

REPORT ON CORPORATE GOVERNANCE AND THE OWNERSHIP STRUCTURE OF UBI BANCA Scpa

in accordance with Art.123 *bis*
of the Consolidated Finance Act

Website: www.ubibanca.it

Year: 2014

Date: 11th February 2015



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Glossary

Code/Corporate Governance Code: the Corporate Governance Code for listed companies approved in July 2014 by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A., the Italian Banking Association, Ania (national insurance association), Assogestioni (national association of asset management companies), Assonime (association of joint stock companies) and Confindustria (Confederation of Italian Industry).

Civil Code/C.C.: the Italian Civil Code.

Issuer/Company/Bank: the issuer of the shares to which this report relates.

Financial year: the financial year to which this report relates.

Consob Issuers' Regulations: the regulations issued by the Consob (Italian securities market authority) with Resolution No. 11971 of 1999 (as subsequently amended) for issuers.

Consob Markets Regulations: the regulations issued by the Consob (Italian securities market authority) with Resolution No. 16191 in 2007 (as subsequently amended) for markets.

Consob related party regulations: the regulations issued by the Consob with Resolution No. 17221 of 12th March 2010 (as subsequently amended) concerning transactions with related parties.

Regulations concerning risk assets and conflicts of interest with connected parties: Bank of Italy Circular No. 263 of 27th December 2006 - 9th amendment of 12th December 2011.

Report: this report on corporate governance and ownership structure which companies are required to prepare pursuant to Art. 123 *bis* of the Consolidated Finance Act.

Consolidated Finance Act: Legislative Decree No. 58 of 24th February 1998.

The Consolidated Banking Act: Legislative Decree No. 385 of 1st September 1993.

Introduction

The information given in this report refers to the current Articles of Association and the related transition regulations.

The General Meeting of the Shareholders that met in extraordinary session on 10th May 2014 approved the amendments to the Articles of Association as proposed by the Supervisory Board.

The amendments introduced included the following in particular:

- a) a reduction in the number of members of the Supervisory Board from 23 to 17, with effect from the next renewal of the Board and a reduction, in provisions of the Articles of Association, in the maximum number of members of the Management Board from 11 to 9, with the presence of senior managers of the Bank on that Board (this is already the situation for the Management Board currently in office);
- b) an increase in the requirements of professionalism for members of governing bodies with respect to those set by the legislation and regulations in force and also the introduction of age limits for appointment to those positions. As concerns the Supervisory Board, a proposal is made that the majority of the members should be in possession of the requirements of independence set forth in the Corporate Governance Code recommended by Borsa Italia, and a limit to the maximum number of terms of office is set for the senior management appointments to that Board;
- c) lists for the election of members of the Supervisory Board may be submitted by the following:
 - at least 500 Registered Shareholders who represent at least 0.5% of the share capital;
 - the outgoing Supervisory Board with a proposal supported by at least 500 shareholders representing at least 0.5% of the share capital;
 - collective investment undertakings (UCITS) that hold a total of at least 1% of the share capital and that have the right to participate and vote in the Shareholders' Meeting called to elect the Supervisory Board;
- d) maintenance of the per capita voting principle in the selection of the two majority and minority lists for the election of the Supervisory Board, accompanied by a premium mechanism for the appointment of Board Members, which takes account of the total capital held by the Registered Shareholders who have voted for each list if it exceeds 10% of the share capital. This approach allows the interests of the Group's stakeholders to converge in an integrated manner;
- e) the introduction of a videoconference in shareholders' meetings and an increase in the number of proxies to five for each Registered Shareholder.

On 7th May 2014, the Bank of Italy issued "New supervisory provisions on the corporate governance of banks" which update the regulations concerning this previously issued since 2008; the update meets the need to:

- o ensure the implementation of European regulations, particularly Directive 2013/36/EU (CRD IV) and the guidelines on internal governance issued by the EBA in 2011;
- o clarify and reinforce the rules on some aspects that have emerged from experience, co-ordinate them with the clarifications and practical guidelines issued to the sector and ensure that they are consistent with the other regulations issued in the meantime or subject to revision in the context of the work associated with the implementation of CRD IV.

Additionally, on 18th November 2014 the Bank of Italy added a new chapter two to Circular No 285 "Remuneration and incentive policies and practices" which provides, amongst other things, for amendments to the Articles of Association concerning the powers of the Shareholders' Meeting in relation to remuneration and incentives.

In relation to the above it should be noted that the proposals to amend the Articles of Association associated with the aforementioned Bank of Italy supervisory provisions concerning corporate governance and remuneration and incentive policies and practices shall be reported to the body responsible for making decisions with an illustrative report

Decree Law No 3 of 24th January 2015, “Urgent Measures for the Banking System and Investment” (in force since 25th January 2015) was published in the Official Journal on 24th January 2015. Amongst other things it provides for regulations on the reform of the “popular” banks that are currently being examined by parliament.

1. Profile of the issuer

The purpose of this report is to provide shareholders and the market with an analysis of the system of corporate governance adopted by Unione di Banche Italiane Scpa (hereinafter UBI Banca), a system which takes account of the provisions and principles contained:

- in the regulations governing listed issuers set out in the Consolidated Finance Act and in the related rules to implement them adopted by the Consob (Italian securities market authority);
- in the regulations governing banks, with particular reference to specific regulations concerning co-operative “popular” banks set out in the Consolidated Banking Act;
- in the Corporate Governance Code for listed companies.

UBI Banca is a “popular” bank incorporated in the form of a joint stock co-operative company. As such, UBI Banca is required to comply with the provisions of the Italian Civil Code concerning co-operative societies (excluding those expressly listed in Art. 150 *bis* of the Consolidated Banking Act) and also with those governing joint stock companies, to the extent that they are compatible with the laws governing co-operatives, as indicated in Art. 2519 of the Italian Civil Code.

The Bank is listed on the *Mercato Telematico Azionario* (electronic stock exchange) organised and managed by Borsa Italiana Spa. Accordingly, UBI Banca is also required to comply with the regulations for listed issuers contained in the Consolidated Finance Act and in the regulations to implement that act issued by the Consob.

The criteria followed in company operations to pursue the Bank's mutual objects are given in the separate company financial report of UBI Banca Scpa, in accordance with Art. 2545 of the Italian Civil Code.

The legal nature of a “popular” co-operative bank lies in the circumstance that each Registered Shareholder of the co-operative is entitled to one vote whatever the number of shares possessed and there is a limit on share ownership.

UBI Banca has adopted a two tier system of management and control, which is considered better suited to the governance requirements of the Parent, UBI Banca, and at the same time as providing stronger protection for registered and unregistered shareholders, especially through the activity of the Supervisory Board, a body appointed directly by the Registered Shareholders and representing them.

The distinguishing features of the two tier system lie in the distinction between:

- the policy, strategic supervision and control functions, assigned to the Supervisory Board, which combines some of powers assigned by traditional systems to Shareholders' Meetings (approval of financial statements, appointment of the members of the management body and determination of the relative fees) and to boards of statutory auditors and assumes some "senior management" responsibilities, insofar as it is called upon to take decisions on proposals submitted to it by the Management Board, to which it can submit prior guidelines, on the business and/or financial plans and budgets of the Bank and the Group and also on strategic operations indicated in the Articles of Association (Art. 46 of the Articles of Association – available in the Corporate Governance – Corporate Documents section of www.ubibanca.it);
- corporate management functions, assigned to the Management Board, which has exclusive authority to perform all ordinary and extraordinary operations necessary to pursuit of the company objects, in compliance with the general guidelines and strategic policies approved by the Supervisory Board (Art. 37 of the Articles of Association).

This division of functions identifies distinct features of the operational life of the Bank and assigns them to the corporate bodies just mentioned which, with their respective roles and responsibilities, give rise to a corporate governance model that is more appropriate to the structure of the Bank and the Group in the context of a single business design, characterised by continuous dialogue and inter-functional co-operation.

* * *

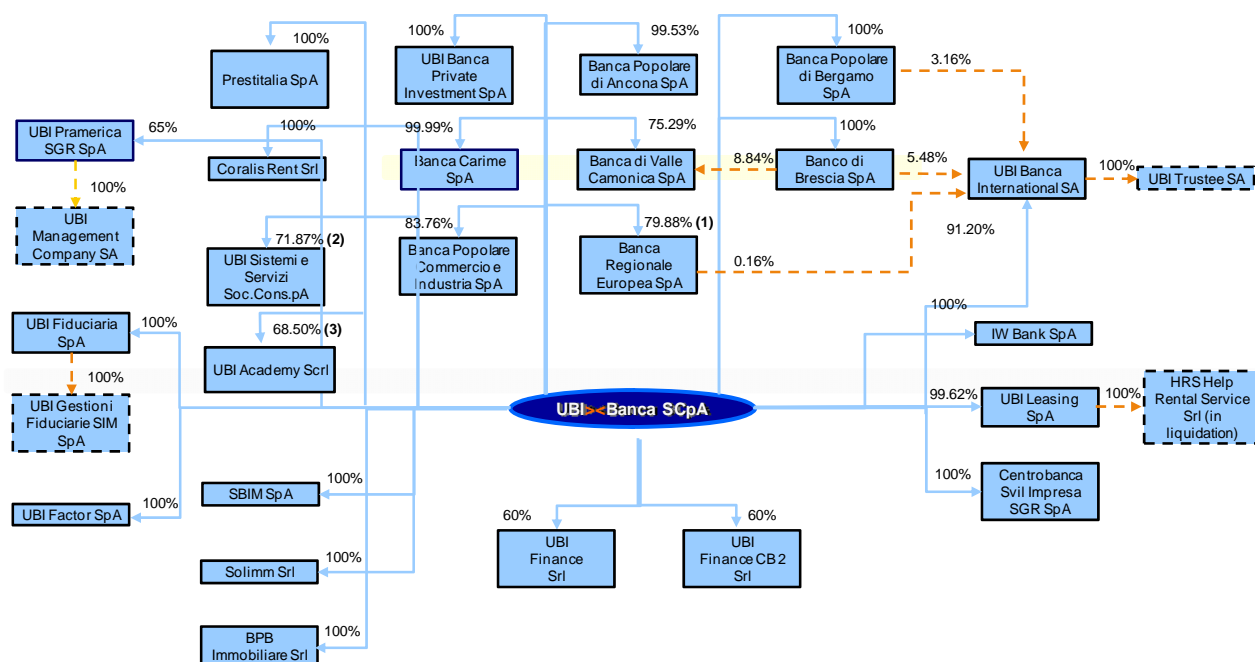
UBI Banca is the Parent of the Unione di Banche Italiane Group, organised on according to federal, multi-functional model, integrated with its listed “popular” Parent, which sets strategic policies and performs functions of co-ordination and control over all the organisational units and companies in the Group.

In implementing its management and co-ordination activities in compliance with both specific regulations laid down by the Supervisory Authority and civil law, UBI Banca sets the strategic objectives of the Group. Moreover, without prejudice to the Articles of Association and operational independence of each company in the Group, it also defines the strategic lines of development for each of them, just as they are called upon on the one hand to achieve those objectives in terms of a single business plan and on the other to benefit from the overall results of the management and co-ordination activities.

UBI Banca pursues its entrepreneurial mission while at the same time maintaining the strong sense of social responsibility that is typical of “popular” banks which are tightly rooted in their local communities. This sense of community is demonstrated by policies underlying the Charter of Values, Code of Ethics and the Social Report.

The following chart illustrates the composition of the UBI Banca Group as at 31st December 2014:

UBI Banca Group of companies as at 31/12/2014



(1) Percentage is for the ordinary share capital

(2) The Group also holds 26.69% composed as follows: BPA(2.88%), BPCI (2.88%), BBS (2.88%), Banca Carime (2.88%), BPB (2.88%), IW Bank (2.88%), BRE (4.32%), BVC (1.44%), UBI Banca P. Inv. (1.44%), UBI Pramerica (1.44%), UBI Factor (0.72%), Prestitalia (0.07%), UBI Academy (0.01%).

(3) The Group also holds the remaining 31.5% composed as follows: BPA(3%), BPCI (3%), BBS (3%), Banca Carime (3%), BPB (3%), BRE (3%), UBISS (3%), BVC (1.5%), UBI Banca P. Inv. (1.5%), UBI Pramerica (1.5%), UBI Factor (1.5%), UBI Leasing (1.5%), IW Bank (1.5%), Prestitalia (1.5%).

The sale to third parties of the interest held (through UBI Fiduciaria Spa) in UBI Gestioni Fiduciarie Sim Spa was completed in January 2015.

2. Information on the ownership structure (pursuant to Art. 123 bis, paragraph 1 of the Consolidated Finance Act) as of 11th February 2015

a) Structure of the share capital (pursuant to Art. 123 bis, paragraph 1, letter a) of the Consolidated Finance Act)

The share capital of UBI Banca Scpa is composed entirely of ordinary shares traded on the *Mercato Telematico Azionario* (electronic stock exchange).

* * *

It should be noted that the Shareholders' Meeting that met on 10th May 2014 decided to amend Art. 5 of the Articles of Association providing for the elimination of the nominal value of the shares. This amendment was made in order to give greater flexibility in the event of operations concerning share capital, on the basis of rights pursuant to Art. 2346 of the Italian Civil Code.

* * *

On 31st December 2014 the share capital of UBI Banca Scpa therefore amounted to €2,254,371,430.00 divided into 901,748,572 shares with no nominal value and has not changed at the date of this report.

There are no share investment programmes for employees at UBI Banca which exclude the direct exercise of voting rights.

Section i) below of this chapter may be consulted in relation to treasury shares.

b) Restrictions on transfer of securities (pursuant to Art. 123 bis, paragraph 1, letter b) of the Consolidated Finance Act)

No restrictions on the transfer of shares exist, since the shares are transferable in accordance with the law (Art. 15 of the Articles of Association).

Acceptance clauses exist solely for admission to the status of Registered Shareholder.

Persons who intend to become Registered Shareholders must present a certificate of participation in the centralised management system and a written application to the Management Board containing not only details of the shares possessed but also personal particulars, domicile, citizenship and all other information and/or declarations required by law or the Articles of Association or requested in general by the Bank.

Following the issue by the Bank of Italy on 11th February 2014 of the provision required pursuant to Art. 56 of the Consolidated Banking Act and on the basis of the powers assigned to it by the Articles of Association (Art. 46) regarding decisions to update the same to comply with legislation and regulations, on 13th February 2014 the Supervisory Board of UBI Banca decided on the statutory integration of Art. 8 and the amendment of Art. 15 of the Articles of Association, in order to implement the provisions relating to the acquisition and expiry of Registered Shareholder status contained in Art. 30, paragraph 5 *bis* of the Consolidated Banking Act, a paragraph introduced by Decree Law No 179 of 18th October 2012, converted with amendments by Law No 221 of 17th December 2012.

In order to encourage the capitalisation of the company, Art. 30 paragraph 5 *bis* of the Consolidated Banking Act provides that if the Articles of Association makes the acquisition of Registered Shareholder status subject to the holding of a minimum number of shares and this minimum shareholding is no longer held, the Registered Shareholder status acquired in this way expires.

In relation to the above, an addition was therefore made to paragraph 2 of Art. 8 of UBI Banca's Articles of Association as follows: "For the purposes of acceptance as a Registered Shareholder, certificates testifying to the ownership of at least 250 shares must be presented, while should they no longer be held, this shall result in the loss of Registered Shareholder status in accordance with the law". Art. 15 of the Articles of Association was accordingly amended, with the deletion of paragraph 4 providing at the same time for a transitory regulation to bring the number of shares possessed into compliance by 19th April 2014.

With account taken of the provisions of the law on "popular" co-operative banks, all decisions on the acceptance of applications for Registered Shareholder status are taken by the Management Board, with exclusive regard to the objective interests of the Bank, including those of its independence and autonomy, and to observance of the spirit of its co-operative status. For the purposes of assessing these requirements, account shall be taken, amongst other things, of any previous relations with Group member companies on the part of the persons applying.

Since it is a "popular" bank, there is a limit on shareholdings pursuant to Art. 30 of the Consolidated Banking Act and to Art. 18 of the Articles of Association, which states that no one may hold more than the maximum limit permitted by law, which is 1% of the share capital (this limit does not apply to collective investment organisations for which limits laid down in the rules of each of them apply).

With regard to the limit on the possession of share capital set by the regulations in force, in compliance with Art. 30 of the Consolidated Banking Act, the Bank has sent communications to those concerned for violation of the limit.

Also, with a resolution of 10th March 2014, on the basis of its powers pursuant to Art. 30, paragraph 2 *bis* of the Consolidated Banking Act, the Shareholders' Meeting decided to amend its Articles of Association to implement the maximum limit of 3% on the shareholding held by banking foundations pursuant to Legislative Decree No 153 of 17th May 1999. On the date when Law 221/2012 came into effect (19th December 2013) the said banking foundations held an investment in the share capital greater than that set in paragraph 2 of Art. 30 of Legislative Decree 385/1993 in the event that this limit has been exceeded due to business combinations, it remaining the case that this investment may not be increased.

In accordance with regulations in force, the time limit for the obligation to dispose of shares has been extended until 31st December 2014 for those who as at 31st December 2009 held an investment in the share capital greater than the limits set, if exceeding that limit is the result of concentration transactions between banks or between investors, while it is understood that the investment may not be increased.

c) Significant investments in the share capital (pursuant to Art. 123 *bis*, paragraph 1, letter c) of the Consolidated Finance Act)

On the basis of information received directly by the Group, at the date of this report the following investors possessed shareholdings greater than 2%:

- Silchester International Investors LLP (4.903%)
- BlackRock Incorporated (indirect - assets under management) (4.951%)
- Fondazione Cassa di Risparmio di Cuneo (2.230%)

d) Instruments which grant special rights (pursuant to Art. 123-*bis*, paragraph 1, letter d) of the Consolidated Finance Act)

No shares exist which confer special controlling rights over UBI Banca.

e) Employee shareholdings: mechanism for exercising voting rights (pursuant to Art. 123 *bis*, paragraph 1, letter e) of the Consolidated Finance Act)

No mechanisms exist for the exercise of voting rights which regard employee shareholdings.

f) Restrictions on voting rights (pursuant to Art. 123-*bis*, paragraph 1, letter f) of the Consolidated Finance Act)

The exercise of voting rights is subject above all to acquiring the status of Registered Shareholder which is acquired following approval for admission by the Management Board, with enrolment in the Shareholders' Register.

The rejection of an application to become a Registered Shareholder, for those who lawfully possess shares in the Bank, has the sole effect of not allowing the exercise of rights other than those of a financial nature.

Only persons who have been Registered Shareholders for at least 90 days from the date of entry in the shareholder register may attend the shareholders' meetings, exercise voting rights and be eligible for appointment to corporate bodies (Art. 25 of the Articles of Association).

In compliance with Art. 30 of the Consolidated Banking Act and Art. 26 of the Articles of Association, Registered Shareholders have only one vote, irrespective of the number of shares held.

Rights over capital and profits are in proportion to the shares owned (Art. 17 of the Articles of Association); nevertheless if a shareholder fails to transfer ownership of shares in excess of the limit on share ownership set by the regulations in force concerning share capital within one year of the violation being reported by the Bank, the relative ownership rights maturing up to the time of the sale of the excess shares are acquired by the Bank.

g) Shareholders' agreements known to UBI Banca in accordance with Art. 122 of the Consolidated Finance Act (pursuant to Art. 123 bis, paragraph 1, letter g) of the Consolidated Finance Act)

UBI Banca received a communication in relation to the constitution, on 28th May 2007, of an unofficial association named "[Associazione Banca Lombarda e Piemontese](#)" located in Brescia. An extract of an updated version of the main clauses of the relative Articles of Association was published in the daily newspaper "Il Giornale" on 24th January 2012.

