as the products are generally standardised and less complex than corporate banking services. ([10])

5.1.1.2. The Commission's assessment

(17) Nothing on the Commission's file contradicts its previous findings ([11]) that the relevant market for retail banking services could potentially be further sub segmented as described in para (16) above. However, the Commission leaves open the exact market definition for retail banking services, as, in any event, the proposed remedies will address the competition concerns on any plausible sub-segmentation.

(18) Moreover, the market investigation confirmed the Commission's precedent of including very small enterprises within the retail banking segment ([12]).

5.1.2. Relevant geographic market

5.1.2.1. The Commission's past practice

(19) In past decisions the Commission considered the market for retail banking to be national or regional in scope, depending on the characteristics of the countries concerned. ([13])

5.1.2.2. The Notifying party's view

(20) The Notifying Party submits that the relevant geographic market for retail banking is national. ([14])

([9]) M.8553, Banco Santander/Banco Popular Group, M.4844 - Fortis/ABN AMRO Assets; M.5948 - Banco Santander/Rainbow; and M.3894, Unicredito/HVB.

([10]) Form CO, para 125.

([11]) M.8553, Banco Santander/Banco Popular Group, M.4844 - Fortis/ABN AMRO Assets; M.5948 - Banco Santander/Rainbow; and M.3894, Unicredito/HVB.

([12]) M.8553, Banco Santander/Banco Popular Group, para. 14.

([13]) M.8553, Banco Santander/Banco Popular Group, para. 16.

([14]) Form CO, para 138.

(21) The Notifying Party argues that the increased use of online home banking services by customers reflects the national dimension of the market. The portion of customers who take advantage of digital channels has progressively expanded over the past few years; 33% of users prefer to interact with their bank exclusively online. Moreover, at national level, a large portion of customers are digitally enabled, with 78% of users enabled by home banking (and 69% by mobile). ([15])

(22) According to the Notifying Party, home banking services are becoming increasingly convenient and accessible, with users relying on them more frequently. Banks are investing significant resources to enhance the user experience through the development of tools such as apps, chatbots, and simulators. In support of this view, the Notifying Party points to a sharp rise in the use of internet banking—for example, in Italy, the percentage of individuals using the internet for banking purposes grew from 39% in 2020 to 55% in 2024. In some EU countries, such as Denmark, Finland, and the Netherlands, this figure exceeds 90%. ([16])

5.1.2.3. The Commission's assessment

(23) The Commission conducted a thorough review of the 2020 acquisition of Ubi – Unione Di Banche Italiane by Intesa Sanpaolo assessed by the Italian Competition Authority ("ICA"). ([17]) This acquisition involved a merger between Italy's first and third largest banks, both closely comparable in size and business profile to UniCredit and Banco BPM.

(24) The ICA conducted its competitive assessment for the abovementioned acquisition at a catchment area level, underscoring the local nature of the retail banking sector, both for deposits and loans. Consistent with this approach, the Commission received comparable feedback during its market investigation. Over 70% of respondents from trade associations emphasized the importance of proximity of branches in bank selection ([18]); competitors responses confirmed the local dimension of the retail banking sector and highlighted local market analysis as a key factor in decisions to open new branches ([19]). [Competitor's survey results] ([20])

Figure 1: [CONFIDENTIAL]

Source: [Competitor's survey results]

(25) In accordance with the Commission Notice on the definition of the relevant market ([21]), when markets are likely to be geographically differentiated in the sense that competitive conditions change as a function of the distance between each supplier and the customer, the Commission can rely on catchment areas that are representative of the purchasing patterns of most customers. This can be determined from the actual distribution of travel distances or time, and/or can be

([15]) Form CO, para 139.
([16]) Ibidem.
([17]) C12287 - Intesa Sanpaolo/Ubi-Unione Di Banche Italiane.
([18]) eRFI to associations, question B.1.
([19]) eRFI to competitors, question B.A.B.2 and B.A.B.4.
([20]) […].
([21]) C/2024/1645 Commission Notice on the definition of the relevant market for the purposes of Union competition law, paras 72-74.

based on the views of market participants. On that basis, the Commission typically considers catchment areas covering 80 % of sales or customers. ([22])

(26) In this context, to determine the size of the relevant catchment area, the Commission conducted the assessment of quantitative data regarding the 80th percentile of customers' travel time to reach physical branches, as provided by the Notifying Party ([23]), market participants, ([24]) and the ICA ([25]) in accordance with the Commission Notice. ([26]) This analysis led to the definition of a 20-minute driving catchment area centred around the physical branches of both UniCredit and BPM throughout the whole territory of Italy.

(27) Therefore, in light of the ICA's precedent in *Intesa Sanpaolo/UBI – Unione di Banche Italiane* and the local dimension emerging from the market investigation, the Commission leaves the precise geographic market definition open and will assess potential competition concerns in the retail banking sector using the smallest plausible geographic market definition, based on a 20-minute driving catchment area.

5.2. Corporate banking

5.2.1. Product market definition

5.2.1.1. The Commission's past practice

(28) Corporate banking encompasses banking services to large corporate customers (LCCs) and to small and medium-sized enterprises (SMEs). In its precedents, the Commission has found that it is appropriate to distinguish between services offered to SMEs and LCC. ([27]) The Commission has also found some indications that corporate banking could be sub-segmented between (i) deposits and savings, (ii) loans, (iii) domestic payment services, (iv) foreign payment services, (v) cash management services, ([28]) and (vi) documentary credit ([29]) but ultimately left the question open.

(29) In addition, the Commission has also assessed the market of documentary credits, encompassing letters of credit, collection and guarantees supplied to corporate customers, as a potential sub-segmentation of the corporate banking market. The Commission, however, ultimately left the exact market definition open. ([30])

5.2.1.2. The Notifying Party's view

(30) The Notifying Party does not contest the abovementioned product market definition for corporate banking services.

([22]) C/2024/1645 Commission Notice on the definition of the relevant market for the purposes of Union competition law, para 74.
([23]) Form CO, table 99.
([24]) eRFI to competitors, question B.A.B.4
([25]) AGCM_RFI1, M.11830ID000117-Totale dati Survey Conti Correnti rev.00
([26]) C/2024/1645 Commission Notice on the definition of the relevant market for the purposes of Union competition law, paras 72-74.
([27]) M.2567 Nordbanken/Postgirot, M.3894 - Unicredito/HVB.
([28]) M.8553, Banco Santander/Banco Popular Group, paras.18-20.
([29]) The Commission considered and ultimately left open whether documentary credit should be segmented between letters of credit, documentary collection and guarantees (M.8414 - DNB/Nordea/Luminor Group, paras. 86-92).
([30]) M.8414, DNB/Nordea/Luminor Group, paras. 86-92.

(31) The Notifying Party has also considered the segment of documentary credit and its further potential segmentations into letters of credit, collections and guarantees separately. However, the Notifying Party observes that the high standardization of these products, along with the fact that customers typically engage with multiple banks, makes further sub-segmentation unwarranted and eligible to point 8 of the Notice on Simplified Procedure. That said, the Transaction is not expected to have any detrimental effect on competition, given the moderate market shares observed across all plausible market definitions for documentary credit.

(32) Moreover, the Notifying Party does not dispute the market segmentation along the line of the different services offered to corporate customers but considers that a segmentation between SMEs and LCCs is inappropriate because (a) in Italy, both categories are offered the same products, especially when considering SMEs which are relatively large, and (b) the banks broadly do not make use of such distinction in the ordinary course of business.

5.2.1.3. The Commission's assessment

(33) As set out in para (28) above, Commission's precedents explored the possibility that corporate banking could be sub segmented between (i) deposits and savings, (ii) loans, (iii) domestic payment services, (iv) foreign payment services, (v) cash management services, ([31]) and (vi) documentary credit but ultimately left the question open. Nothing on the Commission's file contradict this segmentation.

(34) In addition, the Commission has also assessed the market of documentary credits, encompassing letters of credit, collection and guarantees supplied to corporate customers, as a potential sub-segmentation of the corporate banking market, ultimately leaving the exact market definition open.

(35) In the present case, a consistent majority of competitors confirmed the distinction between the abovementioned services for documentary credits explaining that the differentiation is correct and relevant, as these are distinct instruments which serve different purposes. ([32]) As a result, the Commission leaves the precise market definition for documentary credit open for the purposes of this decision, as the competitive assessment would not be affected by the exact delineation of the relevant markets.

(36) The Commission has also distinguished in the past between services to SMEs and LCCs ([33]), although no obvious single parameter by which companies can be designated as SMEs or LCCs has been identified and which would be applicable to all market players. ([34]) In the present case as well, the market investigation did not yield conclusive evidence on the clear SME threshold. As a result, the Commission's distinction between SMEs and LCCs is based on the classification and data provided by the Bank of Italy on which market shares are computed. ([35])

(37) The market investigation significantly contested the Notifying Party's view on the sub-segmentation between SMEs and LCCs. One competitor stated that *"[SMEs*

([31]) As also pointed out by the Notifying Party, cash management services are eligible to point 8 of the Notice on Simplified Procedure.

([32]) eRFI to competitors, question C.2.1

([33]) M.2567 Nordbanken/Postgirot, M.3894 - Unicredito/HVB.

([34]) M.8553, Banco Santander/Banco Popular Group, paras.18-20.

([35]) Banca d'Italia separates corporate clients in two groups on the basis of the client's legal status. Corporate clients that have a legal status typically associated with smaller companies are bundled together and classified as SMEs. Corporate clients with a legal status typically associated with larger companies are bundled together and classified as "corporate".

and LCCs] are completely different segments, served in different ways and with different logic." Another explained that in response to the differing complexity and needs of clients, tailor made approaches are typically employed for LCC, whereas more standardized methods are generally adopted for SMEs. ([36])Another market participant observed that the competitive dynamics also vary across segments. ([37])

(38) In light of the above, the Commission leaves open the question of whether the market for corporate banking services should be sub-segmented between different types of services, and between services to SMEs and LCCs. In any case the proposed remedy will address the competition concerns on any plausible sub-segmentation.

5.2.2. Relevant geographic market

5.2.2.1. The Commission's practice

(39) In its precedents, the Commission has considered that the geographic dimension for services to SMEs is national in scope, while for LCCs, it has left open whether it should be national or wider. ([38])

(40) However, the ICA has previously considered that the markets for (i) deposits and savings and (ii) loans to both SMEs and LCCs customers are not national but local in scope. ([39])

(41) Moreover, the Commission has previously assessed that the geographic scope of corporate banking services ([40]) - including documentary credits - is national, accordingly to its past decisions. ([41])

5.2.2.2. The Notifying Party's view

(42) The Notifying Party argues that the appropriate geographic market for all corporate banking services is national in scope, and potentially broader in the case of services provided to LCCs. ([42]) As illustrative evidence, the Notifying Party notes that [50-60]% of UniCredit Group's total corporate loans are managed through just two branches located in Milan and Rome. This concentration reflects the tendency of corporate clients across Italy to conduct their banking activities through major national branches rather than relying on local ones. ([43])

(43) Moreover, the Notifying party submits that the pricing conditions for banking services - including the levels of potential derogations - are determined by the UniCredit Group at national level, [Confidential information on UniCredit's pricing strategy]. ([44])

(44) A further argument supporting the national scope of the corporate banking services relates to the nature of the client relationship. In the context of corporate

([36]) eRFI to Competitors, question C.1.3.
([37]) Ibidem.
([38]) M.8553, Banco Santander/Banco Popular Group, paras.21-22.
([39]) C12287 - Intesa Sanpaolo/UBI-Unione Banche Italiane, para 71 *et seq*.
([40]) Other corporate banking services are domestic and foreign payments, documentary credits and cash management services.
([41]) M.8553 - Banco Santander/Banco Popular Group, paras. 21-22; M.5384 - BNP Paribas/Fortis, para. 72.
([42]) Form CO, para 280.
([43]) Form CO, para 275.
([44]) Form CO, para 282.

accounts, it is typically the UniCredit representative who travels to meet the client, rather than the client visiting a bank branch. Consequently, client relationships are generally established in the commercial areas where the customer's legal or operational headquarters are located. This dynamic indicates that the location of service provision is not driven by the client's willingness to travel. Moreover, larger corporate accounts are managed centrally at the national level.

5.2.2.3. The Commission's assessment

(45) In line with the ICA precedent referred to at paragraph (40), the market investigation indicated that the majority of SME respondents considered proximity to the branch an important factor when selecting a corporate bank. ([45]) This emphasis on local presence is also reflected in competitors' internal strategies. One competitor noted that *"[d]ifferences in terms of risks and profitability of clients, as well as differences in competitivity may lead to both different level of prices applied to clients […] and to promotional campaigns in certain areas.*" ([46])

(46) In a similar vein, another competitor observed that *"[c]ooperative Credit Banks are strategically distributed across various regions of Italy, each characterized by distinct socio-economic and competitive conditions. They tailor their commercial offerings accordingly, taking into account the level of competition within their respective areas of operation in order to optimize profit margins*." ([47])

(47) [Competitor's survey results]. Therefore, in light of the findings of the market investigation, the Commission leaves open the exact geographic market definition for corporate banking and assesses the impact of the Transaction across different geographic levels. Specifically:

(a) Savings and deposits, as well as loans to SMEs, are assessed at the same catchment area level of retail banking services as defined in paragraph (26) above.[Competitor's survey results] ([48]) a conclusion further reinforced by the market investigation. ([49])

(b) Savings and deposits, as well as loans to LCCs, assessed at the regional level. ([50]) This is consistent with ICA precedent and is further supported by the results of the market investigation, which revealed that regional dimension of LCC business was the most submitted answer by competitors when asked about their LCC client proximity. ([51]) In any event, the exact geographic market definition with respect to LCCs can be left open for the purpose of the present decision as the competitive assessment would remain the same irrespective of the exact delineation of the markets.

([45]) eRFI to customers, question C.1.
([46]) eRFI to competitors, question B.B.A.2.
([47]) eRFI to competitors, question B.B.A.2.
([48]) See Figure 1.
([49]) eRFI to competitors, question C.5.
([50]) The regional level corresponds to the 20 administrative regions of Italy. Every Italian region is composed of multiple smaller provinces (with the exception of Valle d'Aosta, which has only one).
([51]) eRFI to competitors, question C.5.

(c) Documentary credits ([52]) are assessed at national level in line with Commission's past decisions. ([53]) Nothing on the Commission's file contradicts this finding.

(48) Therefore, the Commission assessed savings, deposits, and loans for SMEs within 20-minute driving catchment areas. For LCCs, it assessed savings, deposits, and loans at the level of administrative Italian regions. The Commission evaluated documentary credits at the national level.

5.3. Distribution of life insurance

5.3.1. Relevant product market

5.3.1.1. The Commission's past practice

(49) In its precedents, ([54]) the Commission has considered a segmentation between the (i) distribution of life insurance, and (ii) the distribution of non-life insurance and left open whether a distinction should be made between distribution channels, distinguishing between direct sales and outward distribution channels. ([55])

5.3.1.2. The Notifying Party's view

(50) The Notifying Party does not dispute the distinction drawn in the Commission's precedent between the distribution of life insurance and that of non-life insurance.

(51) With respect to the segmentation of distribution channels, the Notifying Party submits that a single market for life insurance products - with no further segmentations - would be more appropriate, since the vast majority of life insurers in Italy are currently authorised to provide their products in practically all insurance classes and, therefore, the competitive landscape is relatively homogeneous across all life insurance classes. ([56])

5.3.1.3. The Commission's assessment

(52) The market investigation confirmed the Commission and the Notifying Parties' distinction between the markets for the distribution of life and non-life insurance products. ([57])

(53) One competitor explained that *"[...] the distribution of life insurance products and the distribution of non-life insurance products should be considered separate markets, given: i) the different nature of the two categories of insurance products and the needs they fulfil; ii) the differences in distribution networks, considering the active participants involved in the sales process and their respective methods of operation." ([58])*

(54) This view is further supported by several respondents. One emphasized the relevance of distinct regulatory regimes, noting that *"[...] it is also necessary to take into account the differences between the regulatory frameworks applicable*

([52]) Documentary credit further divided into letters of credit, collections, and guarantees.
([53]) M.8553 - Banco Santander/Banco Popular Group, paras. 21-22; M.5384 - BNP Paribas/Fortis, para. 72.
([54]) M.10360 - Assicurazioni Generali/Società Cattolica di Assicurazione, para 83.
([55]) M.10360 - Assicurazioni Generali/Società Cattolica di Assicurazione, para 84-85.
([56]) Form CO, para 585.
([57]) As set out in para (14), the distribution of non-life insurance products does not give rise to affected markets because of the application of the Notice on Simplified Treatment.
([58]) eRFI to Competitors – Life Insurance Distribution, question B.1.1.

to the two insurance branches, as well as the fact that there is no perfect overlap among the active market operators, given the presence of entities that specialize exclusively in the distribution of certain products." ([59]) Another respondent added that *"[...] in the Italian market, the two insurance sectors are completely distinct and differ in terms of the nature and purpose of the products, as well as the customer base and main distribution channels." ([60])*

(55) In light of this evidence, the Commission conducted a separate assessment of potential competitive concerns in relation to the distribution of life insurance and non life insurance products. ([61])

(56) With respect to the further segmentation of distribution channels, given the divergent responses received during the market investigation, and consistently with its precedent, ([62]) the Commissions leaves the precise definition of the relevant market open as the Transaction will not raise competition concerns under any plausible market definition.

(57) In particular, the investigation did not yield a univocal view on whether the distribution of life insurance products should be segmented by distribution channel. Some respondents argued in favour of a distinction, emphasising the qualitative differences between direct and intermediated channels. One participant noted that *"[r]egarding life insurance products, from our point of view, the market segmentation between distribution made via direct sales and distribution via outward distribution channels is correct, since the advice process finds better expression when realized through outward distribution channels"*. ([63])

(58) Another respondent supported this position, stating that *"[…] this distinction aligns with Italian legislation. There are clear differences between direct sales and the intermediated model in both life and non-life insurance. Additionally, Italian regulations distinguish between traditional channels (agents and brokers) and Bancassurance, highlighting their unique operational characteristics and sales processes". ([64])*

(59) However, other market participants expressed an opposing view, asserting that the two channels are closely interrelated because *"[t]here is strong competition among the two different channels of distribution". ([65])*

(60) In light of these conflicting positions, and in line with its precedent ([66]), the Commission assesses the competitive landscape by segmenting the market into (i) the distribution of life insurance and (ii) the distribution of non-life insurance. It leaves open the question of whether a further distinction should be made between distribution channels—specifically, assessing life insurance products distributed by direct sales and life insurance products distributed by outward channels—as the Transaction does not raise competition concerns under any plausible market definition.

([59]) Ibidem.
([60]) Ibidem.
([61]) As set out in paragraph (12), the distribution of non - life insurance products will not be considered further for the purposes of this decision.
([62]) Ibidem.
([63]) eRFI to Competitors – Life Insurance Distribution, question B.2.1.
([64]) Ibidem.
([65]) Ibidem.
([66]) M.10360 - Assicurazioni Generali/Società Cattolica di Assicurazione, para 84-85.

5.3.2. Relevant geographic market

5.3.2.1. The Commission's past practice

(61) In its previous decisions, the Commission recognised the national nature of the insurance distribution market, but eventually left the exact geographic market definition open. ([67])

(62) However, with regard to Italy, the Commission has also considered a narrower segmentation for insurance product distribution in accordance with the ICA's practice, i.e., at the level of administrative provinces. ([68])

5.3.2.2. The Notifying Party's view

(63) The Notifying Party submits that, in accordance with the Commission's decisional practice, the geographic market definition for both the provision and the distribution of life insurance products should be considered as national.

(64) The Notifying Party submits that a more granular approach at local level appears to be inappropriate due to the homogeneity of market and competition conditions at national level. More specifically: (i) legislative and regulatory requirements are defined uniformly at national level, with no distinction at local level; (ii) the same insurance products are distributed in all provinces; (iii) commercial conditions (e.g., pricing) are generally fixed uniformly by insurance companies.

5.3.2.3. The Commission's assessment

(65) The market investigation confirmed the national scope of the life insurance distribution market, as reflected in the statements of various competitors. ([69])

(66) One respondent emphasized that "*all the decisions are centralized*," ([70]) underscoring the central role of headquarters in shaping market strategy. Another confirmed that "*distributors of life insurance products are active across the different regions and products offering and pricing are homogeneous across regions within Italy*," ([71]) highlighting the uniformity of competitive conditions nationwide.

(67) A further participant elaborated that "*in our view, the competition for distributing life insurance products occurs at a national level because pricing and product decisions are made by the headquarters, ensuring uniformity across the territory. Local branches implement these decisions and provide information about the regional market but do not have full decision-making authority. Although local presence is crucial for serving customers and understanding market nuances, strategic direction and competitive tactics originate from the national headquarters."* ([72])

(68) Collectively, these insights substantiate the Commission's assessment that the relevant market very likely exhibits a national dimension.

([67]) M.6957 IF P&C / Topdanmark, paras. 36-37 and M.6053 CVC/Apollo/Brit Insurance, paras. 21-22.

([68]) M.10360 – Assicurazioni Generali/Società Cattolica di Assicurazione, paras. 90 and ff.; M.7233 - Allianz/Going Concern of Unipolsai Assicurazioni, para. 24; M.5057 - Aviva/UBI Vita, para. 11; M.2768 - Generali/Banca Intesa/JV, para. 21.

([69]) eRFI to Competitors – Life Insurance Distribution, question B.3.

([70]) eRFI to Competitors – Life Insurance Distribution, question B.3.1.

([71]) Ibidem.

([72]) Ibidem.

(69) However, as explained in paragraph (62) above, with regard to Italy, the Commission has also considered a narrower geographic segmentation for insurance product distribution in accordance with the ICA's practice, i.e., at the level of administrative provinces. ([73]) ([74])

(70) Therefore, to maintain consistency with its previous practice with regard to Italy the Commission assesses the impact of the Transaction both at national and provincial level, while leaving the precise geographic market definition open, as the Transaction is unlikely to give rise to competition concerns under any plausible market delineation.

6. COMPETITIVE ASSESSMENT

6.1. Legal framework

(71) Pursuant to Article 2(2) and (3) of the Merger Regulation, the Commission must assess whether a proposed concentration would significantly impede effective competition in the internal market or in a substantial part of it, in particular through the creation or strengthening of a dominant position. In this respect, a merger can entail horizontal and/or non-horizontal effects.

