

# Bit Market Services

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Oggetto : Ordinary Shareholders' Meeting of Banco  
Popolare

*Testo del comunicato*

Vedi allegato.

# PRESS RELEASE

Lodi, 19 March 2016

## Ordinary Shareholders' Meeting of Banco Popolare:

- *approved: 2015 Annual Report, profit allocation, distribution of a dividend of 15 cents per share, allocation of the share of profit destined for charitable, outreach and public interest initiatives;*
- *approved appointment of the auditing firm;*
- *approved extension of the mandate to the members of the Board of Arbitrators;*
- *approved 2016 Stock award plan in keeping with 2015 compensation policies and related share buy-back authorization;*
- *approved report on compensation and incentive policies.*

The Ordinary Shareholders' Meeting of Banco Popolare, with an attendance of almost 42 thousand registered shareholders (of which roughly 7,200 attending in person), has approved by a very large majority all the items on the agenda.

### **APPROVAL: 2015 ANNUAL REPORT; PROFIT ALLOCATION; DISTRIBUTION OF A 15 CENTS PER SHARE DIVIDEND; ALLOCATION OF THE SHARE OF PROFIT DESTINED FOR CHARITABLE, OUTREACH AND PUBLIC INTEREST INITIATIVES**

Shareholders have approved the 2015 financial statements of the Parent company Banco Popolare, reporting a net income of euro 186,903,266.88. Shareholders have also approved the following profit allocation proposal:


- euro 18,690,326.69 to the legal reserve;
- euro 18,690,326.69 to the statutory reserve;
- euro 54,326,940.90 to pay out a 15 cent dividend for each of the 362,179,606 ordinary shares making up the share capital of Banco Popolare;
- euro 5,500,000 to charitable, outreach and public interest initiatives;
- euro 89,695,672.60 to the special unrestricted reserve.

Shareholders have also resolved, pursuant to art. 6, paragraph 3, of Lgs.D. no. 38 of 28 February 2005, to eliminate the 54,384,136.24 Euro lock-up restriction set up in prior years, thus bringing the restricted reserve – which as a result of the resolution passed by Shareholders in the General Meeting held on 11 April 2015 amounted to 102,568,510.42 Euro – down to 48,184,374.18 Euro.

The approved dividend will be assigned against delivery of coupon no. 2 on 18 April 2016, with record date on 19 April 2016 and payment date on 20 April 2016, and it will amount to Euro 0.15 per share (gross of any withholding tax under the law). In compliance with current regulations, the payment will be carried out through authorized "Intermediaries". In the case of shares that have not been dematerialized yet, shareholders must turn the related certificates in to an "Intermediary" for their dematerialization through the centralized securities depository, in compliance with current regulations.

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With regard to the amount of 5,500,000 Euro, reserved for outreach, charitable and public interest initiatives, in compliance with art. 5 of the Articles of Associations Shareholders have approved the following allocation:

- 8/30, equal to Euro 1,465,000, to Fondazione Banca Popolare di Lodi for civil and social outreach support to the communities of the Lodi area and of the territories served by the Division whose top management structures are based in Lodi;
- 8/30, equal to Euro 1,465,000, to Fondazione Banca Popolare di Novara per il Territorio for civil and social outreach support to the communities of the Novara area and of the territories served by the Division whose top management structures are based in Novara;
- 9/30, equal to Euro 1,650,000, for civil and social outreach support to the communities of the Verona area and of the territories served by the Division whose top management structures are based in Verona;
- 1/30, equal to Euro 185,000, to outreach programs delivered by Fondazione di Culto Banco S.Geminiano e S.Prospiero;
- 4/30, equal to Euro 735,000, to outreach programs delivered by Fondazione Credito Bergamasco.

## CONSOLIDATED ANNUAL REPORT

The consolidated annual report of Banco Popolare Group closed with a net income of 430 million, confirming the further significant boosting of its capital position.

The Group reported a profit from operations of 1,258 million, up by 13.0% over the prior year, and this result has been achieved also thanks to the diversification of income sources compared to the traditional core business of a commercial bank.

Even when stripping out the gains generated by the disposal of the stakes held in Istituto Centrale delle Banche Popolari and in Arca SGR (241 million), the operating profit grew by 1.3%, mainly driven by the contribution of net fees and commissions reaching 1,425 million (+3.3%) and of associates engaging in consumer credit and bancassurance (141 million after tax: +57.1%).

The higher revenues made it possible to stem the increase in operating costs, that was due exclusively to the hefty recurring and non-recurring contributions made to the National Resolution Fund and to the Deposit Guarantee Scheme and amounting to more than 162 million.

Net income for the period, sustained also by the slower NPL growth, benefitted from the marked decline in the cost of credit (804 million compared to 3,561 at 31 December 2014) and from the positive impact on income taxes further to the recognition in Q1 of DTAs (deferred tax assets) related to past tax losses of the acquired company Banca Italease (+85 million).

