



SPAFID
CONNECT

Informazione Regolamentata n. 1928-24-2021	Data/Ora Ricezione 15 Aprile 2021 15:17:06	MTA
--	---	-----

Societa' : Banco BPM S.p.A.
Identificativo : 145358
Informazione
Regolamentata
Nome utilizzatore : BANCOBPMN03 - Marconi
Tipologia : 3.1
Data/Ora Ricezione : 15 Aprile 2021 15:17:06
Data/Ora Inizio : 15 Aprile 2021 15:17:07
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 at 31 December 2020 approved, with roughly 99% of the votes in favour, which closed with a consolidated net profit of € 21 million (€ 330 million considering non-recurring components)**
- **Distribution of a dividend of € 0.06 per share approved with almost 97% of the votes in favour**
- **Remuneration policy approved with more than 97% of the votes in favour:**
 - *reduction in short-term incentives for 2020: - 45%*
 - *postponement to 2021 of the long-term incentive plan with a subsequent further reduction in the variable compensation in the year*
 - *waiving by the BOD, Board of Statutory Auditors and managers of their remuneration to contribute to the Group's fund-raising in favour of social projects connected with the Covid-19 emergency*
 - *insertion of KPI ESG for the manager incentive system, in line with the sustainability projects*
- **Integration of the Board of Statutory Auditors: Silvia Muzi appointed as Standing Auditor and Francesca Culasso as Alternate Auditor to the Board of Statutory Auditors**
- **Other items on the agenda submitted to the Shareholders' Meeting approved on a large majority**

Lodi, 15 April 2021 - The ordinary and extraordinary Shareholders' Meeting of Banco BPM S.p.A., in which roughly 1,800 shareholders took part exclusively through Computershare S.p.A., the Designated Representative of Banco BPM pursuant to art. 135-undecies of Legislative Decree no. 58/1998 ("TUF"), representing more than 40% of the 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, based on a large majority, all items on the agenda.

"Banco BPM, with today's Shareholders' Meeting, - stated Chairman of the Board of Directors Massimo Tononi - closes an extraordinarily difficult year, in view of the restrictions that the health emergency placed on every area of individual, social and economic life. In this framework, the Bank managed to promptly and effectively mobilise the necessary human, professional and financial resources which contributed to the stability of the socio-economic system. We were able to overcome the difficulties and achieve truly satisfying results, demonstrating our unique qualities and strengths - the Chairman went on to say - and we continued to support our customers and the local community at the most difficult times, disbursing loans totalling roughly € 28 billion, and supporting the local areas with social initiatives for hospitals, families and schools".

“The Covid-19 pandemic, the Chief Executive Officer Giuseppe Castagna added – did not slow our process of transformation and development initiated in 2017 nor did it stop us from achieving significant objectives in 2020: incurring extraordinary expenses connected with the rationalisation of the network and implementation of the solidarity fund agreement; continuing the derisking process, reducing the stock of non-performing loans and further strengthening their level of coverage; closing the year with a profit, at consolidated level, and proposing the distribution of a dividend to shareholders, in line with the ECB guidelines. We also managed to lay solid foundations in 2020 for future investments in particularly important areas such as digital, which proved to be crucial during the pandemic, and sustainability. In achieving these results, I would like to thank all my colleagues for their huge commitment and dedication during this difficult period, and the team spirit that has been a hallmark of their daily work”.

2020 RESULTS OF THE BANCO BPM GROUP

While referring the reader, for more details, to the Press Release issued on 9 February 2021, 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

- Net loans to customers € 109.3 billion, +3.3%, of which performing loans up +4.7% and non-performing loans down by -22.6% compared to 31 December 2019;
- Direct customer funding of € 120.1 billion¹ (€ 108.9 billion at the end of December 2019): during the period, the growth trend in the "core" funding was confirmed (€ +12.2 billion compared to the end of 2019);
- Indirect customer funding² € 91.6 billion (compared to € 89.7 billion as at 31 December 2019), of which:
 - asset management € 59.6 billion;
 - asset administration € 32.0 billion.

