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

Testo del comunicato

Vedi allegato.



NEWS RELEASE

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

- **Financial statements as at 31 December 2019 of Banco BPM S.p.A. approved**
- **Members of the Board of Directors appointed:**
 - **Massimo Tononi: Chairman**
 - **Giuseppe Castagna: proposed appointment as Chief Executive Officer**
 - **Mauro Paoloni: Deputy Chairman**
 - **Marina Mantelli, Maurizio Comoli, Luigia Tauro, Carlo Frascarolo, Costanza Torricelli, Eugenio Rossetti, Giulio Pedrollo, Manuela Soffientini, Mario Anolli, Alberto Manenti, Nadine Faruque, Giovanna Zanotti: Board Directors**
- **Members of the Board of Statutory Auditors appointed**
 - **Marcello Priori: Chairman**
 - **Maurizio Lauri, Nadia Valenti, Maria Luisa Mosconi, Alfonso Sonato: standing auditors**
 - **Fulvia Astolfi, Wilmo Carlo Ferrari, Gabriele Camillo Erba: alternate auditors**
- **Other items on the agenda presented to the Shareholders' Meeting approved**

Milan, 4 April 2020 – The ordinary and extraordinary Shareholders' Meeting of Banco BPM S.p.A., in which some 1,000 Shareholders took part exclusively via Computershare S.p.A., the Proxy designated by Banco BPM pursuant to art. 135-*undecies* of Italian Legislative Decree no. 58/1998 ("TUF" - Consolidated Financial Law), representing 35.76% of the share capital, approved all the items on the agenda by a large majority.

ORDINARY SESSION

APPROVAL OF THE FINANCIAL STATEMENTS OF BANCO BPM S.P.A. AS AT 31 DECEMBER 2019

The Shareholders' Meeting resolved to approve the financial statements of Banco BPM S.p.A. as at 31 December 2019, which closed with a net income of Euro 942.5 million.

2019 RESULTS OF THE BANCO BPM GROUP

In referring you to the Press Release issued on 6 February 2020 for more details, at the time of the approval of the draft parent company and consolidated financial statements of Banco BPM by the Board of Directors, the main data of the consolidated financial statements of the Banco BPM Group are summarised below.

Main reclassified consolidated balance sheet aggregates as at 31/12/2019¹

- Net loans to customers of Euro 105.8 billion² (+1.8% compared to December 2018), of which Euro 5.5 billion of Non-performing exposures (-17.6% compared to December 2018);
- Direct funding of Euro 108.9 billion³ (+7.3% compared to December 2018);
- Indirect funding from customers of Euro 89.7 billion⁴ (+3.2% compared to December 2018) of which:
 - Assets under Management of Euro 58.3 billion (+4.7% compared to December 2018);
 - Assets under Custody of Euro 31.4 billion (+0.5% compared to December 2018).

Main items of the reclassified consolidated income statement as at 31/12/2019⁵

- Operating income of Euro 4,293 million;
- Operating expenses of Euro 2,604 million;
- Income (loss) from operations of Euro 1,689 million;
- Net adjustments on loans to customers of Euro 779 million;
- Net income of Euro 797 million;
- "Adjusted" net income of Euro 649 million.

Regulatory capital position as at 31/12/2019⁶:

- CET 1 ratio "IFRS9 fully phased" 13.0% (10.0% at 31/12/2018);
- CET 1 ratio "IFRS9 phased in" 14.8% (12.1% at 31/12/2018).
- Tier 1 ratio and Total capital ratio "IFRS9 phased in" of 15.4% and 17.7% respectively

* * *

It should be noted that, as already disclosed to the market through the press release issued on 31 March 2020, the Board of Directors of Banco BPM, on the same date, resolved not to discuss and vote at the Shareholders' Meeting on item 2 of the agenda (Resolutions on the allocation and distribution of profits); this is in order to acknowledge the guidelines provided by the European Central Bank on 27 March 2020, with which, in order to strengthen the capital resources of relevant banks subject to its monitoring, and in order to be able to make use of the more extensive resources in support of households and businesses in the current situation brought about by the ongoing Covid-19 health emergency, it requested the afore-mentioned banks, inter alia, not to proceed with the payment of dividends (still not approved) and not to assume any irrevocable commitment for their payment for the years 2019 and 2020 at least until 1 October 2020. Therefore, the net income reported in Banco BPM's Parent company financial statements as at 31 December 2019 equal to Euro 942,476,323.08 – less an amount of Euro 105,130,400.60 which will continue to be booked to the undistributable reserve pursuant to art. 6 of Italian Legislative Decree 38/2005 – will be kept in the Bank's shareholders' equity for an amount of Euro 837,345,922.48 as reserve of profits available for distribution.

