

"The information contained herein is not for publication or distribution, directly or indirectly, in whole or in part, in or into the United States or to U.S. Persons. These materials are not an offer of securities for sale in the United States or to U.S. Persons. Securities may not be offered or sold in the United States or to U.S. Persons absent registration with the U.S. Securities and Exchange Commission or an exemption from registration under the U.S. Securities Act of 1933, as amended. Banco Popolare – Società Cooperativa – does not intend to register any part of the offering in the United States or to conduct a public offering of securities in the United States."

## NEWS RELEASE

### Shareholders' Meeting of Banco Popolare:

- Members of the Board of Directors and of the Board of Statutory Auditors appointed
- 2013 Annual report approved
- Remuneration policy report approved
- Compensation of the members of the Boards of Directors and of the Statutory Auditors defined
- Merger of Credito Bergamasco into Banco Popolare approved
- Reduction of revaluation reserves under art. 7, paragraphs 2 and 3, L. 218/1990 approved

*Verona, 29 March 2014* - The Shareholders convened in the Extraordinary and Annual General Meeting of Banco Popolare, which has seen the participation of almost 25,000 registered shareholders (about 10,000 physically present) have approved all the items on the agenda at a very large majority.

### GENERAL MEETING

#### **APPOINTMENT OF THE MEMBERS OF THE BOARD OF DIRECTORS, INCLUDING THE CHAIRMAN AND THE VICE-CHAIRMEN**

The Shareholders have elected the members of the Board of Directors, including the Chairman and the Vice-Chairmen, who will remain in office for three years, namely in 2014-2015-2016. Based on the votes received by the two slates, the appointed directors are:

1. **Carlo Fratta Pasini** (Chairman) (List 1) (\*) - (No. of Banco Popolare shares held: 48,157) (\*\*\*)
2. **Guido Castellotti** (Vice Chairman) (List 1) (\*) - (No. of Banco Popolare shares held: 500) (\*\*\*)
3. **Maurizio Comoli** (Vice Chairman) (List 1) (\*) - (No. of Banco Popolare shares held: 2,812) (\*\*\*)

COMMUNICATION AND  
EXTERNAL RELATIONS  
Media Relations  
Tel. +39-045-8675048/867/120/121  
[ufficio.stampa@bancopopolare.it](mailto:ufficio.stampa@bancopopolare.it)

INVESTOR RELATIONS  
Tel. +39-045-8675537  
[investor.relations@bancopopolare.it](mailto:investor.relations@bancopopolare.it)  
[www.bancopopolare.it](http://www.bancopopolare.it) (IR section)