(72) The Commission assesses the effects of notified transaction in accordance with the Guidelines on the assessment of horizontal mergers under the Merger Regulation. ([75]) The Horizontal Merger Guidelines distinguish two main ways in which concentrations between actual or potential competitors in the same relevant market may significantly impede effective competition, namely non-coordinated effects and coordinated effects.

(73) A concentration giving rise to non-coordinated effects may significantly impede effective competition by eliminating the competitive constraint imposed by one merging party on the other, as a result of which the merged entity would have increased market power without resorting to coordinated behaviour. In that regard, the Horizontal Merger Guidelines consider not only the direct loss of competition between the merging firms, but also the reduction in competitive pressure on non-merging firms in the same market that could be brought about by the concentration. ([76]) The Horizontal Merger Guidelines list a number of factors which may influence whether or not significant non-coordinated effects are likely to result from a merger, such as the large market shares of the merging firms, the fact that the merging firms are close competitors, the limited possibilities for customers to switch suppliers, or the fact that the merger would eliminate an important competitive force. ([77]) Not all of these factors need to be present for significant non-coordinated effects to be likely. The list of factors, each of which is not necessarily decisive in its own right, is also not an exhaustive list.

(74) A concentration may also give rise to coordinated effects by changing the nature of competition in a market in such a way that firms that previously were not

([73]) M.10360 – Assicurazioni Generali/Società Cattolica di Assicurazione, paras. 90 and ff.; M.7233 - Allianz/Going Concern of Unipolsai Assicurazioni, para. 25; M.5057 - Aviva/UBI Vita, para. 11; M.2768 - Generali/Banca Intesa/JV, para. 21.

([74]) Provinces are Italian administrative divisions that are smaller than regions. Each region is made up of one or more provinces.

([75]) Guidelines on the assessment of horizontal mergers under the Council Regulation on the control of concentrations between undertakings ('Horizontal Merger Guidelines'), OJ C 31, 5.2.2014.

([76]) Horizontal Merger Guidelines, paragraph 24.

([77]) Horizontal Merger Guidelines, paragraph 26.

coordinating their behaviour, are now significantly more likely to coordinate and raise prices or otherwise harm effective competition. ([78]) The Horizontal Merger Guidelines identify four cumulative conditions to establish the likely emergence and sustainability of coordinated conduct: (a) firms have the ability to agree tacitly on the terms of coordination, (b) there is sufficient transparency to monitor any deviations; (c) there are deterrence mechanisms and (d) outsider reactions cannot undermine the coordinated outcome. ([79])

(75) The Horizontal Merger Guidelines also describe a number of factors that could counteract any harmful effects of the merger on competition, including the likelihood of buyer power, entry and efficiencies. ([80])

6.2. Market Dynamics

(76) The Italian banking sector is currently very fragmented and is characterised by a small number of large banks (which typically operate across all Italian regions) and a large number of smaller banks (some of which operate across all Italian regions and some only in specific regions and provinces).

(77) Table 1 below shows the largest banks in terms of the number of branches in Italy. By far the largest bank is Intesa Sanpaolo with nearly 3 000 branches, followed by UniCredit, BPER, BPM and MPS. All these players all have a nation-wide presence.

(78) As illustrated by the figures, the Transaction would create the largest bank in Italy by the number of branches.

Table 1: Italian banks by number of branches

	No. of branches
Intesa	2 946
UniCredit	2 223
BPER	1 646
BPM	1 454
MPS	1 366
Others	10 427
Total market size	25 767

Source: Form CO, Table 10

(79) As mentioned above, in addition to the largest national banks, there is a belt of mid-sized banks with a national presence or significant presence in some of the larger regions of Italy. These include for example Banca Popolare di Sondrio, Crédit Agricole, BNL, and Credem. There are also a number of large nationwide cooperative banking groups operating, such as Iccrea and Cassa Centrale Banca.

(80) There are also many smaller banks with strong presence and history in many local markets, as well as specialised players focused on specific products and client segments. Table 1 above also demonstrates this fragmentation of the Italian

([78]) Horizontal Merger Guidelines, paragraph 39.
([79]) Horizontal Merger Guidelines, paragraph 41.
([80]) Horizontal Merger Guidelines, paragraph 30.

banking market, with the mid-sized and smaller banks operating the majority of the branches.

(81) There are also a number of digital only banks operating in Italy, including BBVA, N26 and Revolut, which have gained popularity in Italy, in particular with younger, technically able banking customers looking for basic banking products and services.

(82) Finally, basic banking services such as current accounts and savings accounts are offered by the Italian Post Office, Poste Italiane Group ("Poste"). In particular, BancoPosta is the business unit of the Poste Italiane Group that is active in the banking sector, through the collection of savings (including postal savings or current accounts), the issuance, management and sale of prepaid cards and other means of payment, payment services, foreign exchange brokerage services, the promotion and placement of loans granted by banks and financial intermediaries to the public and the provision of investment and insurance services.

6.3. Horizontal non-coordinated effects

(83) UniCredit and Banco BPM's activities overlap in a number of markets and result in horizontally affected markets in retail banking, corporate banking, and the distribution of life insurance.

(84) The Transaction results in the following horizontally affected retail banking markets:

- The market of deposits of retail customers in the regions Sicily, Molise and Valle d'Aosta, in 21 provinces and 900 catchment areas in Italy.
- The market of loans to retail customers in the province of Verona and in 1185 catchment areas in Italy.

(85) The Transaction results in the following horizontally affected corporate banking markets:

- The market for deposits and savings of corporate customers overall (SMEs LCCs) in 8 regions in Italy.
- The market for loans to corporate customers overall (SMEs and LCCs) in 7 regions in Italy.
- The market of deposits and savings of LCCs in 8 regions in Italy.
- The market of loans to LCCs in 9 regions in Italy.
- The market for deposits and savings of SMEs in 25 provinces and 1245 catchment areas in Italy.
- The market for loans to SMEs in 16 provinces and 935 catchment areas in Italy.
- The market for documentary credit (letters of credit and collection) in Italy.

(86) The Transaction results in horizontally affected markets for the distribution of life insurance in 8 provinces in Italy.

(87) The Commission's competitive assessment at catchment area level was carried out in line with the geographic market definition, by identifying affected markets of a radius of 20-minute drive around the Parties' bank branches.

(88) In view of the market investigation results depending on the product market, different criteria were used by product market to identify catchment areas where

the Commission considers that the Transaction raises serious doubts: the more negative the results of the market investigation are, the lower the threshold to raise serious doubts is. The criteria are as follows:

– For the market of loans to SMEs: catchment areas where the Parties have a combined market share above 35% with a market share increment of 5% or more where not enough competitors with sufficient market presence remain, ([81]) and in catchment areas where the Parties have a combined market share above 45%.

– For the market of deposits and savings of SMEs: catchment areas where the Parties have a combined market share above 40% with a market share increment of 5% or more where not enough competitors with sufficient market presence remain, and in catchment areas where the Parties have a combined market share above 50%.

– For the markets of deposits of retail customers (taking into account BancoPosta's presence): catchment areas where the Parties have a combined market share above 40% with a market share increment of 5% or more where not enough competitors with sufficient market presence remain, and in catchment areas where the Parties have a combined market share above 50%.

– For the markets of loans to retail customers: catchment areas where the Parties have a combined market share above 40% with a market share increment of 5% or more where not competitors with sufficient market presence remain, and in catchment areas where the Parties have a combined market share above 50%.

(89) In line with this catchment area assessment methodology, the Commission considers that the Transaction raises serious doubts as to its compatibility with the internal market with regards to 181 catchment areas. ([82]) The breakdown by product market is as follows:

– The Transaction raises serious doubts in 67 catchment areas as a result of the Parties' activities in the market of loans to SMEs.

– The Transaction raises serious doubts in 162 catchment areas as a result of the Parties' activities in the market of deposits and savings of SMEs.

– The Transaction raises serious doubts in 65 catchment areas as a result of the Parties' activities in the market of deposits of retail customers.

– The Transaction raises serious doubts in 40 catchment areas as a result of the Parties' activities in the market of loans to retail customers.

6.3.1. Market share methodology

(90) Market shares for the markets of deposits of retail customers, loans to retail customers, deposits and savings of corporate customers overall (SMEs and LCCs), deposits and savings of SMEs, deposits and savings of LCCs, loans to

([81]) For the purpose of this decision, it was considered that, in catchment areas where at least 3 competitors with market shares of at least 10%, 5%, and 5% each are present, enough competitors with sufficient market presence remain.

([82]) Serious doubts are raised in a catchment as soon as serious doubts can be raised in one or more product markets in that catchment area. Consequently, the total amount of catchment areas where serious doubts are raised is not equal to the sum of problematic catchment areas when broken down by product market.

corporate customers overall (SMEs and LCCs), loans to SMEs, and loans to LCCs were established by the Commission on the basis of data provided by Bank of Italy and using the methodology presented in the below paragraph.

(91) Bank of Italy provided the Commission with a dataset on amounts of loans and deposits by banking group and province. In the dataset, transaction volumes are broken down by type of customer such that provincial totals can be determined for LCCs, SMEs and retail customers separately. For each banking group, these volumes are assigned to provinces by customer location, which yields more accurate market shares than alternative by branch-location volumes as by-branch data are distorted by internal choices of the banks to account large volumes of loans and deposits to single branches that originate in other branches. Secondly, the Bank of Italy provided a list of legal bank branches active in Italy, based upon which the Commission assigned volumes to each branch of a given banking group by splitting the group's provincial total per product market evenly over all the bank's branches in that province. ([83]) As offices of BancoPosta were not included on the list of branches, market shares for retail deposits, for which the Commission accepted to include BancoPosta as a market participant (as detailed in section 6.3.6.1), were adjusted taking into account volumes of BancoPosta's retail deposits. ([84]) At catchment area level, market shares of each banking group were calculated per product market by adding up the relevant amounts from the group's branches in a catchment area and dividing it by the total amount of all branches in that catchment area, including BancoPosta financial offices for the retail deposits market. ([85])

6.3.2. Retail banking services

(92) In retail banking services the transaction only leads to affected markets - which are not subject to the flexibility clause of paragraph 8(a) of the Notice on Simplified Procedure - on markets that would be defined at an infra-national basis for the segments of retail loans and retail deposits. ([86])

6.3.3. Market shares for retail deposits

(93) In retail deposits, UniCredit and BPM's combined market share only exceeds 25% in the regions of Sicily (combined market share of [30-40]% with an increment of

([83]) This implies that online-only banks, as well as banks with a business model reliant on local advisors or non-branch offices rather than official local branches, are partially excluded from the local analysis if these banks do not have legal branches, as included in the list of Bank of Italy, in a specific catchment area. The only exemption is BancoPosta for which financial offices are explicitly added to be taken into account in the market for household deposits. Such an exclusion can occur despite having positive volumes associated with customers based in the province or region, as these are only taken into account if there is a physical branch in the catchment area. Relative to the local market shares used in the party's analysis, which aims to approximate the market share of these banks, the Commission's methodology is more conservative.

([84]) BancoPosta's market share on the retail deposits market at national level is approximately [5-10]%. It was assumed that, for the retail deposits markets at provincial level, BancoPosta would have the same market share as nationally and market sizes as well as shares of all participants were adjusted accordingly.

([85]) To account for BancoPosta at catchment area level, BancoPosta's total volume of retail deposits in a given province was equally divided across its financial offices in that province. When BancoPosta's financial offices are present in a catchment area they were included in the market share calculation accordingly.

([86]) For all other retail banking services the combined market share levels would remain below the levels of the flexibility clause, therefore, the below only discusses the possible sub-segments for retail deposits and retail loans.

[0-5]%), Molise (combined market share of [20-30]% with an increment of [5-10]%) and Valle d'Aosta (combined market share of [20-30]% with an increment of [5-10]%) for retail deposits.

(94) At province level the combined market share exceeds 25% in the following 21 provinces for household deposits:

Table 2 - Combined market shares for household deposits per province (2024, Value, Customer location)

Province	**Combined market share**	**UniCredit**	**BPM**
Verona	[40-50]%	[20-30]%	[20-30]%
Palermo	[30-40]%	[30-40]%	[0-5]%
Messina	[30-40]%	[20-30]%	[5-10]%
Trieste	[30-40]%	[30-40]%	[0-5]%
Enna	[30-40]%	[30-40]%	[0-5]%
Catania	[30-40]%	[20-30]%	[5-10]%
Modena	[30-40]%	[10-20]%	[10-20]%
Belluno	[30-40]%	[20-30]%	[0-5]%
Alessandria	[30-40]%	[10-20]%	[10-20]%
Campobasso	[20-30]%	[20-30]%	[5-10]%
Novara	[20-30]%	[5-10]%	[20-30]%
Siracusa	[20-30]%	[20-30]%	[0-5]%
Agrigento	[20-30]%	[20-30]%	[0-5]%
Reggio Emilia	[20-30]%	[10-20]%	[10-20]%
Lucca	[20-30]%	[0-5]%	[20-30]%
Aosta	[20-30]%	[20-30]%	[5-10]%
Torino	[20-30]%	[20-30]%	[0-5]%
Benevento	[20-30]%	[10-20]%	[10-20]%

Source: Bank of Italy

(95) At a catchment area level, the combined market shares in catchment areas with an increment exceeds 25% for household deposits in 717 catchment areas. The maximum combined market share in catchment areas in one catchment area in Aosta is [90-100]% . This is also the only catchment area with a combined market share above 70%. In addition, there are an additional 20 catchment areas with a combined market share above 50% (17 in Verona and 3 in Modena) and 158 catchment areas with a market share between 40 and 50% (85% of these catchment areas are in Verona)).

6.3.4. Market shares for retail loans

In retail loans, on a provincial level the combined market share only exceeds 25% in Verona retail loans to households. and in the following 21 provinces for household deposits.

(96) At a catchment area level, the combined market shares in catchment areas with an increment exceeds 25% for household loans in 707 catchment areas. The maximum combined market share in one catchment area is [80-90]%. Of these catchment areas, there are two catchment areas with a combined market share above 70% one located in Aosta and another one in Verona. In addition, there are an additional 28 catchment areas with a combined market share above 50% (7 in Catania, 6 in Verona, 4 in Modena, 3 in Messina, 2 each in Novara, Messina and Campobasso, 1 each in Vercelli and Torino) and 58 catchment areas with a market share between 40 and 50% (13 in Verona, 10 in Catania, 9 in Torino, 4 in Reggio Emilia, 3 in Palermo, 2 each in Alessandria, Aosta, Bologna, Campobasso, Foggia and Messina and 1 each in Agrigento, Benevento, Lucca, Modena, Novara, Siracusa and Trento).

6.3.5. Notifying Party's views concerning retail banking services (including retail deposits and loans)

(97) The Notifying Party submits that the combined entity will continue to face strong competition from a number of qualified players in all segments of retail banking services, including retail deposits and loans. According to the Notifying Party, across banking services, the combined entity will compete with a range of sophisticated financial institutions, including operators active on an international scale which have a well-established presence in the EU and in Italy. ([87])

(98) The Notifying Party submits that its most important competitors in retail banking are: [Confidential information on competitors]. ([88])

(99) Additionally, the Notifying Party submits that national and local players compete vigorously with the larger players both in terms of price and in terms of innovation. Therefore, according to the Notifying Party, there is currently ample and objective evidence of a truly diversified and competitive landscape in Italy (which includes, among others, (i) national players such as Intesa Sanpaolo, BPER, MPS and Credem, (ii) large nation-wide cooperative banking groups such as ICCREA and Cassa Centrale Banca, (iii) mid-sized and regional players with strong and historical local roots, (iv) small players with strong presence and history in many local markets, (v) specialised players focused on specific products and client segments, (vi) online banks, and (vii) significant subsidiaries and branches of large international banking groups, able to cover/offer the entire product and services spectrum), and the Transaction will not negatively affect such dynamics. ([89])

(100) Furthermore, Intesa Sanpaolo will continue to be larger than UniCredit, even if the gap with the second largest player will generally be reduced. If anything, the fact that the Transaction will accelerate UniCredit's growth in the most productive areas of Italy (where UniCredit has traditionally lagged behind Intesa Sanpaolo) will further increase head-to-head competition vis à vis the largest market player

([87]) Form CO, para. 228.
([88]) Form CO, para. 229.
([89]) Form CO, para. 264.

and allow UniCredit to compete even more fiercely and effectively with Intesa Sanpaolo, which is one of the objectives of the Transaction. ([90])

6.3.6. Commission assessment for retail loans and deposits

(101) The assessment below will first assess which types of banks are included in the competitive assessment for retail banking services. Second, it will summarize and assess the findings of the market investigation, which apply across the board, and, third, it will focus on the local catchment areas where serious doubts are raised.

6.3.6.1. BancoPosta and online banks

(102) As set out in Section 6.2 above, the Italian retail banking market is characterized by different types of banks, while the majority of the market is served by 'traditional' retail banks with branches such as Intesa Sanpaolo, Unicredit, BPM, MPS and BPER and various local and cooperative banks. Other banks play an important role in constraining the 'traditional' retail banks.

(103) One such bank is BancoPosta which has a very dense branch network across Italy as it makes use of the 13,000 postal offices across the country. BancoPosta can offer all types of retail banking services to its clients. However, it is legally precluded from providing loans in its own name, but does distribute the loans of other banks. ([91]) The results of the market investigation also confirm that BancoPosta is considered less competitive for retail loans, whereas it is considered competitive for retail deposits and savings. Therefore, for the question whether serious doubts are raised in certain catchment areas based on high combined market shares of the combined entity, BancoPosta is only taken into account for a screening based on retail deposits, whereas it is not taken into account for the screening based on retail loans where it merely acts as a distributor of the products and services of other banks.

(104) Online banks are another competitive constraint on traditional retail banks, however the inclusion of online banks does not affect the assessment as to whether serious doubts are raised on a national, regional or provincial level for retail banking services. In any event, as will be further set out below serious doubts are only raised at catchment area level. For the screening of catchment areas where serious doubts are raised only online banks with a 'hybrid' business model are taken into account as far as they have customer-facing branch-like establishments in such catchment areas; this includes banks such as Fineco, Deutsche Bank and Banca Mediolanum as well as several other banks with a 'hybrid' online-branch business model.

6.3.6.2. Results of the market investigation and Commission assessment

(105) The results of the market investigation and Commission's assessment with regard to retail deposits and loans are as follows.

(106) *First*, the majority of competitors responding to the market investigation consider the impact of the Transaction on competition for retail banking services to be neutral (on a national level). ([92]) Competitors explain that there are several alternative banks competing on the retail banking services market and that the

([90]) Form CO, para. 267.
([91]) Minutes of 19 March 2025, para. 7.
([92]) eRFI to competitors, question E.1.

combined market share of UniCredit and BPM remains modest. ([93]) The majority of consumer associations considers that the Transaction will significantly strengthen UniCredit's competitive position, but a similar majority of consumer associations also considers that there will remain sufficient alternatives in the market. ([94])

(107) *Second*, virtually all competitors consider that smaller banks can compete with larger banks for retail banking services. ([95]) For example, according to one competitor: *'[s]mall banks offer competitive products and ensure personal relationships*'. ([96])

(108) *Third*, competitors rate Banco BPM as the fifth most competitive compared to UniCredit, Intesa, BPER and Crédit Agricole. ([97]) Diversion ratios based on UniCredit customers switching to another bank also show that most customers will switch to Intesa Sanpaolo and that up to ten other banks (depending on the year considered) are more likely switching destinations than BPM for UniCredit customers. ([98]) However, these data provide a national perspective and the role of BPM especially may be more prominent in certain local areas.

(109) *Fourth*, competitors do not consider that BPM offers any particular services or products that no other bank can offer. ([99]) Moreover, the majority of competitors considers that BPM's position between the two largest Italian banks and the smaller Italian banks does not provide it with a competitive advantage. ([100]) One competitor indicates that '*[…] Banco BPM is frequently perceived from the customers as similar to a regional bank, mainly because Banco BPM acquired several regional banks keeping the original local brands in many areas.*' ([101])

(110) These results suggest that in general i.) the Transaction will have a limited impact on competition for retail banking services and sufficient alternatives will remain; ii.) smaller banks can compete with the larger banks for retail banking services; iii.) BPM is not a close competitor to UniCredit and iv.) BPM does not appear to offer any unique products or services and is not perceived as a unique bank in the market and therefore does not appear to play an outsized role compared to its market share.

(111) Therefore, in catchment areas with combined market shares of up to 40 %, where there are several alternative competing banks with at least one competitor with a market share above 10% and two additional competitors with at least 5% market share each, the concentration does not raise serious doubts.

6.3.6.3. Local competition concerns for retail deposits and loans

(112) However, consumer associations have emphasized that there are local areas where the Transaction will lead to further concentration and where a deterioration of service for retail consumers can be expected. They mention in particular the strong role of the combined entity in the North of Italy in Veneto, Piemonte and

([93]) eRFI to competitors, question E.1.
([94]) eRFI to associations, question D.1.
([95]) eRFI to competitors, question E.5.
([96]) eRFI to competitors, question E.5.
([97]) eRFI to competitors, question B.B.1.
([98]) Response to RFI 10, Annex 1.1.
([99]) eRFI to competitors, question E.6.
([100]) eRFI to competitors, question B.B.8.
([101]) eRFI to competitors, question B.B.9.

Lombardia. ([102]) Moreover, as laid down in Section 5.1.2 local competition at catchment area level is still very important in Italy and the Transaction leads to very high concentration levels in retail deposits and retail loans for certain catchment areas.

(113) There are catchment areas where the combined entity will have combined market shares that suggest that the concentration will create a dominant market position of the combined entity or strengthen an already dominant position of either UniCredit or BPM in a certain catchment area. This is the case in catchment areas for retail banking services where the combined entity has a combined market share between 40 % and 50% and the increment from the Transaction is at least 5%. In such cases, unless there is at least one competitor with a sizeable market share of at least 10% and an additional two alternative competitors with at least 5% market share each serious doubts are raised. Serious doubts are raised based on this threshold in 13 catchment areas for retail loans and in 44 catchment areas for retail deposits.

(114) Moreover, there are catchment areas where the combined market share will exceed 50% in line with paragraph 17 of the Horizontal Merger Guidelines. In these catchment areas, the Transaction raises serious doubts as to its compatibility with the internal market in each such catchment area where both UniCredit and BPM are active as such very large market shares indicate the creation of a dominant position or strengthen an already dominant position of either UniCredit or BPM. Serious doubts are raised based on this threshold in 27 catchment areas for retail loans and in 21 catchment areas for retail deposits.