While the members do not consider the association as qualifying as a shareholders' agreement pursuant to Art. 122 of Legislative Decree No. 58/1998, they have nevertheless fulfilled public disclosure obligations as required by the law in relation to some of the clauses of their Articles of Association, insofar as it may be necessary, in view of the legally binding nature of the decree mentioned and the consequences of failure to comply with it.

UBI Banca also received a letter on 21st November 2011 entitled "Communication pursuant to Art. 20, paragraph 2 of Legislative Decree No. 385/93 and to Art. 122 of Legislative Decree No. 58/98" in relation to the establishment of the association named FuturoUBI", located in Milan on 22nd September 2011. In that letter, the association declared that *"while it does not consider the association as qualifying as a shareholders' agreement pursuant to the above legislation, it has nevertheless fulfilled public disclosure obligations by publishing its Articles of Association on the website www.futuroubi.it".*

The following communications were also received:

- the constitution, on 23rd November 2007, of the association named "[Gli Amici di UBI Banca](#)", located in Bergamo, and report of compliance with disclosure obligations;
- the constitution on 24th January 2011 of an association called "[Tradizione in UBI Banca](#)", located in Cuneo.
- in a letter of 19th June 2012, the constitution of an association called "[Amici della Banca Regionale Europea e del Gruppo UBI](#)", located at Cuneo;
- the constitution, on 29th October 2012 of an association called "[Insieme per UBI Banca](#)", located in Milan;
- in a letter of 27th February 2013 the constitution of an association called "[Associazione Soci UBI Centro-Sud](#)", located in Rome;
- in a letter of 28th February 2013 the constitution of an association called "[Associazione Soci Lombardi UBI Banca](#)" also known as "ASSOLUBI", located in Brescia.
- on 15th March 2013 the constitution on 7th October 2011 of the "[Associazione Azionisti Banche Popolari 2011](#)".

On 26th July 2013 an application for admission to Registered Shareholder status was received from an association called "[UBI Banca Popolare!](#)" located in Bergamo and constituted on 8th May 2013.

The Bank has also received notifications from the “Associazione Azionisti UBI Banca”, located in Bergamo.

Finally, the Bank learned from:

- a press release of the constitution on 10th November 2011 of the “Associazione dei cittadini e dipendenti soci di UBI Banca” located in Brescia;
- from news in the press of the constitution of the “Associazione Prealpina Azionisti di UBI Banca”.

h) Change of control clauses (pursuant to Art. 123 bis, paragraph 1, letter h) of the Consolidated Finance Act) and Articles of Association provisions concerning public tender offers to purchase (pursuant to Art. 104, paragraph 1 *ter* of the Consolidated Finance Act)

The shareholders' agreement currently in force signed by UBI Banca and the Prudential USA concerning the joint venture, UBI Pramerica SGR Spa ("SGR") grants rights to purchase to the parties (call options) if certain predetermined events occur.

More specifically, in the event of a “change of control” of UBI Banca (this being understood as any operation whereby i) an entity directly or indirectly purchases more than 30% of the share capital with voting rights of UBI Banca; ii) UBI Banca merges or performs another extraordinary operation with another legal entity and as a consequence UBI Banca ceases to exist or the legal entity, party to the operation, holds more than 30% of the share capital with voting rights subsequent to the operation; iii) the sale, rent, transfer or other analogous operation by which UBI Banca transfers all or a substantial part of its business to another legal entity), Prudential USA has the right to make a communication to UBI Banca which allows the latter to exercise a call option on the entire investment held by Prudential USA in the SGR.

If that option is not exercised, Prudential USA has, as an alternative, the right i) to purchase the entire interest held in the SGR by the UBI Banca Group, or an interest which allows it to hold 65% of the share capital of the SGR; ii) to give a mandate to an investment bank to sell the entire share capital of the SGR to a third party.

The Articles of Association make no provision with regard to Art. 104, paragraph 1 *ter* of the Consolidated Finance Act.

i) Powers to increase the share capital and authorisations to purchase treasury shares [pursuant to Art. 123 bis, paragraph 1, letter m) of the Consolidated Finance Act]

No authorisations exist as at the date of this report for increases in the share capital or for the issue of convertible debt instruments.

As concerns the purchase of treasury shares:

- 1) The shareholders meeting held on 30th April 2011 authorised the Management Board and the Chairman, Deputy Chairman and Chief Executive Officer, individually on its behalf to repurchase, by 30th September 2011, a maximum of 1,200,000 treasury shares, to be assigned to the top management of the Group as part of an incentive scheme for a total maximum amount of €5,500,000 at a price per share of not less than the nominal value and not more than 5% higher than the official price quoted in the market session prior to each individual purchase transaction.
In compliance with that resolution, a total of 1,200,000 ordinary shares of UBI Banca were purchased in the period running from 12th July 2011 until 13th July 2011.
Those shares were purchased at an average price of €3.6419 per share.
- 2) the Shareholders' Meeting held on 28th April 2012 authorised the Management Board and the Chairman, Deputy Chairman and Chief Executive Officer, individually on its behalf, to proceed with the purchase (to be carried out by the date of the Shareholders' Meeting called upon to vote in accordance with Art 2364 *bis* No. 4 of the Italian Civil Code on the allocation of profit for the year ended 31st December 2012) of a maximum of 500,000 treasury shares to be granted to the “top management” of the Group as part of the Group incentive schemes, for a total maximum value of €1,750,000, at a price per share of not less than the nominal value of the shares and not more than 5% higher than the official price quoted in the market session prior to each individual purchase transaction.

A total of 500,000 ordinary shares of UBI Banca were purchased on 28th February 2013 in implementation of that shareholders' resolution.

Those shares were purchased at an average price of €3.4911 per share. The purchase transactions were performed on the regulated market in compliance with the limits set in the shareholders' authorisation, by the provisions of the law and EC Regulation 2273/2003 and by admissible market practices.

With reference to the 2011 incentives plan, during 2014 UBI Banca granted 216,808 treasury shares to 39 employees categorised as Key Personnel, because the two year retention period set in the Group remuneration and incentive policies for the upfront component to be paid in financial instruments had expired.

In the light of the above on the date of this report UBI Banca holds 1,483,192 UBI Banca shares, being 0.16% of the share capital.

1) Management and co-ordination activities (pursuant to Art. 2497 et seq. of the Italian Civil Code)

The issuer is not subject to management and co-ordination activities within the meaning of Art. 2497 et seq. of the Italian Civil Code.

* * *

As concerns possible further information:

- information required by Art. 123 *bis*, paragraph 1, letter i) of the Consolidated Banking Act is given in the section of this report on the remuneration of board members;
- information required by Art. 123 *bis*, paragraph 1, letter l) of the Consolidated Banking Act is given in the section of this report on the Supervisory Board and shareholders' meetings.

3. Compliance (pursuant to Art. 123 *bis*, paragraph 2, letter a) of the Consolidated Finance Act)

UBI Banca has adopted the Corporate Governance Code (available on the website of the Corporate Governance Committee at <http://www.borsaitaliana.it/comitato-corporate-governance/codice/2014clean.pdf>), a document intended mainly for listed companies that have adopted a traditional governance model. Article 10 of the code states that if a single or two tier system of administration and control is adopted "the preceding articles apply only insofar as they are compatible, by adapting the individual provisions to the particular system adopted, in compliance with the objectives of good corporate governance, transparent reporting and the protection of investors and the market pursued by the Corporate Governance Code and in the light of the application criteria set in this article".

The objective of this report, which has been prepared in accordance with Art. 123 *bis* of Legislative Decree No. 58/1998, is to furnish details of the manner in which the Code itself is applied in the Bank, with an account also given of those principles subject to full compliance and those which the Bank has decided not to comply with (sometimes only partially) on a "comply or explain" basis. This is partly because the Bank must consider its status as a co-operative bank which, as such, demands strict compliance with regulations contained in the Consolidated Banking Act and with the consequent supervisory instructions issued by Bank of Italy.

* * *

Neither the issuer nor its strategic subsidiaries are subject to foreign laws that influence the corporate governance structure of the issuer.

Details of corporate governance practices are given in the various sections of this report.

4. Supervisory Board

4.1. Appointment and replacement (pursuant to Art. 123 *bis*, paragraph 1, letter l) of the Consolidated Finance Act)

The Supervisory Board is composed of 23 members elected from among the Registered Shareholders with voting rights, including a Chairman and a Senior Deputy Chairman appointed by a Shareholders' Meeting in compliance with Art. 45 and two Deputy Chairmen chosen by the Supervisory Board itself from among its members. The members of the Supervisory Board shall remain in office for three financial years and they shall retire from office on the date of the Shareholders' Meeting convened in compliance with paragraph two of Art. 2364-*bis* of the Italian Civil Code.

Furthermore, as resolved by the Extraordinary Shareholders' Meeting held on 10th May 2014, the next time the Supervisory Board is renewed, it shall be composed of 17 members elected from among the Registered Shareholders with voting rights, including a Chairman and a Senior Deputy Chairman appointed by a Shareholders' Meeting in compliance with Art. 45. The Supervisory Board may appoint one or two Deputy Chairmen from among its members.

The Members of the Supervisory Board must be in possession of the requirements of integrity, professionalism and independence prescribed by regulations currently in force. At least 15 of the members of the Supervisory Board must be in possession of the requirements of professionalism required by the legislation currently in force for persons who perform the functions of directors of banks.

Furthermore, as resolved by the Extraordinary Shareholders' Meeting held on 10th May 2014, the next time the Supervisory Board is renewed, none of the members of the Supervisory Board shall be aged 75 or over when they are appointed, and each of them must have a total of at least three years' experience as chairman, in Italy or elsewhere, or at least five years' experience of:

- administration or strategic supervision
 - management
- or
- control
- in
- banks, financial companies, asset management companies, or insurance companies;
 - independent public authorities;
 - businesses aimed at the production and/or trading of goods or services;
 - companies with shares traded on regulated markets in Italy or elsewhere.

Candidates who have not gained this professional experience may also be elected as long as:

- they are or have been permanently employed as university lecturers in law, economics, mathematics, statistics, or management engineering for at least five years;
- they are or have been enrolled in the register of chartered accountants, notaries, or lawyers for at least ten years.

Those who have held precisely the same position continuously for the three previous mandates may not be appointed as Chairman or Senior Deputy Chairman. The majority of the members of the Supervisory Board must be in possession of the requirements of independence required by the Corporate Governance Code recommended by Borsa Italiana.

At least three members of the Supervisory Board must be chosen from amongst persons enrolled in the *Registro dei Revisori Legali* (register of external statutory auditors) who have practiced as external statutory auditors for a period of not less than three years.

Furthermore, the composition of the Supervisory Board must ensure, in compliance with the provisions of Law No. 120 of 12th July 2011, that a balance is maintained between genders for the period provided for by that law.

While mandatory regulations of the law, the Supervisory Authority or other regulations must be complied with, persons already holding the office of full statutory auditor, or who are members of other supervisory bodies in more than five listed companies and/or their parent companies or subsidiaries, cannot hold office as a member of the Supervisory Board. If the cause of incompatibility just mentioned is not eliminated within 60 days of election or of communication of the fact to the person concerned, if it occurs subsequently, the member of the board is automatically removed from the position.

Members of the Supervisory Board are elected by a Shareholders' Meeting on the basis of lists in accordance with the legal provisions in force and the Articles of Association.

The next time the Supervisory Board is renewed, its members shall be elected on the basis of lists presented:

- a) directly by at least 500 Registered Shareholders who have the right to participate in and vote in the Shareholders' Meeting called to elect the Supervisory Board, who provide documentary evidence of the right according to the legislation in force and who represent at least 0.50% of the share capital, calculated on the basis of the share capital existing 90 days prior to the date set for calling the Shareholders' Meeting and to be indicated in the notice given to call the meeting;
- b) by UCITS (undertakings for the collective investment of transferable securities) holding a total percentage of at least 1% of the share capital who have the right to participate in and vote in the Shareholders' Meeting called to elect the Supervisory Board and provide documentary evidence of that right according to legislation in force;
- c) by the outgoing Supervisory Board on the basis of a proposal made by the Appointments Committee and with the approval of the Supervisory Board passed with the votes of at least two thirds of its members, and in any case supported as reported in letter a) above by at least 500 Registered Shareholders who have the right to participate in and vote in the Shareholders' Meeting called to elect the Supervisory Board, who provide documentary evidence of the right according to the legislation in force and represent at least 0.50% of the share capital, calculated on the basis of the share capital existing 90 days before the date set for calling the Shareholders' Meeting and to be indicated in the notice given to call the meeting.

Each Registered Shareholder may participate in the presentation of one list only: if this rule is not observed, the Registered Shareholder's signature is not counted as valid for any list.

Each candidate may be included in one list only or shall otherwise not be eligible for election. Lists presented that fail to observe the procedures reported above are considered as not presented.

Each Registered Shareholder may vote for one list only.

The election of the Supervisory Board shall be performed as follows:

- a) when several lists are presented, the first two lists that have obtained the greatest number of votes cast by the Registered Shareholders and are not connected according to the legislation in force are considered;
- b.1) if the list that obtained the second-highest number of votes obtained less than 15% of the votes cast at the Shareholders' Meeting, twelve members of the Supervisory Board shall be drawn from the list that obtained the majority of the votes and one member of the Supervisory Board shall be drawn from the list that obtained the second highest number of votes;
- b.2) if the list that obtained the second-highest number of votes obtained more than 15% but less than 30% of the votes cast at the Shareholders' Meeting, eleven members of the Supervisory Board shall be drawn from the list that obtained the majority of the votes and two members of the Supervisory Board shall be drawn from the list that obtained the second highest number of votes;
- b.3) if the list that obtained the second-highest number of votes obtained at least 30% of the votes cast at the Shareholders' Meeting, ten members of the Supervisory Board shall be drawn from the list that obtained the majority of the votes and three members of the Supervisory Board shall be drawn from the list that obtained the second highest number of votes;
- c) if neither of the two lists referred to under letter a) has obtained the votes of Registered shareholders representing at least 10% of share capital, the following procedure shall

apply:

- c.1) in the event of the conditions set out under point b.1) above, a further four members of the Supervisory Board are taken from the same list in the order of preference stated on it, taking the total number of board members drawn from that list to 16;
- c.2) in the event of the conditions set out under point b.2) above, a further four members of the Supervisory Board are taken from the same list in the order of preference stated on it, taking the total number of board members drawn from that list to 15;
- c.3) in the event of the conditions set out under point b.3) above, a further three members of the Supervisory Board are taken from the same list in the order of preference stated on it, taking the number of members of the Supervisory Board drawn from that list to 13, while a further member of the Supervisory Board shall be drawn from the list that obtained the second highest number of votes, taking the total number of board members drawn from that list to four.
- d) if one or both of the lists referred to under letter a) has or have obtained the votes of Registered shareholders representing at least 10% of share capital the following procedure shall apply:
 - d.1) if the list that has obtained more than 10% is the list that obtained the greatest number of the votes cast at the Shareholders' Meeting or (if 10% of the share capital is exceeded by both lists) this list obtained the higher percentage, on the conditions set out under points b.1), b.2) and b.3) above being met, four further members of the Supervisory Board shall be drawn from that list, taking the total number of board members drawn from the majority list to 16, 15 or 14 respectively;
 - d.2) if the list that has obtained more than 10% is the list that obtained the second highest number of the votes cast at the Shareholders' Meeting or (if 10% of the share capital is exceeded by both lists) this list obtained the higher percentage, further members of the Supervisory Board shall be drawn from that list, taking the total number of board members drawn from that list to five.

If, after identifying the candidates to be taken from the lists which received the majority of the votes on the basis of the order in which they are indicated on the lists to which they belong, the gender proportions required under Law No. 120 of 12th July 2011 are not complied with, then those members of the Supervisory Board taken last from the aforementioned lists whose appointment would violate the said law are considered not elected. In this event the number of those board members indicated on the same list to which they belong shall be appointed which allows compliance with the composition requirements for the Supervisory Board in accordance with Law No. 120 of 12th July 2011 and with the Articles of Association, again proceeding in the order in which those persons are indicated on the list to which they belong. In particular, in this circumstance, the candidates to be appointed belonging to the gender that is less represented on the basis of the results of the vote shall be taken from each list in proportion to the total number of candidates elected on each list according to the results of the voting. In this event, if the minority list pursuant to letter c) has not complied with the gender proportions established by Law No. 120 of 12th July 2011, the candidates to be appointed belonging to the less represented gender shall be taken from the list that obtained the greatest number of votes only.

If only one list is validly proposed and this obtained the majority required for an ordinary Shareholders' Meeting, then all 17 members of the Supervisory Board shall be taken from that list.

The Shareholders' Meeting shall proceed by a relative majority vote to appoint those members of the Supervisory Board, who for any reason whatsoever could not be elected by means of the procedures mentioned in the preceding paragraphs or if no list at all is presented, again in compliance with the requirements for the composition of the Supervisory Board pursuant to Law No. 120 of 12th July 2011 and to the Articles of Association; in the event of a tied vote the more senior candidate by age is elected.

If two or more lists obtain an equal number of votes, those lists must be voted on again until they no longer receive an equal number of votes.

The positions of Chairman and Senior Deputy Chairman of the Board are reserved to the first

and second members respectively on the list that obtains a majority of votes, or on the only list presented or to the members appointed as such by the Shareholders' Meeting if no list is presented at all.

If one or more members leave the Board during the course of the financial year, where it is a case of replacing members elected in the majority list, the first candidate not elected on that list who ensures compliance with the requirements for the composition of the Supervisory Board provided for by Law No. 120 of 12th July 2011 and the Articles of Association shall be appointed. In the absence of such a candidate, the appointment shall be made by the Shareholders' Meeting by relative majority vote with no list obligation; the Supervisory Board itself may present candidates, if necessary, on the basis of proposals from the Appointments Committee.

If the positions of Chairman of the Supervisory Board and/or the Senior Deputy Chairman of the Supervisory Board should become vacant, an Ordinary Shareholders' Meeting should proceed without delay to restore the membership of the board and to appoint a Chairman and/or a Senior Deputy Chairman not by using in this case the replacement procedure just mentioned, since the Supervisory Board may present candidates itself for this purpose on the basis of proposals made by the Appointments Committee.

