

News release

Banco Popolare's Board of Directors approves appointments and merger:

- Pier Francesco Saviotti appointed Chief Executive Officer, Maurizio Faroni General Manager, Domenico De Angelis Co-General Manager.
Setting up of Executive Committee and internal Committees (Internal Audit and Risk Committee, Compensation Committee and Nominating Committee)
- Approved the merger of the Banks of the Territory (*Banche dei Territori*) into Banco Popolare and the attendant new organizational model
- Approved the detaxation of intangible assets.

Verona, 29 November 2011 – The new Board of Directors, which met today for the first time after the Shareholders' Meeting held on 26 November last, under the chairmanship of Carlo Fratta Pasini, has appointed the Chief Executive Officer, Pier Francesco Saviotti, the General Manager, Maurizio Faroni, and the Co-General Manager, Domenico De Angelis, and has approved the Merger of the banks of the territory into Banco Popolare with the attendant new organizational model. The Board, as provided for by the Articles of Association, has also set up the Executive Committee, the Internal Audit and Risk Committee, the Compensation Committee and the Nominating Committee. The Board has also approved the detaxation of goodwill and other intangible assets.

SETUP OF THE EXECUTIVE COMMITTEE AND OF THE INTERNAL COMMITTEES

The Board of Directors has set up internal Committees as provided for by the Articles of Association:

- the **Executive Committee**, vested with ample delegated powers for the day-to-day operations, is formed by: Carlo Fratta Pasini (Chairman, member by right), Guido Castellotti (member by right), Maurizio Comoli (member by right), Pier Francesco Saviotti (member by right), Maurizio Faroni and Domenico De Angelis;
- the **Nominating Committee**, formed by: Maurizio Comoli (Chairman), Carlo Fratta Pasini, Guido Castellotti, Pier Francesco Saviotti, Pietro Buzzi, Giovanni Francesco Curioni, Gian Luca Rana, Tommaso Zanini and Cristina Zucchetti
- the **Compensation Committee**, formed by: Enrico Perotti (Chairman), Alberto Bauli, Gianni Filippa, Andrea Guidi, Maurizio Marino

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- the **Internal Audit and Risk Committee**, formed by: Andrea Sironi (Chairman), Vittorio Coda, Claudio Rangoni Machiavelli, Fabio Ravanelli, Cristina Zucchetti

THE NEW ORGANIZATIONAL MODEL

The Board of Directors has approved the new organizational model of Banco Popolare and has appointed **Pier Francesco Saviotti** as Chief Executive Officer, with direct reporting from the Audit Department, the Administration and Financial Reporting Department, the Human Resources Department, the Risks Department and the Credit Department.

Additional appointments were: the General manager, **Maurizio Faroni**, with direct reporting mainly from the Finance and Equity Investments Department, the Operations Department, and the Organization Department, the Planning and Control Department and Banca Aletti; and the Co-General Manager, **Domenico De Angelis**, whom the commercial units of the Bank report to, namely the Retail Department, the Corporate Department and the Territorial Divisions.

The territorial Divisions in charge of overseeing and coordinating the network shall be four:

1. **Banca Popolare di Verona Division**, run by **Leonello Guidetti** and subdivided into the two territorial head offices of Banca Popolare di Verona (headed by **Giovanni Capitanio**) and Banco S.Geminiano e S.Prospiero (headed by **Oreste Felice Invernizzi**);
2. **Banca Popolare di Lodi Division**, run by **Maurizio Di Maio** and subdivided into the two territorial head offices of Banca Popolare di Lodi (headed by **Luigi Negri**) and Cassa di Risparmio di Lucca Pisa Livorno (headed by **Alberto Silvano Piacentini**);
3. **Banca Popolare di Novara Division**, run pro tem by **Domenico De Angelis** and subdivided into the two territorial head offices of Banca Popolare di Novara (headed by **Alberto Mauro**) and Centro-Sud (headed by **Francesco Minotti**).
4. The **Division** formed by **Credito Bergamasco** – with **Bruno Pezzoni** as Managing Director – which, while retaining its legal autonomy and its status as listed company, will carry out its marketing actions in coordination with Banco's Commercial General Department and will too have a territorial head office to be headed by **Cristiano Carrus**, whose proposed appointment shall be put to the approval of the Board of Directors of Credito Bergamasco.