6.3.7. Corporate banking

(115) In corporate banking, the Transaction leads to affected markets in loans, deposits and savings, and documentary credit (letters of credit and collection).

(116) The Transaction leads to affected markets for loans to corporate customers overall (SMEs and LCCs) in 7 regions as described below in Table 3, and in deposits and savings of corporate customers overall (SMEs and LCCs) in 8 regions, as described below in Table 4.

([102]) eRFI to associations, question D.2.

Table 3 - Market shares of affected markets for loans to corporate customers (SMEs and LCCs) at regional level (2024, value, by customer location)

Region	Combined market share	UniCredit	BPM
Lombardia	[20-30]%	[5-10]%	[10-20]%
Piemonte	[20-30]%	[5-10]%	[10-20]%
Emilia Romagna	[20-30]%	[10-20]%	[10-20]%
Veneto	[20-30]%	[5-10]%	[10-20]%
Liguria	[20-30]%	[5-10]%	[10-20]%
Valle d'Aosta	[20-30]%	[10-20]%	[5-10]%
Sicilia	[20-30]%	[10-20]%	[5-10]%

Source: Bank of Italy

Table 4 - Market shares of affected markets for deposits and savings of corporate customers (SMEs and LCCs) at regional level (2024, value, by customer location)

Region	Combined market share	UniCredit	BPM
Molise	[20-30]%	[10-20]%	[5-10]%
Valle d'Aosta	[20-30]%	[10-20]%	[5-10]%
Sicilia	[20-30]%	[10-20]%	[5-10]%
Veneto	[20-30]%	[10-20]%	[5-10]%
Piemonte	[20-30]%	[10-20]%	[5-10]%
Umbria	[20-30]%	[10-20]%	[0-5]%
Liguria	[20-30]%	[5-10]%	[10-20]%
Emilia Romagna	[20-30]%	[10-20]%	[5-10]%

Source: Bank of Italy

(117) The Transaction leads to affected markets for loans to LCCs in 9 regions as described below in Table 5, and in deposits and savings of LCCs in 8 regions, as described below in Table 6.

Table 5 - Market shares of affected markets for loans to LCCs at regional level (2024, value, by customer location)

Region	Combined market share	UniCredit	BPM
Lombardia	[20-30]%	[5-10]%	[10-20]%
Piemonte	[20-30]%	[5-10]%	[10-20]%
Emilia Romagna	[20-30]%	[10-20]%	[10-20]%
Veneto	[20-30]%	[10-20]%	[10-20]%
Liguria	[20-30]%	[5-10]%	[10-20]%
Valle d'Aosta	[20-30]%	[10-20]%	[10-20]%
Toscana	[20-30]%	[5-10]%	[10-20]%
Sicilia	[20-30]%	[10-20]%	[5-10]%
Umbria	[20-30]%	[10-20]%	[5-10]%

Source: Bank of Italy

Table 6 - Market shares of affected markets for deposits and savings of LCCs at regional level (2024, value, by customer location)

Region	Combined market share	UniCredit	BPM
Valle d'Aosta	[20-30]%	[10-20]%	[5-10]%
Sicilia	[20-30]%	[10-20]%	[5-10]%
Veneto	[20-30]%	[10-20]%	[5-10]%
Piemonte	[20-30]%	[10-20]%	[5-10]%
Molise	[20-30]%	[10-20]%	[10-20]%
Umbria	[20-30]%	[10-20]%	[0-5]%
Emilia Romagna	[20-30]%	[10-20]%	[5-10]%
Liguria	[20-30]%	[5-10]%	[10-20]%

Source: Bank of Italy

(118) The Transaction leads to affected markets for loans to SMEs in 16 provinces as described below in Table 7, and in 935 catchment areas. It also leads to affected markets for deposits and savings of SMEs in 25 provinces, as described below in Table 8, and in 1245 catchment areas.

Table 7 - Market shares of affected markets for loans to SMEs at provincial level (2024, value, by customer location)

Province	Combined market share	UniCredit	BPM
Lodi	[30-40]%	[0-5]%	[30-40]%
Novara	[30-40]%	[5-10]%	[20-30]%
Verona	[30-40]%	[5-10]%	[20-30]%
Modena	[30-40]%	[10-20]%	[10-20]%
Vercelli	[20-30]%	[5-10]%	[20-30]%
Reggio Emilia	[20-30]%	[5-10]%	[10-20]%
Verbano Cussio Ossola	[20-30]%	[5-10]%	[10-20]%
Alessandria	[20-30]%	[5-10]%	[10-20]%
Livorno	[20-30]%	[0-5]%	[20-30]%
Cremona	[20-30]%	[0-5]%	[20-30]%
Lucca	[20-30]%	[0-5]%	[20-30]%
Messina	[20-30]%	[10-20]%	[5-10]%
Genova	[20-30]%	[0-5]%	[10-20]%
Bergamo	[20-30]%	[0-5]%	[10-20]%
Massa Carrara	[20-30]%	[5-10]%	[10-20]%
Palermo	[20-30]%	[10-20]%	[0-5]%

Source: Bank of Italy

Table 8 - Market shares of affected markets for savings and deposits of SMEs at provincial level (2024, value, by customer location)

Province	**Combined market share**	**UniCredit**	**BPM**
Verona	[40-50]%	[10-20]%	[30-40]%
Novara	[30-40]%	[5-10]%	[30-40]%
Lodi	[30-40]%	[0-5]%	[30-40]%
Alessandria	[30-40]%	[5-10]%	[20-30]%
Modena	[30-40]%	[10-20]%	[20-30]%
Campobasso	[30-40]%	[20-30]%	[5-10]%
Reggio Emilia	[30-40]%	[10-20]%	[10-20]%
Lucca	[30-40]%	[0-5]%	[20-30]%
Verbano Cusio Ossola	[30-40]%	[5-10]%	[20-30]%
Vercelli	[20-30]%	[5-10]%	[20-30]%
Benevento	[20-30]%	[5-10]%	[20-30]%
Messina	[20-30]%	[20-30]%	[5-10]%
Genova	[20-30]%	[5-10]%	[20-30]%
Trieste	[20-30]%	[20-30]%	[0-5]%
Isernia	[20-30]%	[20-30]%	[0-5]%
Torino	[20-30]%	[20-30]%	[0-5]%
Palermo	[20-30]%	[20-30]%	[0-5]%
Cremona	[20-30]%	[0-5]%	[20-30]%
Catania	[20-30]%	[10-20]%	[10-20]%
Aosta	[20-30]%	[10-20]%	[5-10]%
Agrigento	[20-30]%	[20-30]%	[0-5]%
Bergamo	[20-30]%	[0-5]%	[10-20]%
Belluno	[20-30]%	[10-20]%	[0-5]%
Siracusa	[20-30]%	[10-20]%	[0-5]%
Foggia	[20-30]%	[5-10]%	[10-20]%

Source: Bank of Italy

(119) In documentary credit the Transaction leads to affected markets - which are not subject to the flexibility clause of paragraph 8(a) of the Notice on Simplified Procedure - on the markets for letters of credit and collection in Italy.

Table 9 - Market share estimates for the segments within the market for Documentary Credit (Italy, 2023) ([103])

Market share by value			
	Documentary Credit (Letters of credit, Collection, Guarantee)	**Letters of credit**	**Collection**
UniCredit	[10-20]%	[20-30]%	[20-30]%
BPM	[5-10]%	[5-10]%	[5-10]%
Combined (UniCredit+BPM)	[20-30]%	[20-30]%	[20-30]%
Total market size (EUR bn)	[120-130]	[30-40]	[0-5]

Source: Form CO, Tables 85 and 86

6.3.7.1. Corporate loans

6.3.7.1.1. The Notifying Party's view

(120) The Notifying Party submits that the Transaction will not raise competitive concerns on the overall market for loans to corporate customers and further segmented by loans to SMEs and LCCs for the reasons below.

(121) *First*, the Notifying Party explains that it will continue, post-Transaction, to face strong competition from a number of other credible players and, in almost all cases, there will still be a meaningful gap between the combined entity and the market leader (i.e., Intesa Sanpaolo). ([104])

(122) *Second*, the Parties are not close competitors since they are generally complementary with respect to their focus in terms of client base. ([105]) The Parties' corporate client base is complementary as UniCredit focuses more on the LCC segment while BPM focuses on financing the SMEs that are located in the most productive regions of the country. ([106]) As a result, UniCredit offers more complex product solutions across asset classes such as syndicated loans which the Notifying Party expects to be of lower importance for BPM. ([107]) The position of UniCredit with regards to these customers is further strengthened by solutions such as capital markets' advisory (where, to the Notifying Party's best knowledge, BPM is less experienced). ([108])

(123) *Third*, the Parties also have a distinct territorial focus. BPM is active mostly in Italy and offers its financing solutions entirely to Italian companies. UniCredit instead covers a wider spectrum of geographies and only approximately [30-40]% of its resources were directed to financing in Italy in 2023. ([109]) The Parties also

([103]) Market shares for letters of credit and collection split by SMEs and LCCs are not available as data splitting corporate customers by size are not available (Form CO, paragraph 719).
([104]) Form CO, para 365.
([105]) Form CO, para 365.
([106]) Form CO, para 366.
([107]) Form CO, para 307.
([108]) Form CO, para 307.
([109]) Form CO, para 367.

have a different territorial coverage in Italy. BPM's presence in central and southern Italy is limited while UniCredit has a stronger presence in those regions. ([110]) In northern Italy, BPM has a stronger presence in the administrative regions of Lombardy and Liguria, and UniCredit has a higher number of branches in the other administrative regions of Northern Italy, with only a very limited numbers of provinces where both Parties have a similar number of branches. ([111])

(124) *Finally*, with regard to switching costs, loans can be terminated and another bank can replace the lending institution. ([112]) Although there could be early termination fees and breakage costs to terminate the loan, refinancing by one or multiple banks happens in practice and corporate customers do switch between different banking institutions for loans. ([113]) The switching cost related to early termination fees and breakage costs is usually in the order of few percentage points (e.g., at present, up to [0-10]% on UniCredit internal standard contracts for unsecured loans) to be calculated on the reimbursed capital amount (such costs could be even derogated to [0-10]% on a case-by-case basis). ([114])

6.3.7.1.2. The Commission's assessment

6.3.7.1.2.1. Corporate loans overall

(125) *First*, a majority of competitors consider UniCredit and BPM close competitors for corporate banking services to SMEs and LCCs ([115]). As explained by a competitor: "*UniCredit and Banco BPM are close competitors in all products even though UniCredit is slightly more focused on Large Corporates clients and structured transactions leveraging on its European footprint and portfolio of services.*". ([116]) This view is also echoed by customers as a majority of customers expressing an opinion explain they would consider switching to BPM if they had to replace UniCredit. ([117]) This finding is further confirmed by the fact that several internal documents of UniCredit describe BPM as a "peer" in Italy on the overall banking market. ([118]) As seen in Figure 2, the list of "peers" in Italy includes up to 5 competitors ([Confidential information on competitors benchmarked by UniCredit]). ([119]) On occasions, as seen in Figure 3 the list of "peers" in Italy [Confidential information on competitors benchmarked by UniCredit] and BPM, ([120]) which suggests that UniCredit considers [Confidential information on competitors benchmarked by UniCredit] and BPM as more closely competing with it than other "peers".

Figure 2 - Extract from presentation "Italian Financial Positioning as of 9M24 – UC Italy vs Italian peers"

[Confidential information on UniCredit's benchmarking activities]

([110]) Form CO, para 368.
([111]) Form CO, para 368.
([112]) Form CO, para 308.
([113]) Form CO, para 308.
([114]) Form CO, para 308.
([115]) eRFI to competitors, question C.9.
([116]) eRFI to competitors, question C.11.
([117]) eRFI to customers, question D.3.
([118]) Form CO, PN RFI2 Annex 2.1 to 2.9.
([119]) The charts of Figure 2 present data for UniCredit ("UC"), UniCredit Italy ("UC ITA") and for the five "Italian peers": [Confidential information on competitors benchmarked by UniCredit].
([120]) In Figure 3, a variety of indicators is established for UniCredit Italy to benchmark against [Confidential information on competitors benchmarked by UniCredit].

Source: Form CO, PN RFI2 Annex 2.1, slide 2.

Figure 3 - Extract from presentation "UniCredit Italy Peers Benchmarking"

[Confidential information on UniCredit's benchmarking activities]

Source: Form CO, PN RFI2 Annex 2.4, slide 3.

(126) This closeness is particularly acute for corporate loans. Respondents rating the competitive strength of banks active in Italy for a variety of corporate banking services rated on average BPM as the closest competitor to UniCredit for corporate loans. ([121])

(127) *Second*, a majority of competitors consider that small banks are overall able to effectively compete with large banks for loans to corporate customers. ([122])

(128) *Third*, a majority of customers expressing an opinion consider that switching is difficult or very difficult for loans. ([123]) As explained by a customer: "*it's difficult for a corporate client to switch to a new lender in case of a loan. First of all, the corporate should find a new lender, which requires that a new bank has available exposure and appetite to grant a facility. This process could require time, because of all internal bank process to authorize the operation. Moreover, the new loan could be more expensive than the other (if the previous decision followed a competitive process the existing loan is the cheaper one probably). Once the internal bank approval process has completed, the two parties should negotiate the facility agreement. The previous loan should require the payment of breakage costs in case of repayment before maturity*". ([124]) This position is echoed by a number of competitors that consider that switching is difficult. ([125]) As one competitor explains: "*transferring loans is not automatic - it usually means refinancing with the new bank. It is necessary to negotiate new terms with the new bank. [It] may incur early repayment penalties on the existing loan. [The] new bank will require credit approval and documentation*". ([126])

(129) *Fourth*, almost half of competitors expressing an opinion expect that the Transaction will have a negative impact on loans. ([127]) As one competitor explains: "*depending on the overlaps between Banco BPM and UniCredit, in certain geographic areas/ industries there could be a certain degree of market concentration*". ([128]) As one customer explains: "*given the amount of credit lines conceded separately by the two banks, the acquisition of Banco BPM by Unicredit could reduce the overall amount of credit lines conceded by the new entity*". ([129])

(130) *Fifth*, a majority of trade associations consider that the Transaction will significantly strengthen UniCredit's competitive position in corporate banking overall. ([130])

([121]) eRFI to competitors, question C.15.
([122]) eRFI to competitors, question E.5.
([123]) eRFI to customers, question D.5.
([124]) eRFI to customers, question D.5.
([125]) eRFI to competitors, question C.16.
([126]) eRFI to competitors, question C.16.
([127]) eRFI to competitors, question E.2.
([128]) eRFI to competitors, question E.2.
([129]) eRFI to customers, question E.1.1.
([130]) eRFI to associations, question D.1.

(131) Nevertheless, the Commission notes that, as shown in Table 3 the combined market shares of the Parties for corporate loans overall (SMEs and LCCs) are moderate: there are 7 regions where combined market shares are slightly above 20%, and the region where combined market shares for loans to corporate customers are the highest is Lombardia where the Parties have a combined market share of [20-30]%.

(132) In light of the above, the Commission considers that the Transaction does not raise serious doubts as to its compatibility with the internal market as a result of horizontal non-coordinated effect in the market for corporate loans overall.

(133) As explained in section 5.2 above, there are indications that it is necessary to distinguish between loans to LCCs and SMEs, assessed respectively at regional and catchment area level. However, the elements presented in section 6.3.7.1.2.1 are applicable and relevant for the assessment of the market of loans to LCCs, and the market of loans to SMEs.

6.3.7.1.2.2. Loans to LCCs

(134) Although a majority of competitors consider that small banks are overall able to effectively compete with large banks for loans to corporate customers, ([131]) several competitors indicate that small banks' ability to compete with larger ones is not as clear for loans to LCCs as "*large deals or structured ones are typically managed by larger banks*". ([132]) To explain this, respondents point to the "*size of the loans*", ([133]) the "*regulatory limits on exposures to single entities (concentration risk) and credit risks*" ([134]) and the "*limited size of the balance sheet that can be allocated to the corporate clients*". ([135])

(135) Nevertheless, as shown above in Table 5, the Commission notes that the market shares for loans to LCCs are moderate: there are 9 regions where combined market shares are slightly above 20%, and the region where combined market shares for loans to LCCs are the highest is Lombardia where the Parties have a combined market share of [20-30]%.

(136) In light of the above, the Commission considers that the Transaction does not raise serious doubts as to its compatibility with the internal market as a result of horizontal non-coordinated effect in the markets for loans to LCCs.

6.3.7.1.2.3. Loans to SMEs

(137) As presented above, a majority of competitors consider that small banks are overall able to effectively compete with large banks for loans to corporate customers. ([136]) This is particularly acute for loans to SMEs. As one respondent explains: "*smaller banks can compete on smaller size/ plain vanilla deals with almost no exceptions". ([137])*

(138) However, as explained above at paragraph (129), half of competitors expressing an opinion expect that the Transaction will have a negative impact on loans. ([138])

([131]) eRFI to competitors, question E.5.
([132]) eRFI to competitors, question E.5.
([133]) eRFI to competitors, question E.5.
([134]) eRFI to competitors, question E.5.
([135]) eRFI to competitors, question E.5.
([136]) eRFI to competitors, question E.5.
([137]) eRFI to competitors, question E.5.
([138]) eRFI to competitors, question E.2.

This concern is shared by a number of customers that express concern on the availability of credit, especially for SMEs. ([139])

(139) In addition, the Parties have a stronger position in loans to SMEs. Considering the views and concerns expressed by market participants presented above, the Commission identified two set of thresholds to identify catchment areas where the Transaction raises serious doubts as to its compatibility with the internal market with regards to the market for loans to SMEs ([140]):

– Catchment areas where the Parties combined market shares is between 35% and 45% with an increment of 5% or more are considered as raising serious doubts as to their compatibility with the internal market. However, to account for the fact that smaller banks can effectively compete with larger competitors, catchment areas where there are enough competitors with sufficient market presence remaining ([141]) will not be considered as raising serious doubts.

– Catchment areas where the Parties combined market shares exceed 45% are considered as raising serious doubts as to their compatibility with the internal market irrespective of the remaining competitors.

(140) Out of the [900-950] affected catchment areas as a result of the Parties' combined activities on the market of loans to SMEs, there are [200-250] catchment areas where the Parties combined market shares is between 35% and 45% with an increment of 5% or more. In [150-200] of those catchment areas, there are enough competitors with sufficient market presence remaining. However, in [0-50] of those catchment areas, not enough competitors with sufficient market presence remain. In addition, the Parties combined market shares exceed 45% in [0-50] catchment areas.

(141) In light of the above, the Commission considers that the Transaction raises serious doubts as to its compatibility with the internal market due to its likely horizontal non-coordinated effect in the market for loans to SMEs in a total of 67 catchment areas where the Parties either have a combined market share between 35% and 45% with a market share increment of 5% or more and where not enough competitors with sufficient market presence remain, or where the Parties have a combined market share above 45%.

6.3.7.2. Corporate deposits and savings

6.3.7.2.1. The Notifying Party's view

(142) The Notifying Party states that the Transaction will not raise competitive concerns on the overall market for deposits and savings of corporate customers and further segmented by deposits and savings of SMEs and LCCs for the reasons below.

(143) *First*, the Notifying Party's states that its point relating to the remaining competitors, presented above in section 6.3.7.1.1 are equally applicable to deposits and savings.

([139]) eRFI to customers, question E.1.1.
([140]) Thresholds also presented above in paragraph (88).
([141]) For the purpose of this decision, it was considered that, in catchment areas where at least 3 competitors with market shares of at least 10%, 5%, and 5% each are present, enough competitors with sufficient market presence remain.

(144) *Second*, to add to its points on the different geographic and customer focus of the Parties presented in section 6.3.7.1.1 above, it states that, regarding deposits and savings specifically, the different focus in terms of customers between UniCredit and BPM materializes mainly with regard to the different territorial focus of the Parties, as these products/services are otherwise fairly standardized in terms of product offering, marketing, and strategy. ([142]) As evidence of that, BPM has a stronger position with respect to SMEs located in Lombardy, due to its historical presence in the region. ([143]) On the other hand, UniCredit is stronger in the LCC segment, by virtue of its offering of structured solutions and competences on the market, as well as of its international footprint. ([144])

(145) *Third*, it is easy for a corporate customer to switch to a competitor for deposits and savings. ([145]) Indeed, this can be done at no cost and in a very limited period of time as a corporate customer can choose to close its bank account and transfer its money to a competitor simply through a bank transfer. ([146])

(146) This point is supported by the fact that most banks do not charge any fees for the opening of bank accounts. ([147]) Under Italian law (in particular, Law 248/2006), banks cannot impose charges for closing bank accounts in addition to the closing fees that may have been agreed upon when opening the relevant bank account. ([148]) Moreover, under Italian law, customers have the right to transfer the entirety or part of their payment services and positive balance to another account, both with the same bank or another bank, choosing whether to maintain or close the old account. ([149]) In these instances, the customer submits the application to switch accounts directly to the new bank, which must perform the switch as required by law with the cooperation of the old bank. ([150]) This switch must be completed within 12 working days from the relevant request and, if the deadline is not met, the customer has the right to monetary compensation. ([151])

6.3.7.2.2. The Commission's assessment

6.3.7.2.2.1. Corporate deposits and savings overall

(147) *First*, the Commission notes that, as shown in Table 4 the combined market shares of the Parties for corporate deposits and savings overall (SMEs and LCCs) are moderate: there are 8 regions where combined market shares are slightly above 20%, and the region where combined market shares for loans to corporate customers are the highest is Molise where the Parties have a combined market share of [20-30]%.