4. **Patrizia Codecasa** (List 1) <sup>(\*)</sup><sup>(\*\*)</sup> - (No. of Banco Popolare shares held: 250) <sup>(\*\*\*)</sup>
5. **Giovanni Francesco Curioni** (List 1) <sup>(\*)</sup><sup>(\*\*)</sup> - (No. of Banco Popolare shares held: 859) <sup>(\*\*\*)</sup>
6. **Gianni Filippa** (List 1) <sup>(\*)</sup><sup>(\*\*)</sup> - (No. of Banco Popolare shares held: 3,376) <sup>(\*\*\*)</sup>
7. **Andrea Guidi** (List 1) <sup>(\*)</sup><sup>(\*\*)</sup> - (No. of Banco Popolare shares held: 1,504) <sup>(\*\*\*)</sup>
8. **Maurizio Marino** (List 1) <sup>(\*)</sup><sup>(\*\*)</sup> - (No. of Banco Popolare shares held: 1,698) <sup>(\*\*\*)</sup>
9. **Giulio Pedrollo** (List 1) <sup>(\*)</sup><sup>(\*\*)</sup> - (No. of Banco Popolare shares held: 307) <sup>(\*\*\*)</sup>
10. **Enrico Perotti** (List 1) <sup>(\*)</sup><sup>(\*\*)</sup> - (No. of Banco Popolare shares held: 325) <sup>(\*\*\*)</sup>
11. **Claudio Rangoni Machiavelli** (List 1) <sup>(\*)</sup><sup>(\*\*)</sup> - (No. of Banco Popolare shares held: 66,000) <sup>(\*\*\*)</sup>
12. **Fabio Ravanelli** (List 1) <sup>(\*)</sup><sup>(\*\*)</sup> - (No. of Banco Popolare shares held: 14,250) <sup>(\*\*\*)</sup>
13. **Cecilia Rossignoli** (List 1) <sup>(\*)</sup><sup>(\*\*)</sup> - (No. of Banco Popolare shares held: 1,020) <sup>(\*\*\*)</sup>
14. **Sandro Veronesi** (List 1) <sup>(\*)</sup><sup>(\*\*)</sup> - (No. of Banco Popolare shares held: 80,000) <sup>(\*\*\*)</sup>
15. **Franco Zanetta** (List 1) <sup>(\*)</sup> - (No. of Banco Popolare shares held: 2,576) <sup>(\*\*\*)</sup>
16. **Cristina Zucchetti** (List 1) <sup>(\*)</sup><sup>(\*\*)</sup> - (No. of Banco Popolare shares held: 3,096) <sup>(\*\*\*)</sup>
17. **Pier Francesco Saviotti** (List 1) - (No. of Banco Popolare shares held: 50,979) <sup>(\*\*\*)</sup>
18. **Maurizio Faroni** (List 1) - (No. of Banco Popolare shares held: 40,384) <sup>(\*\*\*)</sup>
19. **Domenico De Angelis** (List 1) - (No. of Banco Popolare shares held: 36,910) <sup>(\*\*\*)</sup>
20. **Enrico Fusi** (List 1) <sup>(\*)</sup><sup>(\*\*)</sup> - (No. of Banco Popolare shares held: 120) <sup>(\*\*\*)</sup>
21. **Cristina Galeotti** (List 1) <sup>(\*)</sup><sup>(\*\*)</sup> - (No. of Banco Popolare shares held: 30) <sup>(\*\*\*)</sup>
22. **Valter Lazzari** (List 1) <sup>(\*)</sup><sup>(\*\*)</sup> - (No. of Banco Popolare shares held: 300) <sup>(\*\*\*)</sup>
23. **Daniela Montemerlo** (List 1) <sup>(\*)</sup><sup>(\*\*)</sup> - (No. of Banco Popolare shares held: 400) <sup>(\*\*\*)</sup>
24. **Tommaso Zanini** (List 2) <sup>(\*)</sup><sup>(\*\*)</sup> - (No. of Banco Popolare shares held: 11,000) <sup>(\*\*\*)</sup>

#### APPOINTMENT OF THE STATUTORY AUDITORS AND OF THE CHAIRMAN OF THE BOARD OF STATUTORY AUDITORS

The Shareholders have appointed the Chairman and the members of the Board of Statutory Auditors, who will remain in office for three years, namely in 2014-2015-2016. Based on the votes received by the two slates, the appointed auditors are:

COMMUNICATION AND  
EXTERNAL RELATIONS  
Media Relations  
Tel. +39-045-8675048/867/120/121  
[ufficio.stampa@bancopopolare.it](mailto:ufficio.stampa@bancopopolare.it)

INVESTOR RELATIONS  
Tel. +39-045-8675537  
[investor.relations@bancopopolare.it](mailto:investor.relations@bancopopolare.it)  
[www.bancopopolare.it](http://www.bancopopolare.it) (IR section)

**Standing Statutory Auditors**

1. **Pietro Manzonetto** (Chairman) (List 2) - (No. of Banco Popolare shares held: 300)<sup>(\*\*\*)</sup>
2. **Maurizio Calderini** (List 1) - (No. of Banco Popolare shares held: 3,281)<sup>(\*\*\*)</sup>
3. **Gabriele Camillo Erba** (List 1) - (No. of Banco Popolare shares held: 490)<sup>(\*\*\*)</sup>
4. **Claudia Rossi** (List 1) - (No. of Banco Popolare shares held: 100)<sup>(\*\*\*)</sup>
5. **Alfonso Sonato** (List 1) - (No. of Banco Popolare shares held: 3,740)<sup>(\*\*\*)</sup>

**Alternate Statutory Auditors**

1. **Marco Bronzato** (List 1) - (No. of Banco Popolare shares held: 1,258)<sup>(\*\*\*)</sup>
2. **Paola Pesci** (List 2) - (No. of Banco Popolare shares held: 83)<sup>(\*\*\*)</sup>

(\*) Independent director under art.148, paragraph three, of Lgs. D. no. 58 of 24 February 1998;

(\*\*) Independent director under the Code of Conduct of Borsa Italiana,

with the understanding that the independence requirements will be formally verified at the next meeting of the Board of Directors

(\*\*\*) In compliance with art. IA.2.9.7, paragraph 3, of the Instructions to the Regulation of markets organized and managed by Borsa Italiana S.p.A., the no. of Banco Popolare shares held as of today is reported.