If, however, board members belonging to the minority list must be replaced the following procedure is employed:

- if only one board member has been appointed from the minority list, then the first candidate not elected on the list from which the member to be replaced was drawn shall be appointed, or, in the absence of such a candidate, the first candidate on any other minority lists there may be shall be taken on the basis of the number of votes received in descending order. Should this not be possible or, if application of the above criteria means that the requirements for the composition of the Supervisory Board pursuant to Law No. 120 of 12th July 2011 and the Articles of Association are not met, the Shareholders' Meeting shall make the replacement in compliance with the principle of the necessary representation of minorities;
- if a further 2 (two) or 4 (four) board members have been elected from the minority list, on the basis of the votes cast by the Registered Shareholders, the relative replacements shall be taken from the list from which the member to be replaced was drawn or in the absence of such a candidate from any other minority lists there may be, identified on the basis of the number of votes received in descending order and which have received, according to the case, 15% or 30% of the votes cast by the Shareholders' Meeting. In the absence of such candidates, the board members shall be drawn from the majority list or in the absence again of such candidates, or, if application of the above criteria means that the requirements for the composition of the Supervisory Board pursuant to Law No. 120 of 12th July 2011 and the Articles of Association are not met, the Shareholders' Meeting shall proceed to decide by relative majority vote;
- if two or four board members belonging to the minority list have already been replaced, in accordance with the preceding clause, by drawing them from the majority list or by a relative majority vote of the Shareholders' Meeting to appoint them, as just described, the replacement of a further minority board member is by the first candidate named on any other minority lists there may be, on the basis of the descending number of votes received by these; should this not be possible or if application of the above criteria means that the requirements for the composition of the Supervisory Board pursuant to Law No. 120 of 12th July 2011 and the Articles of Association are not met, the Shareholders' Meeting shall make the replacement in compliance with the principle of the necessary representation of minorities.

Furthermore, as resolved by the Extraordinary Shareholders' Meeting held on 10th May 2014, with effect from the date when the next Supervisory Board is appointed, if board members belonging to the minority list must be replaced the following procedure is employed:

- if only one board member has been appointed from the minority list, then the first candidate not elected on the list from which the member to be replaced was drawn shall be appointed, or, in the absence of such a candidate, the first candidate on any other minority lists there may be shall be taken on the basis of the number of votes received in descending

order. Should this not be possible or, if application of the above criteria means that the requirements for the composition of the Supervisory Board pursuant to Law No. 120 of 12th July 2011 and the Articles of Association are not met, then the Shareholders' Meeting shall make the replacement in compliance with the principle of the necessary representation of minorities;

- if further board members have been drawn from the minority list, the relative replacements shall be taken from the list from which the members to be replaced were drawn or in the absence of such a candidate from any other minority lists there may be, identified on the basis of the number of votes received in descending order and which have received the majorities of votes cast by the Shareholders' Meeting provided for in Art. 45, paragraph 11 of the Articles of Association; in the absence of such candidates, the board members to be replaced shall be drawn from the majority list or, if application of the above criteria means that the requirements for the composition of the Supervisory Board pursuant to Law No. 120 of 12th July 2011 and the Articles of Association are not met, the Shareholders' Meeting shall proceed to decide by relative majority vote.

The replacement candidates, identified in accordance with the provisions of Art. 45 of the Articles of Association, must confirm that they accept their appointment and also make declarations that no cause for ineligibility and incompatibility exists and that they possess the requirements prescribed for the office by law or the Articles of Association.

A member of the Supervisory Board called upon to replace a previous member remains in office until the original mandate of the replaced member expires.

4.2. Composition and role (pursuant to Art. 123 *bis*, paragraph 2, letter d) of the Consolidated Finance Act)

The Supervisory Board, within the scope of its responsibilities, performs policy, strategic supervision and control functions within the limits set by Art. 46 of the Articles of Association. Without prejudice to the responsibilities assigned by law and regulations to its internal committees, the functions of the Supervisory Board are set out in Art. 46 of the Articles of Association, on the basis of which the same Board:

- a) on the basis of proposals from the Appointments Committee, appoints and removes some or all of the members of the Management Board and its Chairman and Deputy Chairman, in compliance with Art 30, paragraph 2, determining their remuneration, in compliance with Art. 22, paragraph 2, letter b), after consulting with the Remuneration Committee. It also determines, after consulting with the Remuneration Committee and in compliance with Art. 22, paragraph 2, letter b), the remuneration of the members of the Management Board vested with special functions, duties or powers or assigned to committees. Without prejudice to the provisions of Art. 32, paragraph 2, of the Articles of Association, and without effect for members of the Management Board who vacate their positions, the Supervisory Board appoints the members of the Management Board in the first meeting following its own appointment by a Shareholders' Meeting;
- b) having taken account of proposals from Management Board, decides the general plans and strategic policies of the Bank and of the Group; it may also make recommendations to the Management Board;
- c) approves the separate financial statements and the consolidated financial statements prepared by the Management Board;
- d) authorises the Management Board to exercise powers to increase the share capital or to issue convertible bonds that may have been granted by a Shareholders' Meeting pursuant to articles 2420-*ter* and 2443 of the Italian Civil Code;
- e) as concerns its own control function, performs supervisory functions in compliance with Art. 149, paragraphs one and three of Legislative Decree No. 58 of 24th February 1998;
- f) initiates liability actions against members of the Management Board;
- g) submits the statement to the Bank of Italy pursuant to Art. 70, paragraph 7 of Legislative Decree No. 385 of 1st September 1993;
- h) reports in writing to a shareholders' meeting convened pursuant to Art. 2364 *bis* of the Italian Civil Code on the supervisory activity performed, on omissions and reprehensible

- actions observed, and also at any other ordinary or extraordinary Shareholders' Meetings convened, on matters falling within its sphere of responsibilities;
- i) informs the Bank of Italy without delay of all events or facts it may learn of in the performance of its duties, which might constitute a management irregularity or an infringement of banking regulations;
 - l) expresses a mandatory opinion on the person responsible for preparing the corporate accounting documents pursuant to Art. 154-*bis* of Legislative Decree No. 58 of 24th February 1998;
 - m) on the basis of proposals submitted by the Management Board, to which it may submit prior recommendations, decides on business and/or financial plans and budgets for the Bank and the Group prepared by the Management Board and on the strategic operations listed here below, but nevertheless without prejudice to the responsibility of the Management Board for its actions and while the aforementioned decision of the Supervisory Board shall not be necessary for the operations considered in points (iii), (iv), (v), (vi) and (vii) below, where these are operations for which the main elements have already been defined in business plans already approved by the Supervisory Board itself:
 - (i) transactions on the share capital, the issuance of convertible bonds and bonds cum warrants in shares of the Bank, mergers and demergers;
 - (ii) amendments to the Articles of Association, for which purpose it may submit specific recommendations to the Management Board;
 - (iii) operations pursuant to Art. 36, paragraph two, letter b);
 - (iv) purchases by the Bank and by its subsidiaries of controlling interests in companies and transactions involving a reduction in directly or indirectly held investments in subsidiaries;
 - (v) purchases or disposals by the Bank and its subsidiaries of companies, business *en bloc*, business units, spin-offs, and investments or disinvestments which involve commitments where the amount for each transaction is greater than 4% of the supervisory capital eligible for the purposes of calculating the consolidated core tier one capital or affects the core tier one ratio by more than 50 basis points as stated in the latest report to the Bank of Italy in accordance with the regulations in force;
 - (vi) purchases or disposals by the Bank and its subsidiaries of investments in companies that are not controlled, the amount of which for each transaction is greater than 1% of the supervisory capital eligible for calculating the consolidated core tier one capital as stated in the latest report to the Bank of Italy in accordance with the regulations in force, or which are significant from an institutional viewpoint or that of the sector nationally;
 - (vii) stipulation of strategically important trade, co-operation and corporate agreements, with account taken of the activities and/or volumes involved and/or of the nature of the partners and in relation to the guidelines and objectives contained in the Business Plan approved;
 - n) expresses a non binding opinion with a vote in favour of at least two thirds of its members on the candidates proposed by the Management Board to the position of Board Member and Statutory Auditor of the subsidiary undertakings listed in Art. 36, paragraph 2, letter b) of the Articles of Association (Banca Popolare Commercio e Industria Spa, Banca Popolare di Bergamo Spa, Banca Popolare di Ancona Spa, Banca Carime Spa, Banco di Brescia Spa and Banca Regionale Europea Spa);
 - o) sets, on the basis of proposals from the Management Board, strategic guidelines and policies for the management and control of risk, while verifying on an ongoing basis that they are adequate and implemented by the Management Board;
 - p) on the basis of proposals from the Management Board, sets policies for the management of compliance risk and makes decisions for the creation of a regulatory compliance function;
 - q) formulates its considerations concerning the basic elements of the general architecture of the internal control system; assesses, with regard to those aspects that concern it, the efficiency and adequacy of the internal control system with particular regard to risk control, the functioning of the internal audit and the accounting IT system; verifies the proper performance of strategic control and management activities by the Parent in relation to Group member companies; appoints and dismisses, after consulting with the Internal Control Committee, Chief Compliance Officer, Chief Risk Officer, and Chief Internal Audit Officer;

- r) approves and periodically verifies the organisational, administrative and accounting structure of the Bank, determined by the Management Board;
- s) approves corporate regulations concerning its functioning and, in co-operation with the Management Board, approves reporting systems between corporate bodies as well as those with the internal control system;
- t) approves remuneration policies for employees or associate workers not linked to the Bank by regular employee contracts;
- u) on the basis of a proposal by the Chairman of the Supervisory Board, drafted in compliance with Art. 47, paragraph two letter h) of the Articles of Association, sets policies and takes decisions on projects for cultural and charitable initiatives and for the image of the Bank and the Group, with special reference to the enhancement of historical and artistic heritage, while it verifies that initiatives planned coincide with the objectives set;
- v) decides on mergers and demergers pursuant to articles 2505 and 2505-*bis* of the Italian Civil Code;
- z) exercises all other powers granted by regulations and legislation currently in force or by the Articles of Association.

The Supervisory Board also has exclusive powers, in compliance with Art. 2436 of the Italian Civil Code, for decisions concerning:

- a) the opening and closing down of secondary offices;
- b) reducing the share capital if a Registered Shareholder withdraws from the Bank;
- c) amendments to the Articles of Association to comply with legislation and regulations, subject to consultation with the Management Board.

The Supervisory Board and its members exercise the powers granted under in Art. 151-*bis* of Legislative Decree no. 58 of 24th February 1998, pursuant to the terms and conditions provided therein.

With a view to exercising the powers of acquiring information granted under Art. 151-*bis*, paragraph 1 of Legislative Decree No. 58 of 24th February 1998 in a more efficient and functional manner, requests in relation to this are normally addressed to the Chairman of the Management Board and the Chief Executive Officer through the Chairman of the Supervisory Board.

The information is circulated to all the members of the Supervisory Board.

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The UBI Banca S.c.p.A. Shareholders' Meeting of 20th April 2013 first appointed the Supervisory Board for 2013-2014-2015, and then proceeded to appoint *Ing.* Andrea Moltrasio as Chairman and *Prof.* Mario Cera as Senior Deputy Chairman.

The Shareholders' Meeting appointed the above members of the Supervisory Board, Chairman and Senior Deputy Chairman based on three lists presented, as required by Art. 45 of the Articles of Association:

- List filed by the Supervisory Board on 22nd March 2013. The list had the support of 865 registered shareholders representing 76,227,494 shares accounting for 8.45% of the share capital of UBI Banca S.c.p.A. and contained the following candidates:

1	Andrea	Moltrasio	Chairman
2	Mario	Cera	Senior Deputy Chairman
3	Armando	Santus	Member
4	Gian Luigi	Gola	Member
5	Lorenzo Renato	Guerini	Member
6	Alberto	Folonari	Member
7	Alfredo	Gusmini	Member
8	Sergio	Pivato	Member
9	Mario	Mazzoleni	Member
10	Federico	Manzoni	Member
11	Marina	Brogi	Member
12	Enrico	Minelli	Member
13	Antonella	Bardoni	Member

14	Pierpaolo	Camadini	Member
15	Ester	Faia	Member
16	Alessandra	Del Boca	Member
17	Carlo	Garavaglia	Member
18	Letizia	Bellini Cavalletti	Member
19	Mario	Comana	Member
20	Franco	Bossoni	Member
21	Giacomino	Maurini	Member
22	Stefano	Gianotti	Member
23	Graziano	Caldiani	Member

- The “UBI BANCA, CI SIAMO” list filed on 25th March 2013 by Mr Giorgio Jannone. That list had the support of 601 registered shareholders representing 7,372,268 shares accounting for 0.82% of the share capital of UBI Banca S.c.p.A. and contained the following candidates:

1	Giorgio	Jannone	Chairman
2	Piero	Bertolotto	Senior Deputy Chairman
3	Adele	Timo	Member
4	Valerio Renato	Gastoldi	Member
5	Paola	Corniani	Member
6	Vincenzo	Mascolo	Member
7	Giovanni	Soncini Soncini	Member
8	Annamaria	Minervini	Member
9	Vittorio	Dotti	Member
10	Giulio	Zonda	Member
11	Antonio	Porteri	Member
12	Ambrogina	Zanzi	Member
13	Roberto	Bolpagni	Member
14	Alberto	Facella	Member
15	Luciano	Franceschetto	Member
16	Angiolino	Legrenzi	Member
17	Stefano	Vedovato	Member
18	Marcello	Rosti	Member
19	Luca	Pizio	Member
20	Elena	Tosana	Member
21	Luigi	De Rossi	Member
22	Dario	Alfero	Member
23	Giuseppina Carla	Maria Nelli	Member

- The “UBI, banca popolare!” list filed on 25th March 2013 by Mr Marco Giacinto Gallarati. That list had the support of 700 registered shareholders representing 619,441 shares accounting for 0.07% of the share capital of UBI Banca S.c.p.A. and contained the following candidates:

1	Andrea Cesare	Resti	Chairman
2	Marco Giacinto	Gallarati	Senior Deputy Chairman
3	Maurizio	Zucchi	Member
4	Dorino Mario	Agliardi	Member
5	Luca Vittorio	Cividini	Member
6	Laura	Bertulesi	Member
7	Emilio	Gramano	Member
8	Marco	Balzarini	Member
9	Anna Loredana	Cassina	Member
10	Ignazio	Deleuse Bonomi	Member
11	Marco	Pesenti	Member
12	Simonetta	Mangili	Member
13	Giangiacomo	Alborghetti	Member
14	Stefano	Franchini	Member
15	Daniele	Bonetti	Member
16	Beatrice	Mascheretti	Member
17	Luciano	Pezzoli	Member
18	Marco	Leali	Member

Votes:

- 7,318 votes in favour of the list presented by the Supervisory Board, being 53.5% of the votes cast at the Shareholders' Meeting;
- 4,693 votes in favour of the "UBI, banca popolare!" list, being 34.3% of the votes cast at the Shareholders' Meeting;
- 1,548 votes in favour of the "UBI BANCA – CI SIAMO!" list, being 11.3% of the votes cast at the Shareholders' Meeting.

In accordance with Art. 45 of the Articles of Association, 18 Board Members from the "List presented by the Supervisory Board" and 5 Board Members from the "UBI, banca popolare!" list were thus elected.

Again in accordance with the Articles of Association, *Ing.* Andrea Moltrasio was elected Chairman of the Supervisory Board and *Prof.* Mario Cera Senior Deputy Chairman of the Supervisory Board, having been in first and second place respectively on the list that received most votes.

At the meeting held on 23rd April 2013 the Supervisory Board appointed *Dott.* Alberto Folonari and Notary *Dott.* Armando Santus as Deputy Chairmen, and Board Member *Dott.* Alfredo Gusmini as Secretary.

The members of the Supervisory Board for 2013/2014/2015 are thus as follows:

1	Andrea	Moltrasio	Chairman
2	Mario	Cera	Senior Deputy Chairman
3	Alberto	Folonari	Deputy Chairman
4	Armando	Santus	Deputy Chairman
5	Alfredo	Gusmini	Member and Secretary
6	Dorino Mario	Agliardi	Member
7	Antonella	Bardoni	Member
8	Letizia	Bellini Cavalletti	Member
9	Marina	Brogi	Member
10	Pierpaolo	Camadini	Member
11	Luca Vittorio	Cividini	Member
12	Alessandra	Del Boca	Member
13	Ester	Faia	Member
14	Marco Giacinto	Gallarati	Member
15	Carlo	Garavaglia	Member
16	Gian Luigi	Gola	Member
17	Lorenzo Renato	Guerini	Member
18	Federico	Manzoni	Member
19	Mario	Mazzoleni	Member
20	Enrico	Minelli	Member
21	Sergio	Pivato	Member
22	Andrea Cesare	Resti	Member
23	Maurizio	Zucchi	Member

The curricula vitae of the members of the Supervisory Board are available on the website of UBI Banca.

Attachment A) lists the offices held by all members of the Supervisory Board in companies listed on regulated markets, including foreign regulated markets, and in finance, banking, insurance or large companies.

On 18th July 2013 *Dott.* Giorgio Jannone and other Registered shareholders served a writ of summons on UBI Banca, which, in summary, asks it to declare: (i) that the only valid list for the appointment of members of the Supervisory Board of the Bank is the list presented by, among others, the same Registered Shareholder Jannone, following the ascertainment of irregularities in the other two lists which received the majority of the votes at the Shareholders' Meeting of 20th April 2013; or alternatively (ii) the invalidity of the shareholders' resolution relating to the appointment of company officers; or secondarily (iii) the invalidity of some votes made during a particular period of time while the Shareholders' Meeting was being held (at the stage when the votes commenced).

The Bank, believing that the procedures for the verification of all the lists presented were performed correctly before the Shareholders' Meeting, and that the proceedings of the

Shareholders' Meeting were also in accordance with the rules, considers that the claims made in this summons are groundless.

Proceedings subsequent to the application made by nine Registered shareholders to render the Shareholders' resolution of April 2013 for the appointment of the Supervisory Board null and void are pending before the specialised business section of the Court of Brescia. UBI Banca made a preliminary objection that the claim was inadmissible, in so far as it was brought by a number of Registered Shareholders that fails to reach the quorum of one per thousand of those who had been recorded in the shareholders register for at least 90 days, as required by the combined provisions of Art. 2377 of the Italian Civil Code and Art.135 of the Consolidated Finance Act. In order to examine the preliminary legal issue raised by UBI, on 19th June 2014 the examining judge made an order for a court-appointed expert witness to verify the number of registered shareholders holding the minimum number of shares required by the Bank's Articles of Association, who had been recorded in the shareholders register for at least 90 days before the Shareholders' Meeting. The next hearing is scheduled for 7th May 2015, with a deadline of 4th May 2015 for the filing of the final report of the court-appointed expert witness.

* * *

Special regulations govern the functioning of the Supervisory Board concerning:

- its calendar of meetings;
- its agenda for meetings and how it is convened;
- prior delivery to members of the Supervisory Board of documents relating to items on the agenda;
- minutes and records of decision making processes;
- disclosures concerning the decisions taken;
- internal committees of the Supervisory Board.

A special section of those regulations deals with reporting systems.

The Chairman defines the documentation that, in addition to that already sent to all board members, he considers it necessary to make available to participants in meetings in order to provide complete information.

The Supervisory Board must meet at least every 60 days. The location of the meetings alternates between the cities of Bergamo and Brescia and a meeting is generally held once a year in the city of Milan.

The Supervisory Board is validly convened with the attendance of a majority of the members in office and it passes resolutions by a vote in favour of the absolute majority of the board members present for the vote. A qualified majority (vote in favour of at least two thirds of the board members) is required for amendments to the regulations of the Appointments Committee, for proposals to amend the Articles of Association, and for resolutions concerning proposals pursuant to Art. 36, paragraph two, letter b) of the Articles of Association.

Notices to convene meetings shall contain a list of the items on the agenda and this is sent at least four days prior to the date set for the meeting, except in urgent circumstances, when the time-limit may be reduced to one day.

In order to facilitate attendance at board meetings the Articles of Association allow remote attendance through the use of appropriate audio/videoconference and/or teleconference connections.

During 2014 the Supervisory Board met 21 times and the average length of meetings was five hours.

