



Banca Popolare di Sondrio

PRESS RELEASE

Board of directors' meeting of 21 March 2022:

- **Draft financial statements and consolidated financial statements as at 31 December 2021 approved**
 - **Proposal of € 0.2 dividend per share distribution**
 - **Convocation of Ordinary Shareholders' Meeting**
- **Postponement of business plan approval due to the uncertainty of the geopolitical and macroeconomic context with increasing international tensions**

Full confirmation of preliminary results approved on 8 February 2022

The Board of Directors of Banca Popolare di Sondrio, met today under the chairmanship of Prof. Avv. Francesco Venosta, examined and approved the draft financial statements and consolidated financial statements as at December 31, 2021, confirming the preliminary results, with a Group net profit of € 268.6 million, approved on 8 February 2022.

Banca Popolare di Sondrio spa's gross dividend per share proposal

The Board of Directors also resolved to propose to the Ordinary Shareholders' Meeting the distribution of a gross dividend per share of € 0.20. The payment of the dividend, in compliance with current provisions and considering that the ex-dividend date is 23 May 2022, will commence on 25 May 2022. The profit proposed for distribution amounts to

a total of € 90,677,155. The dividend is subject to taxation in accordance with current legislation; in particular, dividends paid to individuals are subject to a 26% withholding tax. The distribution of the remainder of the net profit will be proposed as follows: to reserves € 121,121,990, to the charity fund € 300,000.

Convocation of Ordinary Shareholders' Meeting of Banca Popolare di Sondrio spa

The Ordinary Shareholders' Meeting of Banca Popolare di Sondrio spa is convened at the registered office in Sondrio, Piazza Garibaldi 16, at 10 a.m. on Saturday, April 30, 2022, in a single call. Taking into account the containment measures imposed due to the emergency situation resulting from the Covid-19 epidemic and in accordance with fundamental principles of health protection, pursuant to the provisions of Article 106, paragraph 4, of Legislative Decree no. 18 of 17 March 2020, as subsequently amended and supplemented, attendance at the Shareholders' Meeting by those entitled to participate will take place, without access to the meeting rooms, **exclusively through the Representative appointed pursuant to Article 135-undecies of Legislative Decree no. 58 of 24 February 1998**. The related notice of call, as well as the documentation required by the regulations, will be published within the terms of the law.

Appointment of five directors for the three-year period 2022/2024

The Ordinary Shareholders' Meeting shall appoint, *inter alia*, five directors for the three-year period 2022-24. The Board of Directors, availing itself of the provisions of Article 23, paragraph 4 of the Statute, reserves the right to submit its own list of candidates, which will be made public in advance of the deadline for shareholders to deposit their lists.

Expected evolution of operations and postponement of the approval of business plan

Following the recent events concerning Russia and Ukraine, international trade and economic dynamics as a whole are currently characterised by a high level of uncertainty, which is leading to a substantial revision of the original forecasts on macroeconomic developments in 2022 and in the medium term.

As regards Italy, it is expected that the estimates released at the beginning of the year by the main research centres, which predicted a continuation of the phase of robust economic growth with an expected increase in GDP of around 4%, will be adjusted downwards.

In adherence to the Consob warning of March 18, 2022 on the impact of the war in Ukraine on insider information and financial reporting, it should be noted that Banca Popolare di Sondrio has begun a functional activity to determine direct exposures to entities residing in Russia and Ukraine. The result so far is a very limited direct credit exposure. For indirect exposures, relating to customers operating in sectors potentially affected by the crisis, activities are underway to analyse the expected impacts. Financial risk exposures are also currently being monitored on a daily basis. As far as the risk of cyber attacks is concerned, to date there have been no security incidents related to the crisis. The bank constantly verifies the adequacy of its IT systems in response to a potential high-impact attack, with protection systems under control and fully active.

In this context, Banca Popolare di Sondrio Group has in any case recorded a positive start to the year, marked by the stability of revenues from its core banking business and by cost dynamics in line with the pursuit of efficiency objectives aligned to the best market standards. In the absence of further strong instability in international relations and/or financial market trends, the Group is therefore likely to achieve good levels of profitability also in 2022, confirming the resilience of its business model.

In the Bank's view, however, there remains a significant level of uncertainty associated with the evolution of ongoing geopolitical tensions, with numerous points of attention that unanimously concern banking institutions, particularly related to the expected growth of the economy, the dynamics of reference rates and government spreads, the cost of risk and the performance of debt and equity markets, and inflation indices.

Therefore, with regard to medium-term projections, while waiting for the geopolitical situation to stabilize so that more precise estimates can be made on the evolution of the main macroeconomic variables underlying the Bank's profitability objectives, the Board of Directors decided prudentially to postpone approval of the new business plan.

In the meantime, Banca Popolare di Sondrio Group, while having an insignificant exposure to entities based in the areas at the centre of the conflict, will continue to monitor developments in the crisis with particular attention and will strive to strictly implement the measures introduced by European and international authorities for the application of sanctions against Russia.

DECLARATION

The manager responsible for preparing the company's financial reports, Maurizio Bertoletti, declares, pursuant to paragraph 2 of Article 154- *bis* of Legislative Decree no. 58 of 24 February 1998, that the accounting information contained in this press release corresponds to the documented results, books and accounting records.

Signed:

Maurizio Bertoletti, manager responsible for preparing the company's financial reports.

Company contacts:

Investor Relations

Michele Minelli

0342-528.745

michele.minelli@popso.it

External relations

Paolo Lorenzini

0342-528.212

paolo.lorenzini@popso.it

Image Building

Cristina Fossati

Anna Pirtali

02-890.11.300

popso@imagebuilding.it

Sondrio, 21 March 2022

The English translation is provided only for the benefit of the reader and in the case of discrepancies the Italian version shall prevail.