¹ For full details of the main reclassified balance sheet aggregates, please refer to the aforementioned Press Release of Banco BPM of 6 February 2020, as well as the Report on Operations of the Group contained in the consolidated financial statements as at 31 December 2019 of the Banco BPM Group.

² Includes senior securities for which a guarantee for the securitisation of the NPLs was issued pursuant to Italian Decree Law 18/2016 ("GACS").

³ Direct funding includes unconditionally protected capital certificates, but excludes repurchase agreements.

⁴ Indirect funding is net of unconditionally protected capital certificates included in "direct funding".

⁵ For full details of the main reclassified income statement aggregates, please refer to the aforementioned Press release of Banco BPM of 6 February 2020, as well as the Report on Operations of the Group contained in the consolidated financial statements as at 31 December 2019 of the Banco BPM Group.

⁶ Pursuant to art. 26, paragraph 2 of Regulation (EU) no. 575/2013 of 26 June 2013 (CRR), year-end profits may be included in Common Equity Tier 1 Capital (CET1) before Shareholders have approved the financial statements only with the prior authorization of the competent authority (the ECB). For the permission to be granted, profits must be verified by independent auditors; otherwise, profits may be included after the Shareholders have approved the financial statements. The ratios in this news release have been calculated including the entire 2019 consolidated operating result, which, following the decision not to discuss and take a vote on item no. 2 of the Agenda of the Shareholders' meeting, is included in the shareholders' equity and in the CET1 Capital of the Group.

As pre-announced, after 1 October 2020 or following any new communication from the ECB and, in any case, after having ascertained that the uncertainties caused by the Covid-19 epidemic have dissipated, the Bank's Board of Directors will assess whether the conditions are in place to distribute the afore-mentioned reserve. In that case, the Board reserves the right to call the Shareholders' Meeting of the Bank to decide on the proposed allocation of retained earnings.

REPORT ON THE REMUNERATION POLICY AND COMPENSATION PAID AND THE SHARE-BASED PAYMENT PLAN OF BANCO BPM S.P.A. APPROVED, IN PARTICULAR:

- section I of the Report relating to the Group's remuneration policy;
- section II of the Report regarding (a) the compensation paid relating to the application of the remuneration policy for the year ended as at 31 December 2019 by the Banco BPM Banking Group (b) the disclosure required pursuant to the Supervisory Provisions of the Bank of Italy and Consob Regulation no. 1971/1999 and subsequent amendments and additions (the "Issuers' Regulation")
- the criteria for calculating the amounts to be granted in the event of early termination of employment or early departure from office, including the limits set on such amounts;
- the Share-based payment plan of Banco BPM S.p.A.: annual incentive scheme (2020 short-term incentive plan).

In particular, the Shareholders' Meeting examined and acknowledged the content of the Report of the Board of Directors on the Report on the remuneration policy and compensation paid of the Banco BPM Banking Group - drafted in accordance with art. 123-ter of Italian Legislative Decree 58/1998 ("TUF"), and art. 84-*quater* of the Issuers' Regulation and the Supervisory Provisions of the Bank of Italy in force - and, as a consequence, approved, also pursuant to art. 11.3, letter (g) of the By-Laws: (i) the first section of the Report, in compliance with art. 123-ter, paragraphs 3-bis and *ter*, of the TUF, concerning the policy on remuneration in favour of Board Directors, Statutory Auditors and personnel defined for the year 2020, of the Banco BPM Banking Group; (ii) the second section of the Report, in compliance with art. 123-ter, paragraph 6, of the TUF, concerning the compensation paid relating to the application of the remuneration policy for the year ended as at 31 December 2019 by the Banco BPM Banking Group as well as the disclosure required in accordance with the Supervisory Provisions of the Bank of Italy and the Issuers' Regulation; (iii) the criteria for determining the amount to be agreed in the event of early termination of employment or early departure from office; (iv) the 2020 Plan, which requires the valuation of a share of the variable component of the remuneration through the assignment of ordinary shares of Banco BPM S.p.A., targeted at executive members of the Board of Directors and at employees and associates of the Banco BPM Banking Group attributable to the category of key personnel, totalling around 0.9% of Group personnel.

In this regard, a mandate was assigned to the Chairman of the Board of Directors and to the Chief Executive Officer, severally, and with the power to sub-delegate, in order to correctly and promptly execute today's resolutions and formalities and the connected and/or resulting acts, by attributing to them, for this purpose, all the necessary powers, including therein the power to introduce to the latter any changes or additions that should be necessary and/or appropriate in relation to the requests or recommendations of the Supervisory Authorities or the market management company.

APPROVAL OF REQUEST FOR AUTHORISATION OF THE PURCHASE AND SALE OF OWN SHARES IN SUPPORT OF THE SHARE-BASED PAYMENT PLAN OF BANCO BPM S.P.A..