(148) *Second*, a majority of competitors consider UniCredit and BPM close competitors for corporate banking services to SMEs and LCCs. ([152]) This view is echoed by customers as a majority of customers expressing an opinion explain they would

([142]) Form CO, para 303.
([143]) Form CO, para 303.
([144]) Form CO, para 303.
([145]) Form CO, para 304.
([146]) Form CO, para 304.
([147]) Form CO, para 305.
([148]) Form CO, para 305.
([149]) Form CO, para 305.
([150]) Form CO, para 305.
([151]) Form CO, para 305.
([152]) eRFI to competitors, question C.9.

consider switching to BPM if they had to replace UniCredit. ([153]) As shown in section 6.3.7.1.2.1 above, this is further evidenced by UniCredit's internal documents that present Banco BPM as a competing "peer" in Italy. This closeness is particularly acute for deposits and savings. Respondents rating the competitive strength of banks active in Italy for a variety of corporate banking services on average rated BPM closely to UniCredit for deposits and savings of corporate customers. ([154])

(149) *Third*, a majority of competitors consider that smaller banks can compete with larger banks for deposits and savings of corporate customers. ([155]) For example, according to one competitor: "*small banks with comparable rating level can be competitive with large banks"*. ([156])

(150) *Fourth*, a majority of customers ([157]) and competitors ([158]) consider that it is easy for a corporate client to switch banks for deposits and savings. ([159]) As one respondent explains, its "*perception of switching providers for deposit and savings services is generally that the process is straightforward and low-risk*". ([160])

(151) *Fifth*, the majority of competitors responding to the market investigation consider the impact of the Transaction on competition for deposits and savings to be neutral. ([161]) One competitor explain that "*almost all banks are capable of a competitive offer, therefore the transaction will likely have no impact on deposits*". ([162]) As a result, a majority of competitors consider that the Transaction is likely to have a neutral impact on their company ([163]) and a majority of customers consider that the Transaction will have no significant impact on their company. ([164])

(152) *Sixth*, a majority of trade associations consider that the Transaction will significantly strengthen UniCredit's competitive position in corporate banking ([165]). As one of them stresses "*it is important to ensure that the Transaction does not lead to a significant reduction in the availability of competitive banking services, particularly in regions where both UniCredit and Banco BPM have a strong presence*". ([166])

(153) Nevertheless, a majority of trade associations explain that, post-Transaction, the merged entity will face sufficient competition from alternative banks for corporate banking services. ([167]) In addition, a majority of customers consider that they will have access to enough alternative banks post Transaction. ([168])

([153]) eRFI to customers, question D.3.
([154]) eRFI to competitors, question C.15.
([155]) eRFI to competitors, question E.5.
([156]) eRFI to competitors, question E.5.
([157]) eRFI to customers, question D.5.
([158]) eRFI to competitors, question C.16.
([159]) eRFI to customers, question D.5.
([160]) eRFI to customers, question D.5.
([161]) eRFI to competitors, question E.2.
([162]) eRFI to competitors, question E.2.
([163]) eRFI to competitors, question E.4.
([164]) eRFI to customers, question E.1.
([165]) eRFI to associations, question D.1.
([166]) eRFI to associations, question D.2.
([167]) eRFI to customers, question D.1.
([168]) eRFI to customers, question D.4.

(154) In light of the above, the Commission considers that the Transaction does not raise serious doubts as to its compatibility with the internal market as a result of horizontal non-coordinated effect in the market for corporate deposits and savings overall.

(155) As explained in section 5.2 above, there are indications that it is necessary to distinguish between deposits and savings of LCCs and SMEs, assessed respectively at regional and catchment area level. The elements presented in this section 6.3.7.2.2.1 are applicable and relevant for the assessment of the market of deposits and savings of LCCs, and the market of deposits and savings of SMEs.

6.3.7.2.2.2. Deposits and savings of LCCs

(156) The Commission notes that, as shown in Table 6 the combined market shares of the Parties for deposits and savings of LCCs are moderate: there are 8 regions where combined market shares are slightly above 20%, and the region where combined market shares for deposits and savings of LCCs are the highest is Valle d'Aosta where the Parties have a combined market share of [20-30]%.

(157) In light of the above, the Commission considers that the Transaction does not raise serious doubts as to its compatibility with the internal market as a result of horizontal non-coordinated effect in the market for deposits and savings of LCCs.

6.3.7.2.2.3. Deposits and savings of SMEs

(158) The Commission notes that the Parties have a stronger position in deposits and savings of SMEs. Considering the views expressed by market participants and presented above, the Commission designed two set of thresholds to identify catchment areas where the Transaction raises serious doubts as to its compatibility with the internal market with regards to the market for deposits and savings of SMEs ([169]):

– Catchment areas where the Parties combined market shares is between 40% and 50% with an increment of 5% or more are considered as raising serious doubts as to their compatibility with the internal market. However, to account for the fact that smaller banks can effectively compete with larger competitors, catchment areas where there are enough competitors with sufficient market presence remaining ([170]) will not be considered as raising serious doubts.

– Catchment areas where the Parties combined market shares exceed 50% are considered as raising serious doubts as to their compatibility with the internal market irrespective of the remaining competitors.

(159) Out of the 1245 affected catchment areas, there are 131 catchment areas where the Parties combined market shares is between 40% and 50% with an increment of 5% or more. In 96 of those catchment areas, there are enough competitors with sufficient market presence remaining. However, in 35 of those catchment areas, not enough competitors with sufficient market presence remain. In addition, the Parties combined market shares exceed 50% in 127 catchment areas.

([169]) Thresholds also presented above in paragraph (88).

([170]) For the purpose of this decision, it was considered that, in catchment areas where at least 3 competitors with market shares of at least 10%, 5%, and 5% each are present, enough competitors with sufficient market presence remain.

(160) In light of the above, the Commission considers that the Transaction raises serious doubts as to its compatibility with the internal market due to its likely horizontal non-coordinated effect in the market for deposits and savings of SMEs in 162 catchment areas where the merged entity either has a combined market share between 40 % and 50% with a market share increment of 5% or more and where not enough competitors with sufficient market presence remain, or in catchment areas where the Parties have a combined market share above 50%.

6.3.7.3. Documentary credit (letters of credit and collection)

6.3.7.3.1. The Notifying Party's view

(161) The Notifying Party considers that a sub segmentation of the market for documentary credit is not warranted and submits that the Transaction will not result in any detrimental effect to competition for the reasons set out below.

(162) *First*, the Parties' combined market share for documentary credit only marginally exceeds the 20% threshold. Further, there will still be a significant gap between the market share of the combined entity and the market leader (i.e., Intesa Sanpaolo, with a market share estimated between 25-35% on the overall market for documentary credit in Italy in 2023). ([171]) In addition, the Parties are not close competitors given their complementary with respect to their focus on the type of corporate customers.

(163) *Second*, post-Transaction, the Parties will continue to face competition from strong financial players such as (a) BBVA, (b) BNL, (c) BPER, (d) Crédit Agricole, (e) Deutsche Bank, (f) Iccrea Group, (g) Intesa Sanpaolo, (i) MPS, and (j) Santander; and from medium-sized banks such as, inter alia, (k) Cassa Centrale, and (l) Popolare di Sondrio. Moreover, for smaller transactions, players with a regional footprint also play a role and impose competitive pressure.

(164) Finally, some non-bank entities, such as (m) Generali, (n) Allianz, (o) AXA, (p) SwissRe, (q) MunichRe and (r) SACE are also active in the provision of documentary credits.

6.3.7.3.2. The Commission's assessment

(165) As described in section 5.2 above, the Commission has left open whether the market for documentary credit can be further segmented between letters of credit, collection and guarantees, and is assessed at national level. The Parties' combined market shares on the markets for documentary credit and guarantees ([172]) in Italy are below 25% and can benefit from the flexibility clause of point 8(a) of the Notice on Simplified Procedure. However, the Parties combined market shares are above 25% on the markets of letters of credit and collection in Italy.

(166) *First*, as shown in Table 9, combined market shares remain moderate in Italy ([20-30]% on the market for letters of credit and [20-30]% on the market for collection). ([173]) *Second*, although a majority of competitors consider UniCredit and BPM close competitors for corporate banking services to SMEs and LCCs, ([174]) this closeness is not as acute for documentary credit as competitors

([171]) Form CO, Table 85.
([172]) The Parties' combined market shares on the market for guarantees in Italy is [20-30]% with a [5-10]% increment from BPM (value based, 2023) (Form CO, table 86).
([173]) Market shares for letters of credit and collection split by SMEs and LCCs are not available as data splitting corporate customers by size are not available (Form CO, paragraph 719).
([174]) eRFI to competitors, question C.9.

such as Intesa Sanpaolo, BNP Paribas, and BPER are considered as more closely competing with UniCredit for documentary credit than BPM. ([175]) *Third*, a majority of competitors consider that it is easy to switch provider ([176]). One respondent explains that it is a "*standardized product which is easy to switch, with minimal onboarding and technical setup required*". ([177]) *Fourth*, a majority of customers consider that they will continue to have access to a sufficient number of alternative corporate banks after the Transaction. ([178]) This is echoed by a majority of trade associations that consider that sufficient competition will remain from alternative banks. ([179]) Finally, the Transaction is unlikely to have a negative impact as a majority of competitors expressing an opinion consider that the Transaction will have a neutral impact on documentary credit. ([180]) In addition, a majority of customers, ([181]) and competitors ([182]) do not expect the Transaction to have an impact on their company.

(167) In light of the above, the Commission considers that the Transaction does not raise serious doubts as to its compatibility with the internal market as a result of horizontal non-coordinated effect in the markets for letters of credit and collection in the Italian market.

6.3.8. Distribution of Life Insurance

(168) The Parties are also active in the distribution of life insurance services which forms part of the affected markets of the Transaction. ([183])

6.3.8.1. The Notifying Party's view

(169) Even though the Notifying Party submits that the relevant market for the distribution of life insurance services is national in scope, it will in any case continue to face strong competitive pressure also at the local level across all Italian administrative provinces. ([184])

(170) This is evidenced by the presence of the three leading providers — Generali, Poste Italiane, and Intesa Sanpaolo — each of which holds a market share of 15–20% in life insurance production and operates through extensive, multi-channel distribution networks that cover the entire country. ([185])

(171) Poste Italiane, for example, distributes its products through a vast network of nearly 13,000 post offices, as well as through agreements with banks, agency channels, and qualified financial consultants. ([186])

(172) Similarly, Intesa Sanpaolo maintains a widespread branch network ensuring presence in all provinces, while Generali relies on a comprehensive multi-channel

([175]) eRFI to competitors, question C.15.
([176]) eRFI to competitors, question C.16.
([177]) eRFI to competitors, question C.16.
([178]) eRFI to customers, question D.4.
([179]) eRFI to associations, question C.16.
([180]) eRFI to competitors, question E.2.
([181]) eRFI to customers, question E.1.
([182]) eRFI to competitors, question E.4.
([183]) For the sake of completeness, as set out above in paragraph 14, both UniCredit and Banco BPM are active in the production of life insurance. However, this overlap does not give rise to affected markets due to the application of the Notice on Simplified Procedure, and will therefore not be further considered for the purposes of this decision.
([184]) Form CO, para 618.
([185]) Form CO, para 618.
([186]) Ibidem.

approach involving agents, brokers, financial advisers, and collaborations with banks. ([187]) In addition to these three players, there are many other qualified competitors in the market for life insurance that can rely on distribution networks ensuring nation-wide reach. Among others, established insurance players offering their products across Italy via both direct and indirect channels (including through agreements with banks) include Allianz, Unipol, AXA, CNP Assurances S.A. (CNP), Reale Mutua, and Zurich. Established banking players that operate both as important producers and distributors of life insurance products include, e.g., Mediolanum, BNP Paribas, Crédit Agricole and Credem. ([188])In light of all the above, the Notifying Party submits that the proposed Transaction will not result in any detrimental effect to competition in the market for the distribution of life insurance products.

6.3.8.2. The Commission's assessment

(173) As set out in paragraph (60) above, the Commission distinguishes between the distribution of life insurance products and non -life insurance products. Whether a further distinction should be drawn between distribution channels—specifically, between direct sales and outward distribution channels — is left open as the Transaction does not raise competition concerns under any plausible market definition.

(174) More specifically, the Commission conducted its competitive assessment in relation to the distribution of life insurance products across both distribution channels. Since the Parties are active only in the outward channel ([189]), and direct sales represent only a marginal share of total distribution of life insurance products, ([190]) the competitive dynamics are not materially affected by the inclusion of direct sales. Accordingly, the Commission concluded that market shares in the outward channel—the narrowest possible product market definition—do not differ materially from those observed when both channels are considered together.

(175) Indeed, the combined market shares of the Parties for the distribution of life insurance products—without distinguishing between distribution channels – is only [10-20]% at national level ([191]) and remain moderate across Italian provinces. In particular, combined market shares at the level of provinces for the distribution of life insurance products (i) are below 20% in 99 out of 107 provinces (below 10% in 59 cases) and (ii) are above 20% in just 8 provinces ([192]) as shown in Table 10 below.

(176) In almost all of the 8 provinces at point (ii) above, the estimated increment will be very small. In particular, in 4 of them the estimated increment is below [0-5]%, and in additional 3 is equal to or below [5-10]%.

([187]) Ibidem.
([188]) Form CO, para 619.
([189]) RFI 9, Q1.
([190]) RFI 8, Table 1 para 39. In 2023, the direct channel constituted only 13% of the total distribution of life insurance products.
([191]) Form CO, table 74.
([192]) The combined market share is below 30% in the provinces of Belluno, Bologna, Caltanissetta, Palermo, Ravenna and Reggio Emilia, while it is just above 30% in the provinces of Modena and Verona.

Furthermore, in all provinces the resulting combined market shares will be below 30% except for the provinces of Modena ([30-40]%) and Verona ([30-40]%) where will be only slightly above.

Table 10 – Distribution of life insurance products, provinces in which the Parties' combined market share is higher than 20% (2023).

Province	UniCredit	Banco BPM	Combined market share
Belluno	[20-30]%	[0-5]%	[20-30]%
Bologna	[20-30]%	[0-5]%	[20-30]%
Caltanissetta	[20-30]%	[0-5]%	[20-30]%
Modena	[20-30]%	[5-10]%	[30-40]%
Palermo	[10-20]%	[0-5]%	[20-30]%
Ravenna	[20-30]%	[0-5]%	[20-30]%
Reggio Emilia	[10-20]%	[5-10]%	[20-30]%
Verona	[20-30]%	[5-10]%	[30-40]%

Source: Form CO, table 123.

(177) Moreover, as discussed in paragraph 162 above, given the marginal share of direct sales in the overall distribution of life insurance products, the market shares in the outward channel do not differ materially from those just referenced when both distribution channels are considered together.

(178) Indeed, when considering the distribution of life insurance products through the outward channel alone, there are only four additional provinces—compared to the Table 10—where the estimated combined market shares exceed 20%: Catania, Foggia, Trieste, and Vicenza. In Catania and Foggia, the combined shares are slightly above this threshold, amounting to [20-30]% and [20-30]%, respectively. In Trieste and Vicenza, the combined shares remain below 25%, at [20-30]% and [20-30]%, respectively. Furthermore, the increase in market share in these provinces is minimal, with an increment of less than [0-5]% in Trieste and less than [0-5]% in Vicenza. ([193])

(179) In addition to the moderate market shares, the market investigation has not raised concerns regarding the competitive impact of the Transaction on the distribution of life insurance products in Italy.

(180) First, competitors do not consider UniCredit and Banco BPM to be among the closest competitors in the distribution of life insurance products. ([194]) Rather, UniCredit's closeness of competition is more pronounced with players such as Intesa Sanpaolo, Banca Generali, and Crédit Agricole, which respondents

([193]) RFI 8, Q12.
([194]) eRFI to Competitors – Life insurance distribution, question C.2.

identified as exerting a stronger competitive constraint on UniCredit than Banco BPM. ([195])

(181) Second, the investigation revealed that there are generally no significant barriers preventing customers from switching between different life insurance distributors. ([196]) The only limitations identified relate to specific product features, such as early redemption penalties, bundling with other financial products, or particular contractual conditions, rather than structural or market-wide constraints. ([197])

(182) Third, competitors consistently reported that it is relatively easy for a life insurance distributor already active in Italy to expand operations into a new province. ([198]) This is largely due to the homogeneity of regulatory requirements across Italian provinces and the fact that local presence can be established either directly or through intermediaries. ([199])

(183) Fourth, all respondents to the market investigation indicated that several other distributors are capable of offering services comparable to those of UniCredit and Banco BPM. ([200])The presence of a wide array of active players ensures that a healthy level of competition would be maintained post-Transaction. ([201])

(184) Finally, respondents unanimously assessed the Transaction as having a neutral effect on the distribution of life insurance products, regardless of geographic location. ([202])This view is grounded in the observation that the Italian life insurance market continues to offer significant growth potential beyond the current levels of household savings. ([203]) Furthermore, leading intermediaries are already active nationwide, and the market remains accessible to both existing and new players. ([204]) As a result, the impact of the Transaction is unlikely to differ significantly from one province to another. ([205])

(185) In light of the above, the Commission considers that the Transaction does not raise serious doubts as to its compatibility with the internal market as a result of horizontal non-coordinated effect in the markets for the distribution of life insurance products.

(186) For the sake of completeness, it should be noted that no theory of customer foreclosure arises from the fact that the Parties are active at both the distribution and production levels of the life insurance value chain. At the production level, the Parties' combined market shares remain below 30% across all plausible market definitions, thereby excluding any significant degree of market power. ([206]) Furthermore, UniCredit acquires only a limited volume of life insurance products from third-party producers on the wholesale market. ([207]) In fact, approximately [60-100]% of the life insurance products distributed through

([195]) eRFI to Competitors – Life insurance distribution, question C.2.
([196]) eRFI to Competitors – Life insurance distribution, question C.3.
([197]) eRFI to Competitors – Life insurance distribution, question C.3.1.
([198]) eRFI to Competitors – Life insurance distribution, question C.5.
([199]) eRFI to Competitors – Life insurance distribution, question C.5.1.
([200]) eRFI to Competitors – Life insurance distribution, question C.7.
([201]) eRFI to Competitors – Life insurance distribution, question C.7.1.
([202]) eRFI to Competitors – Life insurance distribution, question D.1
([203]) eRFI to Competitors – Life insurance distribution, question D.1.1.
([204]) eRFI to Competitors – Life insurance distribution, question D.1.1.
([205]) eRFI to Competitors – Life insurance distribution, question D.1.1.
([206]) Form CO, para 632.
([207]) Form CO, para 634.

UniCredit's branch network are sourced internally, i.e. through captive arrangements. Consequently, only around [0-40]% of the life insurance products distributed by UniCredit originate from external providers. The situation is even more clear-cut for the BPM Group, which exclusively distributes life insurance products sourced through captive channels. ([208])Therefore the vertical link falls under article 5(d)(ii)(bb) of the Notice on Simplified Procedure, as both conditions listed therein are met. ([209]) ([210])

6.4. Coordinated effects

6.4.1. The Notifying Party's views

(187) The Notifying Party submits that the Transaction will not create coordinated effects, as banking products are highly heterogenous in nature. ([211]) The Notifying Party also explains that although Italian law requires official transparency documents to be published for many retail and corporate banking products, ([212]) there is little transparency regarding the actual levels of fees and charges incurred or as to the specific features of individual products and services as this information is not made public. ([213]) Regarding corporate banking in particular, UniCredit notes that competing product offerings are not easily comparable, due to the need to tailor corporate banking services to each customer business segment. ([214])

(188) The Notifying Party further submits that, although fragmented, Italian banking markets are competitive as they include many different banks of different sizes and specialisations, [Confidential information on competitors benchmarked by UniCredit], ([215]) to local banks with a strong presence in certain provinces, ([216]) to specialist banks and purely digital banks. ([217]) UniCredit notes that there is an average of [10-20] banks operating in each province and that in [90-100] out of [100-110] provinces, there are [10-15] or more active banks. ([218]) All of these players are effective competitors both in terms of price and in terms of innovation. ([219]) Accordingly, the incentive of the merged entity to continue to compete with all market players (including Intesa Sanpaolo) will not meaningfully change. ([220])

([208]) Form CO, para 634.
([209]) The Parties active in the downstream market hold a purchasing share of less than 30% of upstream inputs. As referred to in the Notice on the Simplified Procedure, the purchasing share shall be intended as the ratio of the undertaking's purchases of products in the upstream market to the total size of the upstream market.
([210]) And the Parties' market shares are lower than 30 % on the upstream market, i.e. the production of life insurance products in Italy.
([211]) Form CO, paragraph 240.
([212]) As well as for some wealth management and insurance products, Form CO, paragraph 157.
([213]) Form CO, paragraph 241.
([214]) Form CO, paragraph 371.
([215]) Form CO, paragraph 264.
([216]) Form CO, paragraph 242.
([217]) Form CO, paragraph 264.
([218]) Form CO, paragraph 242.
([219]) Form CO, paragraph 264.
([220]) Form CO, paragraph 266.

(189) Further, BPM cannot be qualified as an "important competitive force" or a "maverick" within the retail market, as illustrated by its stable market share over time. ([221])

(190) In terms of market shares, the Notifying Party submits that Intesa Sanpaolo will continue to be larger than UniCredit post-Transaction, even if the merger will reduce the market share gap currently existing between the two banks. The proposed Transaction will accelerate UniCredit's growth in areas of Italy where it has traditionally lagged behind Intesa Sanpaolo. This will serve to further increase head-to-head competition between UniCredit and Intesa Sanpaolo on parameters such as price and innovation. ([222])

(191) Furthermore, the Notifying Party submits that in relation to the specific segments (typically LCCs or larger medium-sized enterprises) where smaller competitors are typically less present, clients exert a strong countervailing buyer power: they are very sophisticated and have the time and resources to explore a large number of alternative suppliers. ([223])

6.4.2. The Target's views

(192) BPM, on the other hand, has raised concerns that the Transaction would increase the symmetry between the positions of the merged entity and Intesa Sanpaolo, which could lead to coordination of their behaviour in the Italian banking sector going forward. ([224])

6.4.3. The Commission's assessment

(193) The Commission finds that the Transaction does not raise serious doubts in relation to coordinated effects in the Italian banking market (under any plausible market definition) for the following reasons. The following sections assess in particular the potential for coordination between the merged entity and Intesa Sanpaolo in the banking markets, with the exception of Section 6.4.3.1.4, which discussed potential coordination between the merged entity and Crédit Agricole.

(194) First, there are many banks of different sizes and specialisations operating which makes the markets fragmented but competitive. Second, although regulatory requirements mean there is quite a high level of transparency, it is challenging to reach terms of coordination as in practice there is little transparency as to the actual fees and charges customers pay for different banking products (Section 6.4.3.1). Third, whilst competitors do carry out market monitoring and benchmark their performance against their peers at national level, there is limited monitoring at regional or provincial level which makes it hard to detect deviations. Fourth, there are also regulatory restrictions on unilaterally changing fees for some banking products and services, which could make it difficult to sustain coordination and to punish any deviations from coordination attempts in practice (Section 6.4.3.2). Furthermore, other competitors as well as the banks' customers could easily undermine potential coordination attempts (Section 6.4.3.3). Fifth, the proposed Transaction is expected to have only a limited impact on these features as it would not materially increase transparency, it would not significantly change the current market structure and would not result in the

([221]) Form CO, paragraph 243.
([222]) Form CO, paragraph 267.
([223]) Form CO, paragraph 375.
([224]) BPM presentation to European Commission, 16 April 2025, slide 49.

elimination of a maverick player in any plausible relevant market. The results of the Commission's investigation into these points are set out in more detail below.