The CVs of the directors and of the statutory auditors are made available on the Corporate website in the Corporate Governance section - Shareholders' Meetings – Extraordinary and General Annual Shareholders' Meeting of 29 March 2014 (direct link: <http://www.bancopopolare.it>).

**APPROVAL OF THE 2013 ANNUAL REPORT**

The Shareholders have approved the 2013 Annual Report of the Parent company Banco Popolare, which closed with a net loss of 590,654,282 euro, and resolved to cover the loss outright with unencumbered reserves.

The consolidated annual report of Gruppo Banco Popolare closed with a net loss of 606 million euro. Loan loss provisions charged to income amounting to 1,691 million euro have been the main contributor to this negative result.

The high cost of credit was mainly caused by two factors: the worsening financial position of borrowers and the adoption of more conservative valuation parameters compared to those that used to be considered the expression of the best valuation practices based on the same reference accounting standards, which drew inspiration also from the new indications gathered by reading the final draft of the International Technical Standards, published by the EBA in October 2013.

The bottom line was also negatively affected by the effect that the rating upgrade had on the valuation of financial liabilities in issue (-95.8 million after-tax), by the recognition of write-downs on financial assets available for sale (-161.5 million after-

3

COMMUNICATION AND  
EXTERNAL RELATIONS

Media Relations

Tel. +39-045-8675048/867/120/121

[ufficio.stampa@bancopopolare.it](mailto:ufficio.stampa@bancopopolare.it)

INVESTOR RELATIONS

Tel. +39-045-8675537

[investor.relations@bancopopolare.it](mailto:investor.relations@bancopopolare.it)

[www.bancopopolare.it](http://www.bancopopolare.it) (IR section)

tax), the earmarking of provisions for risks and charges against tax and legal disputes amounting to 121.4 million, and the negative contribution of discontinued operations mainly represented by the subsidiary BP Croatia (-29.6 million after-tax).

The year's result benefitted instead from the non-recurring contributions from a partial write-back of the equity interest held in Agos-Ducato (corresponding to the net share of loss of + 54.6 million after-tax) and from the recognition of the new equity interest held in the Bank of Italy acquired as a result of the capital increase and of the bylaw amendments approved by the Supervisory Authority (+48.2 million after-tax).

Net of the above non-recurring items, and against a backdrop marked by market interest rates that are still kept at low levels and by increasing wholesale funding costs, Banco Popolare confirmed its revenue generation capacity also in 2013.

If we exclude the net financial result that by its own nature is marked by a greater volatility, the revenues generated by the "core business" reported a slight increase over the previous year (+0.9%).

Thanks to the close cost monitoring and to new cost containment actions, operating costs were kept at the same levels of 2012 (+0.3%), in spite of non-recurring costs incurred in Q4 (79.3 million), that were generated by the agreement entered with Trade Unions, which among other things includes the commitment to pursue a personnel cost cutback through a headcount reduction of 470 employees to be carried out in 2014, primarily by resorting to the extraordinary funding of the sector Solidarity Fund.

Key balance sheet items show that as at 31 December 2013 direct funding reached 90,017.7 million, compared to 94,506.3 million on 31 December 2012. The 4.7% decline was mainly due to the repo components (in particular those with Cassa di Compensazione e Garanzia as counterparty) and to bond issuance, and was partly offset by an increase in "core" funds, i.e., checking accounts and deposits.

Indirect funding totaled 63,843.2 million, up (+3.3%) with respect to 31 December 2012, when indirect funding stood at 61,831.8 million. This increase was driven by the asset management component which grew by 7.8% year-on-year, mainly as a result of the sale of Sicav and fund units (+33.3% compared to end 2012) which more than offset the decline reported in portfolio management (-7.5% year-to-date) and in insurance policies (-6.1%). Assets under administration remain basically unchanged compared to the prior year.

Gross loans totaled 91.6 billion, down by 4.8% compared to 96.2 billion at year-start; net of Banca Italease, the loan decline came in at -4.4%.

On 31 December 2013, the Group capital ratios calculated based on the rules in force on that date ("Basel 2.5") were: Core Tier 1 Ratio at 9.7%, Tier 1 Capital Ratio at 10.6%, Total Capital Ratio at 13.3%.

The Group's capital position is bound to be significantly strengthened by the 1.5 billion rights issue approved by Shareholders in the Extraordinary Meeting held on 1 March 2014. As a result of the rights issue, the pro-forma Core Tier 1 Ratio goes up to 12.7%, while the Tier 1 Capital Ratio and the Total Capital Ratio come in at 13.6% and 16.3%, respectively.

