



SPAFID
CONNECT

Informazione Regolamentata n. 1928-34-2022	Data/Ora Ricezione 07 Aprile 2022 16:33:44	Euronext Milan
--	---	----------------

Societa' : BANCO BPM

Identificativo : 160029

Informazione
Regolamentata

Nome utilizzatore : BANCOBPMN03 - Marconi

Tipologia : 3.1

Data/Ora Ricezione : 07 Aprile 2022 16:33:44

Data/Ora Inizio : 07 Aprile 2022 16:33:45

Diffusione presunta

Oggetto : ORDINARY AND EXTRAORDINARY
SHAREHOLDERS' MEETING OF BANCO
BPM S.p.A.

Testo del comunicato

Vedi allegato.



PRESS RELEASE

ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF BANCO BPM S.p.A.

- **Financial statements as at 31 December 2021, which closed with a consolidated net profit of € 569 million (€ 710 million net of non-recurring items) approved with 99.18% of votes in favour**
- **Distribution of a dividend of € 0.19 per share approved with almost 100% of votes in favour**
- **Remuneration policy approved with over 94% of votes in favour**
 - *long-term plan in line with the time horizon and objectives of the 2021-2024 Strategic Plan, with even more challenging targets*
 - *ESG metrics as key elements for the personnel incentive system, in keeping with the goals of the 2021-2024 Strategic Plan*
- **Other items on the agenda submitted to the Shareholders' Meeting approved by a large majority**

Novara, 7 April 2022 - The ordinary and extraordinary Shareholders' Meeting of Banco BPM S.p.A., attended by approximately 2,300 Shareholders exclusively through Computershare S.p.A., Representative Appointed by Banco BPM S.p.A. pursuant to art. 135-undecies of Italian Legislative Decree 58/1998 ("TUF"), representing over 44% of share capital, having examined the Explanatory Reports made available to the public according to the forms and methods set forth in the applicable provisions, approved all items on the agenda by a large majority.

*"To rise to the challenges of the rapidly-changing general scenario, the Bank has decided to adopt a new remuneration policy - stated the **Chairman Massimo Tononi** - Adequate incentive plans and merit-based remuneration systems effectively represent a fundamental stimulus to achieve the Group's objectives. In addition, with a view to further strengthening and substantiating the integration of sustainable and inclusive development into the company's activities, the new policy strengthens the correlation between variable remuneration and strategic action regarding environmental issues, aspects relating to health and safety and human resource management: another step towards the progressive extension of Banco BPM's strategic position in all dimensions of sustainability, through the increased integration and circulation of ESG elements (Environmental, Social, Governance) in its business model".*

*"Looking back at 2021, which closed with a net profit of € 569 million (€ 710 if the adjusted figure is considered) - continued the **Chief Executive Officer Giuseppe Castagna** - the figures show how, despite the macroeconomic scenario being influenced by the Covid-19 health emergency, the widespread commercial and organisational commitment enabled the Group to record excellent performance, exceeding market expectations, with results that were even better than pre-pandemic ones, confirming the validity of the strategy implemented. Results which made it possible to submit a proposal to the approval of the shareholders for the distribution of a dividend of 19 cents per share*

representing a Payout of 50%, higher than the objectives envisaged by the strategic plan, with a Dividend Yield of 7.0%¹. Lastly - concluded the Chief Executive Officer - I would like to thank my colleagues for the results achieved. They work with dedication and passion every day, contributing to making our Bank deserve the trust of our customers and of all our stakeholders".

2021 RESULTS OF THE BANCO BPM GROUP

While referring the reader, for more details, to the Press Release issued on 8 February 2022, at the time of approval of the draft separate and consolidated financial statements of Banco BPM by the Board of Directors, the main results of the Banco BPM Group's consolidated financial statements are summarised below.

Key consolidated balance sheet items as at 31 December 2021

- Net loans to customers € 109.4 billion: stable YoY (of which performing loans +1.0% and non-performing loans -24.0%);
- Direct funding from customers² € 123.2 billion: +2.5% compared to the end of December 2020: the growth trend in core funding³ was confirmed (+€ 5.1 billion compared to the end of 2020);
- Indirect funding from customers⁴ € 99.1 billion: +8.2% compared to 31 December 2020, of which:
 - asset management € 65.3 billion;
 - asset administration € 33.7 billion.