6.4.3.1. Reaching terms of coordination

(195) In assessing the likelihood that a transaction could give rise to coordinated effects, the Commission takes into account all available relevant information on the characteristics of the markets concerned. ([225])

6.4.3.1.1. Transparency of the market

(196) The Commission finds that, while there is a high degree of transparency in relation to the published prices of Italian banking products, the discounts applied to the published prices are opaque and can be significant. Therefore, there is little transparency as regards the final prices of the products, which is not conducive to coordination. This is based on the following considerations.

(197) The Commission understands that Italian banking markets are relatively transparent in relation to the published prices. One reason for this is that under Italian law, ([226]) banks are required to publish transparency documentation. This leads banks to publish the prices charged for each banking product and service provided on their websites. ([227]) In addition, for retail banking, there are a number of different price comparison tools available in Italy which allow customers to compare banks' product offerings, for example for current accounts, savings accounts and mortgages. ([228])

(198) The results of the Commission's market investigation confirm that Italian banking markets are transparent in relation to the published prices. For example, 90% or more of competitors responding to the Commission's investigation found that the level of transparency regarding the fees and interest rates applicable to current accounts, savings accounts, payment cards, personal loans and mortgages was between 3-5 when measured on a scale of 1-5 with 1 being completely opaque and 5 being completely transparent. ([229]) The main reasons given for this were the transparency requirements in force in Italy, ([230]) which apply to both retail and corporate banking products. ([231])

(199) However, the Commission understands that this level of transparency is not sufficient to support coordination at the level of the final fees, charges and other terms granted on individual banking products.

([225]) Horizontal Merger Guidelines, paragraph 43.

([226]) See for example, The Consolidated Banking Act, Testo Unico Bancario, Decreto legislativo 1° settembre 1993, n. 385.

([227]) See for example for UniCredit: https://www.unicredit.it/content/dam/ucpublic/it/privati/doc/conticorrenti/Tabella_Comparativa_Conti_Privati_2.25.pdf.

([228]) See for example, for current accounts, the Bank of Italy's Comprehensive Cost Indicator, which offers an estimation of the costs that can be incurred for maintaining a current account, based on a user's profile. See also the comparison website MutuiOnline, available at: https://www.mutuionline.it/mutuo-casa/?textCodiceReferrer=AdWords_Mutui_Generic&matchtype=e&keyword=confronto%20mu; https://conti.segugio.it/;https://www.facile.it/conti-correnti.html.

([229]) See Responses to questions B.B1.1. a)-j) to Competitors regarding retail banking transparency.

([230]) See Responses to question B.B.B.2.1 regarding retail banking transparency and C26 regarding corporate banking transparency.

([231]) Form CO, paragraph 157.

(200) Specifically, competitors also explained that the transparency requirements only mandate the publication of maximum prices. ([232]) One competitor for example explained that "*Specific pricing conditions that may apply are not transparent.*" ([233]) Another one noted that "*Legacy offers, individualised conditions and segmented pricing strategies are widespread in the Italian market. These elements create opacity around actual effective prices and limit the ability of competitors to assess rivals' behaviour*." ([234])

(201) The difficulty in understanding the actual level of fees charged for different banking products and services is supported by data submitted by the Notifying Party. This shows that when making credit transfers, [Confidential information on UniCredit's pricing strategy] of UniCredit's clients paid the standard published transparency fee, whilst the remainder paid significantly lower fees. ([235]) [Confidential information on UniCredit's pricing strategy]. ([236]) ([237]) ([238]) ([239])

(202) The results of the Commission's market investigation show that, whilst the vast majority of banks adopt national pricing strategies for retail and corporate banking products, many also allow deviations from prices set at national level.

(203) On the one hand, 90% of competitors responding to the Commission's market investigation confirmed that pricing strategies for different corporate banking products and services are set at national level. ([240]) For retail banking, the percentage was slightly lower, with 86% of respondents confirming that overall pricing strategy is established at national level. ([241])

(204) However, on the other hand, in response to a separate question, a significant number of competitors explained that there was some flexibility to negotiate terms and conditions at regional or local level in practice. ([242]) These competitors noted that the amount of flexibility varies depending on the retail or corporate product in question. ([243]) The ability to negotiate the fees and charges payable by both retail and corporate clients at a local level, suggests that it is not easy for banks to coordinate their approaches with other banks.

(205) Furthermore, the Commission's investigation has found that there will be no merger-specific change in levels of transparency in the Italian banking markets. 90% of respondents to the market investigation took the view that the level of market transparency in corporate banking markets would not change as a result of the proposed Transaction ([244]) whilst 100% of respondents explained that the

([232]) Form CO, paragraph 241, Responses to question B.B.B.1.2, Questionnaire to Competitors.
([233]) Responses to question B.B.B.1.2, Questionnaire to Competitors.
([234]) Responses to question B.B.B.1.2, Questionnaire to Competitors.
([235]) Form CO, paragraph 1085.
([236]) Form CO, paragraphs 1090-1092 and Figures 14 and 15.
([237]) Form CO, paragraph 1087.
([238]) Form CO, paragraph 1093.
([239]) Form CO, paragraph 1081.
([240]) See Responses to question C.19, Questionnaire to Competitors.
([241]) See Responses to question B.B.A.1, Questionnaire to Competitors. The remaining respondents noted that there is some flexibility on pricing at local level, for example, to allow banks to take local market conditions into account.
([242]) See Responses to question B.B.A.5, Questionnaire to Competitors.
([243]) See Responses to question B.B.A.5 Questionnaire to Competitors regarding retail banking (78% noting some flexibility) and question C.23 regarding corporate banking (with 70% of respondents noting that there was some flexibility regarding SMEs and large corporate banking).
([244]) See Responses to question C25, Questionnaire to Competitors regarding corporate banking transparency.

Transaction would have no impact on the level of transparency in retail banking markets. ([245])

(206) Finally, the Commission notes that the overall banking markets consist of a large number of highly heterogenous products, with many customers purchasing more than one product from the same bank. This further blurs the transparency of prices charged to individual customers, as the mix of products purchased by customers will vary.

(207) The Commission's investigation has found that although there is a high level of transparency in Italian banking markets, regarding maximum fees for certain products and services, it is not easy to use this transparency to reach terms of coordination with competitors, as the fees published can differ greatly from the actual fees charged to customers in practice. Furthermore, the Commission finds that the levels of transparency in these markets will not change as a result of the Transaction.

6.4.3.1.2. Evidence of past coordination

(208) The Commission will also consider the past behaviour of firms when examining whether a transaction could give rise to coordinated effects. ([246]) The Commission is aware of several cases where cartels have been detected in Italian banking markets or have involved Italian banks operating on EU wide banking markets. UniCredit was involved in a number of these cartels.

(209) For example, in 2008 the AGCM fined UniCredit, Intesa Sanpaolo S.p.A., Banca Nazionale del Lavoro and Banca Monte dei Paschi di Siena for participating in a cartel between 1996 and 2007 for the supply of cashier services to INAIL, the Italian public entity managing the mandatory workers' compensation scheme. ([247]) The banks formed an alliance to tender for these services and to allocate the management of incapacity payments between them. When the tender came up for renewal the banks were able to make sure that the new procurement procedure was not able to proceed, leading to the renewal of the original contract.

(210) Another more recent example comes from 2021, when the European Commission found that seven investment banks, including UniCredit, had participated in a cartel in the European Government Bond markets throughout the EEA between January 2007 and November 2011. In this case, the banks colluded and exchanged information in order to gain competitive advantages in the issuance, placing or trading of European Government Bonds. ([248])

(211) Both of these examples show that it was possible for the banks to coordinate their behaviour in different banking markets. However, rather than presenting evidence of market characteristics facilitating coordination, these cases show that each instance of coordination was specific to its own facts. In the European Government Bond cartel, a group of individual traders were found to have been

([245]) See Responses to question B.B.B.2 regarding retail banking transparency.
([246]) Horizontal Merger Guidelines, paragraph 43.
([247]) See AGCM case No. I686 – INAIL affidamento servizio di cassa, 11 December 2008.
([248]) Commission Decision C(2021) 3489 final of 20 May 2021 relating to a proceeding under Article 101 TFEU and Article 53 of the EEA Agreement (Case AT.40324 – European Government Bonds), Judgment of the General Court of 26 March 2025 in Cases T-441/21 *UBS Group and UBS* v *Commission*, T-449/21 *Natixis* v *Commission*, T-453/21, *UniCredit and UniCredit Bank* v Commission, T-455/21 *Nomura International and Nomura Holdings* v *Commission*, T-456/21 *Bank of America and Bank of America Corporation* v Commission, T-462/21 *Portigon* v *Commission* (European Government Bonds).

responsible for the coordination, having used chatrooms and instant messaging to align their behaviour. ([249]) It is less likely that this behaviour would remain undetected today, and even at the time, some chatroom participants left the discussions following competition law training. ([250]) In the INAIL case, the coordinated behaviour was facilitated by the tendering process itself. This allowed banks to submit bids by groupings of banks with a lead bank ([251]) and required the submission of two valid tenders for the procurement procedure to proceed. ([252]) Following changes to the tendering process for these services, there are many more banks which are bidding for these types of tenders, including Banca Poste. ([253]) For example, in 2020 Banco Popolare di Sondrio won a tender to provide cashier services for the Agenzia per l'Italia Digitale (AgID). ([254])

(212) For these reasons, the Commission does not believe that the evidence of past coordination identified in these cases suggests that there are particular characteristics of the Italian banking sector which mean that the proposed Transaction would necessarily facilitate coordination between competitors.

6.4.3.1.3. Symmetry of market shares

(213) The Commission's Horizontal Merger Guidelines note that firms may find it easier to reach a common understanding on the terms of coordination if they are relatively symmetric, especially in terms of cost structures, market shares, capacity levels and levels of vertical integration. ([255])

(214) The Notifying Party explains that the proposed Transaction would reduce the market share gap between Intesa Sanpaolo and UniCredit nationally, but that there would still be a difference of between approximately 5-10% between the market shares of Intesa Sanpaolo and UniCredit post-merger. ([256])

(215) The Commission notes that at the national level the Transaction will indeed increase the symmetry between Intesa Sanpaolo and the Merged entity. However, their combined market position at the national level in terms of the number of branches is modest (around 33%) ([257]) with the majority of the market being served by other credible competitors. As such, at the national level, the positions of the merged entity and Intesa Sanpaolo therefore do not appear to give rise to coordinated effects.

(216) Therefore, the coordination would most likely need to happen at a more local level, at the level of regions, provinces or catchment areas. According to the Commission's assessment of the market share in the relevant markets, at those levels, the positions of the merged entity and Intesa Sanpaolo may vary significantly. Specifically, in many of them either the Transaction does not bring

([249]) See Commission Decision C(2021) 3489 final of 20 May 2021 relating to a proceeding under Article 101 TFEU and Article 53 of the EEA Agreement (Case AT.40324 – European Government Bonds), at paragraph 376.
([250]) *Ibid*, at paragraph 350.
([251]) *Ibid*, at paragraph 9.
([252]) *Idid*, at paragraph 72.
([253]) Form CO, paragraph 248.
([254]) Form CO, paragraph 249.
([255]) See Horizontal Merger Guidelines, paragraph 48.
([256]) See Form CO, paragraphs 754 and 365.
([257]) Form CO, Table 11.

about a material change in positions ([258]) and/or the positions of the merged entity and Intesa could not be considered as symmetric post-Transaction ([259]) and/or a significant portion of the market is controlled by other credible competitors. ([260])

(217) Even with respect to those markets where the Transaction may increase symmetry, and where the merged entity would hold a significant portion of the market, the results of the Commission's market investigation suggest that coordination is not likely. Specifically, the market investigation suggests that the presence of two large banks holding significant market shares does not have a significant impact on competition in these areas when compared to other areas.

(218) For example, 85% of retail and corporate banking competitors responding to the market investigation confirmed that they had not observed price differences in areas where two competitors had significant market shares compared to areas where there were more competitors. ([261]) In this respect, one competitor explained that "*no significant price variations are observed where there are fewer larger banks."*

(219) However, the situation depends on local market conditions to a certain extent. This competitor further explained that price *"variations are more noticeable in contexts where local or smaller banks are more present*." ([262]) This view, that price competition is higher when local banks are present, was echoed by a number of competitors. ([263]) Another competitor explained that *"Generally the more banks are in the market, the better the price to the customer. This is independent from the size of the banks."* Some competitors also noted that there is more competition in Northern Italian provinces than in the Southern Italian provinces, and that observed pricing differences may also reflect specific socio-economic characteristics in different parts of the country. ([264]) The comments therefore suggest that the differences in prices are not necessarily due to the presence of two large competitors.

(220) Separately, as any coordination would likely need to occur at the local level where the conditions of competition vary significantly (e.g. with different competitors active, of different sizes, and with commercial offerings), such coordination would have to be local-area specific to take into account the local dynamics. This would imply that the merged entity and Intesa Sanpaolo would coordinate in some areas but compete fiercely in others, which significantly increases the complexity of such behaviour and makes coordination unlikely. Therefore, even though the

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([258]) In [10-20] out 20 regions, the increment brought about by the Transaction is below [0-5]% (and below [10-20%] in all regions) in the market for corporate loans. Similarly for corporate deposits, in [5-10] out of 20 regions the increment is below [0-5]% and never above [10-15]%. At the catchment area level, the increment is below [0-5]% in [60-70]% of catchment areas (in household deposits) and in [40-50]% of catchment areas (in household loans).

([259]) In 7 regions for corporate deposits and 9 regions for corporate loans, the difference between the merged entity's and Intesa's market share will be more than [5-10] percentage points. At the catchment area level, the same is true for 40% of catchment areas (in household deposits) and 46% of catchment areas (in household loans).

([260]) In all regions the combined market share of the merged entity and Intesa will be at most [40-50]% in corporate loans and deposits. At the catchment area level, the combined market share of the merged entity and Intesa will be below [50-60]% in [90-100]% of the analysed catchment areas, both in household loans and deposits.

([261]) See responses to question B.B.A 7 and C.27, Questionnaire to Competitors.

([262]) See competitor's responses to question B.B.A 7 and C.27, Questionnaire to Competitors.

([263]) See for example, the responses of competitors to question B.B.A 7 and C.27, Questionnaire to Competitors.

([264]) See competitor's response to question C.27, Questionnaire to Competitors.

Transaction could result in the Parties and Intesa Sanpaolo holding similar market shares in some markets, these do not appear to be conducive to the creation of coordinated effects post-Transaction.

6.4.3.1.4. Evidence of cross shareholdings and governance links between the Parties and Crédit Agricole

(221) The Commission's Horizontal Merger Guidelines also note that structural links such as cross-shareholdings or participation in joint ventures may help to align incentives among the coordinating firms. ([265]) The AGCM examined this question in the Italian markets for retail and corporate banking in its 2011 review of the merger between Intesa Sanpaolo and Banca Del Monte Di Parma. ([266])

(222) The AGCM concluded that the positions of the merging parties and Crédit Agricole needed to be assessed together as Crédit Agricole was not fully independent of Intesa Sanpaolo at that time, as it still had a shareholding of approximately 5% and a board member on Intesa Sanpaolo's Supervisory Board. ([267]) The AGCM found that these links reduced the incentives for the parties to compete effectively against Crédit Agricole. ([268]) The AGCM also concluded that given that Intesa Sanpaolo and Crédit Agricole were active in the provision of many different banking products and services in a number of different geographic areas, they would be able to coordinate their behaviour and implement credible deterrence instruments using a multi-market contact strategy, and that in light of their strong combined market position, there were no other competitors with equal market power. ([269])

(223) In this case, the Commission notes that Crédit Agricole has a 19.8% shareholding in BPM. ([270]) In addition, BPM and Crédit Agricole operate two joint ventures in the consumer credit and insurance markets. Crédit Agricole also has an asset management distribution agreement in place with UniCredit. Therefore, in this Section the Commission assesses the potential coordination between the merged entity and Crédit Agricole.

(224) Crédit Agricole Consumer Finance (under the brand name Crédit Agricole Personal Finance and Mobility) is a 61% shareholder in Agos Ducato S.p.A ("Agos"), a joint-venture with Banco BPM, which holds the remaining 39% of the shares. Agos offers personal loans, revolving credit cards and salary backed loans in Italy. The joint venture also has two main business relationships with BPM:

(a) A long-term distribution agreement for the distribution of Agos' products within BPM's banking network.

(b) A funding agreement by which BPM provides the funding for activities linked to its distribution agreement.

([265]) See paragraph 48 of the Commission's Guidelines on the assessment of horizontal mergers under the Council Regulation on the control of concentrations between undertakings, *OJ C 31, 5.2.2004, p. 5-18* and Case T-102/96, *Gencor* v *Commission*, [1999] ECR II-753, paragraphs 247-263.

([266]) See AGCM case C10910 – Intesa Sanpaolo/Banca Del Monte Di Parma, 23 March 2011.

([267]) *Ibid*, at paragraph 40.

([268]) *Ibid*, at paragraph 48.

([269]) Ibid, at paragraph 49.

([270]) Form CO, paragraph 45. See also Credit Agricole's response to the Commission's questionnaire for Competitors, question A2.

(225) In December 2023, Crédit Agricole Assurances ("CAA") acquired 65% of the capital share of Vera Assicurazioni and, indirectly, of Vera Protezione and of Banco BPM Assicurazioni, with the remaining 35% being held by BPM Vita. As a part of this agreement, CAA entered into a 20-year distribution agreement with BPM for the distribution of BPM Assicurazioni's and Vera Assicurazioni's non-life insurance products and Vera Protezione's protection insurance products through BPM's network.

(226) Crédit Agricole, through its asset management firm Amundi, also has a distribution agreement with UniCredit. This was concluded after the acquisition of Pioneer (UniCredit's asset management arm at the time) by Amundi in 2017, for a duration of 10 years. It covers UniCredit's main retail distribution networks in Italy, Germany (through HVB), Austria (through Bank Austria) and Czechia.

(227) In addition, BPM and Crédit Agricole are also amongst the banks which distribute asset management products on behalf of Anima. ([271]) Furthermore, the Commission understands that Crédit Agricole may still retain a small shareholding in Intesa San Paolo, although this is below the level of 3% which requires the shareholding to be disclosed in Italy. ([272])

(228) The Notifying Party states that the proposed Transaction will strongly dilute the influence of Crédit Agricole in BPM and will reduce the importance of the partnerships with Crédit Agricole in consumer credit and non-life insurance distribution markets by decreasing the significance of such partnerships in the context of the broader UniCredit Group. ([273])

(229) The Notifying Party also explains that the market for consumer credit in Italy is fragmented and competitive, with all of the major banks competing against each other directly as well as indirectly through specialised brands and subsidiaries. In addition, large foreign groups – such as BNP Paribas (Findomestic), Santander Consumer Bank, Deutsche Bank Easy, Societé Generale (Fiditalia) – also have a significant market position in the consumer credit segment in Italy. ([274]) Similarly, for non-life insurance distribution, the Notifying Party highlights that the major banks compete against each other through their insurance companies and joint ventures as well as against the major insurance companies. ([275]) At the same time, the combined share of Banco BPM Assicurazioni S.p.A. and Vera Assicurazioni in the Italian non-life insurance is lower than 0.5%. ([276])

(230) The Commission recognises that Crédit Agricole's shareholding will be diluted by the Transaction. At the same time, even if the cross shareholding were to increase the incentives for collusion between the merged entity and Crédit Agricole, the market position of Crédit Agricole is not at all conducive to this outcome. Crédit Agricole is a rather small player in the relevant markets, with a market position that does not create symmetry with the combined entity's

([271]) Form CO, paragraph 519. MPS and Poste Italiane also distribute Anima's asset management products but at the retail level approximately 70% of Anima's products are distributed through BPM, MPS and Poste: See the information available at the following links: https://www.animasgr.it/d/IT/Downloads/HoldingPresentazioni/ANIM Investor Presentation March 2024.pdf, and 2024_11_06 - Market Presentation_Public Offer for Anima.

([272]) With a shareholding of under 3% the ability for Credit Agricole to use its influence to facilitate coordination with Intesa San Paolo would be *de minimis*. As such, the Commission has not investigated this point further for the purposes of this decision.

([273]) Form CO, paragraph 260.

([274]) Form CO, paragraph 259.

([275]) Form CO, paragraph 668.

([276]) Form CO, paragraph 669.

position. ([277]) In addition, all other considerations in relation to the lack of transparency (see Section 6.4.3.1.1 above), lack of monitoring and deterrence mechanisms (see Section 6.4.3.2) and reactions of outsiders (see Section 6.4.3.3) that make coordination between the merged entity and Intesa Sanpaolo unlikely, apply equally to potential coordination between the merged entity and Crédit Agricole.