We also report that the Supervisory Board has planned 14 meetings for 2015, of which two have already been held.

The Internal Control Committee has had ongoing meetings with the independent auditors, Deloitte & Touche SpA, reporting on the Supervisory Board.

The Supervisory Board's report to the Shareholders' Meeting contains specific information on other mandates awarded to Deloitte & Touche and other companies in its network.

Following its appointment and in accordance with the relevant regulations in force, the Supervisory Board fully ascertained that the requirements for integrity, professionalism and independence were met by all its members.

Before approving this Report, the Supervisory Board verified that it satisfied the requirement of independence. In this context, in compliance with, among other things, the Bank of Italy instructions concerning corporate governance, an analysis of the lending relationships between each board member and the Group was carried out. In this regard it should be noted that all the members of the Supervisory Board - on the basis of a declaration made by each of them and the information available to the Bank - satisfy the requirements of independence pursuant to Art. 148, paragraph 3 of the Consolidated Finance Act and the Bank of Italy supervisory provisions concerning corporate governance in force (Circular No 285).

With regard to the requirements of the Corporate Governance Code and also the particular nature of the Supervisory Board in the context of a two tier governance model, 20 out of the 23 Members of the Supervisory Board meet the independence requirements of the Corporate Governance Code.

With reference to the principles and criteria referred to in Art. 3, section C1 point b) of the Corporate Governance Code, board members Andrea Moltrasio, Mario Cera and Lorenzo Renato Guerini are not independent since for the previous three years they were senior officers in subsidiaries of UBI Banca.

The Supervisory Board carried out a self-assessment with respect to its size, composition and procedures as well as those of its Committees, in the context of the self-assessment process planned for 2013, 2014 and 2015 (the duration of the mandate of the board), with an indication of the actions to be taken and the related schedule, and for the provision and implementation of a peer review system and process with the consultancy support of Egon Zehnder.

The self-assessment process was carried out by means of an analysis carried out at a meeting, on the basis of the results of a specific self-assessment questionnaire filled in by each board member, followed by individual interviews carried out by the consultant. The quantitative and qualitative composition of the Board and its Committees was also examined, including consideration of how representative it is in terms of age and gender, the professional skills of board members in relation to the size of the Group and its activities, the level of diversity among the Board members in terms of professional, managerial and business experience. More specifically, the self-assessment was conducted on the following factors: the quality and completeness of skills, experience and expertise within the Board and the internal committees; sufficient number of board members; the degree of effectiveness of the functioning of the Board and the five internal committees; the quality of Board and internal committee meetings; the quality and promptness of reporting and presentations to the Board; the effectiveness and efficiency of decision-making processes within the Board; the clarity, agreement and satisfaction with regard to policies, performance and risk objectives and the results achieved; relations with the Management Board and Senior Management.

On conclusion of the self-assessment conducted, it was shown that, taken as a whole, the proceedings of Board and Committee meetings, in terms of organisation, analysis of the issues, attendance at meetings and discussion, are key elements for the appropriate performance of the functions assigned to the Supervisory Board and its internal Committees.

The Appointments Committee (which is responsible, in accordance with its own regulations, for activities in preparation for the Supervisory Board's self-assessment) has thus commenced activities for the purposes of continuing the three year self-assessment programme to be implemented in 2015, including the drawing up of specific internal regulations governing the general process.

In accordance with the Corporate Governance Code the independent board members must meet at least once a year in the absence of the other board members. On the date when this Report was approved, the independent board members had not felt the need to hold the said meeting, among other things because of the composition of the Board.

The Chairman also, both at Board meetings and by means of specific induction sessions, ensures that the board members increase their knowledge of the regulatory and self-regulatory

framework and of the situation and dynamics of the Group, in order to guarantee that they have a full and adequate awareness of the banking business, the economic and financial system, the system of controls and the methods for managing and monitoring risk.

Following the renewal of terms of office of corporate bodies in 2013, a programme involving the holding of two training meetings for officers of UBI Banca started in 2013. In this respect in 2014 the Management Board and Supervisory Board approved a two year programme of meetings to be held in 2014 and 2015, identifying specific topics to be covered. Two meetings were held in 2014: on 26th February 2014, about “The governance of management risks and strategic actions”, and on 27th November 2014, about “The system of controls”.

4.3. Chairman of the Supervisory Board

The Chairman of the Supervisory Board convenes – on his own initiative and, in any event, in the cases prescribed by law or the Articles of Association – and chairs and co-ordinates the meetings of the Board itself, setting the agendas, taking account of the proposals formulated by the Senior Deputy Chairman and the other Deputy Chairmen and ensuring that adequate information about the topics contained on the agenda are provided to all the members of the Supervisory Board.

The duties of the Chairman of the Supervisory Board are listed in Art. 47 of the Articles of Association.

5. Internal Committees of the Supervisory Board (pursuant to Art. 123 *bis*, paragraph 2, letter d) of the Consolidated Finance Act)

While it acknowledges the principle of collegial responsibility in performance of its duties, the Supervisory Board - in relation to its responsibilities, its composition and the characteristics of its members - decided to establish internal committees as follows:

- specific committees with proposal making, consultative and investigative functions in compliance with Bank of Italy regulations, the recommendations of the Borsa Italiana Corporate Governance Code and Supervisory Authority instructions. These committees were established to allow the Supervisory Board to work more efficiently and effectively, and they are composed - as recommended by the Corporate Governance Code - of more than three members.

- Appointments Committee	6 members
- Remuneration Committee	5 members
- Internal Control Committee	5 members
- Accounts Committee	4 members
- a Related and Connected Parties Committee composed of three members, in compliance with the provisions of: (i) "Regulations for UBI Banca Scpa related party transactions" adopted in implementation of Art. 2391 *bis* of the Italian Civil Code and Consob requirements with respect to related parties adopted with Resolution No. 17221/2010 and subsequent amendments; (ii) "Regulations for operations with parties connected to the UBI Banca Group", adopted in implementation of Title V, Chapter 5 of Bank of Italy Circular No. 263 of 27th December 2006 - 9th amendment of 12th December 2011, "New regulations for the prudential supervision of banks", containing measures concerning "risk assets and conflicts of interest with connected parties".

The meetings of these committees are properly minuted. In the performance of their functions the committees may have access to the information and corporate functions necessary for the performance of their duties and make use of external consultants under the terms and conditions set by the Supervisory Board.

The committees are governed by special regulations which determine its responsibilities and functioning.

The regulations governing the committees are published in the Corporate Governance/Supervisory Board section of the Bank's website.

The Bank of Italy provisions concerning corporate governance (Circular 285) provide for the formation of a Risk Committee which must be distinct from the Internal Control Committee. The appropriate investigations for the purpose of establishing the said Risk Committee are currently in progress, subject to definition of the responsibilities to be assigned to the various committees.

6. Appointments Committee

The Appointments Committee (members of which pursuant to Art. 49 of the Articles of Association include the Chairman of the Supervisory Board with the functions of Chairman and the Senior Deputy Chairman) is composed of the following members of the Supervisory Board:

- | | |
|--------------------|---|
| - Andrea Moltrasio | Chairman of the Supervisory Board |
| - Mario Cera | Senior Deputy Chairman of the Supervisory Board |
| - Alberto Folonari | |
| - Mario Mazzoleni | |
| - Enrico Minelli | |
| - Armando Santus | |

A majority of the members of the Appointments Committee are independent board members, in accordance with the Corporate Governance Code.

The committee is governed by special regulations (published in the Corporate Governance/Supervisory Board section of the Bank's website) which determine its responsibilities and functioning.

The Appointments Committee, in carrying out its proposal making functions and in compliance with the criteria set in the aforementioned regulations, as applicable:

- a) performs assessments for the formalisation of the qualitative and quantitative profiles for the appointment of the Supervisory Board; submits proposals for candidates to the position of member of the Supervisory Board of the Parent for submission to a Shareholders' Meeting, including candidates for the highest positions (i.e. Chairman and Senior Deputy Chairman of the Supervisory Board). It also proposes candidates, to be appointed by the Supervisory Board, for the position of Deputy Chairman of the Supervisory Board, if one is to be appointed;
- b) proposes candidates, to be appointed by the Supervisory Board, for the position of member of the Management Board of the Parent, including candidates to the positions of Chairman and Deputy Chairman of the Management Board;
- c) proposes the name to be formulated by the Supervisory Board of a non-binding proposal to be made to the Management Board for the appointment of the Chief Executive Officer;
- d) evaluates, even during the term of the boards, the adequacy of succession plans at the level of the senior positions on the Management Board and Senior Management, and the professional profiles and requirements of those currently holding office and any candidates there may be to succeed them;
- e) defines processes for the purposes of evaluating the work done by the Management Board and Senior Management;
- f) carries out appropriate fact-finding activities:
 - for the purposes of the self-assessment of the Supervisory Board;
 - in observance of the responsibilities of the Internal Control Committee, it identifies managers for appointment to internal control functions;
- g) carries out fact-finding activities for the purposes of issuing a non-binding opinion that the Supervisory Board pursuant to Art. 46, paragraph 1, letter n) of the Articles of Association

is responsible for expressing on the candidates proposed by the Management Board to the position of Director and Statutory Auditor of the subsidiaries listed by Art. 36, paragraph 2, letter b) of the Articles of Association and that is: Banco di Brescia Spa, Banca Regionale Europea Spa, Banca Popolare di Bergamo Spa, Banca Popolare Commercio e Industria Spa, Banca Popolare di Ancona Spa and Banca Carime Spa;

- h) formulates opinions and proposals on the corporate governance and regulatory policies of the Parent Bank and the Group which fall within the exclusive scope of the remit of the Supervisory Board;
- j) oversees the update of corporate governance rules and principles of conduct which may be adopted by the Parent Bank and its subsidiaries, even with regard to developments on the matter at national and transnational level;
- k) assesses the adequacy of commitments made on issues of corporate social responsibility.

In 2014, the Appointments Committee performed its duties with regard to assessment activity for the issue of a non-binding opinion by the Supervisory Board for appointments to corporate bodies of banks in the Group pursuant to Art. 36 of the Articles of Association. During 2014, the Appointments Committee also worked with the Supervisory Board to update the regulations of the Appointments Committee in order to bring them into compliance with the provisions added to the Articles of Association by a decision of the Extraordinary General Meeting of 10th May 2014 and those of the “Supervisory instructions concerning the organisation and corporate governance of banks” issued by the Bank of Italy in May 2014. Lastly, the committee worked with the Supervisory Board on the annual self-assessment process of the corporate bodies, the evaluation of the adequacy of succession plans, and corporate social responsibility.

The Appointments Committee met four times in 2014. The average length of meetings was approximately one hour.

No meetings have been held as yet in 2015.

7. Remuneration Committee

The Remuneration Committee is composed of the following members of the Supervisory Board:

- Mario Cera – as the Chairman
- Marina Brogi
- Alessandra Del Boca
- Andrea Cesare Resti
- Armando Santus

Compliance of the composition of the Remuneration Committee with the provisions of the Borsa Italiana Corporate Governance Code.

The composition of the Remuneration Committee reflects an adequate level of experience and expertise in relation to bank governance, law, finance and remuneration policies.

With reference to the appointment of the Senior Deputy Chairman, Mario Cera (who for the previous three years had performed a senior role in a strategically significant subsidiary) to the position of Chairman of the Remuneration Committee, as already described in the 2013 Report, with a view to the efficient operational continuity of the Bank it was considered appropriate not to comply, for this specific point only, with the requirements of Art. 6.P.3 of the Borsa Italiana Corporate Governance Code in order to ensure that the Committee continues to function in a full and efficient manner. It is precisely the professional experience and knowledge of the Group that Mario Cera has acquired that, together with his substantial and well-known independence of judgment, were and are a suitable guarantee of the better and appropriate functioning of the Committee. The other four members of the Committee are in possession of the requirements of independence required by the Code.

The Remuneration Committee is formed of members of the Supervisory Board and governed by special regulations, published in the “Corporate Governance/Supervisory Board” section of the

Bank's website, which determine its responsibilities and functioning in compliance with legal, regulatory and Article-of-Association provisions.

The Committee provides assessment work, submits proposals and performs preliminary activities for the Supervisory Board, making use of external independent consultants and involving the competent corporate functions. In this context, the Committee carries out those duties assigned to it by the provisions of the Supervisory Authority with regard to the remuneration and incentive policies and practices of banks and banking groups.

In detail, the Committee formulates proposals:

- for the decisions that the Supervisory Board submits to a Shareholders' Meeting for approval;
- for the remuneration of corporate bodies;
- for remuneration policies;
- for the remuneration of Material Risk Takers, with particular reference to the "Top" and "Parent" groups.

For the purpose of verification of the consistency with Group remuneration policies, it provides opinions:

- on remuneration and/or incentive schemes based on financial instruments;
- on the amount of the remuneration set by the Management Board for the senior management of UBI Banca and its subsidiaries.

The Committee also:

- provides consultation in relation to determining the criteria for the remuneration of other personnel categorised as Material Risk Takers employed by the Subsidiaries;
- directly oversees the proper application of the rules concerning the remuneration of the corporate control functions;
- provides opinions to the Supervisory Board about whether the trigger conditions and performance objectives of the incentive schemes have been achieved;
- works with other internal committees of the Supervisory Board and ensures that the competent corporate bodies are involved;
- sees to the preparation of the documentation to be submitted to the Supervisory Board and draws up the periodic Report on Remuneration;
- provides the Supervisory Board and Shareholders' Meeting with adequate information about the activities performed.

The Remuneration Committee met 14 times in 2014 (the average length of the meetings was over two hours), concentrating mainly on the following fields:

- examination of the new provisions and recommendations received from the Supervisory Authorities;
- examination of requests relating to remuneration and the related answers to be submitted to the Supervisory Authorities;
- fact-finding work and the submission of proposals to the Supervisory Board for the approval of the remuneration policies for members of the Management Board for submitted for the approval of the Shareholders' Meeting;
- fact-finding work and the submission of proposals to the Supervisory Board for the determination of the additional remuneration to be paid to members of the Supervisory Board who are members of the Internal Control Committee for performing the duties of a Supervisory Body pursuant to Legislative Decree No. 231/2001 to be submitted for the approval of the Shareholders' Meeting;
- fact-finding work and the submission of recommendations to the Supervisory Board to verify the consistency of the remuneration recommended by the Management Board for the management bodies and senior management of subsidiaries with Group remuneration policies;
- assessment work and the submission of proposals to the Supervisory Board for the approval of remuneration and incentive policies for employees and associate workers not bound to companies by employee contracts;
- assessment work and the submission of proposals to the Supervisory Board for the formulation of the reasoned recommendation to increase the ratio between variable and fixed remuneration up to a maximum of 2:1, limited to employees of the subsidiary UBI Pramerica SGR S.p.A., to be submitted for the approval of the Shareholders' Meeting;

- assessment and advisory work for the Supervisory Board to verify the compliance of the remuneration plan based on financial instruments (shares of the listed Parent, UBI Banca), decided by the Management Board and submitted for the approval of the Shareholders' Meeting with Group remuneration policies;
- fact-finding and advisory work for the Supervisory Board for the approval of the Report on Remuneration to be submitted for the approval of the Shareholders' Meeting;
- verification of the trigger conditions and the performance objectives for the 2013 incentive scheme;
- examination and formulation of a proposal for the revision of the remuneration and incentives policies for 2015;
- assessment and advisory work for the Supervisory Board for the approval of the incentive scheme for "Key Personnel";
- verification that remuneration changes for specific management positions categorised as "Top Management" and "Highest Management Levels of the Control Functions" comply with remuneration and incentive policies;

In particular, amongst the main changes as part of the revision of the 2015 Remuneration and incentive policies, we report the introduction of a long-term incentive scheme (LTIS) on a three yearly basis, intended to bring the interests of management increasingly into line with those of shareholders in the medium to long term. The system concerns a small number of top managers amongst the Key Personnel, on the basis of the key position occupied in policy terms over the governance of the Group and their impact on the main business areas.

Three meetings have already been held in 2015.

8. Remuneration and succession planning

Information concerning remuneration policies is given in the Remuneration Report prepared in accordance with Art. 123 *ter* of the Consolidated Finance Act, which may be consulted.

Supervisory Board

Shareholders set the remuneration of Supervisory Board members in addition to total remuneration for individuals with certain specific responsibilities, powers and functions. This amount is subsequently allocated by setting the remuneration of the Chairman, the Senior Deputy Chairman, the Deputy Chairmen and other members of the Supervisory Board with certain specific responsibilities, powers and functions pursuant to the Articles of Association or in accordance with Supervisory Board decisions requiring, amongst other things, participation in committees and the potential assignation of the functions of Supervisory Body pursuant to Legislative Decree 231/2001.

Management Board

In compliance with the Articles of Association, after first consulting with the Remuneration Committee, the Supervisory Board sets the remuneration of the Management Board and of its members to whom special offices, duties or powers have been assigned.

The maximum total fee payable to each member of the Management Board, with the exception of those relating to the "special assignments" of the Chairman, the Deputy Chairman of the Board and the Chief Executive Officer, for membership of the Management Board and where relevant the corporate bodies of the Group banks and companies, is equal to the amount due for the position of member of the Management Board (currently €120,000 per year), plus 2/3 (and therefore a potential maximum amount of €200,000 per year).

Any exemptions for exceptional reasons are in any event subject to the prior approval of the Supervisory Board.

The Chief Executive Officer and members of the Management Board classified as senior management of UBI Banca, included within the scope of "Material Risk Takers", are eligible for forms of variable remuneration linked to results.

No attendance payments exist; There are no guaranteed bonuses or leaving bonuses for members of the Management Board (without prejudice to exceptions allowed by legislation and

regulations, limited to the first year of employment, for board members classified as senior management). No member of the Management Board may unilaterally waive their right to part or all of their remuneration.

Indemnities for board members in the event of resignation, dismissal or termination of contract following a public tender offer [pursuant to Art. 123 *bis*, paragraph 1, letter i) of the Consolidated Finance Act]

The Bank is under no contractual obligation to pay sums to Management Board and Supervisory Board members in the event of dismissal without cause or termination of employment as a result of a takeover.

The Remuneration Report, as required by Art. 123 *ter* of the Consolidated Finance Act, may be consulted for details of remuneration and incentives schemes in place in the UBI Banca Group.

Succession Planning

In 2011 UBI Banca put a structured process in place entitled “senior leadership succession”, designed to select and assess managers within the Group for consideration by the Appointments Committee, the Supervisory Board and the Management Board as potential candidates for senior executive positions and for those of Chief Executive Officer and General Manager in particular.

The “senior leadership succession” is a periodic process to assess the managerial skills and potential of each of the managers who fill high ranking roles in the Group.

Each manager is assessed by means of individual interviews conducted by a leading specialised firm (EZI) which also took a series of 360 degree references for each manager.

Each assessment contains an analysis of the strengths, areas for improvement and all round perception of each manager as well as a summary assessment of general potential and also specific potential for the selection of the best candidates for succession to the position of General Manager and/or Chief Executive Officer.

Each manager receives feedback on their strengths to be consolidated and areas for improvement to be developed. This feedback forms part of individual development plans designed to strengthen managerial quality at UBI Banca.

In cases of early or unexpected substitution of the General Manager and/or Chief Executive Officer, the results of the “senior leadership succession” process represent a point of reference for decisions relating to new appointments and for the assessment of potential candidates.