Key consolidated income statement items for 2021

- Net interest income of € 2,041.6 million (€ 1,982.6 million in 2020; +3.0%)
- Net fee and commission income of € 1,911.2 million (€ 1,663.8 million in 2020; +14.9%)
- Operating expenses of € 2,515.8 million (€ 2,430.1 million in 2020; +3.5%). The 2020 figure included one-off positive components for around € 120⁵ million. On a like-for-like basis, the operating expenses for 2021 were down 0.9% compared to 2020
- Profit from operations of € 1,995.0 million (€ 1,721.7 million in 2020; +15.9%)
- Net adjustments to customer loans of € 887.2 million (€ 1,336.8 million in 2020; -33.6%)
- Profit (loss) before tax from continuing operations of € 921.0 million (€ 306.1 million in 2020; +200.9%)
- Net profit of € 569.1 million (€ 20.9 million in 2020)
- Adjusted net profit of € 710.1 million (€ 330.5 million in 2020; +114.9%)⁶

Consolidated equity position as at 31 December 2021⁷:

- Fully phased IFRS 9 CET1 ratio 13.4% (13.3% as at 31 December 2020);
- Phased-in IFRS 9 CET 1 ratio 14.7% (14.6% as at 31 December 2020);
- Fully phased IFRS 9 MDA buffer on TCR 470 basis points;

¹ Calculated on the basis of the closing price of Banco BPM shares of € 2.711 on 6 April 2022.

² Direct funding includes certificates with unconditional capital protection (€ 3.6 billion as at 31 December 2021, substantially in line compared to € 3.7 billion at the end of 2020), and excludes repurchase agreements.

³ Current accounts and deposits.

⁴ Management data net of certificates with unconditional capital protection included under "direct funding".

⁵ Management data.

⁶ Amount net of non-recurring components as indicated in section 5 of the Explanatory Notes to this press release of 8 February 2022, to which the reader is referred.

⁷ Ratios calculated including the profit (loss) for 2021 and deducting the amount of the dividend and other allocations.

- Phased-in IFRS 9 MDA buffer on TCR 614 basis points.

Consolidated credit quality as at 31 December 2021

- Stock of net non-performing loans of € 3.3 billion: -24.0% compared to the end of 2020;
- Fall in the percentage of total loans to customers represented by gross non-performing loans to 5.6%, from 7.5% at the end of 2020;
- Decrease in the percentage of the total portfolio of non-performing loans represented by gross bad loans (to 34.4% from 41.7% at the end of 2020) and an increase in the secured component of bad loans to 67%, compared to 64% at the end of 2020 (calculated on gross values);
- Coverage:
 - Bad loans: 58.6% (59.1% as at 31 December 2020); also considering write-offs, the coverage was 67.8%;
 - Unlikely to pay loans: 44.0% (43.7% as at 31 December 2020);
 - Total non-performing loans: 48.9% (50.0% as at 31 December 2020); also considering write-offs, the coverage was 53.4%.

Consolidated liquidity profile as at 31 December 2021

- Liquidity at € 44.2 billion (cash + eligible assets);
- TLTRO III at € 39.2 billion;
- LCR > 200% and NSFR > 100%.

ORDINARY MEETING

APPROVAL OF THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2021 OF BANCO BPM S.P.A., AS WELL AS OF THE COMPANIES INCORPORATED IN PARENT COMPANY BIPIELLE REAL ESTATE S.P.A. AND RELEASE S.P.A.

The Shareholders' Meeting resolved, with 99.18% of votes in favour, to approve the financial statements as at 31 December 2021 of Banco BPM S.p.A., as well as of the companies incorporated in parent company Bipielle Real Estate S.p.A. and Release S.p.A..

PROPOSALS FOR THE ALLOCATION AND DISTRIBUTION OF PROFITS APPROVED.

The Shareholders' Meeting resolved to approve, with almost 100% of votes in favour:

- the allocation of an amount of € 2,000,000 for assistance, charity and public interest pursuant to art. 5.2 of the Company Articles of Association;
- distribution of a cash dividend per share of € 0.19. More specifically, the total distribution of € 287,884,603.94, resulting from a unit amount of € 0.19 for each of the 1,515,182,126 ordinary shares (however, no distribution will be made to any own shares held by the Bank at the record date, which is 20 April 2022) was approved. This distribution will take place on 21 April 2022 (payment date) with coupon detachment on 19 April 2022 (ex date). The allocation will be subject to the ordinary tax treatment for dividend distribution;
- the allocation of the residual profit, of € 125,909,397.80 to the available extraordinary reserve.