The new "Basel 3" regulatory framework has come into effect on 1 January 2014. The capital increase and the mergers of the subsidiaries Credito Bergamasco and Banca Italease into Banco Popolare shall enable the Group to reach a Common Equity Tier 1 ratio (CET1 ratio) of 12.9% calculated by taking into account the "phase-in" arrangements. The CET1 ratio calculated based on the rules that will come into effect

COMMUNICATION AND  
EXTERNAL RELATIONS

Media Relations

Tel. +39-045-8675048/867/120/121

[ufficio.stampa@bancopopolare.it](mailto:ufficio.stampa@bancopopolare.it)

INVESTOR RELATIONS

Tel. +39-045-8675537

[investor.relations@bancopopolare.it](mailto:investor.relations@bancopopolare.it)

[www.bancopopolare.it](http://www.bancopopolare.it) (IR section)

4

after the phase-in period (fully-loaded CET1 ratio ) will come in at 10.8%, thus also in this case well above target levels.

For more details on 2013 results please see the news release of 28 February 2014.

#### **REMUNERATION POLICIES**

The Shareholders have approved the Remuneration report covering the proposal for the 2014 remuneration policies and the implementation of the 2013 policies. In order to provide Shareholders with a clear and consistent explanation of this subject, Banco Popolare deemed it appropriate to prepare a single document which would cover the information required by banking regulations while complying with Consob's requirements. The Report was prepared in compliance with art. 123-ter TUF and art. 84-quater of Consob's resolution 11971/99 and following amendments and additions ("Issuers Regulation"), as well as with the measures issued by the Bank of Italy on 30 March 2011 regarding the remuneration and incentive policies and practices in banks and banking groups.

#### **COMPENSATION OF THE MEMBERS OF THE BOARD OF DIRECTORS AND OF STATUTORY AUDITORS**

With regard to the compensation of the members of the Board of Directors and of the Statutory Auditors, the Shareholders resolved to:

1. recognize the following compensation to the Board of Directors, valid for their entire term in office, namely for financial years 2014-2015-2016, to be paid and correlated to their actual term of office:
  - Euro 90,000 gross p.a. to each Director other than "executive directors", and Euro 45,000 gross per annum to each "executive director";
  - Euro 45,000 gross p.a. to each member of the Executive Committee, unless otherwise provided for by individual agreements entered by "executive directors" regarding an all-inclusive compensation or a different amount for the office and in any case not exceeding the above compensation of Euro 45,000 p.a.;
  - Euro 600 gross as attendance counter, to be paid with regard to the current and to future years until otherwise resolved by Shareholders, for attending the meetings of the Board of Directors and the Executive Committee - unless otherwise provided for by individual agreements entered by "executive directors" regarding an all-inclusive compensation - with the understanding however that attendance counters cannot be accumulated within a single working day.
2. recognize the following compensation to the Statutory Auditors, valid for their entire term in office, namely for financial years 2014-2015-2016:

COMMUNICATION AND  
EXTERNAL RELATIONS  
Media Relations  
Tel. +39-045-8675048/867/120/121  
[ufficio.stampa@bancopopolare.it](mailto:ufficio.stampa@bancopopolare.it)

INVESTOR RELATIONS  
Tel. +39-045-8675537  
[investor.relations@bancopopolare.it](mailto:investor.relations@bancopopolare.it)  
[www.bancopopolare.it](http://www.bancopopolare.it) (IR section)

- Euro 135,000 gross p.a. to each Standing Auditor and Euro 200,000 to the Chairman of the Board of Statutory Auditors, to be paid and correlated to their actual term of office;
- Euro 600 gross as attendance counter, to be paid with regard to the current and to future years until otherwise resolved by Shareholders, for attending the meetings of the Board of Directors and the Executive Committee, with the understanding however that attendance counters cannot be accumulated within a single working day.

The above decisions approved by the Shareholders will give rise to a reduction of approx. 10% in the fixed compensation paid to the members of the Board of Directors, of the Executive Committee and of the Board of Statutory Auditors.

The proposal to renew the authorization granted to the Board of Directors to purchase and sell own shares to support stock liquidity, under item 4) of the general meeting agenda, was not submitted to Shareholders, considering among other things the possible operational overlaps with the rights issue currently kicking off.

### **EXTRAORDINARY MEETING**

#### **APPROVAL OF THE PLAN TO MERGE CREDITO BERGAMASCO S.P.A. INTO BANCO POPOLARE**

The Shareholders have approved the plan to merge Credito Bergamasco S.p.a. ("**Creberg**" or "**acquiree**") into Banco Popolare.