Key consolidated income statement items

- Net interest income: € 1,982.6 million as at 31 December 2020 (€ 1,981.1 million in 2019; +0.1%)
- Net fee and commission income: € 1,663.8 million as at 31 December 2020 (€ 1,794.4 million in 2019; -7.3%).
- Operating costs: € 2,430.1 million as at 31 December 2020 (€ 2,604.0 million in 2019; -6.7%)
- Net adjustments to customer loans: € 1,336.8 million as at 31 December 2020 (€ 778.3 million in 2019; +71.7%)
- Income (loss) before tax from continuing operations: € 306.1 million as at 31 December 2020 (€ 1,076.4 million in 2019 which included, however, the extraordinary income deriving from the sale of the equity investments and business units)
- Income (loss) before tax from continuing operations (net of non-recurring items):³€ 589.7 million as at 31 December 2020 (€ 979.0 million in 2019)
- Net result: € 20.9 million as at 31 December 2020 (€ 797.0 million in 2019, which, however, included positive non-recurring elements of € 148.4 million)
- Result net of non-recurring items: € 330.5 million as at 31 December 2020 (€ 648.6 million in 2019).

¹ Direct funding includes certificates with unconditional capital protection (€ 3.7 billion as at 31 December 2020 compared to € 3.2 billion at the end of 2019), and excludes repurchase agreements.

² Management accounting data net of certificates with unconditional capital protection included under "direct funding".

³ The non-recurring components are described in both the 2020 Annual Financial Report and in the press release published on 9 February 2021, to which reference should be made.

Capital position⁴:

- CET1 ratio "IFRS9 fully-phased" 13.3% (13.0% as at 31 December 2019);
- CET 1 ratio "IFRS9 phased-in" 14.6% (14.8% as at 31 December 2019);
- MDA buffer on TCR "IFRS9 fully phased"⁵ 449 basis points
- MDA buffer su TCR "IFRS9 phased-in"⁶ 614 basis points

ORDINARY MEETING

APPROVAL OF THE FINANCIAL STATEMENTS OF BANCO BPM S.P.A. AT 31 DECEMBER 2020

The Shareholders' Meeting resolved to approve, with roughly 99% of the votes in favour, the financial statements at 31 December 2020 of Banco BPM S.p.A..

THE PROPOSALS RELATING TO THE RESULT FOR THE YEAR 2020 APPROVED, ACCORDING TO WHAT IS OUTLINED IN MORE DETAIL IN THE DIRECTORS' REPORT

The Shareholders' Meeting resolved, with almost 97% of the votes in favour:

- to cover the net loss resulting from the financial statements of Banco BPM as at 31 December 2020, equal to € 24,270,308.33, by using the same amount from available extraordinary reserves;
- to increase the restricted reserves pursuant to Art. 6 of Legislative Decree no. 38/2005 up to the amount of € 1,182,799,074.88;
- to establish a restriction to the possibility to distribute reserves in the amount of € 414,085,449.52, following the decision to use the option to realign the tax values to the book values of intangible assets, granted by Art. 110, paragraph 8 bis of Decree Law no. 104 of 14 August 2020, as added by Art. 1, paragraph 83 of Law no. 178 of 30 December 2020;
- the use of those available extraordinary reserves to distribute a total dividend of € 90,910,927.56, equal to € 0.06 for each of the 1,515,182,126 ordinary shares." This distribution will take place on 21 April 2021 (payment date) with coupon detachment date on 19 April 2021 (ex date) and record date on 20 April 2021. The allocation will be subject to the ordinary tax system of dividend distribution.

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

- approved, with more than 97% of the votes in favour, the section I of the Report relating to the Group remuneration policy;
- approved, with more than 90% of the votes in favour, the 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 2020 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");
- approved, with more than 98% of the 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;
- share-based payment plans of Banco BPM S.p.A.: *2021 short-term incentive plan* (the "STI Plan"), approved with more than 98% of the votes in favour, and *2021-2023 long-term incentive plan* (the "LTI Plan"), approved with almost 98% of the 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 2021" (the "Report") - drafted in accordance with art. 123-ter of Legislative Decree 58/1998 ("TUF" - Consolidated Law on

⁴ Ratios calculated also including the profit for 2020, deducting the amount today's Shareholders' Meeting approved in the form of a dividend.

⁵ Includes the issue of AT1 financial instruments for € 400 million finalised in January 2021.

⁶ See previous note.

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*, paragraphs 3-*bis* and *ter*, of the TUF, concerning the policy for 2021 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*, paragraph 6, TUF, concerning the compensation paid relating to the application of the remuneration policy for the year ended at 31 December 2020 by the Banco BPM banking Group, 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 share-based payment plans of Banco BPM S.p.A., which allow the valuation of a portion of the variable component of remuneration with regard to the STI Plan and the entire variable component relating to the LTI Plan, to be paid through the allocation of ordinary Banco BPM shares. There were roughly 160 potential recipients of the STI Plan and around 60 of the LTI Plan, including executive members of the Board of Directors and employees of the Banco BPM Banking Group, attributable respectively to the category of key personnel and the top management roles of the Group. The implementation of the Plans is subject to the attainment of predetermined access conditions aimed at ensuring the profitability, capital stability and liquidity of the Group; it is also subject to the achievement of specific financial and non-financial objectives, with those in the ESG (Environmental, Social and Governance) domain assuming significance.