6.4.3.2. On this basis, the Commission concludes that the cross shareholdings between the Parties and Crédit Agricole would not facilitate coordinated effects in this case between the Parties and Crédit Agricole. Monitoring and deterrence mechanisms

(231) The Commission's Horizontal Merger Guidelines note that where firms are able to coordinate their behaviour, they may be tempted to deviate from the terms of coordination to increase their share of the market unless there is "*a credible threat of timely and sufficient retaliation*" to prevent this. ([278]) This means that markets need to be sufficiently transparent to allow coordinating firms to monitor their competitors, to appreciate whether unexpected behaviour is the result of deviation, and to be able to retaliate to punish deviations. The Guidelines further explain that "*When evaluating the level of transparency in the market, the key element is to identify what firms can infer about the actions of other firms from the available information.*" ([279])

(232) Although the Commission has found that Italian banking markets are quite transparent regarding the maximum fees charged for different services, it has also found that there is less transparency regarding the actual prices charged for these services. In response to the market investigation, most competitors confirmed that they did conduct market monitoring to understand the pricing, commercial strategy and other trading conditions put in place by their peers. ([280]) One competitor [] explained that "*by law, maximum prices must be published, so to understand the prices effectively charged by competitors, it is necessary to monitor the market or conduct customer surveys." ([281])* Some banks have their own in-house monitoring teams, whilst others primarily use reports from market intelligence companies, ([282]) the Bank of Italy, ([283]) the Italian Banking Association, ([284]) or other public sources ([285]) in conjunction with customer surveys and feedback from their network of branches. ([286])

(233) UniCredit explained that it benchmarks its financial performance against [5-10] international peers at EU level: [Confidential information on competitors benchmarked by UniCredit]. These banks were selected as they are all listed companies with a similar market capitalisation and business model to UniCredit and an EU-wide presence. These banks are monitored on the basis of financial

([277]) At the national level, Crédit Agricole has a share of [0-5%] both in terms of corporate and household deposits. At the regional level, its share does not exceed 15% in any of the banking markets considered in this decision.
([278]) Horizontal Merger Guidelines, paragraph 49.
([279]) Horizontal Merger Guidelines, paragraph 50.
([280]) Responses to question C.24, Questionnaire to Competitors.
([281]) Responses to question B.B.B.1.2, Questionnaire to Competitors.
([282]) See competitors and responses to question C.24, Questionnaire to Competitors.
([283]) See competitor's responses to question C.24, Questionnaire to Competitors.
([284]) See competitor's responses to question C.24, Questionnaire to Competitors.
([285]) See competitors' responses to question C.24, Questionnaire to Competitors.
([286]) See competitors' responses to question C.24, Questionnaire to Competitors.

statements data, with particular attention to metrics such as profits and losses, balance sheet, regulatory capital, liquidity and asset quality. ([287])

(234) UniCredit also benchmarks its financial performance in Italy [Confidential information on competitors benchmarked by UniCredit], ([288]). ([289]) The internal documents submitted by UniCredit show that these monitoring exercises compare UniCredit's position against [Confidential information on competitors benchmarked by UniCredit] and BPM, to help understand their peers' overall fee income, profits and costs. ([290]) Therefore, this monitoring appears to be at the level of the overall performance of peers, rather than the pricing of individual banking products and does not take place at a local level, which would be necessary to sustain coordination.

(235) UniCredit explained that it, and other nationally operating banks usually carry out monitoring of market dynamics and competition in the market for retail and corporate banking at central level with a national scope. ([291]) This was confirmed by the Commission's market investigation, which found that between 75% and 80% of responding competitors conducted monitoring market dynamics at national level, with the remainer monitoring at provincial or branch level. ([292]).

(236) As described above in Section 6.4.3.1.3, coordination at national level does not appear likely given the limited positions of the merged entity and Intesa Sanpaolo, but any coordination would be more likely to happen at a more local level. However, the national level monitoring described above would not be sufficient to support such local coordination given the degree of flexibility in pricing exercised at provincial and branch level (see Section 6.4.3.1.1). For example, in respect of retail banking products, Intesa Sanpaolo explained that "*not all the initiatives and commercial promotions are publicised on the market, thus they are not easily monitorable*." ([293])

(237) In addition, the Commission's investigation has shown that competitors do not adjust their pricing at uniform intervals ([294]) and that there are a number of statutory limitations in place as to how frequently banks can unilaterally change their fees and prices for banking products. ([295]) The Italian Consolidated Banking Act sets out the circumstances in which banks can change the economic and legal terms agreed with their clients for the provision of services such as current accounts, loans and credit cards. It provides that unilateral changes cannot be made without a justified reason such as a significant change in the customer's creditworthiness or in general market conditions. ([296]) Modifications cannot be made automatically, as clients must be given at least 2 months' notice. ([297]) Such retaliation would therefore need to be limited to pricing of new customers, which significantly limits the effectiveness of any retaliation strategy.

([287]) Form CO, paragraph 113.
([288]) Form CO, paragraph 114.
([289]) Form CO, paragraph 114 and Annex 2.1.
([290]) See for example Form CO, Annex 2.4- UC Italy peers benchmarking 3Q2023 and Annex 2.5 - UC Italy peers benchmarking 4Q2023.
([291]) Form CO, paragraph 1022.
([292]) Responses to question C.24 a) and C.24 b), Questionnaire to Competitors.
([293]) Responses to question B.B.B.1.2, Questionnaire to Competitors.
([294]) See responses to question B.B.A. 6 Questionnaire to Competitors.
([295]) See response to Q8 RFI7 paragraphs 27-34 and Form CO paragraphs 157-166.
([296]) See response to Q8 RFI7 paragraph 28 and Form CO paragraphs 157-166.
([297]) See response to Q8 RFI7 paragraphs 29 and Form CO paragraphs 157-166.

(238) Even in the event of effective monitoring mechanisms, this means that banks are not able to respond in a sufficiently timely manner. These statutory limitations therefore mean that any deviations would not be punished in a timely manner, further reducing the likelihood of coordination.

(239) For these reasons, the Commission finds that it may be very difficult for competitors to effectively monitor and punish any deviations from agreed pricing behaviours in practice.

6.4.3.3. Reactions of outsiders

(240) In order for coordination to be successful, it must not be able to be jeopardised by the actions of other competitors not involved in the coordination, ([298]) or to be undermined, for example by the existence of countervailing buyer power. ([299])

(241) In this case, even it if were possible for the Parties to coordinate with Intesa Sanpaolo due to their similar market shares in some provinces (or with Crédit Agricole, through its minority shareholding in BPM discussed in Section 6.4.3.1.4), and for this coordination to be monitored and any deviations punished, it seems that the coordination could be easily defeated by other competing banks or by the banks' customers switching to other providers.

(242) BPM has claimed that it is in a unique position in the Italian banking markets, as it is the only other bank with the scale and market capitalisation to effectively compete against Intesa Sanpaolo and UniCredit. ([300]) However, the Commission's investigation has shown that there are a number of other banks in Italy which have been recognised as systemically important by the European Central Bank, including Banco Mediolanum, MPS, BPER, Banco Populare di Sondrio, Cassa Centrale Banca, Credito Emiliano, FinecoBank and ICCREA Banca. ([301]) The existence of a number of other banks of a similar size and scale suggests that the proposed Transaction is unlikely to remove a maverick player. ([302]) Indeed, BPM has shown low but stable market shares at national level in recent years, suggesting that it is not a disruptor or important competitive force. Furthermore, BPM's strategic industrial plan for 2023-2026 does not suggest that the bank would become a disruptive force in the markets for deposits and loans in the coming years. ([303])

(243) The Commission's investigation suggests that the competitive constraint exercised by BPM could be effectively exercised by other competitors post-Transaction. This is because there are a number of mid-sized banks operating in Italy, such as BNL, BPER, Iccrea and MPS, which have a national presence. ([304]) Some of these mid-sized banks are currently gaining market share in Italy, both organically as well as through mergers and acquisitions. One of these banks explained to the Commission that it did not see the potential Transaction as problematic, but rather as an opportunity to gain market share from BPM customers who did not want to stay with the merged bank. ([305])

([298]) Horizontal Merger Guidelines, paragraph 56.
([299]) Horizontal Merger Guidelines, paragraph 57 and 65.
([300]) BPM presentation to the European Commission, dated 16 April 2025, slide 42.
([301]) The current list is available at: https://www.bankingsupervision.europa.eu/ecb/pub/pdf/ssm.listofsupervisedentities202504.en.pdf
([302]) Horizontal Merger Guidelines, paragraph 42.
([303]) Draft Form CO, paragraph 243.
([304]) Form CO, paragraph 229.
([305]) Minutes from a call with a competitor, dated 12 March 2025.

(244) In addition, at regional and provincial level there are also many well-established banks operating, including Banca Popolare di Sondrio, Credito Emiliano and collective bank Cassa Centrale. ([306]) These banks also exert a competitive constraint on the Parties in some catchment areas, which would undermine the effectiveness of any attempts by the Parties to coordinate their behaviour with Intesa Sanpaolo (or with Crédit Agricole).

(245) In line with the catchment area level analysis explained above (Section 6.3.6), the Commission investigated the extent to which coordination might be facilitated by closing the market share gap between the Parties and Intesa Sanpaolo. The Commission found that there were only a very limited number of catchment areas where the Transaction would lead to the Parties and Intesa Sanpaolo together holding a combined market share of more than 70% (and even in those, the increment brought about by the Transaction is often limited). Therefore, in the vast majority of the catchment areas at least 30% of the market would be covered by other credible players. Even in those areas where the combined share would be above 70%, in all of them other credible competitors would remain. As shown in Section 6.3 above, even small players do offer credible alternatives to the Parties' and Intesa Sanpaolo's products.

(246) The Commission also investigated the impact of potential coordination between Crédit Agricole and the Parties on the Italian banking markets by examining catchment area data. The Commission found that on the whole Crédit Agricole is a small competitor, with market shares that do not create symmetry with the combined entity's position. There are very few individual catchment areas where the Parties and Crédit Agricole would together have a combined market share of more than 60% post-merger. In each of these catchment areas, the Commission found that another meaningful competitor was also present, holding a market share of either 10% or greater, which would allow it to undermine any potential coordination attempts between the Parties and Crédit Agricole.

(247) The Commission also considered whether countervailing buyer power could undermine any potential coordination. The Commission's investigation found that customers would be able to switch away from coordinating banks with relative ease for most banking products if coordination resulted in worse outcomes for them in terms of higher fees or disadvantageous interest rates. Under Italian law, ([307]) banks cannot impose additional charges for closing bank accounts in addition to those agreed when opening the account (see paragraph (237)). Clients have the right to transfer the entirety or part of their payment services and positive balance to another account, both with the same bank or another bank and can choose whether to maintain accounts with multiple banks or close their original account. Switching is quick as it must be completed within 12 working days from the relevant request. ([308])

(248) For these reasons, the Commission's investigation has found that the reactions of outsiders should be capable of undermining any attempts to coordinate in the Italian banking markets.

([306]) Form CO, paragraph 230.
([307]) See in particular, Law 248/2006.
([308]) Form CO, paragraphs 1111 and 1112.

6.4.4. Conclusion

(249) The Commission's investigation in this case found that whilst it could be theoretically possible for the Parties to coordinate their behaviour with Intesa Sanpaolo or Crédit Agricole following the Transaction, it would be difficult to effectively monitor whether these banks were deviating from the terms of coordination and would be difficult to effectively punish deviations due to the statutory limitations on unilaterally altering fees for many banking products and services. Furthermore, any such coordination would be likely to be swiftly undermined both by the actions of competing banks as well as by customer switching.

7. COMMITMENTS

7.1. Framework for the assessment of the commitments

(250) The following principles from the Merger Regulation and the Commission's Notice on Remedies acceptable under Council Regulation (EC) No 139/2004 and under Commission Regulation (EC) No 802/2004 (the 'Remedies Notice') ([309]) apply where parties to a concentration offer commitments with a view of rendering a concentration compatible with the internal market.

(251) Where, as in this case, a notified concentration raises serious doubts as to its compatibility with the internal market, the parties may undertake to modify the concentration to remove the grounds for the serious doubts identified by the Commission. Pursuant to Article 6(2) of the Merger Regulation, where the Commission finds that, following modification by the undertakings concerned, a notified concentration no longer raises serious doubts, it shall declare the concentration compatible with the internal market pursuant to Article 6(1)(b) of the Merger Regulation in conjunction with Article 6(2) of the Merger Regulation.

(252) As set out in the Remedies Notice, the commitments proposed by the parties have to eliminate the competition concerns entirely and have to be comprehensive and effective from all points of view. ([310]) Moreover, commitments in Phase I can only be accepted where the competition problem is readily identifiable and can easily be remedied. The competition problem therefore needs to be so straightforward, and the remedies so clear-cut, that it is not necessary to enter into an in-depth investigation and that the commitments are sufficient to clearly rule out 'serious doubts' within the meaning of Article 6(1)(c) of the Merger Regulation. ([311])

(253) In assessing whether the proposed commitments will maintain effective competition, the Commission considers all relevant factors, including the type, scale and scope of the proposed commitments with reference to the structure and the particular characteristics of the market in which the competition concerns arise, including the position of the parties and other participants on the market. ([312]) In order for the proposed commitments to comply with those principles, they must be capable of being implemented effectively within a short period of time. ([313])

([309]) OJ C 267, 22.10.2008, p.1.
([310]) Remedies Notice, paragraphs 9 and 61.
([311]) Remedies Notice, paragraph 81.
([312]) Remedies Notice, paragraph 12.
([313]) Remedies Notice, paragraph 9.

(254) Concerning the type of acceptable commitments, the Merger Regulation gives discretion to the Commission as long as the commitments meet the required standards. Structural commitments will meet the conditions set out above only in so far as the Commission is able to conclude with the requisite degree of certainty, at the time of its decision, that it will be possible to implement them and that it will be likely that the new commercial structures resulting from them will be sufficiently workable and lasting to ensure that effective competition will be maintained. ([314]) Divestiture commitments are normally the best way to eliminate competition concerns resulting from horizontal overlaps.

(255) The divested activities must consist of a viable business that, if operated by a suitable purchaser, can compete effectively with the Merged Entity on a lasting basis and that is divested as a going concern. The divested business must include all the assets which contribute to its current operation or which are necessary to ensure its viability and competitiveness and all personnel which is currently employed or which is necessary to ensure the business' viability and competitiveness. ([315])

(256) The intended effect of the divestiture will only be achieved if and once the divested business is transferred to a suitable purchaser in whose hands it will become an active competitive force in the market. The potential of a business to attract a suitable purchaser is an important element of the Commission's assessment of the appropriateness of the proposed commitments. ([316]) Even though normally the divestiture of an existing viable stand-alone business is required, the Commission, by observing the principle of proportionality, may also advise the parties to consider the divestiture of businesses which have existing strong links or are partially integrated with businesses retained by the parties and therefore need to be 'carved out' in those respects. Conversely, carving-out a business from the scope of the commitments can only be accepted by the Commission if it can be certain that, at least at the time when the business is transferred to the purchaser, a viable business on a stand-alone basis will be divested and the risks for the viability and competitiveness caused by the carve-out will thereby be reduced to a minimum. ([317])

7.2. Commitments submitted by the Parties

7.2.1. Initial Commitments

(257) In order to ensure that the concentration is compatible with the internal market and the functioning of the EEA agreement, UniCredit submitted a first set of commitments on 26 May 2025 (the "Initial Commitments").

(258) The Initial Commitments consisted in the divestment of 209 branches of BPM, representing an overall value of approximately EUR [10-15] in deposits and EUR [5-10] in loans (the "Divestment Business").

(259) The Divestment Business includes, but is not limited to:

(a) any real estate properties where the Divestment Business branches are located; any fixtures, furnishings and fitout of each branch of the Divestment Business;

([314]) Remedies Notice, paragraph 10.
([315]) Remedies Notice, paragraphs 23-25.
([316]) Remedies Notice, paragraph 47.
([317]) Remedies Notice, paragraphs 35-36.

(b) all transferable licenses, permits and authorisations relating to each branch of the Divestment Business;

(c) all transferable contracts, agreements, leases, commitments and understandings associated to each branch of the Divestment Business; all customer contracts (excluding contracts with large corporate customers which may be attributed to certain branches for accounting reasons but are managed elsewhere), credit and other records currently held by the branches of the Divestment Business;

(d) all Personnel currently employed by the branches of the Divestment Business. This includes the director of each branch to ensure the viability and competitiveness of the Divestment Business (the "Key Personnel").

(260) Instead, the Divestment Business does not include the customer contracts with large corporate customers (for which the Transaction raises no competition concerns), which may be attributed to certain divested branches for accounting reasons but are directly managed elsewhere or centrally and do not reflect local commercial relationships.

(261) UniCredit committed to transferring the Divestment Business to one or more purchasers operating an already established banking business in the EEA.

(262) UniCredit also committed to offer transitional service agreements necessary for the operation of the Divestment Business' for a transitional period of [Confidential detailed list of the divestment package] after closing at cost, subject to extension at market standard conditions for an [Confidential detailed list of the divestment package] upon request by the Purchaser.

(263) In addition, UniCredit committed not to solicit the Key Personnel and customers of the Divestment Business for a period of [Confidential aspects of the implementation of the commitments] after closing.

7.2.2. Assessment of the Initial Commitments

(264) The Commission market tested the Initial Commitments on 28 May 2025. Overall, market feedback confirmed that the proposed divestments are viable and well-suited to address the competition concerns arising from the Transaction. ([318]) Market feedback also confirmed that the exclusion of large corporate customer from the divestment perimeter, as proposed by UniCredit, would not negatively affect the viability of the divested branches. ([319]) Nonetheless, respondents also raised some concerns regarding certain aspects of the Initial Commitments, which the Commission conveyed to the Parties during the State of Play meeting on 10 June 2025.

(265) *First*, the market test showed that that SME customers ([320]) belonging to the divested branches are effectively managed by dedicated centres within Banco BPM's organization ('Enterprise Centres'). ([321]) The Divestment Business should

([318]) Responses to questions C.1 and G.1, Questionnaire on Remedies.
([319]) Response to questions C.9, Questionnaire on Remedies.
([320]) According to Banco BPM's internal organization, business customers with an annual turnover between € 5 million and € 75 million are considered to be SMEs and are managed by Banco BPM's Enterprise Centres. Business customers with annual turnover below € 5 million are managed by local branches.
([321]) Banco BPM's response to question C.1.1, Questionnaire on Remedies.

therefore comprise a sufficient number of Enterprise Centres or equivalent resources to ensure the continued servicing of those customers.

(266) *Second*, the results of the market test were mixed regarding the feasibility of selling the divested branches to multiple purchasers. However, a significant majority of respondents who expressed an opinion indicated that branches located in the same geographic area should be divested to the same buyer. ([322])

(267) *Third*, a large majority of respondents who expressed an opinion stated that the purchaser should be a bank with an existing presence in Italy (although not necessarily an Italian bank). Respondents emphasized that prior experience in the local banking market is essential to ensure the smooth integration of the divested business. Specifically, only a bank with existing local operations can provide the central functions necessary to support and manage the new network, realize synergies and operational efficiencies, leverage established relationships with local regulators and benefit from existing regulatory authorizations. Respondents also noted that robust internal capabilities—particularly in treasury, balance sheet management, and risk management—are critical to ensuring the safe, compliant, and sustainable operation of a banking business. A purchaser lacking these capabilities would likely struggle to meet regulatory requirements and maintain financial stability. ([323])

(268) *Fourth*, a large majority of respondents who expressed an opinion stated that the purchaser should have specific expertise in providing banking services to SMEs. Respondents highlighted SME banking is a core component of Banco BPM's business and a vital part of the broader banking model delivered through physical branches. SMEs typically require tailored products, advisory services and support, which often vary significantly by region. Italian SMEs, in particular, value a traditional relationship-based approach emphasizing proximity, personal interaction, local knowledge, professionalism and timely responses. These expectations are not easily met by all potential acquirers, especially smaller or less established competitors. ([324])

(269) *Fifth*, a large majority of respondents who expressed an opinion stated that additional roles should be included in the list of Key Personnel. Managers dedicated to business customers, in particular, were frequently highlighted as critical positions for effectively serving SMEs. ([325])

(270) *Sixth*, a large majority of respondents who expressed an opinion stated that the transitional service agreements included in the package should be provided at cost (rather than at market standard conditions) for their entire duration. Respondents further noted that transitional service agreements are typically priced at cost in the context of past mergers and acquisitions within the banking sector. It was also highlighted that services provided centrally by banks to local branches are generally offered at cost. To align with this standard practice, transitional service agreements related to the Divestment Business should follow the same cost-based approach. ([326])

([322]) Responses to question C.10, Questionnaire on Remedies.
([323]) Responses to question E.1, Questionnaire on Remedies.
([324]) Responses to question E.3, Questionnaire on Remedies.
([325]) Responses to questions C.7, Questionnaire on Remedies.
([326]) Responses to questions C.3 and C.4, Questionnaire on Remedies.

(271) In light of these shortcomings, the Initial Commitments were not comprehensive and effective from all points of view and therefore were not capable of rendering the Transaction compatible with the internal market. ([327])

7.2.3. Final Commitments

(272) On 16 June 2025, to account for the results of the market test, UniCredit submitted an updated set of Commitments (the "Final Commitments") which introduced, but is not limited to, ([328]) the following changes to the Initial Commitments:

(a) Reduction of the overall value of the Divestment Business: the aggregate value of the Divestment business was updated to reflect the exclusion of loans and deposits associated with large corporate clients, resulting in a reduction to approximately EUR [10-15] billion in deposits and EUR [5-10] billion in loans.

(b) Enterprise Centres: to support the bank branches in their corporate banking activities with SMEs, the Divestment Business was expanded to include 10 Enterprise Centres. ([329]) For Enterprise Centres not included in the Divestment Business that also serve customers of the Divestment Business, UniCredit commits to: (i) grant the purchaser the option to reassign those customers to one of the divested Enterprise Centres; and (ii) provide to the purchaser the additional resources, including staff, data and assets, and support to ensure equivalent service capability for other customers of the Divestment Business not covered by the divested Enterprise Centres.

(c) Key personnel: the scope of the key personnel of the Divestment Business was amended to include the head of each divested Enterprise Centres (*Responsabile Centro Imprese*).

(d) Remedy partition: UniCredit commits to minimizing the geographic fragmentation of the Divestment Business. It will aim to sell the Divestment Business to a single purchaser. Should there be several purchasers, the Final Commitments aim to avoid that branches located in the same area are split between different purchasers by setting the principle that all branches located in the same region and in neighbouring regions are sold to the same purchaser. To be consistent with this requirement, […], subject to the Commission's purchaser approval process (*e.g.*, a purchaser cannot be found, the purchaser would create *prima facie* competition concerns…).

(e) Transitional service agreements: if the purchaser requests it, UniCredit commits to extend transitional service agreements for an […], at-cost.

(f) Purchaser criteria: it was added that the purchaser shall operate an already established banking business in Italy, with a proven expertise in servicing Italian SMEs (or shall operate an already established banking business elsewhere in the EEA, provided that such purchaser has robust experience

([327]) See Remedies Notice, para. 9.

([328]) The Final Commitments also included certain ancillary modifications to better align with the Commission's policy on acceptable remedies, particularly regarding the duration of divestment and closing periods, the description of the divested assets, and non-solicitation provisions. These modifications do not impact substantially the commitments.

([329]) Certain Entreprise Centers have secondary locations located in bank branches excluded from the Divestment Business. Those secondary locations are not included in the Divestment Business as they mostly serve customers located in catchment areas where the Transaction raises no competition concerns.

and structure allowing it a swift and effective competitive entry in the Italian market).