More specifically, the Shareholders resolved:

- to approve the merger plan and thus to proceed with the merger of Creberg into Banco Popolare along the terms and conditions therein provided for; more specifically, the swap of the common shares of the acquiree shall be implemented by issuing no. 19,332,744 new common shares without par value, with regular dividend rights attached, based on the swap ratio and the share allocation procedure defined in the merger plan, with no residual cash payments; based on the defined swap ratio, the shareholders of the acquiree will receive 1.412 Banco Popolare common shares for every one Creberg common share;
- to increase the share capital of Banco Popolare to cover the stock swap by a nominal amount of Euro 300,582,215, by issuing no. 19,332,744 new ordinary shares without par value, with regular dividend rights attached, based on the formula described in the Merger Plan, assuming that the capital increase and the reverse stock split approved by the Extraordinary Shareholders' Meeting on 1 March 2014 will be implemented before the coming into effect of the merger, which at present appears most likely;
- to adopt the articles of association - as of the date of effectiveness of the merger towards third parties - with the amendments to articles: 1 - Incorporation and Name; 5 - Mutuality; 7 - Share Capital; 35 - Executive Committee: Number and Composition.

COMMUNICATION AND  
EXTERNAL RELATIONS  
Media Relations  
Tel. +39-045-8675048/867/120/121  
[ufficio.stampa@bancopopolare.it](mailto:ufficio.stampa@bancopopolare.it)

INVESTOR RELATIONS  
Tel. +39-045-8675537  
[investor.relations@bancopopolare.it](mailto:investor.relations@bancopopolare.it)  
[www.bancopopolare.it](http://www.bancopopolare.it) (IR section)



Creberg's merger, which has already been authorized by the Bank of Italy, represents the last leg of the corporate and administrative streamlining plan launched by Banco Popolare in 2011, with the merger of the *banche del territorio* into Banco Popolare.

The completion of the plan paves the way to the full-blown reaping of benefits to be drawn from a reduction in corporate complexity. In addition to the positive contribution to the Group's financial position, Creberg's combination will: lay the foundations for a complete rationalization of Banco Popolare's distribution network; reduce taxes and administrative costs, thanks also to the centralization of duplicated functions; permit a better and swifter focus of Group-wide strategies.

Moreover, the merger will allow Creberg to preserve its specific ties with its territory and its stakeholders. The division-based territorial organization that will be adopted upon completing the plan, along the *banche del territorio* example, will have adequate resources to conduct and develop business, social and economic relations with its community, with the necessary degree of autonomy, in continuation of Credito Bergamasco's traditional role.

The merger of Creberg into Banco Popolare, after all the necessary legal requirements have been complied with, will come into effect within the first half of 2014, approximately as of 1 June 2014.

#### **REDUCTION OF REVALUATION RESERVES AND RESERVES UNDER ART. 7, PARAGRAPHS 2 AND 3, LAW N. 218/1990**

Finally, Shareholders have approved the formal reduction of the revaluation reserves and of the reserves under art. 7, paragraphs 2 and 3, of Law no. 218/1990, up to the amount used to cover the loss reported on 31 December 2011. More specifically:

- Revaluation reserve under L. no. 342/2000 by Euro 54,915;
- Revaluation reserve under L. no. 413/1991 by Euro 36,263,843;
- Revaluation reserve under L. no. 408/1990 by Euro 105,401,245;
- Revaluation reserve under L. no. 576/1975 by Euro 588,481;
- Revaluation reserve under L. no. 72/1983 by Euro 49,121,674;
- Reserve under art. 7 paragraph 3 L. no. 218/1990 by Euro 78,768,401;
- Reserve under art. 7 paragraph 2 L. no. 218/1990 by Euro 53,419,755.

Based on the resolution passed today by Shareholders, the obligation to replenish the above reserves with future net earnings no longer exists.

**"Not for publication or distribution, directly or indirectly, in whole or in part, in or into the United States or to U.S. persons**

COMMUNICATION AND  
EXTERNAL RELATIONS  
Media Relations  
Tel. +39-045-8675048/867/120/121  
[ufficio.stampa@bancopopolare.it](mailto:ufficio.stampa@bancopopolare.it)

INVESTOR RELATIONS  
Tel. +39-045-8675537  
[investor.relations@bancopopolare.it](mailto:investor.relations@bancopopolare.it)  
[www.bancopopolare.it](http://www.bancopopolare.it) (IR section)