The results of the “senior leadership succession” process are discussed and validated by the Chairman of the Appointments Committee and the Chairman of the Supervisory Board and by the Senior Deputy Chairman of the Supervisory Board jointly with the Chairman and Deputy Chairman of the Management Board.

The Appointments Committee evaluates, even during the term of the boards, the adequacy of succession plans at the level of the senior positions on the Management Board and Senior Management, and the professional profiles and requirements of those currently holding office and any candidates there may be to succeed them.

UBI Banca has also had a structured “management appraisal” process in place since 2009, designed to enhance the leadership development of Group managers and to enable the selection of successors in the short and medium term for the key positions and/or for managers who report directly to the Chief Executive Officer and the General Manager.

The methodology, output and procedures of the “management appraisal” process are similar to those described above for the “senior leadership succession” process and they were carried out with advisory support from a leading specialised firm (Egon Zehnder International). The results of the “management appraisal” process are validated by the Chief Executive Officer and by the General Manager and they are discussed with the Chairman and Deputy Chairman of the Management Board and with the Chairman and Senior Deputy Chairman of the Supervisory Board.

The succession plans are updated periodically in accordance with the procedures and methods described above.

9. The Internal Control Committee

The Internal Control Committee is composed of the following Supervisory Board members:

- Sergio Pivato, as the Chairman (*)
- Pierpaolo Camadini
- Carlo Garavaglia (*)
- Gian Luigi Gola (*)
- Alfredo Gusmini (*)

(*) Enrolled on the Register of External Statutory Auditors.

The purpose of the Committee, which is governed by special regulations (published in the Corporate Governance/Supervisory Board section of the Bank's website) which determine its duties and how it functions, is to support the Supervisory Board by performing assessments, furnishing advice and submitting proposals in those areas overseen by the Board as a supervisory body in accordance with regulatory requirements in force at the time.

The Committee's duties also include supporting the Supervisory Board with its supervisory functions pursuant to Art. 149, paragraphs one and three, of Legislative Decree No. 58 of 24th February 1998, having regard to the internal control system and other activities connected with the functions of the Supervisory Body and the following activities in particular:

Internal control system

- assessment of the efficiency and adequacy of the internal control system as a whole;
- assessment of the basic elements of the general architecture of the internal control system (powers, responsibilities, resources, information, and management of conflicts of interest);
- supervision of the adequacy of the system for managing and monitoring risk and of the compliance of the Internal Capital Adequacy Assessment Process (ICAAP) with the regulatory requirements;
- non-binding opinion regarding the appointment and removal of the officer responsible for the internal control function, the officer responsible for the regulatory compliance function and the officer responsible for the risk control function (pursuant to Art. 46 letter Q of the Articles of Association), by submitting its own assessment of the identified candidates to the Supervisory Board;
- approval of the activities plan of the corporate control functions and examination of their reports on the activities carried out;
- verification of the proper performance of strategic control and management activities by the Parent in relation to Group member companies.

Other activities in support of the Supervisory Board oversight activities:

- assessment of the adequacy of the organisational and accounting structures of the Bank;
- communication to the Bank of Italy of events or facts which might constitute a management irregularity or an infringement of banking regulations pursuant to Art. 52 of the Consolidated Banking Act. Should the Committee become aware of circumstances that may be relevant pursuant to Art. 52 of the Consolidated Banking Act in the course of its activities, it shall inform the Supervisory Board of this immediately;
- reporting of management irregularities and violations of the regulations governing the provision of investment services;
- reporting of management irregularities and violations of the regulations governing the provision of investment services;
- opinion regarding the appointment and removal of the person in charge of preparing the financial reporting documents pursuant to Art. 154 *bis* of Legislative Decree No. 58 dated 24th February 1998, (and pursuant to Art. 46 letter Q of the Articles of Association), by submitting its own assessment of the identified candidates to the Supervisory Board;
- preparation of the report on supervisory activity performed, on omissions and on irregularities observed on the occasion of the Shareholders' Meeting called pursuant to Art. 2364 *bis* of the Italian Civil Code as well as for any other ordinary or extraordinary Shareholders' Meeting called.

The Committee performs its internal control and audit functions in accordance with Art. 19 of Legislative Decree No. 39 of 27th January 2010, specifically including the following:

- financial reporting processes;
- effectiveness of the system of internal control, internal audit and risk management;
- the external statutory audit of separate and consolidated accounts;
- the independence of the auditor, particularly with respect to the provision of non-audit services, assessing its professionalism and experience in order to ascertain its adequacy in relation to the size and operational complexity of the Bank.

Members of the Internal Control Committee are also members of the Supervisory Body of UBI Banca pursuant to Legislative Decree No. 231/2001. Detailed information relating to Supervisory Body and model of organisation, management and control pursuant to Legislative Decree No. 231/2001 is given in the relevant section of this report (section 15.3).

The Committee normally performs its duties using the information provided to the Supervisory Board in compliance with the relevant regulations and any additional information provided by the Chief Audit Executive, the Chief Risk Officer, the Compliance Officer, the Money Laundering and Financing of Terrorism Risks Officer, the Senior Officer responsible for the preparation of corporate accounting documents and the external statutory auditor, as well as the results of the activities performed by the Supervisory Body pursuant to Legislative Decree No. 231/2001. In particular, for matters relating to accounting issues, the Committee makes use of the investigations carried out by the Accounts Committee. The joint presence of all the members of both committees in the Supervisory Board also ensures that they are co-ordinated adequately. There are also appropriate forms of liaison between the Internal Control Committee and the entity responsible for auditing the accounts.

The Committee, by employing the services of the appropriate organisational units of the Bank, can proceed to inspections and controls at any time and exchange information with the control bodies of the companies of the Group with regard to the management and control systems and to corporate activity. In particular, the Committee, when it considers it necessary, asks the Internal Audit Function to perform checks on specific areas. In accordance with Art. 43 of the Articles of Association, the Committee also activates the Internal Audit Function in response to extraordinary requests for inspections and/or investigations made by the Chief Executive Officer. The Committee reports on the activities and investigations it has carried out, including the tasks assigned to the Internal Audit Function, at meetings of the Supervisory Board. In order to carry out its activities, the committee may also identify and make use of external consultants, at the Bank's expense.

The Committee works in close liaison with the corresponding bodies of the subsidiaries. At least one member of the Internal Control Committee attends meetings of the Management Board on a rotating basis in compliance with regulations in force.

The Internal Control Committee met 28 times in 2014 (the average length of each meeting was approximately two hours) and all the meetings were properly minuted. Each member was present at the following number of meetings: *Prof. S. Pivato*, 28 meetings; *Dott. A. Gusmini*, 28 meetings; *Avv. P. Camadini*, 25 meetings; *Dott. C. Garavaglia*, 27 meetings; *Dott. G. Gola*, 28 meetings. Members who were unable to attend a meeting gave reasons for their absence.

The Chief Risk Officer and the Chief Audit Executive attend the meetings of the Committee on a regular basis. The regulations of the Committee provide that *"if it is apparent from the matters on the agenda for discussion that this is advisable, the Chairman of the Supervisory Board may participate in the work of the Committee at his request or by invitation of the Chairman"*. This provision was not applied in 2014. . In relation to the matters discussed under specific items on the agenda, and at the request of the Chairman of the committee, representatives of UBI Banca and other Group companies, as well as outside professionals attending as consultants and representatives of the independent auditors have attended meetings as needed during the year.

The Committee submits special six-monthly reports on the activities performed to the Supervisory Board, in which it gives its opinion on the adequacy of the internal control system

of the Bank and its strategic subsidiaries. The Chairman of the committee also notifies the Supervisory Board (normally as part of the examination of the quarterly reports made by the corporate control functions and also from time to time in relation to investigations made in relation to specific matters) of areas that have been observed requiring improvement or attention, requesting the adoption of appropriate measures to strengthen internal controls and assessing their effectiveness over time, by providing relevant information to support the work of the Supervisory Board.

In 2014 the Internal Control Committee concentrated mainly on the following activities:

- the most important issues concerning the internal control system of the Bank, for the purpose of evaluating the adequacy of the same, and the legislative framework, as follows:
 - the main legislative and regulatory changes in areas relevant to the general architecture of the internal control system of the Group System of Internal Controls, including the update of 6th May 2014 to Bank of Italy Circular No 285/2013 concerning corporate governance, the update of July 2014 to the Corporate Governance Code for listed companies, and the process of convergence with the European Single Supervisory Mechanism. In relation to this, it has monitored with particular care the stages of the comprehensive assessment started by the ECB, working with the local supervisory authorities, relating to the main banks in the system;
 - the development of Project 263, with the purpose of updating the overall framework to implement the new regulations for prudential supervision pursuant to the 15th update to Bank of Italy Circular 263/06, in terms of the revision of the organisational units and the internal system of regulations (policy and regulations);
 - the management of conflicts of interest and in particular situations when the limits on the accumulation of positions are exceeded in the network banks, with reference to the subject of interlocking, annual verification that no causes of incompatibility exist in relation to the members of the Management Board and the Senior Officer responsible for the preparation of corporate accounting documents;
 - the organisation and structure of the Bank and its Subsidiaries, including reference to changes in the number of Group Companies (notable amongst which are the merger of IW Bank into UBI Banca Private Investment and the International Strategy Project and UBI World Project) and the information relating to the senior management of the Bank and its subsidiaries;
 - matters relating to the system of powers, the definition and attribution of responsibilities and the management of resources, such as the remuneration and incentive schemes, changes in staff costs, the training activity carried out by UBI Academy and the *Qualità Risorse Umane* [Quality Human Resources] project;
 - the reporting lines, with particular regard to reporting from the control functions to senior management and the frequency of reporting required by the organisational units responsible for controls, also including the co-ordination of corporate control functions, defined in the Internal Control System Policy of UBI Banca Group;
 - the activities of the Supervisory Bodies of the Group member companies, including specific meetings, with a particular focus on the areas affected by the New regulations for prudential supervision issued by the Bank of Italy and the use of advanced internal models adopted by the Group for measuring and managing credit and operational risks and the process of convergence with the European Single Supervisory Mechanism;
 - assessment of the adequacy of the organisational and accounting structures of the Bank, taking into account evidence provided by the independent auditors and reports made by the Chief Financial Officer; matters relating to anti-money laundering, with a particular focus on implementing the “Anti-money laundering - appropriate verification of customers and keeping of the AUI [single financial transactions database]” project, designed to ensure the compliance of procedures and internal systems with the regulations in force;
 - compliance (using, amongst other things, the reports produced) to monitor the progress of the initiatives relating to the relevant organisational and regulatory framework and those designed to strengthen compliance processes and in particular the centralisation at the Parent of the compliance functions of UBI Leasing, Prestitalia and UBI Factor. There was also a similar centralisation process in relation to the Risk Management function;

- transparency, usury and privacy, with particular reference to developments in monitoring compliance in relation to these matters, pursuant to the specific projects launched by the Parent;
- matters concerning the complaints management process;
- activities to prepare for the UBI Banca Shareholders' Meeting;
- the supervision of the adequacy of the risk management and control system and of the regulatory compliance of the Internal Capital Adequacy Assessment Process (ICAAP), monitoring in particular activities roll out the use of advanced methods in Group member companies, developments in the methodology of internal models and the new requirements for the Group to submit periodic reports;
- the evaluation of the activities plan of the corporate control functions and of their regular reports on the activities carried out (Internal Audit, Corporate Anti-Money Laundering Officer, Compliance, Risk Management and Complaints);
- the policy setting and co-ordination activities of the Parent, with particular attention to its subsidiaries;
- the provision of investment services, with regard to the process for the management and control of derivative products traded in the Group (with a focus on the system of authorisations and powers and on the reporting procedures adopted for management and accounting purposes) and the management of the proprietary securities portfolio;
- areas relating to covered bonds, analysing the results of internal audits carried out by the Internal Audit Function on the programme for issuing them, the securitisations, and transactions with related parties - significant intragroup and "atypical" transactions;
- on aspects affected by legislation concerning external statutory audits of annual separate and consolidated financial statements, including specific meetings with the "Senior Officer responsible for the preparation of corporate accounting documents" and with members of independent auditors;
- on periodic reporting and specific reporting on the results of analyses conducted by the Internal Audit Function;
- on relations with Supervisory Authorities, with specific regard to requests for self-analysis concerning specific operations and inspections carried out at the Bank and its subsidiaries, including Bank of Italy monitoring of governance at UBI Banca relating to policies and practices concerning remuneration and incentives and inspections of the network banks relating to transparency;
- on an examination of the underlying causes of the main damaging events in the Group;
- on changes to the Internal Audit, in terms of the structure, staff numbers and operational tools of the function - particularly the aspects relating to the setting up of a system for the automatic assignment of ratings to Italian branches, in support of the remote monitoring activities performed by the Internal Audit - as well as the Quality Assurance review carried out by an external company with positive results;
- on the assignment of the post of Officer Responsible for the Risk Control Function to the Chief Risk Officer, in relation to which it has formulated its opinion pursuant to Art. 47, paragraph 1, letter q. of the Articles of Association of UBI Banca.

As concerns our activities in 2015 we report that, at the date of this report, the Internal Control Committee has set the dates of its meetings until 31st December, planning to hold 26 meetings, three of which have already been held.

10. Accounts Committee

The Accounts Committee is composed of the following members of the Supervisory Board:

- Lorenzo Renato Guerini, as the Chairman
- Dorino Mario Agliardi
- Marina Brogi
- Federico Manzoni

The purpose of the Committee (which is by governed by special regulations published in the Corporate Governance/Supervisory Board section of the Bank's website) is to support the Supervisory Board by performing assessments, furnishing advice and submitting proposals in accordance with regulatory requirements, as may be in force from time to time, relating to the approval of financial statements and periodic reports. It may express opinions designed to allow the Board itself to make decisions in a knowledgeable and informed manner.

The committee is, in that particular respect, required to provide the Supervisory Board with a factual and analytical understanding of such statements and reports. This is done through fact-finding activities performed on the accounts prior to the preparation of annual separate and consolidated financial statements or half year and quarterly reports. The committee then oversees the preparation of accounting documentation through the examination of figures and other relevant information as and when they become available. In order to do this the Committee:

- examines accounting issues common to all Group member companies;
- examines accounting issues relating to individual Group member companies;
- acquires detailed knowledge of issues concerning the measurement of items in the accounts;
- acquires detailed knowledge of issues concerning the presentation of accounts;
- studies issues concerning supervisory regulations for banks, acquiring knowledge of technical and discretionary aspects.

The Supervisory Board may also ask the Committee to study specific issues within the scope of its responsibilities.

The Committee performs its duties using the information provided to the Supervisory Board in compliance with the relevant regulations and any additional information provided by the Senior Officer responsible for the preparation of corporate accounting documents.

The Accounts Committee met 10 times in 2014. The average length of each meeting was approximately three hours.

The Accounts Committee focused on an examination of matters concerning the separate and consolidated financial statements of the Parent, the half year financial report and the quarterly reports to the end of March and September. In this context, the committee acquired detailed information, overseeing the preparation of the aforementioned documents on the basis of information furnished by the Officer Responsible for the Preparation of Corporate Accounting Documents, with a focus mainly on technical aspects of the accounts for which it was considered the involvement of the committee itself was appropriate. Particular attention was paid to the following:

- the most important accounting matters and their impact on the balance sheets of the Group and its main legal entities;
- the process and method used for the recognition of impairment losses on intangible assets, and in particular on goodwill, finite useful life intangible assets and equity investments;
- the loan loss rate, deteriorated loans and receivables and the trends of the related coverage rates, with a particular focus on the most significant positions and on impairment losses on loans, calculated either singly or collectively, including comparisons between Group companies and comparisons with the main market competitors;
- the procedures for the identification, classification and measurement of forborne loans and the regulatory updates related to the IFRS 9 accounting standard;
- the valuation of the own securities and equity investment portfolios;
- verification of the existence of contingent assets as defined by IAS 37;
- the state of the Group's tax litigation and the examination of the legal opinions provided on the most significant cases;
- deferred taxation and the regulatory developments in this regard, with particular reference to examination of the recoverability of deferred tax assets;
- the accounting effects of the introduction of new regulations and tax legislation;
- the disclosure of the main aspects of financial statements and periodic financial reports;
- updates to the Group Accounting and Reporting Manual and the newsletters issued on the main changes relating to accounting;

- examination of responses to information requests made by the authorities in relation to accounting and financial statements;
- legislative and regulatory changes, including those at the consultation stage, concerning supervisory reporting and financial statements, with particular reference to the implementation of the FINREP and COREP regulations within the Group;
- the progress of the process for the centralisation of the administration, accounts and management control of the product companies (UBI Leasing, UBI Factor and Prestitalia) to the CFO of the Parent;
- methodological aspects relating to audit activity pursuant to Law No. 262/2005 and the outcomes of audits performed at the times of the annual and half year reports;
- monitoring of activities related to and resulting from the Comprehensive Assessment carried out by the European Central Bank in co-operation with the national central banks, for aspects considered particularly relevant to the Committee.

Two meetings have already been held in 2015.

11. Related and Connected Parties Committee

The Related and Connected Parties Committee is composed of the following members of the Supervisory Board:

- Marco Giacinto Gallarati - as the Chairman;
- Antonella Bardoni;
- Enrico Minelli.

The Related and Connected Parties Committee is required to perform the tasks allocated to it:

- by the "Regulations for UBI Banca Scpa Related Party Transactions" adopted in implementation of Art. 2391 *bis* of the Italian Civil Code and Consob requirements with respect to related parties adopted with Resolution No. 17221/2010 and subsequent amendments;
- by the "Regulations for transactions with parties connected to the UBI Group", adopted in implementation of Title V, Chapter 5 of Bank of Italy Circular No. 263 of 27th December 2006 - 9th amendment of 12th December 2011, "New regulations for the prudential supervision of banks", containing measures concerning "risk assets and conflicts of interest with connected parties".

The committee's procedures are governed by the regulations mentioned above, available in the Corporate Governance/Supervisory Board section of the Bank's website.

The "Regulations for UBI Banca Scpa related party transactions" govern rules relating to the identification, approval and implementation of related party transactions performed by Unione di Banche Italiane Scpa, either directly or through its subsidiaries, in order to ensure their substantive and procedural fairness.

The Supervisory Board oversees compliance of the Regulations with the principles recommended in the Consob Regulation and also observance of the procedural and substantive rules contained in them and it reports in this respect to shareholders in accordance with Art. 153 of Legislative Decree No. 58 of 24th February 1998 (the "Consolidated Finance Act"). To achieve this, the Management Board provides the Supervisory Board, at least every quarter, with a list of all the related party transactions completed in the preceding quarter, including those not subject to a prior opinion from the Committee in accordance with these regulations.

The "Regulations for transactions with parties connected to the UBI Banca Group" govern procedures for maintaining the integrity of decision-making processes in transactions with connected parties performed by Unione di Banche Italiane Scpa, and by the members (banking or non-banking) of the banking group controlled by it.

The corporate bodies of UBI Banca Group member companies that perform a strategic supervisory function supervise the proper application of the provisions of these regulations by the respective companies on a separate company basis, with the support of the relevant functions. To achieve this, each of these bodies updates, at least every quarter, the list of all the connected-party transactions completed in the preceding quarter, including those not subject to a prior opinion from the Committee in accordance with these regulations.