(273) The Commission further notes that the Final Commitments fully address the competition concerns arising from the Transaction, as they involve the divestiture of Banco BPM branches in all local catchment areas identified as problematic in this decision. They are also comprehensive and effective from all points of view, having fully addressed all concerns raised during the market test in relation to the Initial Commitments. Furthermore, the Final Commitments are capable of being implemented effectively within a short period of time. In fact, a large majority of respondents having expressed an opinion considered that the remedies are likely to attract suitable purchasers and did not flag possible difficulties or risk in the implementation of the divestments. ([330]) The Final Commitments are therefore capable of rendering the Transaction compatible with the internal market. ([331])

8. CONCLUSION

(274) For the above reasons, the Commission has decided not to oppose the notified operation as modified by the commitments and to declare it compatible with the internal market and with the functioning of the EEA Agreement, subject to full compliance with the conditions in Section B and the Schedule of the commitments annexed to the present decision and with the obligations contained in the other sections of the said commitments. This decision is adopted in application of Article 6(1)(b) in conjunction with Article 6(2) of the Merger Regulation and Article 57 of the EEA Agreement.

For the Commission

(Signed)
Teresa RIBERA
Executive Vice-President

([330]) Responses to questions D.1 and F.2, Questionnaire on Remedies.
([331]) See Remedies Notice, para. 9.

16.06.2025

Case M.11830 – UniCredit / BPM

COMMITMENTS TO THE EUROPEAN COMMISSION

Pursuant to Article 6(2) of Council Regulation (EC) No 139/2004 (the '***Merger Regulation***'), UniCredit S.p.A. ('***UniCredit***') hereby enters into the following commitments (the '***Commitments***') vis-à-vis the European Commission (the '***Commission***') with a view to rendering the proposed acquisition of Banco BPM S.p.A. (the '***Concentration***') compatible with the internal market and the functioning of the EEA Agreement.

This text shall be interpreted in light of the Commission's decision pursuant to Article 6(1)(b) of the Merger Regulation to declare the Concentration compatible with the internal market and the functioning of the EEA Agreement (the '***Decision***'), in the general framework of European Union law, in particular in light of the Merger Regulation, and by reference to the Commission Notice on remedies acceptable under Council Regulation (EC) No 139/2004 and under Commission Regulation (EC) No 802/2004 (the '***Remedies Notice***')[1].

Section A. Definitions

1. For the purpose of the Commitments, the following terms shall have the following meaning:

Affiliated Undertakings: undertakings controlled by the Parties and/or by the ultimate parents of the Parties, whereby the notion of control shall be interpreted pursuant to Article 3 of the Merger Regulation and in light of the Commission Consolidated Jurisdictional Notice under Council Regulation (EC) No 139/2004 on the control of concentrations between undertakings (the '***Consolidated Jurisdictional Notice***').

Assets: the assets that contribute to the current operation or are necessary to ensure the viability and competitiveness of the Divestment Business as indicated in Section B, paragraph 5 and described more in detail in the Schedule.

BPM: Banco BPM S.p.A., incorporated under the laws of Italy, with its registered office at Piazza Meda 4, Milan, Italy and registered with the Company Register at Milan under number 09722490969.

Closing: the transfer of the legal title to the Divestment Business to the Purchaser.

Closing Period: the period of [Confidential information on timing] from the date of approval of the Purchaser and the terms of sale by the Commission.

Committing Party: UniCredit. This includes also any legal successors of the Committing Party.

Confidential Information: any business secrets, know-how, commercial information not in the public domain, or any other information of a proprietary nature that is not in the public domain.

[1] For completeness, it is noted that Commission Regulation (EC) No 802/2004 has been replaced by Commission Regulation (EC) 914/2023.

Conflict of Interest: any conflict of interest that impairs the Trustee's objectivity and independence in discharging its duties under the Commitments.

Divestment Business: the business or businesses as defined in Section B and in the Schedule which the Committing Party commits to divest. For the avoidance of doubt, this also includes a part of the Divestment Business, in case this is sold to more than one Purchaser.

Divestiture Trustee: one or more natural or legal person(s) who is/are approved by the Commission and appointed by the Committing Party and who has/have received from the Committing Party the exclusive Trustee Mandate to sell the Divestment Business to a Purchaser at no minimum price.

Effective Date: the date of adoption of the Decision;

First Divestiture Period: the period of [Confidential information on timing].

Hold Separate Manager: the person appointed by the Committing Party for the Divestment Business to manage the day-to-day business under the supervision of the Monitoring Trustee.

Key Personnel: all personnel necessary to maintain the viability and competitiveness of the Divestment Business, as listed in the Schedule, including the Hold Separate Manager.

Large Corporate Customers: customers with an annual turnover above EUR 75 million or managed by BPM's corporate network (*Centri Corporate*, *Centri Large Corporate,* and *Mercati Corporate*).

Monitoring Trustee: one or more natural or legal person(s) who is/are approved by the Commission and appointed by the Committing Party, and who has/have the duty to monitor the Committing Party's compliance with the conditions and obligations attached to the Decision.

Parties: the Notifying Party and the undertaking that is the target of the Concentration.

Personnel: all staff currently employed by the Divestment Business, including staff seconded to the Divestment Business, as well as shared personnel[2].

Purchaser(s): the entity or the entities approved by the Commission as acquirer of the Divestment Business in accordance with the criteria set out in Section D.

Purchaser Criteria: the criteria laid down in paragraph 20 of these Commitments that the Purchaser must fulfil in order to be approved by the Commission.

Schedule: the schedule to these Commitments describing the Divestment Business in more detail.

Trustee(s): the Monitoring Trustee and/or the Divestiture Trustee as the case may be.

[2] Employees pertaining to central functions will be included in the perimeter of the Divestment Business if they are fully or mainly dedicated to the transferred branches, unless their inclusion is excluded by the Purchaser.

Trustee Divestiture Period: the period of [Confidential information on timing] from the end of the First Divestiture Period.

Working day: any working day based on the calendar of trading days at the Italian Stock Exchange

2. Should issues arise relating to the interpretation of terms listed in paragraph 1 of these Commitments or terms not defined, the Commission will retain the interpretation that is the most favourable for an effective implementation of the Commitments.

Section B. The commitment to divest and the Divestment Business

Commitment to divest

3. In order to maintain effective competition, the Committing Party commits to divest, or procure the divestiture of the Divestment Business as a going concern to one or more Purchasers and on terms of sale approved herein by the Commission in accordance with the procedure described in paragraph 20 of these Commitments. To carry out the divestiture, the Committing Party commits to find a purchaser and to enter into a final binding sale and purchase agreement for the sale of the Divestment Business within the First Divestiture Period. If the Committing Party has not entered into such an agreement at the end of the First Divestiture Period (or has done so only for part of the Divestment Business), or the agreement has been rejected by the Commission, the Committing Party shall grant the Divestiture Trustee an exclusive mandate to sell the Divestment Business (or the part of the Divestment Business in regard of which no binding agreement for its sale has been entered into by the end of the First Divestiture Period or has been rejected by the Commission) in accordance with the procedure described in paragraph 33. Moreover, it remains understood that – to the extent possible but with a clear preference for such a result – UniCredit shall endeavour to minimize the geographic fragmentation of the Divestment Business by identifying one single Purchaser for the Divestment Business; for the same ultimate purpose, it is understood that in principle all branches located in the same region and in neighbouring regions should be sold to the same Purchaser.

4. The Committing Party shall be deemed to have complied with this commitment if they fulfil the following conditions:

   (a) a final binding sale and purchase agreement has been entered into by the Committing Party by the end of the First Divestiture Period or by the Divestiture Trustee by the end of the Trustee Divestiture Period, and the Commission approves the Purchaser and the terms of sale as being consistent with the Commitments in accordance with the procedure described in paragraph 21; and

   (b) the Closing of the sale of the Divestment Business to the Purchaser takes place within the Closing Period on the basis of the transaction documents approved by the Commission without any modification, unless explicitly approved by the Commission.

Structure and definition of the Divestment Business

5. The Divestment Business consists of all BPM's branches listed in the Schedule. The legal and functional structure of the Divestment Business as operated to date is described in the Schedule. The Divestment Business, described in more detail in the Schedule, includes the transfer of all assets (including loans), liabilities (including deposits) and staff that contribute to the current operation or are necessary to ensure the viability and competitiveness of the Divestment Business, in particular:

   (a) all tangible and intangible assets (including products under development and related rights, intellectual property rights, and know how);

   (b) all licences, permits and authorisations issued by any governmental organisation for the benefit of the Divestment Business;

   (c) all contracts, leases, commitments and customer orders of the Divestment Business; all customer, credit and other records of the Divestment Business; all cooperation agreements with third parties; and

   (d) all Personnel.

6. The Divestment Business also includes certain BPM corporate offices (the "***Centri Imprese***"), namely – as further specified in the Schedule – the [1-10] offices located at the same address of a BPM branch that is part of the Divestment Business, as well as 3 stand-alone Centri Imprese. In relation to the [1-10] Centri Imprese which are not included in the Divestment Business and also serve customers of the Divestment Business, the Committing Party commits to: (i) grant the Purchaser the option to reassign those customers of the Divestment Business to one of the divested Centri Imprese; (ii) provide to the Purchaser the supplementary resources, including staff, data and assets, and additional support to ensure equivalent service capability for other customers of the Divestment Business not covered by the divested Centri Imprese. UniCredit and the Purchaser will examine the situation on a case-by-case basis in order to find the best solution in compliance with the applicable labor legal framework, on where to physically transfer such resources (e.g. to one of the branches part of the Divestment Business, to other offices/branches of the Purchaser, to a new office), also in light of the objective of avoiding shared or contiguous physical spaces between such transferred Centri Imprese and BPM branches which will be retained by UniCredit.

7. In addition, the Divestment Business includes the benefit, for a transitional period of [Confidential detailed list of the divestment package] after Closing, and on terms and conditions equivalent to those at present afforded to the Divestment Business or at cost (whichever is more advantageous to the Divestment Business), subject to extension for an [Confidential detailed list of the divestment package] upon request by the Purchaser, of (i) all current arrangements under which BPM provides and/or (ii) the new arrangements under which the Committing Party or its Affiliated Undertakings supply products or services to the Divestment Business, both (i) and (ii) arrangements which are necessary for the viability of the Divestment Business, as detailed in the Schedule, unless otherwise agreed with the Purchaser and with the approval of the Commission. Strict firewall procedures shall be adopted so as to ensure that any competitively sensitive information related to, or arising from,

such supply arrangements (for example, product roadmaps) will not be shared with, or passed on to, anyone outside the operations providing such products or services.

Section C. Related commitments

Preservation of viability, marketability and competitiveness

8. From the Effective Date until Closing, the Committing Party shall preserve or procure the preservation of the economic viability, marketability and competitiveness of the Divestment Business, in accordance with good business practice, and shall minimise as far as possible any risk of loss of the competitive potential of the Divestment Business. In particular the Committing Party undertake(s):

(a) not to carry out any action that might have a significant adverse impact on the value, management, viability or competitiveness of the Divestment Business or that might alter the nature and scope of activity, or the industrial or commercial strategy or the investment policy of the Divestment Business;

(b) to make available, or procure to make available, sufficient financial and other resources needed for the development of the Divestment Business, including the development of pipeline products or services where relevant, on the basis of the continuation of the existing business plans;

(c) to take all reasonable steps, or procure that all reasonable steps are being taken, to assist the Divestment Business in the process of IT migration and/or IT separation until the full process is completed;

(d) to the extent the Divestment Business includes any licences, permits and authorisations issued by any governmental organisation or any other third party/parties for the benefit of the Divestment Business, to take all reasonable steps, or procure that all reasonable steps are being taken, to obtain consent from any governmental organisation or any other third party/parties for all required licences, permits and authorisations;

(e) to take all reasonable steps, or procure that all reasonable steps are being taken, including appropriate incentive schemes, to encourage all Key Personnel to remain with the Divestment Business, and not to solicit or move any Personnel to BPM's remaining business. Incentives schemes should not be linked to the sale of the Divestment Business within a certain period or to the sale price of the Divestment Business. Where, nevertheless, individual members of the Key Personnel exceptionally leave the Divestment Business, the Committing Party shall provide a reasoned proposal to replace the person or persons concerned to the Commission and the Monitoring Trustee. The Committing Party must be able to demonstrate to the Commission that the replacement is well suited to carry out the functions exercised by those individual members of the Key Personnel. The replacement shall take place under the supervision of the Monitoring Trustee, who shall report to the Commission.

Hold-separate obligations

9. The Committing Party commits, from the Effective Date until Closing, to keep, or procure to keep, the Divestment Business separate from the business(es) the Parties

are retaining and to ensure that unless explicitly permitted under these Commitments: (i) management and staff of the business(es) retained by the Parties have no involvement in the Divestment Business; (ii) the Key Personnel and Personnel of the Divestment Business have no involvement in any business retained by the Parties and do not report to any individual outside the Divestment Business.

10. Until Closing, the Committing Party shall assist the Monitoring Trustee in ensuring that the Divestment Business is managed as a distinct and saleable entity separate from the business(es) which the Parties are retaining. As soon as reasonably possible after the transfer to UniCredit of the shares of BPM pursuant to the Proposed Transaction, and in any case within the earlier date [Confidential information on the terms of the Divestment Business] shares and the appointment by UniCredit of the majority of the board of directors of BPM, the Committing Party shall appoint a Hold Separate Manager. The Hold Separate Manager shall be chosen by UniCredit within BPM, and shall be part of the Key Personnel. The appointment should occur in agreement with the Commission. The Hold Separate Manager shall manage the Divestment Business independently and in the best interest of the business with a view to ensuring its continued economic viability, marketability and competitiveness and its independence from the businesses retained by the Parties. The Hold Separate Manager shall closely cooperate with and report to the Monitoring Trustee and, if applicable, the Divestiture Trustee. The Committing Party shall ensure that the Hold Separate Manager is available for an initial call with the Monitoring Trustee and the Commission, as well as to discuss any significant matter at the request of the Monitoring Trustee or the Commission during his/her mandate. The Monitoring Trustee or the Commission can discuss any matter relevant for the implementation of the Commitments with the Hold Separate Manager without the presence or explicit agreement of representatives of the Committing Party. The Hold Separate Manager should provide all information requested by the Commission, including confidential information.

11. Any replacement of the Hold Separate Manager shall be subject to the procedure laid down in paragraph 8(e) of these Commitments. The Commission may, after having heard the Committing Party, require the Committing Party to replace the Hold Separate Manager. The Hold Separate Manager shall not be employed by the Committing Party or their affiliated undertakings for a period of two years after Closing.

Ring-fencing obligations

12. The Committing Party shall implement, or procure to implement, all necessary measures to ensure that, it does not, after the Effective Date, obtain any Confidential Information relating to the Divestment Business and that any such Confidential Information obtained by the Parties before the Effective Date will be eliminated, and not be used by the Parties. In particular, the participation of the Divestment Business in any central information technology network shall be severed, to the extent possible, without compromising the viability of the Divestment Business. All personnel in BPM's remaining business who have had access to Confidential Information relating to the Divestment Business shall sign non-disclosure agreements preventing them from using or disclosing any such information. To that effect, within [Confidential aspects of the implementation of the commitments] of the acquisition by UniCredit of the majority of the board of directors of BPM, the Committing Party shall provide a detailed work plan on the

implementation of the ring-fencing measures to the Monitoring Trustee for its review. The Committing Party may obtain or keep information relating to the Divestment Business which is reasonably necessary for the divestiture of the Divestment Business or the disclosure of which to the Committing Party is required by law.

Transitional obligations

13. Until the end of the term of the relevant obligations, the Committing Party shall fulfil and respect its obligations under any and all of the agreements between the Committing Party and the Purchaser, as detailed in the Schedule.

Non-solicitation obligations

14. The Committing Party undertakes, subject to customary limitations, not to solicit, and to procure that Affiliated Undertakings do not solicit, the Key Personnel transferred with the Divestment Business for a period of [Confidential aspects of the implementation of the commitments] after Closing.

15. The Committing Party undertakes, subject to customary limitations, not to solicit, and to procure that Affiliated Undertakings do not solicit, any of the customers of the branches within the Divestment Business, for a period of [Confidential aspects of the implementation of the commitments] after Closing.

Non-reacquisition obligation

16. In order to maintain the structural effect of the Commitments, the Committing Party shall, for a period of [Confidential aspects of the implementation of the commitments] after Closing, not acquire, whether directly or indirectly, the possibility of exercising influence (as defined in paragraph 43 of the Remedies Notice, footnote 3) over the whole or part of the Divestment Business, unless, following the submission of a reasoned request from the Committing Party showing good cause and accompanied by a report from the Monitoring Trustee (as provided in paragraph 56 of these Commitments), the Commission finds that the structure of the market has changed to such an extent that the absence of influence over the whole or part of Divestment Business is no longer necessary to render the Concentration compatible with the internal market.

Due diligence-related obligations

17. In order to enable potential purchasers to carry out a reasonable due diligence of the Divestment Business, the Committing Party shall provide them with the confidential version (or a meaningful non-confidential version) of the Commitments. Subject to customary confidentiality assurances and dependent on the stage of the divestiture process the Committing Party shall also provide potential purchasers with:

(a) sufficient information as regards the Divestment Business;

(b) sufficient information relating to the Personnel and allow them reasonable access to the Personnel.

Reporting obligations

18. The Committing Party shall submit written reports in English on potential purchasers of the Divestment Business and developments in the negotiations with such potential purchasers to the Monitoring Trustee no later than 10 days after the end of every month following the Effective Date (or otherwise at the Monitoring

Trustee's request). The Committing Party shall submit a list of all potential purchasers having expressed interest in acquiring the Divestment Business to the Commission and the Monitoring Trustee at each and every stage of the divestiture process, as well as a copy of all the offers made by potential purchasers within five days of their receipt.

19. The Committing Party shall inform the Monitoring Trustee on the preparation of the data room documentation and the due diligence procedure and shall submit a copy of any information memorandum to the Monitoring Trustee before sending the memorandum out to potential purchasers.

Section D. The Purchaser

20. In order to be approved by the Commission, the Purchaser must fulfil the following criteria:

    (a) The Purchaser shall be independent of and unconnected to the Committing Party and its Affiliated Undertakings (this being assessed having regard to the situation following the divestiture).

    (b) The Purchaser shall operate an already established banking business in Italy, with a proven expertise in servicing Italian SMEs (or shall operate an already established banking business elsewhere in the EEA, provided that such Purchaser has robust experience and structure allowing it a swift and effective competitive entry in the Italian market).

    (c) The Purchaser shall have the financial resources to maintain and develop the Divestment Business as a viable and active competitive force in competition with the Parties and other competitors. In particular, the Purchaser shall not be excessively leveraged, shall have sufficient equity and profitability, shall have a turnover significantly larger than the turnover of the Divestment Business, shall have sufficient means to finance the acquisition of the Divestment Business and the execution of its business plan, including investments.

    (d) The Purchaser shall also have the proven expertise, ability and incentive to maintain and develop the Divestment Business as a viable and active competitive force in competition with the Parties and other competitors.

    (e) The acquisition of the Divestment Business by the Purchaser must neither be likely to create, in light of the information available to the Commission, *prima facie* competition concerns nor give rise to a risk that the implementation of the Commitments will be delayed. In particular, the Purchaser must reasonably be expected to obtain all necessary approvals from the relevant regulatory authorities for the acquisition of the Divestment Business.

21. The final binding sale and purchase agreement (as well as ancillary agreements) relating to the divestment of the Divestment Business shall be conditional on the Commission's approval. When the Committing Party has reached an agreement with a purchaser, it shall submit a fully documented and reasoned proposal, including a copy of the final agreement(s), within one week to the Commission and the Monitoring Trustee. For the approval, the Committing Party must be able to

demonstrate – and the Commission shall verify - that the purchaser fulfils the Purchaser Criteria and that the Divestment Business is being sold in a manner consistent with the Commission's Decision and the Commitments including their objective to bring about a lasting structural change in the market. The Commission may approve the sale of the Divestment Business without one or more of the Assets or parts of the Personnel, or by substituting one or more Assets or parts of the Personnel with one or more different assets or different personnel, if this does not affect the implementation of the Commitments and the viability and competitiveness of the Divestment Business after the sale, taking account of the Purchaser.

22. Any change to the final binding sale and purchase agreement (as well as ancillary agreements) taking place after the Commission's approval referred to in the previous paragraph shall be approved by the Commission, following consultation of the Monitoring Trustee.

Section E. Trustee

I. Appointment procedure

23. The Committing Party shall appoint a Monitoring Trustee to carry out the functions specified in these Commitments for a Monitoring Trustee. The Committing Party commits not to vote the shares acquired as a result of the Concentration before the appointment of a Monitoring Trustee.

24. If the Committing Party has not entered into a binding sale and purchase agreement regarding the Divestment Business one month before the end of the First Divestiture Period or if the Commission has rejected a purchaser proposed by the Committing Party at that time or thereafter, the Committing Party shall appoint a Divestiture Trustee. The appointment of the Divestiture Trustee shall take effect upon the commencement of the Trustee Divestiture Period.

25. The Trustee shall:

(a) at the time of appointment, be independent of the Parties and their Affiliated Undertakings;

(b) possess the necessary qualifications to carry out its mandate, for example have sufficient relevant experience as an investment banker or consultant or auditor;

(c) neither have nor become exposed to a Conflict of Interest;

(d) demonstrate sufficient capacity and resources to take on the Trustee role with all the obligations that the role entails, including to report regularly to the Commission;

(e) have a sufficient presence in the EU/EEA, and sufficient expertise in the relevant EU/EEA countries covered by the Commitments.

26. The Trustee shall be remunerated by the Committing Party in a way that does not impede the independent and effective fulfilment of its mandate. In particular, where the remuneration package of a Divestiture Trustee includes a success premium linked to the final sale value of the Divestment Business, such success premium

may only be earned if the divestiture takes place within the Trustee Divestiture Period.

Proposal by the Committing Party

27. No later than [Confidential aspects of the implementation of the commitments] after the Effective Date, the Committing Party submits the names of at least three natural or legal persons whom the Committing Party proposes to appoint as the Monitoring Trustee to the Commission for approval and a list of two or more persons, who can be the same as the persons proposed as Monitoring Trustee, whom the Committing Party proposes to appoint as Divestiture Trustee to the Commission for approval. The proposal shall contain sufficient information for the Commission to verify that the persons proposed as Trustee fulfil the requirements set out in paragraph 25 and shall include:

    (a) the full terms of the proposed mandate, which shall include all provisions necessary to enable the Trustee to fulfil its duties under these Commitments; and

    (b) the outline of a work plan which describes how the Trustee intends to carry out its assigned tasks.