In short, for 2020, in a year that closed in profit and with positive results, the Group reduced financial resources related to 2020 short-term incentives by roughly 45% and at the same time postponed the launch of the long-term incentive plan to 2021, further limiting annual variable remuneration. As pointed out also in previous communications, the Board, the Board of Statutory Auditors and the top management of Banco BPM waived part of their remuneration for 2020. More specifically, the Chairman waived his remuneration for 2020 in full, the board directors and the statutory auditors waived 25% of their remuneration until the end of 2020 and the Chief Executive Officer waived the same percentage, including his annual fixed remuneration. In addition, top management also waived a part of their remuneration, contributing to raising funds for the health and economic emergency, which saw the Group and its Foundations disburse over 6 million euros in total to local communities.

APPROVAL OF THE 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 almost 98% of the 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 € 16 million, effective from the date of today's shareholders' meeting, until the Shareholders' Meeting to which the 2021 financial statements will be presented.

In particular, the authorisation is targeted at implementing the remuneration policy adopted by the Group, which requires at least 50% of the incentive of the STI plan and the entire incentive of the LTI plan to be paid to the Group's key personnel through 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.

APPOINTMENT OF A STANDING AUDITOR AND AN ALTERNATE AUDITOR TO THE BOARD OF STATUTORY AUDITORS.

The Shareholders' Meeting appointed, with almost 97% of the votes in favour, Silvia Muzi* as Standing Auditor and, with more than 57% of the votes in favour, Francesca Culasso* as Alternate Auditor to the Board of Statutory Auditor, who shall remain in office until the Shareholders' Meeting called to approve the financial statements for the year that will end on 31 December 2022. The *curricula vitae* are available on Banco BPM's website at www.gruppo.bancobpm.it (section Corporate Governance – Shareholders' Meeting - Ordinary and extraordinary Shareholders' Meeting of 15 April 2021). As a result of the aforementioned appointments, Wilmo Carlo Ferrari will stop acting as Standing Auditor as at today's date and also, in accordance with gender balance laws, will return to acting as an Alternate Auditor.

The Board of Statutory Auditors in office, appointed as above, is therefore composed of the Chairman Marcello Priori, Standing Auditors Maurizio Lauri, Silvia Muzi, Alfonso Sonato and Nadia Valenti and Alternate Auditors Francesca Culasso, Wilmo Carlo Ferrari and Gabriele Camillo Erba.

Notice is also hereby given that - in compliance with art. IA.2.6.7 of the Regulation Instructions of the Markets organised and managed by Borsa Italiana S.p.A. – Silvia Muzi and Francesca Culasso do not hold shares in Banco BPM.

(*) Candidate declared to meet the independence requirements set forth in art. 148, paragraph 3, TUF, in art. 14 of Ministerial Decree no. 169 of 23 November 2020 and in the recommendations contained in the Code of Corporate Governance issued by the Corporate Governance Committee of Borsa Italiana S.p.A.

EXTRAORDINARY MEETING

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

After obtaining the authorisations from the competent Supervisory Authorities, the Shareholders' Meeting approved, with almost 98% of the votes in favour, the proposed amendment to articles 11.3., 14.6., 20.1.5., 20.1.6., 23.2.1., 23.3.1., 24.4.1., 28.2. and 35.11 of the articles of association of Banco BPM.

Through the aforementioned amendments to the articles of association, the company intended to reflect in the document - following the entry into force, on 1 January 2021, of the new Code of Corporate Governance (the "Code") issued by the Corporate Governance Committee of Borsa Italiana S.p.A., which Banco BPM has applied - the new provisions of the Code with particular reference to the requirement of directors' independence, as well as to reflect in the text of the articles of association certain refinements stemming (i) from the updates made to the "Supervisory Provisions for Banks" by the Bank of Italy (ii) from the experience accrued in current bank operations and (iii) from the opportunity to best explain the meaning of certain provisions contained therein.

* * *

For more details, please refer to the press releases issued on 15 and 24 March and 1 April 2021 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 on 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 02.94.77.21.08
investor.relations@bancobpm.it

Communication

Matteo Cidda
+39 02.77.00.7438
matteo.cidda@bancobpm.it

Media Relations

stampa@bancobpm.it

Fine Comunicato n.1928-24

Numero di Pagine: 7