The net income of 430 million contributed to the robust boosting of the Group's capital position, with the CET1 capital ratio hitting 13.2% at 31 December 2015 (+ 129 bp) triggered also by the decline in the risk carried by our assets.


Our capital solidity stays confirmed also when applying the rules coming into effect after the phase-in period (Basel 3 fully-loaded), with a CET1 capital ratio at 12.4%, 284 bp above the minimum level set by the ECB at 9.55%.

At 31 December 2015, the Group confirms its excellent liquidity profile. LCR (*Liquidity Coverage Ratio*) exceeds 180%, standing well above the fully-loaded Basel 3 target. NSFR (*Net Stable Funding Ratio*), calculated based on the most recent rules of the Quantitative Impact Study, is approx 97%. ECB exposure totaled 11.9 billion, basically stable compared to both 30 September 2015 and year-end 2014, and is entirely represented by TLTROs. At the same date, the Group had assets eligible for refinancing

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with the ECB - still unencumbered to date - valued, net of haircuts, at 16.1 billion (13.3 and 14.1 billion at 30 September 2015 and at 31 December 2014, respectively), almost exclusively represented by an unencumbered portfolio of Italian Government bonds.

For more detailed information on FY 2015 results please see the news release published on 9 February 2016.

#### **APPOINTMENT OF THE AUDITING FIRM**

Shareholders have approved the proposal put forward by the Board of Statutory Auditors to appoint the Audit Firm Deloitte & Touche S.p.A. to audit the financial accounts of Banco Popolare for financial years 2016-2024, according to the terms and conditions set forth in the Offer submitted by the auditing firm and illustrated in the motivated proposal of the Board of Statutory Auditors.

#### **EXTENSION OF THE EXPIRING MANDATE TO THE MEMBERS OF THE BOARD OF ARBITRATORS**

Shareholders have approved to extend the expiring mandate to the incumbent members of the Board of Arbitrators, Messrs. Aldo Bulgarelli, Luciano Codini and Giuseppe Germani, Standing arbitrators, and Messrs. Matteo Bonetti and Donato Vestita, Alternate Arbitrators, up until the date of effectiveness of the shareholders' resolution to convert Banco Popolare into a joint-stock company, which is expected to take place within the deadline of 27 December 2016.


#### **2016 STOCK AWARD PLAN IN KEEPING WITH 2015 COMPENSATION POLICIES, AND ASSOCIATED SHARE BUY-BACK TO INCREASE THE "SHARE RESERVE" DESTINED FOR STOCK AWARD PLANS**

In compliance with current regulations, Shareholders have approved the 2016 share award plan reserved for executives of the Board of Directors and Group managers and other non-employed staff, falling within the category of "key personnel" based on the Bank of Italy's rules on bank compensation policies and practices, under the 2015 incentive scheme.

Shareholders have thus authorized the Board of Directors, and on its behalf the Chairman, Chief Executive Officer and General Manager, also separately from one another, to buy back own shares – after prior authorization under art. 77 of EU Regulation no. 575/2013 on Own Funds Requirements for Institutions – in compliance with limits set by articles 2357 and 2357-ter of the Italian civil code and within 18 months of the Shareholders' resolution, for a total maximum amount of euro 6,700,000, and in any case not exceeding no. 468,701 Banco Popolare ordinary shares, to increase the "share reserve" pursuant to Consob Resolution no. 16839 of 19 March 2009, destined for the fulfillment of obligations under existing or future share award or allocation plans, in favor of executive members of the Board of Directors of Banco Popolare Società Cooperativa, of key employees and other key non-employed staff and of employees of the companies of Gruppo Banco Popolare.

The shares reserved for the Plan shall be awarded to the Plan beneficiaries in keeping with the terms and procedures illustrated in the explanatory report prepared pursuant to art. 84-bis of the Issuers Regulation, filed with the Corporate Head office, Borsa Italiana S.p.A. and made available to the public on the corporate website of Banco Popolare at [www.bancopopolare.it](http://www.bancopopolare.it) (Corporate Governance section – Shareholders' Meetings), as well as on the website of the authorized central storage mechanism [www.emarketstorage.com](http://www.emarketstorage.com).

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**COMPENSATION AND INCENTIVE POLICIES**

Shareholders have approved the Report on Compensation that include: i) the proposal for 2016 compensation policies and the implementation of the 2015 policies; ii) the criteria to calculate the compensation of key personnel in case of early termination of the employment contract or of the term of office, pursuant to prevailing civil and supervisory rules, and to art. 20 of the Articles of Association. In order to provide Shareholders with a clear and consistent overview on this subject-matter, in compliance with the terms and procedures under current regulations, Banco Popolare prepared a specific Report pursuant to art. 123-ter TUF and art. 84-*quater* Consob resolution 11971/99 and following amendments and additions (Issuers Regulation”), as well as to the measures issued by the Bank of Italy, Circular 285 of 17 December 2013 and following amendments and additions.

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