The Shareholders' Meeting, having acknowledged the Report of the Board of Directors on the request for the authorisation to purchase and sell own shares, in observance of the applicable legislation - including regulations - in force, resolved to authorise - without prejudice to the provisions of art. 2357, paragraph 1 of the Italian Civil Code - the purchase of own shares, in one or more tranches, for a maximum number of ordinary Banco BPM shares corresponding to an amount not exceeding Euro 5 million, effective from the date of today's Shareholders' Meeting until the

Shareholders' Meeting called to approve the financial statements for 2020, without prejudice, in any case, to the limit of 18 months set forth in art. 2357, paragraph 2, of the Italian Civil Code.

In particular, the authorisation is targeted at implementing the remuneration policy adopted by the Group, which requires at least 50% of the incentive paid to the Group's key personnel to be provided 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, severally, and with the power to sub-delegate, to execute today's resolution, attributing to said parties the relevant powers, including therein all the broadest powers needed or appropriate to carry out, based on prior issuing of the legal authorisations, purchases of own shares and for the performance of disposals and/or use of all or part of the own shares held for the purposes and limits indicated in the Report of the Board of Directors and always in observance of the currently applicable legislation.

The power can be exercised on the basis of and in observance of the authorisation from the ECB pursuant to the applicable provisions of Regulation (EU) no. 575/2013 and Delegated Regulation (EU) no. 241/2014 and, in any case, in respect of any other applicable regulation.

APPOINTMENT OF MEMBERS OF THE BOARD OF DIRECTORS, INCLUDING THE CHAIRMAN AND THE DEPUTY CHAIRMAN

The Shareholders' Meeting elected the members of the Board of Directors, including the Chairman and the Deputy Chairman, who shall remain in office for the years 2020-2021-2022. Based on the votes received, the following persons were elected from the three lists presented:

1. **Massimo Tononi** (Chairman) (List 1) (*) - (Banco BPM shares held: 3,000,000) (**)
2. **Giuseppe Castagna** (List 1) - (Banco BPM shares held: 650,520) (**)
3. **Mauro Paoloni** (Deputy Chairman) (List 1) - (Banco BPM shares held: 15) (**)
4. **Marina Mantelli** (List 1) (*) - (Banco BPM shares held: 0) (**)
5. **Maurizio Comoli** (List 1) - (Banco BPM shares held: 12,449) (**)
6. **Luigia Tauro** (List 1) (*) - (Banco BPM shares held: 0) (**)
7. **Carlo Frascarolo** (List 1) (*) - (Banco BPM shares held: 10,271) (**)
8. **Costanza Torricelli** (List 1) (*) - (Banco BPM shares held: 3,186) (**)
9. **Eugenio Rossetti** (List 1) (*) - (Banco BPM shares held: 0) (**)
10. **Giulio Pedrollo** (List 1) (*) - (Banco BPM shares held: 15,361) (**)
11. **Manuela Soffientini** (List 1) (*) - (Banco BPM shares held: 313) (**)
12. **Mario Anolli** (List 1) (*) - (Banco BPM shares held: 1,172) (**)
13. **Alberto Manenti** (List 2) (*) - (Banco BPM shares held: 0) (**)
14. **Nadine Faruque** (List 2) (*) - (Banco BPM shares held: 0) (**)
15. **Giovanna Zanotti** (List 3) (*) - (Banco BPM shares held: 0) (**)

(*) Candidate declared to meet the independence requirement set forth in art. 20.1.6. of the By-Laws of Banco BPM (which takes account of the provisions pursuant to art. 148, paragraph 3, of the TUF and the recommendations contained in the Code of Corporate Governance of Borsa Italiana S.p.A.). Mr. Massimo Tononi declared that he meets the independence requirement set forth in art. 20.1.6. of the By-Laws and that this requirement would no longer be met where he was appointed to the office of Chairman of the Board of Directors.

(**) In compliance with art. IA.2.6.7, paragraph 3 of the Instructions accompanying the Regulation of the Markets organised and managed by Borsa Italiana S.p.A., the number of Banco BPM shares held as at today's date is reported.