MERGER OF THE BANKS OF THE TERRITORY (*BANCHE DEI TERRITORI*) INTO BANCO POPOLARE

The Board of Directors of Banco and the Shareholders' meetings of the banks of the territory, with the exception of Credito Bergamasco, have approved the merger plans for the combination of the involved banks into Banco Popolare. These transactions will attain the planned streamlining of the Group's corporate structure by combining the different banks into Banco Popolare in keeping with the "large banca popolare" model.

Characteristics of the mergers

The mergers shall take place through the acquisition of the banks of the territory by Banco Popolare based on their individual financial position as at 30 June 2011.

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The acquisitions of Banca Popolare di Verona – S.Geminiano e S.Prospiero, Banca Popolare di Lodi, Banca Popolare di Novara and Banca Popolare di Crema shall take place in compliance with the simplified procedures provided for by art. 2505 of the Italian Civil Code for fully-owned companies. Further to the merger, the shares of these companies will be cancelled without any share exchange.

The acquisitions of Cassa di Risparmio di Lucca Pisa Livorno and of Banca Popolare di Cremona shall instead be carried out in compliance with art. 2505-bis of the Italian Civil Code.

In this case, while the shares owned by Banco will be cancelled without any share exchange, the shares not held by Banco shall be exchanged with newly issued ordinary shares, based on the indicated exchange ratio, which does not provide for any cash balance payment:

- i. 0.35 Banco ordinary shares every n. 1 ordinary share of Cassa di Risparmio di Lucca Pisa Livorno;
- ii. 1.5 Banco ordinary shares every n. 1 ordinary share of BP Cremona,

except, in both cases, for a smaller number due to the cancellation without share exchange of the shares of Cassa di Risparmio di Lucca Pisa e Livorno and of Banca Popolare di Cremona acquired by Banco also as a result of their shareholders' right to sell pursuant to art. 2505-bis, paragraph one, of the Italian civil code.

Accordingly, Banco Popolare shall realize the following capital increase: max. euro 4,157,077.82 by issuing max. n. 1,707,433 ordinary shares further to the acquisition of Cassa di Risparmio di Lucca Pisa Livorno; max. euro 433,796.83 by issuing max. n. 178,173 ordinary shares further to the acquisition of Banca Popolare di Cremona.

The newly issued ordinary shares of Banco Popolare dedicated to the share exchange will be made available to the entitled holders and the entitlement date shall start on the start date of the merger's legal effect.

The mergers of Cassa di Risparmio di Lucca Pisa Livorno and of Banca Popolare di Cremona may give rise to the right of withdrawal by those from among their shareholders who will not concur to the approval of the resolutions regarding the merger. Entitled shareholders may exercise their right of withdrawal for all or part of their shares, under the law.

Effective date of the mergers

From a civil law and fiscal point of view, the mergers will come into effect on 1 January 2011. From a strictly legal point of view, each merger shall come into effect, pursuant to art. 2504 of the Italian Civil Code, on the registration date of the deeds at the Verona Enterprise Registry, or on a subsequent date to be specified in each deed. The registrations are expected to be carried out by December 2011.

APPROVED THE DETAXATION OF INTANGIBLE ASSETS

The Board of Directors have decided to take advantage of the possibility offered by art. 15 of Law Decree n. 185 of 29 November 2008, as amended by the provisions art. 23 of Law Decree n. 98 of 6 July 2011, and implement the detaxation of the premium values recognized to controlling interests in its financial statements with respect to goodwill, brands and other intangible assets. More precisely, in compliance with paragraphs 10-bis and 10-ter of the above mentioned article and the enacting provisions published on 22 November 2011, Banco Popolare shall pay the substitutive

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tax of 192 million euro by the required deadline. i.e., tomorrow 30 November 2011. As a result of this payment, Banco Popolare will benefit of greater tax deductions when calculating its taxable income corresponding to an amount equal to the detaxed amount. The deductions can be carried out in any tax period after 31 December 2012 for an amount no greater than one tenth of the detaxed amount, until the total detaxed amount is reached.

In compliance with the relevant accounting standards, this decision calls for the immediate recognition of deferred tax assets corresponding to the detaxed amount and a concomitant crediting of 395 million euro to income. As a result, the overall transaction has a net positive impact on the 2011 net income of Banco Popolare and the Group of 203 million euro. Since the greater operating result is not intended to be distributed, it is going to strengthen the Group's capital position: ceteris paribus, the Core tier 1 ratio which on 30 September 2011 was 6.5% goes up to 6.7%, while the tier 1 capital ratio goes from 7.8% to 8.0%.