With regard to the changes recorded in assets and liabilities measured at fair value and the investments carried at equity in the year, the reduction of the unavailability restriction established in previous years amounting to € 158,996,260.20 was also approved, in order to adjust the unavailable reserve of profits pursuant to art. 6 of Legislative Decree no. 38/2005 to € 1,023,802,814.68⁸.

⁸ Following the approval of the proposals for the allocation of the profits for the year, and considering the change in the unavailable reserve under Italian Decree Law 38/2005, the amount of distributable items is € 1,584.4 million.

APPROVAL OF THE PROPOSAL TO SUPPLEMENT, UPON THE REASONED PROPOSAL OF THE BOARD OF STATUTORY AUDITORS, THE COMPENSATION DUE TO INDEPENDENT AUDITORS PRICEWATERHOUSECOOPERS S.P.A., AWARDED THE STATUTORY AUDIT OF THE ACCOUNTS FOR THE 2017-2025 PERIOD.

The Shareholders' Meeting approved, with over 99% of votes in favour, the reasoned proposal of the Board of Statutory Auditors regarding supplementing the compensation due to independent auditors PricewaterhouseCoopers S.p.A., tasked with the statutory audit of the accounts for the 2017-2025 period. The update of the economic conditions following additional auditing activities with respect to the auditing services included in the initial proposal, rendered necessary by the impacts (i) resulting from the reorganisation of the Group and (ii) related to the preparation of the annual Financial Report in accordance with the provisions of Delegated Regulation (EU) 2019/815 (so-called European Single Electronic Format – ESEF Regulation).

REPORT ON REMUNERATION POLICY AND COMPENSATION PAID AND SHARE-BASED PAYMENT PLANS OF BANCO BPM APPROVED, IN PARTICULAR:

- section I of the Report relating to the Group remuneration policy approved with over 94% of votes in favour;
- section II of the Report concerning (a) the compensation paid relating to the application of the remuneration policy for the year ended as at 31 December 2021 by the Banco BPM banking Group and (b) the disclosure set forth in accordance with the Supervisory Provisions of the Bank of Italy and Consob Regulation no. 11971/1999 and subsequent amendments and additions (the "Issuers' Regulation") was approved with over 94% of votes in favour;
- the criteria for calculating any amounts to be granted in the event of early termination of employment or early departure from office, including therein the limits set on said amounts, were approved with over 98% of votes in favour;
- the Banco BPM S.p.A. Share-based payment plans: short-term incentive 2022 (the "STI Plan") approved with almost 99% of votes in favour and long-term incentive 2022-2024 (the "LTI Plan"), as well as raising of the achievement levels of the performance objectives of the long-term incentive plan (2021-2023) to the more challenging 2023 objectives of the Strategic Plan, approved with almost 97% of votes in favour.

In particular, the Shareholders' Meeting examined and acknowledged the content of the "Report on the remuneration policy and compensation paid of the Banco BPM Group 2022" (the "Report") - drafted in accordance with art. 123-ter of Italian Legislative Decree 58/1998 ("TUF" - Consolidated Law on Finance), and art. 84-*quater* of the Issuers' Regulation and the Supervisory Provisions of the Bank of Italy in force - and, as a result, it approved, also pursuant to art. 11.3, letter (g) of the Articles of Association: (i) the first section of the Report, in compliance with art. 123-ter of the TUF, concerning the policy for 2022 regarding remuneration in favour of members of the administration and control bodies and personnel of the Banco BPM banking Group; (ii) the second section of the Report, in compliance with art. 123-ter of the TUF, concerning the compensation paid in application of the remuneration policy for the year ended at 31 December 2021, as well as the disclosure required under the Supervisory Provisions of the Bank of Italy and the Issuers' Regulation; (iii) the criteria for calculating any amounts to be agreed in the event of the early termination of employment or early departure from office, including therein the limits sets on said amount; (iv) the STI 2022, LTI 2022-2024 Plans, as well as raising the achievement levels of the performance objectives of the LTI 2021-2023 Plan to the more challenging objectives envisaged for 2023 by the Strategic Plan; said plans allow the valuation of a portion of the variable component of remuneration to be paid through the allocation of ordinary Banco BPM shares. There are around 150 potential recipients of the STI Plan and around 60 of the LTI Plan, belonging respectively to the category of key personnel and the top management roles of the Group. In 2021, despite the difficult macroeconomic situation, the work carried out by the Group made it possible to record notable performance, which brought the overall results to levels above the pre-pandemic ones. The decisions relating to the variable remuneration of personnel were merit-based, and motivated people to support the Group's performance by retaining and attracting the best professionals in a highly competitive market.