STATUTORY AUDITORS AND CHAIRMAN OF THE BOARD OF STATUTORY AUDITORS APPOINTED

The Shareholders' Meeting elected the members of the Board of Statutory Auditors, including the Chairman, who shall remain in office for the years 2020-2021-2022. Based on the votes received, the following persons were elected from the three lists presented:

Standing Auditors

1. **Marcello Priori** (Chairman) (List 1) (*) - (Banco BPM shares held: 61,997) (**)
2. **Maurizio Lauri** (List 2) (*) - (Banco BPM shares held: 0) (**)
3. **Nadia Valenti** (List 2) (*) - (Banco BPM shares held: 0) (**)
4. **Maria Luisa Mosconi** (List 3) (*) - (Banco BPM shares held: 87,020) (**)
5. **Alfonso Sonato** (List 3) (*) - (Banco BPM shares held: 30,305) (**)

Alternate Auditors

1. **Fulvia Astolfi** (List 2) (*) - (Banco BPM shares held: 0) (**)
2. **Wilmo Carlo Ferrari** (List 3) (*) - (Banco BPM shares held: 101) (**)
3. **Gabriele Camillo Erba** (List 1) (*) - (Banco BPM shares held: 3,955) (**)

(*) Candidate declared to meet the independence requirements set forth in art. 148, paragraph 3, of the TUF and the recommendations contained in the Code of Corporate Governance of Borsa Italiana S.p.A.

(**) In compliance with art. IA.2.6.7, paragraph 3 of the Instructions accompanying the Regulation of the Markets organised and managed by Borsa Italiana S.p.A., the number of Banco BPM shares held as at today's date is reported.

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The CVs of the Board Directors and the Statutory Auditors are available on the website www.bancobpm.it - Corporate Governance – Shareholders' Meeting – Ordinary and Extraordinary Shareholders' Meeting of 4 April 2020 section.

COMPENSATION OF MEMBERS OF THE BOARD OF DIRECTORS AND THE STATUTORY AUDITORS DETERMINED

The Shareholders' Meeting approved the proposal to grant:

- each member of the Board of Directors for the entire term of office (i.e. for the years 2020-2021-2022) a gross annual fee of Euro 110,000 - plus the reimbursement of expenses incurred in fulfilling their office, the civil liability policy and a cumulative professional injury policy - to be recognised on a *pro rata temporis* basis in relation to the actual duration of office;
- the standing members of the Board of Statutory Auditors for the entire term of office (i.e. for the years 2020-2021-2022) a gross annual fee of Euro 160,000 for the Chairman of the Board of Statutory Auditors and Euro 110,000 for each Standing auditor - plus the reimbursement of expenses incurred in fulfilling their office and the civil liability policy - to be recognised on a *pro rata temporis* basis in relation to the actual duration of office.

EXTRAORDINARY SESSION

AMENDMENTS TO THE BY-LAWS

The Shareholders' Meeting, subject to obtainment of the authorisations from the competent Supervisory Authorities, approved the proposed amendment to articles 1.3., 5.2., 5.3., 5.4., 10.1., 11.3., 11.4., 12.1., 12.2., 17.1., 20.1.1., 20.1.6., 20.3.6., 20.4.2., 20.8., 20.8.1., 20.11.1., 20.11.4., 23.1.2., 23.5.1., 24.2.1., 24.2.2., 24.4.1., 25.1., 26., 27., 28., 28.1., 29.1., 29.2., 30.1., 30.2., 30.3., 30.4., 31.1., 31.2., 31.3., 32.1., 32.2., 32.3., 32.4., 32.5., 33.1., 33.2., 33.3., 33.4., 33.5., 33.6., 33.7., 34.1., 35.1., 35.2., 35.3., 35.4., 35.5., 36.1., 36.2., 36.3., 36.4., 36.5., 36.6., 36.7., 36.8., 36.9., 36.10., 36.11., 37.1., 37.2., 37.3., 37.4., 37.5., 37.6., 37.7., 37.8., 37.9., 37.10., 37.11., 37.12., 37.13., 38.1., 38.2., 38.3., 38.4., 38.5., 38.6., 38.7., 38.8., 38.9., 39.1., 40.1., 40.2., 41.1., 41.2., 42.1., 43.1., 44., 45., 46. of Banco BPM's By-Laws.

Based on the aforementioned amendments to the By-Laws, the intention was to reflect - in light of the functioning of the Bank's corporate bodies from the effective date of the merger (1 January 2017), of the revision of the organisational structure of the Bank which occurred in the meantime, as well as the expiry of the so-called transitory period of the first three years - certain corrections to the current governance structure in the document, as well as some provisions aimed at making Bank operations more efficient, in addition to formal modifications or aimed at better explaining the meaning of certain provisions already contained therein.

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For more details, please refer to the press releases issued on 21 and 24 February, 4, 13 and 31 March 2020 and the supporting documentation available to the public at the Registered Office of Banco BPM and on the website www.bancobpm.it ("Corporate Governance - Shareholders' Meetings" and "Investor Relations - Financial statements and Reports" sections), as well as at Borsa Italiana S.p.A. and on the website of the authorised central storage mechanism www.emarketstorage.com, in compliance with the terms and procedures of the applicable law.

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