In order, amongst other things, to enable the Parent to maintain constant compliance with the consolidated limit on risk assets, the Supervisory Board oversees compliance of these Regulations with the principles recommended in the supervisory provisions and also observance, at consolidated level, of the procedural and substantive rules contained in them and it reports to shareholders in accordance with Art. 153 of the Consolidated Finance Act. To achieve this the corporate bodies that perform a strategic supervisory function for the other UBI Banca Group member companies send the Supervisory Board of the Parent the lists of all the connected-party transactions completed in the preceding quarter, including those not subject to a prior opinion from the Committee in accordance with these regulations, on a quarterly basis.

The Related and Connected Parties Committee met twelve times in 2014 (the average length of the meetings was one hour) concentrating mainly on the following fields:

- opinions on the existence of an advantage for UBI Banca in entering into contracts with related parties, and on the advantages and fairness of the relative conditions;
- opinions on the existence of an advantage for a subsidiary company in entering into contracts with connected parties, and on the advantages and substantial fairness of the relative conditions;
- examination and acknowledgement of the periodic receipt of the list of all the connected-party transactions performed, including those not subject to a prior opinion from the Related and Connected Parties Committee;
- examination and acknowledgement of the periodic receipt of the list of all the connected-party transactions performed, including those not subject to a prior opinion from the Related and Connected Parties Committee;
- compliance testing of the completeness and correctness of the survey of connected parties in the Group customer database, with reference to those categorised as Corporate Executives;
- examination and reading of the report on the Related and Connected Parties Committee pursuant to Art. 123 bis, paragraph 2, letter d) of the Consolidated Finance Act;
- examination and reading of the periodic financial report on related party transactions in the annual and interim management reports.

One meeting has already been held in 2015.

The Committee submits regular special reports to the Supervisory Board on the activities performed.

12. Management Board

12.1. Appointment and replacement (pursuant to Art. 123 bis, paragraph 1, letter l) of the Consolidated Finance Act)

The Management Board is composed of between a minimum of seven and a maximum of nine members including a Chairman, a Deputy Chairman and a Chief Executive Officer.

The members of the Management Board are appointed from among registered shareholders with voting rights by the Supervisory Board, on the basis of a proposal by the Appointments Committee, after their number has first been set, according to a criterion which, in compliance with Law No. 120 of 12th July 2011, ensures a balance between genders for the period provided for by that law.

Subject to regulatory constraints, two members of the Management Board will be selected from

the most senior managers of the Bank. The board member appointed as Chief Executive Officer is not counted as one of the managers required above pursuant to Art. 42 of the Articles of Association, even if he is a Top Manager of the Bank at the time of his appointment or is appointed as one thereafter.

The members of the Management Board shall remain in office for three financial years. Their term of office shall expire on the date of the Supervisory Board meeting convened to approve the financial statements relating to their last year in office. They remain in office in any event until a new Management Board is appointed in accordance with Art. 46, letter a) of the Articles of Association and they may be re-appointed.

The members of the Management Board who are also Top Managers of the Bank must step down from the position of board member at the time when, for whatever reason, they cease to hold the position of Top Manager.

The members of the Supervisory Board cannot be appointed as members of the Management Board as long as they remain in that office.

If the positions of one or more members of the Management Board become vacant, the Supervisory Board replaces them without delay, again on the basis of a proposal submitted by the Appointments Committee in compliance with the proportions established by Law No. 120 of 12th July 2011 for the purposes of ensuring balance between genders. The term of office of members appointed in this manner shall expire at the same time as that of those in office when they were appointed.

If for any reason the positions of the majority of the members originally appointed by the Supervisory Board become vacant, then the entire Management Board shall be considered as removed from office from the date of the appointment of new members. The latter shall remain in office for the remaining term of office that the original Management Board would have served.

At least one of the members of the Management Board must hold the requirements of independence pursuant to Art. 148, paragraph three of Legislative Decree No. 58 of 24th February 1998.

In addition to this, at least the majority of them must have gained at least three years' experience by exercising professional and/or managerial activity in financial and/or stock brokerage and/or banking and/or insurance companies in Italy or abroad. Furthermore, as resolved by the Extraordinary Shareholder's Meeting held on 10th May 2014, the next time the Management Board is renewed, this requirement will no longer apply, while it will be required that none of the members of the Supervisory Board shall be aged 70 or over when they are appointed, and each of them must have a total of at least three years' experience as chairman, in Italy or elsewhere, or at least five years' experience of:

- administration or strategic supervision

or

- management

in

- banks, financial companies, asset management companies, or insurance companies;
- independent public authorities;
- businesses aimed at the production and/or trading of goods or services;
- companies with shares traded on regulated markets in Italy or elsewhere.

Candidates who have not gained this professional experience may also be elected as long as they are or have been enrolled in the register of chartered accountants, notaries, or lawyers for at least ten years.

The members of the Management Board are actively involved in the management of the Bank in compliance with policies approved by the Supervisory Board and submitted to it by the Management Board itself, which as specifically required by the Articles of Association performs its main activities exclusively on a collegial basis with no powers to delegate authority.

12.2. Composition (pursuant to Art. 123 bis, paragraph 2, letter d) of the Consolidated Finance Act)

On 23rd April 2013 the Supervisory Board set the number of members at nine, appointing *Rag.* Franco Polotti as Chairman and *Dott.* Giorgio Frigeri as Deputy Chairman, designating *Dott.* Victor Massiah as Chief Executive Officer, who was then appointed by the Management Board at their meeting on 23rd April 2013.

The Management Board is currently composed of the following members, in office for three financial years:

Franco	Polotti	Chairman
Giorgio	Frigeri	Deputy Chairman
Victor	Massiah	Chief Executive Officer
Silvia	Fidanza	Member
Luciana	Gattinoni	Member
Francesco	Iorio	Member
Italo	Lucchini	Member
Flavio	Pizzini	Member
Elvio	Sonnino	Member

The Chief Risk Officer is present at meetings of the Management Board in a purely advisory capacity, without prejudice to the provisions of the supervisory regulations.

The curricula vitae of the members of the Management Board in office are available on the website of UBI Banca, while attachment A) lists the positions held by all the board members in companies listed in regulated markets, including foreign markets, and in financial, banking, insurance or large companies.

As a general rule and with the exception of resolutions that must be passed by a qualified majority, the attendance of more than half the members in office is required for meetings of the Management Board to be valid.

The provisions of the "Internal regulations on the limits to the accumulation of positions by company personnel" adopted by the Parent in June 2009, subsequently modified by decisions taken by the Supervisory Board on 18th July 2012, and implemented by the banks in the Group, apply to the Management Board.

These regulations apply to members of the Management Board and the Supervisory Board of the Parent, to the board members and statutory auditors of the banks in the Group, without prejudice to compliance with mandatory legislation and regulations and the provisions of the Supervisory Authority, including regulations concerning the limits on the accumulation of positions by members of the supervisory bodies of listed issuers and companies with publicly distributed financial instruments, which the Group's regulations extend to cover all the statutory auditors of all the banks in the Group.

Those regulations state that not only are board members not permitted to accept more than five appointments in issuer companies that are not Group members, but also they may not accept other appointments as board members in companies in the Group and external to it, above a maximum limit of a total of six points, resulting from the application of a system of calculation that assigns weights to different types of position dependent on the class of company.

With regard to Groups of companies, for persons belonging to subsidiaries who also perform the same function in the Parent, the regulations allow a reduction by fifty percent of the weighting for the position occupied in the subsidiary company, in consideration of the synergies resulting from a knowledge of the facts and conditions that concern the entire group to which they belong and which therefore reduce, other conditions remaining the same, the commitment involved compared to that required for activities performed in other similar, but independent companies. Similarly, the regulations allow a reduction of thirty percent in the weighting for positions occupied by members of the Management Board of UBI Banca in

companies in which the UBI Group holds a strategic investment, or in associates. There are also specific rules for the directors and statutory auditors of authorities and partners of the Group by virtue of shareholders' agreements and those who hold posts in the parent company and subsidiaries of a group other than the UBI Banca Group, for which positions held in the subsidiaries of the said outside group are exempt.

At the date of this report, an analysis of the accumulation of positions held by members of the Management Board of UBI Banca found a situation compliant with the contents of the regulations.

The corporate bodies of UBI Banca launched the Self-Assessment Process for the years linked to the duration of their mandate, with an indication of the actions to be taken and the related schedule, and for the provision and implementation of a peer review system and process in the second and third years of their mandate, assisted for that purpose by the consultancy support of Egon Zehnder International. In this context, as at the start of its mandate in 2013, the Management Board carried out another Self-Assessment Process relating to its size, composition and functioning in 2014, with the assistance of the appointed consultant. The self-assessment of the Management Board was specifically addressed in the board meeting of 24th March 2014, at which it examined the results of a specific self-assessment questionnaire filled in by each board member, followed by individual interviews carried out by the consultant. The self-assessment was conducted with particular reference to the following factors: (i) the quality and completeness of skills, experience and expertise within the Board as a whole; (ii) sufficient number of board members; (iii) the quality of Board meetings; (iv) the quality and promptness of reporting and presentations to the Board; (v) the effectiveness and efficiency of decision-making processes within the Board; (vi) the clarity, agreement and satisfaction with regard to policies, performance and risk objectives and the results achieved. The Self-Assessment Process, together with points for consideration that will help further to improve the activities of the Board, showed that the Board is characterised by a level of diversity in terms of professional managerial and business experience, and that, taken as a whole, the proceedings of Board and Committee meetings, in terms of organisation, analysis of the issues, and the attendance of board members at meetings and in discussions, are key elements for the efficient and effective performance of the functions assigned to the Management Board.

12.3. Role of the Management Board (pursuant to Art. 123 *bis*, paragraph 2, letter d) of the Consolidated Finance Act)

The Management Board meets at least once a month, as well as each time the Chairman thinks it fit to call a meeting or when a request is submitted by at least half the members in office. Meetings are held alternating between the city of Bergamo and the city of Brescia and generally once a year in the city of Milan.

The Management Board met 29 times in 2014 and the average length of meetings was approximately 5 hours.

In order to facilitate attendance at board meetings, Art. 34 of the Articles of Association allows remote attendance through the use of appropriate audio/videoconference and/or teleconference connections.

Resolutions of the Management Board are passed by open vote, with the vote in favour of the majority of the members present.

In compliance with Borsa Italiana regulations, in January UBI Banca announced its calendar of corporate events for 2015 to the market (and published it on its website), with the dates of board meetings for the approval of operating and financial results.

We also report that the Management Board has planned 24 meetings for 2015, of which three have already been held.

At least one member of the Internal Control Committee attends meetings of the Management Board on a rotating basis in compliance with regulations in force.

The Chairman, after consulting with the Chief Executive Officer or on his request, may invite senior managers of the Group and/or external consultants to meetings to report on specific matters, or officers of Group member companies to report on matters in subsidiaries.

The functions of the Management Board are given in Art. 37 of the Articles of Association, according to which the Management Board is responsible for managing the Bank in compliance with the general guidelines and strategic policies approved by the Supervisory Board, with account taken of the proposals made in relation to this by the Management Board itself. To achieve this, it performs all the operations necessary, useful or in any case advisable to implement the company objects, whether of an ordinary or extraordinary nature.

In addition to those matters that cannot be delegated by law and to those pursuant to the last paragraph of Art. 36 of the Articles of Association, the Management Board has exclusive responsibility for the following:

- the formulation of the strategic policies and plans of the Bank and the Group, on the basis of proposals from the Chief Executive Officer, to be submitted to the Supervisory Board for approval, with account also taken of the recommendations on the matter made by the Supervisory Board;
- the granting and revocation of the powers of the Chief Executive Officer. The selection of the member of the Management Board to whom powers are granted must be performed on the basis of a non-binding proposal from the Supervisory Board, decided in turn, subject to a proposal by the Appointments Committee. If this proposal has not been made by the Appointments Committee with the quorum required by the relative regulations, the proposal submitted by the Supervisory Board to the Management Board shall be decided with the vote in favour of at least two thirds of the members of the Supervisory Board. The revocation of the powers is decided by the Management Board with the vote in favour of all the members of the Management Board except for the person concerned, after consultation with the Supervisory Board;
 - the formulation, on the basis of proposals from the Chief Executive Officer, of the business and/or financial plans and the budgets of the Bank and the Group to be submitted to the Supervisory Board for approval pursuant to Art. 2409-terdecies of the Italian Civil Code;
 - the definition of recommendations and policies for risk management, including the policy relating to the risk of non-compliance with internal regulations and controls, to be submitted to the Supervisory Board for approval;
 - the assignment, amendment or revocation of powers of attorney and authorities as well as assigning special functions or powers of attorney to one or more Board Members;
 - the appointment and removal of the General Manager and other members of General Management, defining their functions and responsibilities and also the appointment of the senior management of the Company and the companies in the Group;
 - the designation of members of the Board of Directors and of the Board of Statutory Auditors of the companies belonging to the Group, without prejudice to the provisions of Art. 36, paragraph two, letter c) of the Articles of Association;
 - proposals concerning the acquisition or disposal of controlling investments in companies and the acquisition or disposal of non controlling investments where the amount is greater than 0.01% of the supervisory capital eligible for calculating the consolidated core tier one capital as stated in the latest report to the Bank of Italy in accordance with the regulations in force;
 - the opening and closing of branches and representative offices;
 - the determination of the organisational, administrative and accounting structure of the Bank, to be submitted to the Supervisory Board for approval, and, without prejudice to the exclusive powers of the Supervisory Board pursuant to Art. 49 of the Articles of Association, setting up committees or commissions with advisory, investigative, controlling or coordinating functions, without prejudice to Art. 42, paragraph two of the Articles of Association;
 - the approval and amendment of the regulations of the Bank and the Group, with exception made for the responsibilities and powers of the Supervisory Board pursuant to Art. 46, paragraph I, letter s) of the Articles of Association;

- the determination of the criteria for the co-ordination and management of Group member companies and also the criteria for implementing instructions issued by the Bank of Italy;
- subject to the mandatory opinion of the Supervisory Board, the appointment and dismissal of the financial reporting officer, pursuant to Art. 154-*bis* of Legislative Decree No. 58 of 24th February 1998, and the determination of the relative remuneration;
- the appointment and dismissal of the Anti Money-Laundering Officer, in agreement with the Supervisory Board;
- preparing separate financial statements and consolidated financial statements for approval;
- the exercise of powers to increase the share capital granted pursuant to Art. 2443 of the Italian Civil Code and also to issue convertible bonds pursuant to Art. 2420 *ter* of the Italian Civil Code, subject to authorisation by the Supervisory Board;
- obligations of the Management Board pursuant to articles 2446 and 2447 of the Italian Civil Code;
- formulation of merger or demerger plans;
- proposals for transactions pursuant to Art. 46, paragraph I, letter m) of the Articles of Association to submit to the Supervisory Board for approval;
- definition of criteria to identify related party transactions for which responsibility will lie with the board itself.

The Management Board carries out periodic evaluations of the performance of operations, especially in the light of information provided by the Chief Executive Officer, which may coincide with the presentation of the income statement figures of the Bank and the Group, and periodic comparisons of results with budget figures.

Special regulations govern the functioning of the Management Board concerning:

- the general organisation of the work of the Management Board;
- the preparation of agendas for meetings;
- procedures, timing and contents of documentation to be sent to members of the Management Board;
- holding meetings;
- minutes and records of decision-making processes;
- reporting on the decisions taken.

A special section of those regulations deals with reporting systems.

In compliance with the Articles of Association, after first consulting with the Remuneration Committee, the Supervisory Board sets the remuneration of the Management Board and of its members to whom special offices, duties or powers have been assigned.

The relative amounts are reported in detail in the Remuneration Report prepared in accordance with Art. 123 *ter* of the Consolidated Finance Act, which may be consulted.

Following the renewal of terms of office of corporate bodies in 2013, a programme has started that involves the holding of two training meetings for officers of UBI Banca in 2013. In this respect, in 2014 the Management Board and Supervisory Board approved a two year programme of meetings to be held in 2014 and 2015, identifying specific topics to be covered. Two meetings were held in 2014: on 26th February 2014, about “The governance of management risks and strategic actions”, and on 27th November 2014, about “The system of controls”.

12.4. Executive officers

Chief Executive Officer

The Management Board appointed *Dott.* Victor Massiah as Chief Executive Officer, with prime responsibility for the management of the bank.

The Management Board, in compliance with the Articles of Association, has conferred the following powers on the Chief Executive Officer:

- to supervise the management of the Bank and of the Group;
- to supervise the strategic co-ordination and the operational control of the Bank and the Group;
- to supervise the implementation of the organisational, administrative and accounting structure decided by the Management Board and approved by the Supervisory Board;
- to determine working directives for the General Management;
- to oversee the integration of the Group;
- to submit proposals to the Management Board for the formulation of the general programmes and strategic policies of the Bank and the Group and to draw up the business and/or financial plans and budgets of the Bank and the Group to be submitted for the approval of the Supervisory Board and to supervise implementation through the general management;
- to propose budgetary policy and policies on the optimisation of the use and enhancement of human resources and to submit financial statements and periodic financial reports to the Management Board for approval;
- to propose appointments to the senior operational and executive management of the Group to the Management Board, in agreement with the Chairman and Deputy Chairman of the Management Board and after consultation with the General Manager;
- to promote integrated risk management;
- to make extraordinary requests for inspections and investigations to the internal control function through the Internal Control Committee.

In accordance with the Articles of Association, the Chief Executive Officer reports quarterly to the Management Board on foreseeable developments and on the most important transactions performed by the Bank and its subsidiaries. The Chief Executive Officer reports monthly to the Management Board on the results of the Bank and the main subsidiaries of the Group as a whole.

Furthermore, on 23rd April 2013, the Management Board assigned duties to the Chief Executive Officer pursuant to Art. 43 *bis* of the Articles of Association, with the support of the General Manager in connection with the overall design of internal control systems.

Finally, the Management Board, consistent with the organisational and management responsibilities assigned to the Chief Executive Officer, granted him specific operating powers, within set limits.

12.5. Chairman of the Management Board

The duties of the Chairman of the Management Board are listed in Art. 39 of the Articles of Association. More specifically the Chairman of the Management Board, who acts as the Bank's legally authorised representative and authorised signatory, performs the tasks that are typically carried out by the Chairman of a company's management body, which he performs by liaising with the other corporate bodies where appropriate.

12.6. Other Executive Board Members

The Management Board consists mainly of executive members, consistent with the function of strategic supervision assigned to the Supervisory Board (see the details provided in summary table No. 3).

The members of the Management Board are actively involved in the management of the Bank in compliance with policies approved by the Supervisory Board and submitted to it by the Management Board itself, which as specifically required by the Articles of Association performs its main activities exclusively on a collegial basis with no powers to delegate authority.

In addition to the Chief Executive Officer, the Articles of Association (Art. 39) also assign powers and functions to the Chairman and the Deputy Chairman which underline their involvement in the management of the Bank.

The management commitments and responsibilities of board members apply not only to the sphere of the Management Board, but also at Group level by appointments to positions in the governing bodies of the main subsidiaries of UBI Banca, which actively helps to ensure that

the various member companies of the Group comply with instructions issued by the Parent in the exercise of its management and co-ordination activities.

12.7. Independent board members

In accordance with the Articles of Association, at least one member of the Management Board must possess the requirements of independence pursuant to Art. 148, paragraph 3 of Legislative Decree No. 58 of 24th February 1998, in compliance with Art. 147 *quater* of the Consolidated Finance Act.

