

NEWS RELEASE

Share allocation Plan and share buy-back

Verona, 15 March 2013

Approval of the 2013 share allocation plan to executive members of the Board of Directors and to key managers and employees of Gruppo Banco Popolare

Banco Popolare's Board of Directors, in the meeting held on 26 February 2013, approved the 2013 Compensation Policies, introducing a marked reduction in the total bonus amount earmarked for incentive schemes, down to half as much as the previous year's. The reduction progressively escalates as the beneficiaries' hierarchical level increases. In particular, for "key personnel" the bonus has been cut by 70%.

To this respect, today the Board of Directors has approved the main outlines of the 2013 share allocation plan, under articles 114-bis of TUF and 84-bis of the Issuers Regulation, to be submitted to the approval of the forthcoming Shareholders' Meeting. The shares represent a part of the bonus under the incentive scheme devoted to executive members of the Banco Board of Directors and to key managers and employees of Gruppo Banco Popolare, according to the definition of "key personnel" defined below.

If during the year the Supervisory Board should provide further guidance on the subject, the Plan will adjust automatically on this basis.

Described below, also pursuant to art. 84-bis, paragraph 3, of the Issuers Regulation, are the key characteristics of the Plan.

Plan Rationale

The new Plan provides the granting modalities of bonuses under incentive schemes for employees and personnel identified as "key personnel" in compliance with the guidelines issued by the Bank of Italy on bank remuneration and incentive policies, and more precisely with the provision that at least 50% of the bonus awarded under the above schemes must be in the form of shares or associated own equity instruments. The Plan aims at bringing the management's goals in line with those of shareholders, rewarding value creation over the medium to long term by increasing the value of Banco Popolare shares, while promoting loyalty building processes and retaining the Group's strategic resources.

The Plan was designed also with an eye to tax exemption implications for employee compensation, with respect to share-based payments, under L.D. 112/2008 art. 82 paragraph 24-bis.

Plan Beneficiaries

At present the Plan is reserved to the following beneficiaries, divided between some members of the Board of Directors and managers of Banco Popolare, as well as some members of the Boards of Directors and managers of directly or indirectly controlled companies:

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Maurizio Di Maio	manager of Banco Popolare
Leonello Guidetti	manager of Banco Popolare
Bruno Pezzoni	collaborator of Banco Popolare and Managing
Director of Credito Bergamasco	
Carlo Bianchi	manager and CLO of Banco Popolare
Pietro Gaspardo	manager of Banco Popolare
Fabrizio Marchetti	manager of Banco Popolare
Ottavio Rigodanza	manager and COO del Banco Popolare
Giovanni Capitanio	manager of Banco Popolare
Maurizio Zancanaro	manager of Banco Popolare and Managing Director
of Banca Aletti	
Francesco Minotti	manager of Banco Popolare
Maurizio Riccadonna	manager of Banco Popolare and General Manager of
Banca Italease	
Alberto Mauro	manager of Banco Popolare
Cristiano Carrus	manager of Banco Popolare
Ruggero Guidolin	manager of Banco Popolare
Andrea Mencarini	manager of Banco Popolare
Regina Corradini D'Arienzo	manager of Banco Popolare
Giuseppe Malerbi	manager of Banco Popolare
Marco Franceschini	manager of Banco Popolare
Stefano Bolis	manager of Banco Popolare
Roberto Perico	manager of Banco Popolare
Francesco Sepe	manager of Banco Popolare
Franco Dentella	Vice-General Manager of Banca Aletti

None of the above managers has received a total compensation exceeding the highest total compensation paid to managing directors or general managers.

Today, Mr. Pier Francesco Saviotti, Mr. Maurizio Faroni and Mr. Domenico De Angelis respectively CEO, Director and General Manager and Director and Co-general Manager of Banco Popolare, all of them beneficiaries of the Plan, have voluntarily given up to the 2013 bonus portion to be allocated in shares.

Main characteristics of shares allocated under the Plan and share buy-back plan

The Plan prescribes the allocation of shares to beneficiaries, who, as long as the pre-requisites for the activation of the incentive systems are met (crossing the "gates" represented by Income before tax from continuing operations, the Group's CaR – Capital at Risk - and the Group's operating cash flow indicator) and based on the attained individual results, have accrued the incentive.

The Plan implementation period spans from the reference period for the for the measurement of the incentive scheme results and the share allocation.

Since for 2013 the payment of deferred bonuses that may have accrued has not been provided for, the granting of the above shares shall be limited to the short term bonus, with in any case a retention period of no less than two years. The Plan, if

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authorized by the Shareholders' Meeting and assuming that all Plan beneficiaries achieve the best possible result under the incentive scheme, shall be implemented by purchasing own shares up to a maximum amount corresponding to a maximum price of Euro 860,000, and in any case not exceeding 580,000 shares, calculated based on the arithmetic mean of the official prices reported in January 2013.