Approval or rejection by the Commission

28. The Commission shall have the discretion to approve or reject the proposed Trustee(s) and to approve the proposed mandate subject to any modifications it deems necessary for the Trustee to fulfil its obligations. If only one name is approved, the Committing Party shall appoint or cause to be appointed the person or persons concerned as Trustee, in accordance with the mandate approved by the Commission. If more than one name is approved, the Committing Party shall be free to choose the Trustee to be appointed from among the names approved. The Trustee shall be appointed within one week of the Commission's approval, in accordance with the mandate approved by the Commission.

New proposal by the Committing Party

29. If all the proposed Trustees are rejected, the Committing Party shall submit the names of at least two more natural or legal persons within [Confidential aspects of the implementation of the commitments] of being informed of the rejection, in accordance with paragraphs 23 and 28 of these Commitments.

Trustee nominated by the Commission

30. If all further proposed Trustees are rejected by the Commission, the Commission shall nominate a Trustee, whom the Committing Party shall appoint, or cause to be appointed, in accordance with a trustee mandate approved by the Commission.

II. Functions of the Trustee

31. The Trustee shall assume its specified duties and obligations in order to ensure compliance with the Commitments. The Commission may, on its own initiative or at the request of the Trustee or the Committing Party, give any orders or instructions to the Trustee in order to ensure compliance with the conditions and obligations attached to the Decision.

Duties and obligations of the Monitoring Trustee

32. The Monitoring Trustee shall:

(a) propose in its first report to the Commission a detailed work plan describing how it intends to monitor compliance with the obligations and conditions attached to the Decision;

(b) oversee, in close co-operation with the Hold Separate Manager, the on-going management of the Divestment Business with a view to ensuring its continued economic viability, marketability and competitiveness and monitor compliance by the Committing Party with the conditions and obligations attached to the Decision. To that end the Monitoring Trustee shall:

(i) monitor the preservation of the economic viability, marketability and competitiveness of the Divestment Business, and the keeping separate of the Divestment Business from the business retained by the Parties, in accordance with paragraphs 9, 10 and 11 of these Commitments;

(ii) monitor that the Committing Party makes available sufficient resources for the Divestment Business to develop, including for the development of pipeline products or services where relevant (including to reach completion, approval or registration of pipeline products or services), based on the continuation of existing business plans and relevant milestones or of any other future or ongoing projects that are important for the viability of the Divestment Business to the extent that there are any support obligations from the Committing Party; to the extent that the Commitments include transitional agreements or the obligation to supply certain inputs, products or services, the Trustee shall monitor the strict compliance with the terms approved and inform the Commission promptly of any changes or compliance problems during the term of such agreements;

(iii) supervise the management of the Divestment Business as a distinct and saleable entity, in accordance with paragraphs 9 to 11 of these Commitments;

(iv) with respect to Confidential Information:

(A) determine all necessary measures to ensure that the Committing Party, does not after the Effective Date obtain any Confidential Information relating to the Divestment Business,

(B) in particular strive for the severing of the Divestment Business' participation in a central information technology network to the extent possible, without compromising the viability of the Divestment Business,

(C) make sure that any Confidential Information relating to the Divestment Business obtained by the Committing Party

before the Effective Date is eliminated and will not be used by the Committing Party, and

(D) decide whether such information may be disclosed to or kept by the Committing Party as the disclosure is reasonably necessary to allow the Committing Party to carry out the divestiture or as the disclosure is required by law;

(v) monitor the splitting of assets and the allocation of Personnel between the Divestment Business and the Committing Party or Affiliated Undertakings;

(c) propose to the Committing Party such measures as the Monitoring Trustee considers necessary to ensure the Committing Party's compliance with the conditions and obligations attached to the Decision, in particular the maintenance of the full economic viability, marketability or competitiveness of the Divestment Business, the holding separate of the Divestment Business and the nondisclosure of competitively sensitive information;

(d) review and assess potential purchasers as well as the progress of the divestiture process and verify that, dependent on the stage of the divestiture process:

(i) potential purchasers receive sufficient and correct information relating to the Divestment Business and the Personnel in particular by reviewing, if available, the data room documentation, the information memorandum and the due diligence process, and by ensuring their access to a confidential version (or a meaningful non-confidential) version of the Commitments, and

(ii) potential purchasers are granted reasonable access to the Personnel and Key Personnel;

(e) act as a contact point for any requests by third parties, in particular potential purchasers, in relation to the Commitments;

(f) provide to the Commission, sending the Committing Party a non-confidential copy at the same time, a written report within 15 days after the end of every month that shall cover the operation and management of the Divestment Business as well as the splitting of assets and the allocation of Personnel so that the Commission can assess whether the business is held in a manner consistent with the Commitments and the progress of the divestiture process as well as potential purchasers. The Committing Party shall neither receive nor comment on draft reports that the Monitoring Trustee prepares for the purposes of reporting to the Commission;

(g) promptly report in writing to the Commission, sending the Committing Party a non-confidential copy at the same time, if it concludes on reasonable grounds that the Committing Party is failing to comply with these Commitments. The Committing Party shall neither receive nor comment on draft reports that the Monitoring Trustee prepares for the purposes of reporting to the Commission;

(h) promptly report in writing to the Commission as soon as it becomes aware of potential exposure to a Conflict of Interest appearing after its appointment, including if it becomes aware of any potential lack of independence or Conflict of Interest with any purchaser participating in the sale process;

(i) to the extent that the Commitments include transitional services agreements, support for projects under development, or the obligation to supply certain inputs, products or services, assess that these obligations are satisfactorily reflected in the sale and purchase agreement and other transaction documents, and inform the Commission promptly of any deviation from the terms included in the Commitments or approved by the Commission or any dispute as to the compliance with such terms during the full duration of the agreement;

(j) promptly report in writing to the Commission the risks of degradation of the value or operation of the Divestment Business, or risks that the Purchaser does not or is not able to carry out or maintain investments that are essential for the viability of the Divestment Business;

(k) within two weeks after receipt of the documented proposal referred to in paragraph 21 of these Commitments, submit to the Commission, sending the Committing Party a non-confidential copy at the same time, a reasoned opinion as to the suitability and independence of the proposed purchaser and the viability of the Divestment Business after the sale and as to whether the Divestment Business is sold in a manner consistent with the conditions and obligations attached to the Decision, in particular, if relevant, whether the Sale of the Divestment Business without one or more Assets or not all of the Personnel affects the viability of the Divestment Business after the sale, taking account of the proposed purchaser;

(l) remain throughout the term of the Commitments a point of contact for the Committing Party, potential purchasers, the Purchaser, the Commission and any other interested third party, in case of issues arising from the implementation and monitoring of the Commitments, including by producing *ad hoc* reports upon request of the Commission;

(m) contact potential purchasers that submitted a bid for the Divestment Business and ask for relevant information;

(n) assume the other functions assigned to the Monitoring Trustee under the conditions and obligations attached to the Decision.

33. If the Monitoring and Divestiture Trustee are not the same legal or natural persons, the Monitoring Trustee and the Divestiture Trustee shall cooperate closely with each other during and for the purpose of the preparation of the Trustee Divestiture Period in order to facilitate each other's tasks.

Duties and obligations of the Divestiture Trustee

34. Within the Trustee Divestiture Period, the Divestiture Trustee shall sell at no minimum price the Divestment Business (or the part of the Divestment Business in regard of which no binding agreement for its sale has been entered into by the end of the First Divestiture Period or has been rejected by the Commission) to a

purchaser, provided that the Commission has approved both the purchaser and the final binding sale and purchase agreement (and ancillary agreements) as in line with the Commission's Decision and the Commitments in accordance with paragraphs 21 and 22 of these Commitments. The Divestiture Trustee shall include in the sale and purchase agreement (as well as in any ancillary agreements) such terms and conditions as it considers appropriate for an expedient sale in the Trustee Divestiture Period. In particular, the Divestiture Trustee may include in the sale and purchase agreement such customary representations and warranties and indemnities as are reasonably required to effect the sale. The Divestiture Trustee shall protect the legitimate financial interests of the Committing Party, subject to the Committing Party's unconditional obligation to divest at no minimum price (including at a negative price if considered appropriate and reasonably required) in the Trustee Divestiture Period.

35. In the Trustee Divestiture Period (or otherwise at the Commission's request), the Divestiture Trustee shall provide the Commission with a comprehensive monthly report written in English on the progress of the divestiture process. Such reports shall be submitted within 15 days after the end of every month with a simultaneous copy to the Monitoring Trustee and a non-confidential copy to the Committing Party.

III. Duties and obligations of the Committing Party

36. The Committing Party shall provide and shall cause its advisors to provide the Trustee with all such co-operation, assistance and information as the Trustee may reasonably require to perform its tasks. The Trustee shall have full and complete access to any of BPM's or the Divestment Business' books, records, documents, management or other personnel, facilities, sites and technical information necessary for fulfilling its duties under the Commitments and the Committing Party and the Divestment Business shall provide the Trustee upon request with copies of any document. The Committing Party and the Divestment Business shall make available to the Trustee one or more offices on their premises and shall be available for meetings in order to provide the Trustee with all information necessary for the performance of its tasks.

37. The Committing Party shall provide the Monitoring Trustee with all managerial and administrative support that it may reasonably request on behalf of the management of the Divestment Business. This shall include all administrative support functions relating to the Divestment Business which are currently carried out at headquarters level. The Committing Party shall provide and shall cause its advisors to provide the Monitoring Trustee, on request, with the information submitted to potential purchasers, in particular give the Monitoring Trustee access to the data room documentation and all other information granted to potential purchasers in the due diligence procedure. The Committing Party shall inform the Monitoring Trustee on possible purchasers, submit lists of potential purchasers at each stage of the selection process, including the offers made by potential purchasers at those stages, and keep the Monitoring Trustee informed of all developments in the divestiture process.

38. The Committing Party shall grant or procure Affiliated Undertakings to grant comprehensive powers of attorney, duly executed, to the Divestiture Trustee to effect the sale (including ancillary agreements), the Closing and all actions and declarations which the Divestiture Trustee considers necessary or appropriate to

achieve the sale and the Closing, including the appointment of advisors to assist with the sale process. Upon request of the Divestiture Trustee, Committing Party shall cause the documents required for effecting the sale and the Closing to be duly executed.

39. The Committing Party shall indemnify the Trustee and its employees and agents (each an '***Indemnified Party***') and hold each Indemnified Party harmless against, and hereby agrees that an Indemnified Party shall have no liability to the Committing Party for, any liabilities arising out of the performance of the Trustee's duties under the Commitments, except to the extent that such liabilities result from the wilful default, recklessness, gross negligence or bad faith of the Trustee, its employees, agents or advisors.

40. At the expense of the Committing Party, the Monitoring Trustee may appoint advisors (in particular for corporate finance or legal advice), subject to the Committing Party's approval (this approval not to be unreasonably withheld or delayed) if the Monitoring Trustee considers the appointment of such advisors necessary or appropriate for the performance of its duties and obligations under the Mandate, provided that any fees and other expenses incurred by the Monitoring Trustee are in line with business practice. Should the Committing Party refuse to approve the advisors proposed by the Monitoring Trustee the Commission may approve the appointment of such advisors instead, at the expense of the Committing Party, after having heard the Committing Party. Only the Trustee shall be entitled to issue instructions to the advisors. Paragraph 40 of these Commitments shall apply *mutatis mutandis*. In the Trustee Divestiture Period, the Divestiture Trustee may use advisors who served the Committing Party during the Divestiture Period if the Divestiture Trustee considers this in the best interest of an expedient sale. At the expense of the Committing Party, the Divestiture Trustee may appoint advisors (in particular for corporate finance or legal advice), without the Committing Party's approval if the Divestiture Trustee considers the appointment of such advisors necessary or appropriate for the performance of its duties and obligations under the Mandate, provided that any fees and other expenses incurred by the Divestiture Trustee are in line with business practice.

41. The Committing Party agrees that the Commission may share Confidential Information proprietary to the Committing Party with the Trustee. The Trustee shall not disclose such information and the principles contained in Article 17(1) and (2) of the Merger Regulation apply *mutatis mutandis*.

42. The Committing Party agrees that the contact details of the Monitoring Trustee are published on the website of the Commission's Directorate-General for Competition, and they shall inform interested third parties, in particular any potential purchasers, of the identity and the tasks of the Monitoring Trustee. The Committing Party agrees that the contact details of the Divestiture Trustee are published on the website of the Commission's Directorate-General for Competition upon the commencement of the Trustee Divestiture Period begins.

43. For a period of 10 years from the Effective Date the Commission may request all information from the Parties that is reasonably necessary to monitor the effective implementation of these Commitments.

IV. Replacement, discharge and reappointment of the Trustee

44. If the Trustee ceases to perform its functions under the Commitments or for any other good cause, including for failure to comply with the requirements in paragraph 25:

(a) the Commission may, after hearing the Trustee and the Committing Party, require the Committing Party to replace the Trustee; or

(b) the Committing Party may, with the prior approval of the Commission, replace the Trustee.

45. If the Trustee is removed according to paragraph 44 of these Commitments, the Trustee may be required to continue in its function until a new Trustee is in place to whom the Trustee has effected a full hand over of all relevant information. The new Trustee shall be appointed in accordance with the procedure referred to in paragraphs 23-30 of these Commitments.

46. Unless removed according to paragraph 44 of these Commitments, the Trustee shall cease to act as Trustee only after the Commission has discharged it from its duties after all the Commitments with which the Trustee has been entrusted have been implemented. However, the Commission may at any time require the reappointment of the Monitoring Trustee if it subsequently appears that the relevant remedies might not have been fully and properly implemented.

Section F. Interpretation of the Commitments

47. In case of a conflict between the wording of the text of the present Commitments and the contractual instruments executed by the Committing Party, the Purchaser or any other party for the purposes of implementing the Commitments, the wording of the Commitments shall prevail, without prejudice to the fact that the interpretation of the Commitments shall take into account the solution that is more favourable to the Divestment Business. Deviations from the Commitments in such contractual instruments are only valid if they have been expressly approved by the Commission. A clause implementing this paragraph should be included in the contractual instruments executed by the Committing Party.

Section G. Dispute Resolution Procedure

48. The following dispute resolution procedure applies in case of conflict between the Committing Party and the Purchaser in relation to the Commitments.

49. The Committing Party and the Purchaser shall appoint a panel of experts (the '***Experts***'). This panel shall comprise:

(a) one expert appointed by the Committing Party;

(b) one expert appointed by the Purchaser; and

(c) one expert appointed by the two experts appointed under (a) and (b) provided that if they fail to appoint the third expert within 15 Working days from their appointment, either the Committing Party or the Purchaser may request the Monitoring Trustee to appoint the third expert, provided that

each person so appointed shall be independent of the Parties and the Purchaser, and a suitably qualified and experienced expert.

50. The process shall be conducted in private and shall be confidential but under supervision of the Monitoring Trustee. The language of the process shall be English.

51. The Experts shall act on the following basis:

(a) the Experts shall act fairly and impartially;

(b) each party shall submit to the Experts its brief and its submission in relation to the matter in dispute within 5 Working days of the Experts' appointment;

(c) the Experts shall decide the procedure to be followed within 5 Working days of their appointment, which may be the rules of arbitration the Milan Chamber of Commerce;

(d) the Committing Party and the Purchaser shall assist and provide documentation as the Experts reasonably requires to consider the matters referred to them;

(e) decisions of the Experts shall be based on majority votes of the panel;

(f) the Experts' determination in relation to any matter referred to them shall be given within a maximum period of one month of the Experts' appointment;

(g) the Experts' determination in relation to any matter referred to them shall (save for manifest error or fraud) be final and binding on the Committing Party and the Purchaser;

(h) any challenge to the Experts' determination shall be made before the Tribunal of Milan;

(i) each party shall carry out the actions required to comply with the obligations set out in the Experts' determination in relation to any matter pursuant referred to them within any time-limits specified by the Experts; and

(j) the Experts shall determine how and by whom the costs of the determination in relation to any matter referred to it including the fees and expenses of the Experts are to be paid.

52. The Commission shall be allowed and enabled to participate in all stages of the dispute resolution procedure by:

(a) receiving all written submissions (including documents and reports, *etc*.) made by the Committing Party and the Purchaser to the procedure;

(b) receiving all documents exchanged by the Experts with the Committing Party and the Purchaser to the procedure;

(c) filing any written submissions; and

(d) being present at the hearing(s) and being allowed to ask questions.

53. The Experts shall forward, or shall order the Committing Party and the Purchaser to forward, the documents mentioned to the Commission without delay.

54. The Monitoring Trustee shall receive copies of:

(a) all submissions made by the Committing Party and the Purchaser in relation to the matters they wish to have resolved by the Experts, on the day when these have been submitted to the Experts;

(b) all other documentation provided by the Committing Party and the Purchaser, on the day when these have been submitted to the Experts; and

(c) the determination made by the Experts, on the day when the determination has been provided to the Committing Party and the Purchaser.

55. This dispute resolution procedure is without prejudice to any other rights and remedies that may be available to the Committing Party and the Purchaser as the case may be in respect of any breach of the transaction documents. This procedure is also without prejudice to any Commission decision related to the compliance of the Committing Party with the Commitments.

Section H. The review clause

56. The Commission may extend the time periods foreseen in the Commitments in response to a request from the Committing Party or, in appropriate cases, on its own initiative. Where the Committing Party request(s) an extension of a time period, it shall submit a reasoned request to the Commission no later than one month before the expiry of that period, showing good cause**.** This request shall be accompanied by a report from the Monitoring Trustee, who shall, at the same time send a non-confidential copy of the report to the Committing Party. Only in exceptional circumstances shall the Committing Party be entitled to request an extension within the last month of any period.

57. The Commission may further, in response to a reasoned request from the Committing Party showing good cause waive, modify or substitute, in exceptional circumstances, one or more of the undertakings in these Commitments. This request shall be accompanied by a report from the Monitoring Trustee, who shall, at the same time send a non-confidential copy of the report to the Committing Party. The request shall not have the effect of suspending the application of the undertaking and, in particular, of suspending the expiry of any time period in which the undertaking has to be complied with.

Section I. Entry into force

58. The Commitments shall take effect upon the date of adoption of the Decision.

[name]
[signed]

duly authorised for and on behalf of UniCredit S.p.A.

SCHEDULE

1. The Divestment Business consists of 209 branches of BPM, representing – based on the dataset from Bank of Italy provided by the Commission – an aggregate value of overall approx. EUR [10-15] billion in deposits and approx. EUR [5-10] billion in loans, by way of their sale as going concerns, as listed here below.

[Confidential detailed list of the branches to be divested] ([3])

2. Moreover, the Divestment Business will include the 10 Centri Imprese as indicated in the following table.

   [Confidential detailed list of the "Centri Imprese" to be divested]

3. In relation to the Centri Imprese which are not included in the Divestment Business and also serve customers of the Divestment Business, as listed in the following table, the Committing Party commits to: *(i)* grant the Purchaser the option to reassign those customers of the Divestment Business to one of the divested Centri Imprese; and *(ii)* provide to the Purchaser the supplementary resources, including staff, data and assets, and additional support to ensure equivalent service capability for other customers of the Divestment Business not covered by the divested Centri Imprese.

[Confidential list of additional "Centri Imprese"]

4. [Confidential information on the economic terms of the Divestment Business].

5. The Divestment Business includes, but is not limited to:

   (a) the following main tangible assets: any real estate properties where the Divestment Business branches are located; any fixtures, furnishings and fitout of each Divestment Business branches;

   (b) all intellectual property rights related to the Divestment Business, without prejudice to the exclusions listed in 8(b) below. Any license to intellectual property rights granted to the Divestment Business shall include the rights to new releases, upgrades, modifications, as well as the rights to inter alia use, copy, modify, improve, and reverse-engineer relevant elements of existing licenses or software or products under development;

   (c) all transferable licenses, permits and authorisations relating to each of the Divestment Business branches;

   (d) all transferable contracts, agreements, leases, commitments and understandings associated to each of the Divestment Business branches; all customer contracts, credit and other records currently held by the Divestment Business branches;

   (e) all Personnel currently employed by the Divestment Business branches*;*

   (f) at the reasonable request of the Monitoring Trustee, the Committing Party shall consider the appointment of additional Key Personnel without delaying or withholding the appointment unreasonably; and

[3] [Confidential information on a branch to be divested].

(g) the arrangements for the supply with the following products or services on terms and conditions equivalent to those at present afforded to the Divestment Business or at cost (whichever is more advantageous to the Divestment Business) by the Committing Party or Affiliated Undertakings for a transitional period of up to 1 year after Closing, to be agreed with the Purchaser, and subject to an extension of 1 further year upon request by the Purchaser.

6. In particular, the Key Personnel encompasses the director of each branch within the Divestment Business, as well as the head of each of the Centri Imprese (*Responsabile Centro Imprese*) included within the Divestment Business.

7. UniCredit will provide to the Purchaser any transitional service agreements necessary for the operation of the Divested Business ([Confidential information on the economic terms of the Divestment Business]), equivalent to those currently made available to the Divested Business by BPM (e.g., ICT support, hand-over of data and documents, branch services like cash management/handling, payment services and payment cards, activities instrumental to support Purchaser day-1 readiness to operate the Divested Business).

8. The Divestment Business shall not include:

(a) the customer contracts with Large Corporate Customers (not including loans or deposits with small businesses);

(b) any licensing or transfer of ownership of IP rights relating to BPM's IT features or brands, or any know-how relating to specific features of BPM's banking, financial or insurance products that the Divestment Business will no longer provide after the transfer to the Purchaser, while they may be part of the transitional service agreements pursuant to paragraph 7 of this Schedule. As customary, the Purchaser will be requested to commit to change any logo and brand of BPM in the branches and replace them with its own logo and brand in a pre-defined (short) timeframe;

(c) at the request of the Purchaser, any obligations from distribution agreements can also be excluded.

9. If there is any asset or personnel which is not covered by paragraph 5 of this Schedule but which contributes to the current operation (and are not excluded pursuant to paragraph 8 of this Schedule) or are necessary to ensure the viability and competitiveness of the Divestment Business, that asset, personnel or adequate substitute will be offered to potential purchasers.

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