The Management Board verified the independence of the individual board members when they were appointed and then verifies this annually; the last verification of this carried out by the Management Board before the approval of this report established that board members *Dott.ssa* Silvia Fidanza and *Dott.* Italo Lucchini meet the above requirements. In this context, in compliance with, amongst other things, the Bank of Italy instructions concerning corporate governance, an analysis of the lending relationships between each board member and the Group was carried out.

The members of the Management Board are not required to meet the requisites of independence in the Corporate Governance Code, due, amongst other things, to the decision made by UBI Banca to form the internal committees within the Supervisory Board provided for by that code (for which those requisites are required).

13. The Board of Arbitrators

Appeal may be made to the Board of Arbitrators to settle any disputes that may arise between the Bank and/or Registered Shareholders over the interpretation or application of the Articles of Association and over any other resolutions or decisions taken by the governing bodies of the Bank concerning its business. It decides as a friendly arbiter by absolute majority vote. Without prejudice to the legislation and regulations currently in force, application to the Board of Arbitrators is not compulsory. Its decisions are not binding on the parties and do not constitute a hindrance to taking disputes before the courts or any other any authority with jurisdiction for settlement. The Board of Arbitrators regulates its own proceedings as it deems appropriate without being bound by procedural formalities. The Management Board and the General Manager or an employee designated by him shall be required to provide the arbitrators with all the information that they may request concerning disputes to be settled.

The Board of Arbitrators consists of a Chairman, two full members and two alternate members, elected by a shareholders' meeting from amongst the Registered Shareholders of the Bank or others.

The arbitrators remain in office for three years and may be re-elected.
Grounds must be given for their removal.

The arbitrators they provide their services free of charge, except for the reimbursement of expenses.

If a Full Arbitrator vacates his position during his three year period of office, he is replaced by the most senior alternate member by age. If the Chairman of the Arbitrators vacates his position, the chairmanship is taken by the most senior Full Arbitrator by age for the remainder of the three year period.

If as a result of replacements, the number of the remaining alternate members falls to one, then a Shareholders' Meeting shall elect the Arbitrator required to make up the total number. The election of the arbitrators takes place on the basis of individual candidates submitted by Registered Shareholders and/or by the Supervisory Board, where the maximum number is that of the number of arbitrators to be elected.

The candidature, signed by the person or persons submitting it, must indicate the name of the candidate to the office of Arbitrator, with no distinction made between full and alternate, and

it must be deposited at the registered offices within the time limit set by the regulations in force for the submission of lists of candidates for election to the Supervisory Board. It must be accompanied: (i) by information on the identity of the Registered Shareholder or Registered Shareholders submitting it, with an indication of the number of shares and therefore the percentage totally held, to be certified when the candidature is deposited according to the procedures set by the regulations in force; (ii) by exhaustive information on the personal and professional characteristics of the candidate and (iii) by the declaration with which the candidate accepts their candidature.

The signature of each Registered Shareholder submitting a list must be duly authenticated in accordance with the law by employees of either the Bank or its subsidiaries specifically authorised by the Management Board.

Candidatures submitted that fail to observe the procedures reported above are considered as not submitted.

If no candidatures are submitted within the time limit set, the Shareholders' Meeting votes on candidatures submitted during the meeting by the Registered Shareholders present.

Each person with the right to vote may vote for a maximum number of candidates equal to that of the arbitrators to be elected.

The candidates are ranked in decreasing order on the basis of the number of votes obtained.

The first three candidates voted are elected as Full Arbitrators and the next two candidates voted are elected as Alternate Arbitrators.

In the event of a tied vote between candidates, the Shareholders' Meeting votes by ballot in order to establish the rank order.

The candidate who receives the majority of the votes is elected Chairman.

On 28th April 2012 the Shareholders' Meeting appointed the following Board of Arbitrators for the three year period 2012/2014:

<i>Avv.</i> Giampiero Donati	Chairman
<i>Avv.</i> Mario Caffi	Full Arbitrator
<i>Avv.</i> Giuseppe Onofri	Full Arbitrator
<i>Avv.</i> Attilio Rota	Alternate Arbitrator
<i>Avv.</i> Pierluigi Tirale	Alternate Arbitrator

Full arbitrator *Avv.* Mario Caffi passed away on 14th September 2013 and, in accordance with the Articles of Association, *Avv.* Attilio Rota took his place as Full Arbitrator.

The Shareholders' Meeting held on 10th May 2014 made up the number of the Board of Arbitrators by confirming *Avv.* Attilio Rota, who became a Full Arbitrator on 14th September 2013 following the death of *Avv.* Mario Caffi, and appointing *Prof.* Rodolfo Luzzana as Alternate Arbitrator.

The Shareholders' Meeting scheduled for 24th April 2015 in first call and 25th April 2015 in second call must appoint the new Board of Arbitrators for the three year period 2015/2017.

14. General management

The Management Board, in compliance with the Articles of Association, has appointed *Dott.* Francesco Iorio to the position of General Manager with the following functions and responsibilities:

- chief operating officer;
- chief of personnel;
- he generally (unless otherwise indicated by the management bodies responsible) supervises the implementation of decisions taken by the Management Board and the Chief Executive Officer;
- he manages everyday business in compliance with the policies set by the governing bodies;
- he attends Management Board meetings with a consultative vote;
- he co-ordinates the operations of the Bank and the Group.

The Management Board appointed *Dott.* Elvio Sonnino as Senior Deputy General Manager

and the Deputy General Managers listed below who have been assigned various responsibilities in the Group:

- Rossella Leidi
- Ettore Giuseppe Medda
- Pierangelo Rigamonti.

15. Internal control and risk management system

Internal controls

The UBI Banca Group, in compliance with Bank of Italy provisions and in line with the principles required by the Corporate Governance Code and the Articles of Association, defines its internal control system as the set of rules, procedures and organisational units designed, in accordance with sound and prudent management, to ensure the achievement of the following aims:

- verifying that company strategies and policies are implemented;
- containment of risk within the limits set in the reference framework for determining the risk appetite of the Bank (Risk Appetite Framework - RAF);
- safeguarding the value of assets and protecting against losses;
- effectiveness and efficiency of company processes;
- reliability and security of company records and IT procedures;
- preventing the risk of the Bank being involved, even involuntarily, in illicit activities (with particular reference to those associated with money-laundering, usury and the financing of terrorism);
- compliance of operations with the law and supervisory regulations and also with internal policies, regulations and procedures¹.

The process of assessing the internal control system and verifying its completeness, adequacy, functionality (in terms of efficiency and effectiveness) and reliability form part of the responsibilities of the corporate bodies which fulfil strategic supervision, control and management functions, supported by the control functions. In order to accomplish this, the Supervisory Board makes use of the Internal Control Committee which it forms directly itself (the composition, powers and functioning of the Internal Control Committee have already been examined in this report in the section specifically on that Committee).

UBI Banca Group Internal Control System Policy

In the context of the amendments required by the new provisions concerning the “System of internal controls, information systems and operational continuity” (Prudential Supervision of Banks - Circular No 263 of 27th December 2006 - 15th update), on 1st July 2014 the Supervisory Board approved the “UBI Group Internal Control System Policy” which is the reference document for the definition and implementation of all the components of the Group’s internal control system.

In particular, the UBI Banca Group internal control system policy:

- is essential knowledge for the corporate bodies, making them fully aware of the current position of the Bank;
- ensures effective management of corporate risks and the relationships between them;
- guides changes in the Bank’s strategies and policies;
- makes it possible to adapt the organisational context in which the Group operates in a consistent manner;
- oversees the functionality of management systems and compliance with prudential supervision obligations;
- promotes the development of a positive culture in relation to risk, legality and corporate values.

In the light of these statements, it follows that the UBI Banca Group Internal Control System:

¹ Circular No 263 of 27th December 2006 (15th update of 2nd July 2013), Title V, Chapter 7, Section I, paragraph. 6, “General principles”.

- is of strategic importance and, more generally, that the “control culture” has widespread approval, with a prominent position in the Group’s hierarchy of values, and does not concern solely the corporate control functions, but also the entire business organisation of the Parent and the Group member companies (e.g. corporate bodies, units, management hierarchy and staff);
- it represents an essential part of the corporate governance system of the Parent and Group member companies and assumes a role of fundamental importance in the identification, mitigation and management of significant risks, contributing to the protection of shareholders' investments and the assets of the entire Group as well as protecting its customers and the integrity of the markets in which it operates.

The guiding principles of UBI Banca Group’s internal control system are characterised by a scope of application that extends to all Group member companies. They are key to the definition and implementation of all the components of the internal control system. In this context the application of the internal control system by all the Group member companies is an important factor enabling the achievement of a single business model.

The principles described accordingly highlight the importance of:

- an integrated vision designed to achieve high levels of effectiveness and efficiency, at the same time avoiding overlaps and/or potential gaps in governance control, risk management and the valuation processes and methods used for corporate activities, including those used for accounting purposes;
- consistency in the organisational process of the Bank and the Group which, based on the Group’s mission, identifies values, defines objectives, immediately pinpoints risks that hinder their achievement and implements appropriate corrective measures;
- compliance with the general organisational principles that ensure the formalisation of the functions assigned to staff, the unambiguous identification of tasks and responsibilities and the separation of the operating and control functions for the prevention of conflicts of interest;
- compliance with legislation and regulations, even before they become compulsory, as a distinguishing feature and key factor of success for enhancing customer relations and, ultimately, creating value for all stakeholders;
- reinforcement of the capacity of the Bank to manage corporate risk in compliance with the RAF, ensuring sound and prudent management and financial stability.

With reference to the implementation of the internal control system, it should be noted that control activity is not the exclusive responsibility of the corporate control functions or bodies, but involves the entire business organisation (bodies, units, management hierarchy and staff) in developing and applying logical and systematic methods to identify, measure, communicate and manage the intrinsic risks of transactions, according to their different levels of responsibility.

Given the above, the internal control system of the Group is divided, in compliance with the provisions of the supervisory instructions, into the following levels of control:

- *line controls (first level controls)*: designed to ensure the proper performance of operations. These controls are carried out by the operating units themselves (e.g. hierarchical, systematic and sample controls), and may also be carried out by units with control duties only who report to the managers responsible for the operating units (or they are carried out as part of back office activities) and, where possible, they are incorporated into IT procedures. With this approach the operating units are the first with responsibility in the risk management process, indeed, in the course of day-to-day operations these units are called upon to identify, measure or evaluate, monitor, mitigate and report the risks resulting from ordinary business activities in accordance with the risk management process. These units also have to comply with the operating limits assigned to them in accordance with the risk targets and the procedures that constitute the risk management process;
- *risk and compliance controls (second level controls)*: designed to ensure compliance with the operating limits assigned to the various functions, the correct implementation of the risk management process and the compliance of business operations with regulations, including self-regulation. In compliance with regulatory requirements, the functions responsible for

second level controls are separate from the operational functions. In detail these functions are:

- o the Risk Management function;
 - o the Compliance function;
 - o the specialist control functions (anti money-laundering function and validation function).
- The second level control activities are also similar to those of the senior officer responsible for the preparation of corporate accounting documents.

- *internal audit (third level controls) - assigned to the Internal Audit Function:* designed to identify violations of the procedures and regulations and periodically evaluate the completeness, adequacy, functionality (in terms of efficiency and effectiveness) and reliability of the internal control system and IT system (ICT audit), with a frequency set on the basis of the nature and intensity of risks.

The first two types of control (first and second level), not only satisfy the requirements for reporting to the corporate body responsible for control, but are also closely related on a practical level to the daily exercise of their responsibilities in relation to internal controls by the management body and the general management.

More specifically, those responsible for second level controls are required to continuously identify, prevent and measure risk situations by adopting appropriate valuation models and to assist in the formulation of risk-taking and management policies with regard, amongst other things, to the maximum limits on exposure to them. Adequate reporting is provided to the Supervisory Board, the Management Board and the General Management on current and future exposure to risk which also includes a special progress report which is useful, amongst other things, for monitoring and assessing the system of internal controls.

With specific reference to the second level corporate control functions, the current organisation chart includes the presence of a Chief Risk Officer (CRO), a position held by *Dott. Mauro Senati*, bringing together in one unit the Credit Risk Control, Operational, Financial and Structural Balance Risk Control, Money-laundering and Complaints Risk Control and, reporting directly to the CRO, the Risk Governance Service, which also oversees the Internal Validation function.

The same organisational unit includes a Compliance Area, currently headed by *Ing. Maria Martinelli*, reporting directly to the Chief Executive Officer, divided into Banking Services Compliance, Investment Services Compliance, and Group member companies compliance co-ordination.

The roles and units mentioned are assigned the following functions with respect to the [General regulations of the Bank](#):

- **The Chief Risk Officer:** is responsible for implementation of governance policies and the risk management system, performing the control function and providing the corporate bodies with an overview of the various risks (credit, market, operational, liquidity, reputational, money-laundering etc.). He co-ordinates the process of defining and managing the Risk Appetite Framework (RAF) in order to ensure that the risk appetite reported in the RAF and the risk-taking policies and procedures adopted by the Group are consistent with the prudent person approach. Again with regard to the process of defining and managing the RAF, among other things he proposes the risk capacity and risk tolerance levels and also validates the risk appetite proposed by the Chief Financial Officer in order to ensure that they are consistent with the RAF and with adequate levels of prudence within current and future risk targets. He proposes the allocation of internal capital by type of risk, consistently with the process of assessing internal capital (ICAAP). Together with the Chief Financial Officer, he proposes the risk appetite to the Chief Executive Officer, with a view to its subsequent approval by the corporate bodies, and verifies that the risk appetite is consistent with the requirements of the Group and the expectations of the Supervisory Authorities. He also proposes the risk limits and co-ordinates the consolidation process for the risk appetite document for purposes including the internal authorisation procedure, while also verifying the overall adequacy of the RAF. He supports the corporate bodies and senior management in the creation and maintenance of an effective and efficient System of Internal Controls and the formulation of risk and limits management policy proposals. More specifically, he supports the Chief Executive Officer, who is responsible for promoting integrated risk control, among other things by providing regular reports and communications. He provides independent information to the corporate body responsible

for strategic supervision, partly by attending Internal Control Committee meetings, sending reports and intervening directly. He ensures the measurement and control of the exposure of the Group to different types of risk. In this respect he ensures the supervision and implementation of activities concerning risk management, partly by means of activities carried out by its own units. He is responsible for the development, validation and maintenance of the risk measurement and control systems, supervises the Group credit rating process and coordinates the units involved in the overall data entry and data quality process of the credit risk management system. He is responsible for defining and applying the IT risk analysis methodology together with the related process of evaluation and data processing. He is responsible for giving prior opinions on the compliance of transactions of major significance with the RAF and carry out second level verifications of credit exposures. He supervises the process for evaluating capital adequacy in relation to the risks taken, the public disclosure process, the process for evaluating the structural balance of the Group in terms of liquidity, and the process of evaluating short-term liquidity in stress conditions and in general the risk evaluation process for the purposes of the Supervisory Review and Evaluation Process (SREP) used by the supervisory authorities. He defines the reference framework in relation to the internal trigger rules in the event of a shortfall of capital, in compliance with regulatory principles, as a basis for the subsequent definition of a capital plan activated by the units reporting to the Chief Financial Officer. He works alongside and co-ordinates with the other control functions for the purpose of developing a shared view on operational and methodological aspects and the actions to be taken if significant or critical events occur in order to identify possible synergies and avoid potential overlaps and duplications of activity. He contributes to the diffusion and development of an internal control culture within the Group. He supervises the activities of the units reporting to him in the context of preventing money-laundering and the financing of terrorism and also with regard to the management and monitoring of complaints and Alternative Dispute Resolution (ADR). The Chief Risk Officer, under the overall supervision of senior management and within the fields for which he has specific responsibility, performs the co-ordination function for Group member companies;

- **Compliance:** it is responsible for circulating the directives provided for in the “Policies for the management of compliance risk” issued by the Supervisory Board on the basis of a proposal from the Management Board of the Parent, overseeing their implementation within the Group and reporting on this to those same bodies. It uses “trace back to unit” to ensure that compliance risk is managed efficiently and effectively, in accordance with a risk-based approach, verifying for that purpose that the internal procedures and the entire regulatory system are consistent with the objective of preventing the violation of any regulation applicable to the Bank in relation to all the different activities performed, whether they are of a generic external nature (laws and regulations issued by Italian supervisory authorities such as the Bank of Italy, Consob (Italian securities market authority), or IVASS (Insurance Supervisory Authority), and at the international level (EBA, ESMA, European Directives, etc.)) or a self-regulatory nature (codes of conduct, policies, internal regulations etc.), while communicating independently with the management and supervisory bodies by sending reports and intervening directly, as appropriate. It co-ordinates activities carried out by the directly managed units of the Bank and UBI.S that are involved in the process, and the professional contributions made by each unit, for the purpose of managing compliance risk and the definition of an adequate regulatory and operational system. It provides its own advice and assessments, suggesting appropriate and effective organisational solutions for achieving the aims of the oversight and control of compliance risk. It integrates the facts showing areas for improvement, detected directly or by specialist compliance units, in a single summary table (map of non-compliances) and the related Compliance Plan, together with the planned actions to solve and monitor them. It works together with the functions forming part of the internal control system in order to ensure the compliance of the existing regulatory, operational and procedural system. Where possible it carries out the activities for which it has responsibility verifying the level of efficacy of the existing compliance procedures independently or with the support of the specialist units. It employs a preventive approach to ensure substantial compliance with regulations by corporate processes and therefore appropriate conduct by all personnel, ensuring that the interests of clients and investors are protected and it co-operates in the policy to establish relations of trust with all stakeholders. It performs a policy setting, co-ordination and control role for the subsidiaries, forming direct relationships with local compliance managers and contacts,

where present, and with their General Management teams. It operates as a service provider to the Network Banks of the Group and its subsidiaries that have conferred the appropriate powers upon it, ensuring the oversight of risk and non-compliance with regulations. In order to carry out its duties effectively, the regulatory compliance function has access to all the Bank's activities, whether central or local, and to any information that is relevant for that purpose, which may also be obtained by speaking with staff directly. It works alongside and co-ordinates with the other control functions for the purpose of developing a shared view of operational and methodological aspects and the actions to be taken if significant or critical events occur in order to identify possible synergies and avoid potential overlaps and duplications of activity. The Compliance Area, under the overall supervision of senior management and within the fields for which it has specific responsibility, performs the co-ordination function for Group member companies.

The purpose of internal auditing (third level), which is performed by the Internal Audit Function detailed in sub-section 15.2 below, is to make an independent assessment, in support of the Supervisory Board and Management Board, intended on the one hand to check, with a view to third level checks, including on-site inspections, that its functioning and changes in risks are in accordance with the rules, and on the other to evaluate the completeness, adequacy, functionality and reliability of the organisational structure and the other components of the internal control system, reporting to the aforementioned corporate bodies on potential improvements that could be made, with particular reference to risk management policies and tools for risk measurement and control.

The "principal characteristics of the risk and internal control management systems in relation to financial reporting" pursuant to Art. 123 *bis* paragraph 2, letter b) of the Consolidated Finance Act are illustrated in attachment 1 to this report.

15.1. Executive board member responsible for the internal control and risk management system

On 23rd April 2013, the Management Board, in compliance with the Articles of Association, conferred the following powers relating to internal controls on the Chief Executive Officer, *Dott. Victor Massiah*:

- promotion of integrated risk management;
- the power to make extraordinary requests for inspections and investigations to the internal control function through the Internal Control Committee.