Note, that this decision does not prevent Banco Popolare from the possibility of taking advantage of an additional detaxation under the current regulations after the finalization of the merger of the banks of the territory into Banco Popolare.

VERIFIED THE PROFESSIONAL, INTEGRITY AND INDEPENDENCE REQUIREMENTS OF DIRECTORS AND STATUTORY AUDITORS

The Board of Directors of Banco Popolare has assessed the professional and integrity requirements of all its members elected by the Shareholders' Meeting on 26 November last. In the same meeting, it has also assessed their independence requirement pursuant to art. 148, paragraph 3, of Lgs.D. 58/1998 and to the Corporate Governance Code of Borsa Italiana, with the following results:

- Carlo Fratta Pasini (Chairman) (*)
- Guido Castellotti (Vice Chairman) (*)
- Maurizio Comoli (Vice Chairman) (*)
- Pietro Buzzi (*)(**)
- Giovanni Francesco Curioni (*)(**)
- Gianni Filippa (*)(**)
- Andrea Guidi (*)(**)
- Maurizio Marino (*)(**)
- Enrico Perotti (*)
- Gian Luca Rana (*)(**)
- Claudio Rangoni Machiavelli (*)(**)
- Fabio Ravanelli (*)(**)
- Sandro Veronesi (*)(**)
- Cristina Zucchetti (*)(**)
- Vittorio Coda (*)
- Andrea Sironi (*)(**)
- Aldo Civaschi (*)(**)
- Tommaso Zanini (*)(**)

(*) Independent director pursuant to art. 148, paragraph three, of Lgs.D. n. 58 of 24 February 1998.

(**) Independent director pursuant to the Corporate Governance Code of Borsa Italiana

Further to the transition from the dual corporate governance system to the traditional one, as approved by the special and general shareholders' meeting held on 26 November 2011 – since the Corporate Governance Code voluntarily adopted by Banco

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right from its incorporation (1 July 2007) is no longer deemed applicable to the new corporate governance system as it is based on the dual model - Banco's Board of Directors decided to comply directly with the Corporate Governance Code issued by Borsa Italiana S.p.A., taking however a few exceptions to some provisions, specifically article 10.C.2 regarding the possibility of imposing additional independence requirements to statutory auditors (imposing the same criteria required of directors by Borsa Italiana's Code), for the following reasons:

- Banco's new Articles of Association establish that statutory auditors must meet the requirements of eligibility, independence, professionalism and integrity as provided for under the law and other applicable regulations (art. 44, paragraph 1);
- considering that current regulations establish absolutely stringent criteria - specifically with respect to the "independence" of statutory auditors - it is not deemed necessary to adopt the above provision, taking into account that the current provisions are deemed apt to safeguard the Bank, and all of its shareholders.

Hence, the Board of Directors has assessed the independence requirement with respect to its members based on the Corporate Governance Code of Borsa Italiana S.p.A., with the above exceptions, based on the information made available by the directors concerned, on information already available to Banco Popolare, as well as on the detailed documentation that was produced by the competent internal technical structures and duly submitted to the Directors for examination.

To this regard, it should be noted that:

- substance prevailed over form (that is, in the event that one or more assumptions occur, indicative of a lack of independence under the Corporate Governance Code of Borsa Italiana S.p.A.);
- autonomous judgment - as evidenced in the exercise of one's duties - has been considered as a material assessment factor to ascertain the independence requirement.

Finally, the Board of Directors has ascertained that all the members of the Board of Statutory Auditors elected by the Shareholders' meeting on 26 November 2011 meet the professional, integrity and independence requirements pursuant to art. 148, paragraph 3, of Lgs.D. 58/1998.

The Board of Directors took cognizance of the resignations tendered by the Director Roberto Romanin Jacur due to compelling professional engagements.

The Board thanked Mr. Romanin Jacur for the unflagging commitment demonstrated to Banco Popolare and announced that, as a result of the above resignations, in a coming meeting the Board of Directors will have to co-opt a new director pursuant to the Articles of Association (art. 29.11) and art. 2386 of the Italian Civil Code.

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