APPROVAL OF REQUEST FOR AUTHORISATION TO PURCHASE AND DISPOSE OF OWN SHARES IN SERVICE OF THE BANCO BPM S.P.A. SHARE-BASED PAYMENT PLANS

The Shareholders' Meeting, having acknowledged the Explanatory Report of the Board of Directors on the request to authorise the purchases and disposals of own shares, in respect of the applicable legislation and regulations in force, resolved, with over 99% of votes in favour, to authorise - also in accordance with art. 2357, paragraph 1, of the Italian Civil Code - the purchase of ordinary Banco BPM S.p.A. shares, in one or more tranches, for a total maximum amount of € 10 million, effective from the date of today's Shareholders' Meeting, until the Shareholders' Meeting to which the 2022 financial statements will be presented.

More specifically, the purpose of the authorisation is to implement the remuneration policy adopted by the Group, which requires, for the Group's key personnel, that at least 50% of the incentive of the STI plan and the entire incentive of the LTI plan are recognised through the allocation of the Bank's ordinary shares.

The Shareholders' Meeting also authorised the Board of Directors and, on behalf of it, the Chairman of the Board of Directors and the Chief Executive Officer, separately and with the right of sub-delegation, to execute today's resolution, by attributing to them the relevant powers, including therein all the broadest powers necessary or appropriate for carrying out, based on the issue of the legal authorisations and those of the Supervisory Authorities, the purchases of own shares and the disposals and/or use of all or part of the own shares held for the purposes and in accordance with the limits indicated in the Report of the Board of Directors and always in observance of the regulations applicable from time to time.

EXTRAORDINARY MEETING

APPROVAL OF PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

After obtaining the authorisations from the competent Supervisory Authorities, the Shareholders' Meeting approved, with almost 99% of votes in favour, the proposed amendment of Articles 12.1., 12.2., 20.1.2., 20.1.4., 20.1.6., 20.1.7., 20.3.1., 20.3.5., 20.4.2., 20.5.2., 20.6.1., 20.11.2., 23.5.1., 24.1., 24.2.2., 24.4.1, 33.1., 33.2., 33.3., 33.4., 33.5., 34.2., 34.3., 34.8., 35.2., 35.3., 35.4., 35.8., 35.9., 35.10., 35.11., 35.12., 35.13., 36.7., 36.9., and 41.1. of the Articles of Association of Banco BPM.

The purpose of the above-cited amendments to the Articles of Association is to render the same compliant with regulatory changes regarding bank governance, introduced by (a) Italian Ministerial Decree no. 169 of 23 November 2020 ("DM 169/2020"), (b) the issue by the Bank of Italy on 30 June 2021, of Update no. 35 to Circular no. 285 of 17 December 2013, as well as (c) the provisions contained in the Corporate Governance Code for Listed Companies approved by the Corporate Governance Committee, to which the bank belongs ("Corporate Governance Code"). More specifically, several amendments and supplements are to be introduced regarding the provisions of the Articles of Association relating to (i) suitability requirements for the performance of the position, as well as compliance with the principle of gender balance, required for members of a Bank's management and control bodies, and (ii) the responsibilities of the Board of Directors that cannot be delegated.

This also provided an opportunity to include some minor formal changes to the wording of the Articles of Association.

* * *

For more details, please refer to the press releases issued on 7 and 16 March 2022 and the supporting documentation made available to the public at the registered office of Banco BPM S.p.A. and on the Bank's website (www.gruppo.bancobpm.it, "Corporate Governance - Shareholders' Meeting" and "Investor Relations" - Financial Statements and Reports" sections), as well as at Borsa Italiana S.p.A. and the website of the authorised central storage mechanism www.emarketstorage.com, in compliance with the terms and procedures under the law.

Contacts:

Investor Relations

Roberto Peronaglio

+39 02 94 77 2108

investor.relations@bancobpm.it

Communication

Matteo Cidda

+39 02 77 00 7438

matteo.cidda@bancobpm.it

Press Office

Monica Provini

+39 02 77 00 3515

monica.provini@bancobpm.it

Fine Comunicato n.1928-34

Numero di Pagine: 8