Approval of additions to share allocation plans devoted to employees of Gruppo Banco Popolare as part of the company bonuses under the National Collective Bargaining agreement

Today, the Board of Directors has also decided to submit to the Shareholders' Meeting the additions to the existing share allocation Plans devoted to employees of Gruppo Banco Popolare as part of the company bonuses under the National Collective Bargaining agreement for the lending sector (so called "CCNL") with respect to financial years 2009-2010 and 2011, that were approved by the Shareholders' Meeting on 24 April 2010 and 21 April 2012, respectively.

Under the above plans, it had been approved to grant additional shares to each employee who has retained possession of the shares, received by way of premium, for three years after the allocation of the share-based bonus, corresponding to 5% of the monetary value of the bonus awarded in the form of shares.

Plan Rationale

With the approval of the additions to the above plans, Banco Popolare aims at setting the arithmetic mean of the official share prices reported in the month before the additional bonus allocation date, as unit valuation reference for the additional shares to be allocated to employees, who held possession of the shares for three years from the allocation date.

Plan Beneficiaries

The plans, whose beneficiaries do not include the members of the Board of Directors of Banco Popolare, are reserved to executives, managers and qualified personnel employed by Banco Popolare, the banks and any other company of the Group who fall under the National Collective Bargaining agreement for the lending sector, and who retained possession of the shares for three years after the bonus allocation date.

Main characteristics of shares allocated under the Plan

The additional Bonus will be exempt for taxation and tax implications for employee compensation on an amount not exceeding the threshold of Euro 2,065.83 per year, each employee who has retained possession of the shares for three years from the allocation date.

The first awarding of the additional Bonus linked to the 2009 company bonus shall be carried out in June 2013, while the following awards linked to the 2010 and 2011 bonus, respectively, shall be carried out in June 2014, and in June 2015.

Procedure to define the prices or criteria to define the prices for the subscription or purchase of shares

Should we take the arithmetic mean of the Share's official prices in February, equal to Euro 1.40336, as reference for the calculation, the estimated amount of shares needed for the award of the additional Bonus to date is 352,294.

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The additional Bonus shall be awarded to the eligible employees based on the arithmetic mean of the official share prices reported in the month before the awarding of the additional Bonus as reference for the share unit valuation.

Share buy-back to sustain stock liquidity and build up a so called "share reserve"

Today the Board of Directors also proposed to submit to the forthcoming Shareholders' Meeting the possibility of executing transactions on the stock market to sustain the stock liquidity and to build up a so called "share reserve" for stock allocation plans for executive members of the Board of Directors, managers and key personnel, as well as employees of the companies of Gruppo Banco Popolare (the "Plans").

In particular, in compliance with the limit prescribed by art. 2357, paragraph 1, of the Civil Code, with respect to distributable income and available reserves as determined in the latest approved financial statements, the Shareholders' Meeting shall be submitted the following proposals:

- a share buy-back, in one or more tranches, to sustain the stock liquidity, within a maximum available reserves amount of Euro 50,000,000, provided that, in any case, in consideration of the executed transactions, the number of shares held in the portfolio does not exceed 2% of the shares making up the share capital;
- a share buy-back, in one or more tranches, up to a maximum amount of Euro 860,000 (maximum amount payable in shares under the 2013 incentive scheme assuming that all beneficiaries – belonging to the "key personnel" category – achieve the best possible result), and in any case not exceeding 580,000 Banco Popolare ordinary shares (corresponding to 0.032% of the share capital), based on the reference unit price resulting from the arithmetic mean of the share's official prices reported in the month of January 2013; and
- the use of 519,132 own shares held in portfolio and coming from previous share allocation plans, per la to build up a so called "share reserve" set aside to meet the Plan obligations.

The authorization includes the most ample power of using the shares held in the portfolio to implement the Plans.

The proposed authorization for the share buy-backs to sustain the stock liquidity shall last until the approval of the 2013 annual report; the authorization for the share buy-back to build up the so called "share reserve" set aside to meet the Plan obligations shall last for a maximum period of eighteen months from the shareholders' meeting resolution. The authorization to use the shares shall have no time limits.

Purchases and sales of own shares must be carried out within the share price and volume limits provided for by Consob Resolution n. 16839 of 19 March 2009, adopted in compliance with art. 180, paragraph 1, letter c), TUF and articles 40 and 41 of Markets Regulation (Consob Resolution n. 16191 of 29 October 2007) and with EC Regulation n. 2273/2003.

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Purchases shall be carried out in compliance with art. 132 of Lgs.D. 58/1998, art. 144-*bis*, paragraph 1, letter b) of the Issuers Regulation, Borsa Italiana S.p.A. Regulation and any other applicable regulation, as well as with market practices approved by Consob.

In the event that, after the shares have been allocated to the Plan beneficiaries, residual shares are left over in the "share reserve", and there is no need to keep holding these shares for the purposes of the Plans, Banco may decide to use them for one of the additional purposes established in Consob's Resolution, including selling them on the market, to be carried out in accordance with the terms and conditions established by regulations.

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