Also, in accordance with Art. 43 *bis* of the Articles of Association, the Management Board has assigned duties to the Chief Executive Officer, exclusively in support of the Management Board, with organisational, proposal-making and reporting functions on internal control matters, to be performed in close co-operation and agreement with the General Manager, in observance of the responsibilities of the Supervisory Board on those matters and decisions made by it, for which he may also make use of the support of the second level corporate control functions.

For this purpose, in relation to Internal Audit activities and the integration of what is stated in the three-monthly reports, the Chief Executive Officer receives periodic reports concerning the auditing activities that are in progress or have been completed in the period in question, and also meets the Chief Audit Executive on a periodic basis to discuss specific aspects, including the results of these reports.

15.2. Chief of the Internal Audit Function

The mission of the Internal Audit is set out in the Audit Mandate, a document that, in compliance with the provisions of the International Standards for the Professional Practice of Internal Auditing, formalises internal auditing activities and clarifies their spheres of competence, tasks, independence, authority, responsibilities and interactions with other corporate functions as well as defining the procedures for the periodic approval and revision of the Mandate itself by the Supervisory Board. The function is headed by the Chief Audit

Executive, who is appointed by and reports to the Supervisory Board and has direct access to all the information required for its work and has no responsibility for any operational unit. The position of Chief Audit Executive is assigned to *Dott. Stefano Maria Tortelotti*.

In application of the supervisory provisions of the Bank of Italy with regard to the remuneration and incentive policies and practices of banks and banking groups, the Remuneration Committee, internal to the Supervisory Board, has provided advisory functions and made recommendations with regard to the remuneration of the Chief of the Internal Audit Function and directly oversees the correct application of the rules relating to his remuneration. In compliance with supervisory regulations and the Articles of Association, the Supervisory Board also verifies that the Chief Audit Executive has adequate resources to fulfil his duties.

The Internal Audit Function conducts auditing activities on UBI Banca and on subsidiaries which have delegated internal auditing to the Parent, and more generally on all the companies in the Group as the Parent. In short, the Internal Audit Function acts on a third level basis, providing an opinion that is independent from the second level operational and control stage, concerning the overall reliability and effectiveness of the internal control and risk management system, and also considers the ability of that system to identify errors and irregularities, operating on the basis of an activity plan extending over a number of years. This plan, developed by Internal Audit using a process-oriented and risk-based approach, defines the drivers to be prioritised for auditing activity from a long-term perspective and the annual audit activity plan has been drawn up on the basis, amongst other things, of the most significant changes affecting the operating environment of the Bank.

The performance of the various audit activities makes it possible to appraise the capacity of the first and second level specialist functions to supervise risks in an adequate manner, and thereby makes it possible to evaluate the principal corporate processes, in part with a view to contributing to an increase in the degree of reliability and, as a consequence, the overall internal control system.

The activities plan is submitted to the Management and Control bodies of the subsidiaries and, at a consolidated level, by the Management and Control bodies of the Parent. To perform the activities provided for in this plan the Internal Audit Function makes use of internal resources and also of outside consultants for work of an extraordinary nature, whose work has also been guaranteed for 2014 by the provision of a specific budget.

In 2014, in compliance with the policies set and the relative regulations, the Internal Audit Function audited the proper functioning of risks and changes in them and it assessed the general functioning of the Group internal control system reporting to corporate bodies and to senior management on potential improvements that could be made to risk management policies and to measurement instruments and procedures.

More specifically, in consideration of the need to support the Supervisory Board in the performance of its duties under legislation and regulations, and also to assist the Management Board, it focused particular attention on organisational units and processes affected by the impact of regulations concerning risk management (business, operational and compliance risk) and it also gave advisory support to project activities in progress with an impact on the internal control system.

It also used specific system analyses to verify the reliability of IT systems, including those used for bookkeeping.

In addition to the specific report submitted following the conclusion of the analysis to senior management and, as applicable, the Audit Contact of the company concerned, the results of auditing activities have been the object of regular reports to the Boards of Directors and Boards of Statutory Auditors of the subsidiaries, presented on a cumulative basis to the Internal Controls Committee and the Management and Supervisory Boards of the Parent. This reporting also provides a summary of the main situations that have emerged from the audit activities and the state of progress of the actions taken to remedy them. In the event of particularly significant circumstances it has immediately provided appropriate information

sent to the Management and Supervisory bodies and the executive Board Member responsible for the internal control system.

15.3. The organisational model pursuant to Legislative Decree No. 231/2001

UBI Banca has adopted its own “model of organisation, management and control” (hereinafter the “Model”), which complies with Legislative Decree No. 231/2001 and the relative legislation and regulations that apply and is based on principles that are already rooted in its governance culture and on the recommendations contained in the guidelines of the major trade and professional associations.

The Model is presented in the *"Document describing the organisational, management and control model of UBI Banca Scpa."* approved by the Management Board and Supervisory Board of UBI Banca. It is divided into two parts which contain the following:

- in the general part a description of:
 - the legislative framework;
 - the reality of the company (system of governance and organisational structure of UBI Banca);
 - the structure of the Model and the methodology chosen to define and update it;
 - identification and appointment of the supervisory body of UBI Banca, with specification of the relative powers, tasks and reporting systems;
 - the functioning of the disciplinary system and the relative penalties;
 - the training and communication plan to be adopted to ensure that people have a knowledge of the measures and regulations of the model;
 - criteria for updating the Model;
- in the special part, a description of:
 - the types of crime (and administrative violations) relevant for the purposes of the administrative liability of entities which the Bank had decided to take into consideration in view of the nature of its business;
 - sensitive processes/activities and the relative control procedures.

The types of violations (crimes and administrative violations) covered by the special part of the UBI Banca Model are as follows:

- crimes against public administrations;
- crimes consisting of forgery of coins, public credit notes, duty stamps, identification instruments and distinctive signs;
- corporate crimes, including the crime of corruption between natural persons (Art. 2635 of the Italian Civil Code);
- crimes of terrorism and subversion of democratic law;
- crimes against the person of individuals;
- the crime of market manipulation and those covered by “market abuse” regulations;
- transnational crimes;
- crimes relating to health and safety at the workplace;
- crimes consisting of the receipt, laundering and use of money, goods or benefits of illicit origin;
- computer crimes and illicit processing of data;
- crimes relating to organised crime;
- crimes against industry and commerce;
- crimes concerning the violation of copyright;
- environmental crimes;
- the crime of employing third country nationals whose presence is irregular.

In application of the most recent changes in regulations and provisions for the prudential supervision of banks that require functional compatibility between control bodies and the Supervisory Body, in July 2013 the corporate bodies of UBI Banca decided to appoint the members of the Internal Control Committee to perform the function of the Supervisory Body.

The Supervisory Body reports to Corporate Bodies on the adoption and effective implementation of the Model, on the oversight of its functioning and on the supervision of updates to it. It employs two separate lines of reporting to achieve this. The first is on a continuous basis directly to the Chief Executive Officer and the General Manager and the second consists of periodic reporting to the Management Board and the Supervisory Board.

UBI Banca, as the Parent, informs subsidiaries of the policies it has set in relation to trends in the development of the relevant regulations, suggesting the general criteria which subsidiaries may follow.

An extract of the UBI Banca Model entitled *"Summary of the document describing the organisational, management and control model of UBI Banca Scpa"* is available on the website of the Bank.

15.4. Independent Auditors

On 30th April 2011, on the basis of a reasoned proposal submitted by the Supervisory Board, and having received a favourable opinion from the Internal Control and Audit Committee, a Shareholders' Meeting appointed the independent auditors DELOITTE & TOUCHE Spa, with registered address at 25 Via Tortona, Milan. They have been engaged to perform the statutory audits of the separate company financial statements of UBI Banca and the consolidated financial statements of the UBI Banca Group, to verify that the corporate accounts are properly kept and that operating events are accurately recorded in those accounts, and also to perform a limited audit of the condensed interim consolidated financial statements of the UBI Banca Group for the years running from 2012 until 2020, setting the fees and the criteria for adjusting them during the period of the appointment.

Deloitte & Touche Spa is enrolled with the Milan Company Registrar under No 03049560166, Milan R.E.A. (Administrative and Economic Reg.) No 1720239 and is a member of ASSIREVI (Italian association of auditors).

15.5. Senior officer responsible for the preparation of corporate accounting documents

The Management Board appointed *dr.ssa* Elisabetta Stegher, with the favourable opinion of the Supervisory Board. She is the current Chief Financial Officer and Senior Officer Responsible for the preparation of corporate accounting documents pursuant to Art. 154-*bis* of the Consolidated Finance Act, in possession of the requirements of professionalism required by the Articles of Association which, in addition to the requirements of integrity prescribed by the current regulations in force for persons performing administrative and management functions, also require qualities of professionalism with specific administrative and accounting expertise in the banking, finance, investment and insurance fields.

The following responsibilities are conferred on that senior officer;

- to certify that market disclosures together with the related financial reports, including interim reports, are reliably based on the records contained in corporate documents and accounting records;
- to put adequate administrative and accounting procedures in place for the preparation of financial reports and all other financial disclosures;
- to certify – jointly with the Chief Executive Officer, by means of a specific report, attached to the separate financial statements, to the consolidated financial statements and to interim financial reports – the adequacy and effective application in the relative period of the procedures just mentioned and that the disclosures correspond to the records contained in the corporate accounting documents and records and provide a true and fair view of the capital, operating and financial position of UBI Banca and the Group.

The Senior Officer Responsible is also required to make special reports to the Chief Executive Officer, the Management Board, the Supervisory Board and the Internal Control Committee. The periodic reports must allow these bodies and officers to assess the adequacy and effective

application of the administrative and accounting procedures of the Group and to verify that the powers and means conferred on this officer are appropriate.

Furthermore, for the purposes of concrete implementation of the aforementioned legislation, the Senior Officer Responsible must:

- be able to gain direct access to all the information needed to produce accounting data. The officer may access all sources of corporate information without the need for authorisation;
- be able to rely on internal channels of communication which ensure accurate and proper access to intercompany information;
- be able to define her own office and organisational unit independently, with regard to both personnel and technical means (material resources, hardware, software, etc.);
- define the administrative and accounting procedures of the Bank autonomously, also being able to benefit from the co-operation of all the offices involved in the supply of significant information;
- have powers to propose, evaluate, or veto all “sensitive” procedures within the Bank and the Group;
- be able to participate in board meetings in which matters concerning the functions of the officer are discussed;
- be able to make use of external consultants, where particular requirements of the Bank make this necessary;
- to be able to establish reporting systems with other roles responsible for control (independent auditors, General Manager, Internal Control Officer, Chief Risk Officer, Compliance Officer, etc.) and reports and information flows which ensure constant mapping of risk and processes and adequate monitoring of the proper functioning of procedures, partly by means of specific co-ordination sessions held with the corporate control functions including operational and methodological issues.

With regard to the centralisation at the Parent of the management of administrative and accounting procedures pursuant to the provisions introduced by Law No. 262/2005, a System of Administrative and Financial Governance has been created for the network banks and some other subsidiaries of UBI Banca which, amongst other things, regulates internal controls for financial reports produced for listed issuers.

This “system” provides proper management of the various risks connected with financial reporting and it also confers adequate powers and means on the Senior Officer Responsible through a hierarchical system of certifications.

That same certification obligation applies to the executive officers and directors of the Group companies subject to full line-by-line consolidation.

Certifications issued by subsidiaries are brought to the attention of the Management Board at a meeting for the approval of financial statements or interim financial reports and are then sent to the Parent before the Management Board meeting that approves the proposed separate Parent and consolidated financial statements or interim financial reports.

The hierarchical system of certification is further strengthened by a specific annual report on the adequacy and effective application of administrative and accounting procedures, issued for Group companies included in the area of investigation due to their qualitative or quantitative importance pursuant to Law No 262/2005, by an external independent consultant.

The System of Administrative and Financial Governance of UBI Group also includes a specific specialist unit in staff units under the Senior Officer Responsible, for the overall co-ordination of Group activities, and the definition and performance of assessments in support of certifications.

15.6. Co-ordination between those involved in the internal control and risk management system

Within the UBI Banca Group, in compliance with the provisions of the supervisory provisions and in direct continuity with actions taken in the recent past, a *model of co-ordination and co-operation between the corporate bodies and the control functions* is in operation, divided in relation to the following three components:

- processes and methods;
- co-ordination tools;
- information flows.

The “model of co-ordination” adopted by the Group is completed through the co-ordination provided by the Parent at Group level, in the context of its own management and co-ordination activities.

As concerns co-ordination tools, they provide for the definition of tools intended to promote an immediate practicality that are simple to operate and organise so as to promote active co-operation and liaison between the control functions and between them and the corporate bodies, without prejudice to the responsibilities assigned by law and without altering, even in substance, the primary responsibility of the corporate bodies for the internal control system.

In particular, the following tools have been defined at Group level:

- co-ordination activities between the control functions;
- the Internal Control System Calendar (ICS Calendar);
- committees with consultative, informational and proposal-making roles in the context of the matters within their remit.

The co-ordination activities typically include periodic meetings of the chiefs of the corporate control functions and the Senior Officer Responsible and exchanges of information between them.

In compliance with regulatory requirements, this co-ordination also relates to the sharing of operational aspects (e.g. activity programmes), methodological aspects (e.g. procedures for assessing risks and controls) and the actions to be taken if significant or critical events occur in order to identify possible synergies and avoid potential overlaps and duplications of activity.

Information about these co-ordination activities is reported to the Internal Control Committee on a quarterly basis by the Chief of the Group Internal Audit Function.

The Internal Control System Calendar (ICS Calendar) identifies, in accordance with the diary of meetings of the corporate bodies, the deadlines for the corporate control functions and the Senior Officer Responsible to hold regular discussions of subjects connected with the internal control system (e.g. the activity plan, periodic reports etc.)

Lastly, a series of co-ordination activities connected with the internal control system take place as part of the usual activities of committees with consultative, informational and proposal-making roles in the context of the matters within the remit of the Parent and, when they are present, the subsidiaries.

The UBI Banca committees with consultative, informational and proposal-making roles in the context of the matters within their remit are the:

- Management Committee;
- Credit Committee;
- Asset and Liability Committee (ALCO);
- Finance Committee;
- Group Risk Committee;
- Operational Risk Committee.

With reference to the co-ordination between those involved in the internal control and risk management systems, the Supervisory Board, the Management Board and Senior Management also currently benefit from an integrated overall outline of risks considered significant, identified by the control functions responsible for monitoring them and furnished using a tool developed in 2011 by the units reporting to the Chief Risk Officer.

16. Interests of Board Members and related party transactions

Transactions with representatives of the Bank, with representatives of Group member companies and with companies controlled by them – all of whom may qualify as “related

parties – are conducted under normal market conditions and for transactions relating to the senior managers of banks, the provisions of Art. 136 of Legislative Decree No. 385/1993 (Consolidated Banking Act) are carefully complied with.

Special IT procedures have been introduced in this respect which, on the basis of declarations issued by representatives of companies, make it possible to identify in advance the potential assumption of a direct or indirect obligation of a representative and consequently subject the transaction to the procedures required by the aforementioned Art. 136 of the Consolidated Banking Act.

The Bank pays particular attention when performing transactions with related parties to ensure they are carried out properly both in form and substance.

Consob Resolution No. 17221 of 12th March 2010, subsequently amended by Resolution No. 17389 of 23rd June 2010, has approved regulations in this connection (Consob Regulations). The new requirements regulate procedures for the approval of transactions entered into by listed companies and issuers with a broad shareholder base with parties that could create a conflict of interest. Such parties include major and controlling shareholders, members of administrative and controlling bodies and senior management and their immediate family members.

The key points of the new requirements are:

- a) they strengthen the role of independent board members at all stages of the decision-making process concerning related party transactions;
- b) a regime of transparency;
- c) the introduction of detailed corporate governance regulations containing rules designed to ensure substantial and procedural integrity in related party transactions (a special regime for companies which adopt a two tier system of governance).

The regulations in question apply, within the context of the UBI Banca Group, to UBI Banca as an issuer of listed shares.

As a result of the above, the competent bodies of the Bank have approved a set of regulations concerning related party transactions, available on corporate website, within the set time limits. Internal processes have also been developed to assure compliance with the new rules.

In implementation of Art. 53, paragraphs 4 *et seq.* of the Consolidated Banking Act and Inter-Ministerial Credit Committee Resolution No. 277 of 29th July 2008, on 12th December 2011 the Bank of Italy issued new regulatory measures regarding risk assets and conflicts of interest concerning parties connected to banks or banking groups. (including, amongst others, officers of UBI Banca and all the banks in the Group, the officers of UBI Leasing, and parties connected to those officers according to the definition given in the rules).

The main purpose of the regulations is to contain the risk that the closeness of some “connected parties” to the decision-making centres of the Bank might compromise the objectivity and impartiality of decisions concerning the grant of loans to, or other transactions that in any way relate to, those parties; to oversee these risks, UBI Group, in compliance with Bank of Italy provisions:

- monitors and ensures compliance with the specific prudential limits set by the supervisory regulations concerning risk assets undertaken towards connected parties by the Parent and Subsidiaries; in this regard a specific “Policy concerning internal controls on risk assets and conflicts of interest with related parties” has been approved, according to the procedures set out in the Bank of Italy provisions referred to above, and is attached to this report (Attachment 2);
- employs special decision-making procedures that guarantee the integrity of decision-making processes in connected-party transactions, preventing any abuses that may be intrinsic to transactions with the said parties where there is a potential conflict of interest; these procedures have been implemented by special regulations, applicable to all the Group member companies and available on the website of the Bank.

Generally, in a similar manner to the provisions laid down for the Management Board by Art. 2391 of the Italian Civil Code, the Articles of Association also require the members of the Supervisory Board to report all interests which, either directly or through third parties, they may have in a determined transaction, stating the nature, the terms, origin and extent. The relative resolution of the Supervisory Board must give adequate reasons, explaining the

interest of the Bank in the transaction, without prejudice to other provisions of the law or regulations which may apply.

In relation to the legislation in force which implements the EC MiFID Directive No. 2004/39/EC, an internal “policy for the management of personal transactions” has been adopted which provides detailed regulation of obligations concerning personal transactions in financial instruments performed by significant parties, as identified in the legislation mentioned.

17. Treatment of corporate information

In order to avoid the risk of improper disclosure of reserved information, the Management Board has approved procedures for managing privileged information to be disclosed to the public and for managing the register of persons with access to privileged information. A procedure has been developed for that purpose, to draw up security measures to be adopted, designed to guarantee maximum confidentiality of information and to define the procedures for handling and disclosing privileged information.

More specifically, these procedures govern how privileged information that relates directly to the Bank or its subsidiaries is disclosed to the public and at the same time it issues instructions to subsidiaries for them to promptly provide the Bank with the information required to fulfil disclosure obligations required by law.

In compliance with Art. 115 *bis* of the Consolidated Finance Act, the Bank has set up a register of persons who, on a permanent or occasional basis, have access to privileged information directly concerning UBI Banca.

This register is managed in the name of and on behalf of the Group member companies that have delegated the responsibility for keeping and maintaining their register to the Parent.

If, due to working or professional activities or the functions they perform, UBI Banca and/or a Group member company becomes aware of information concerning an external listed issuer, classified by the same as privileged, in accordance with applicable regulations, UBI Banca and/or the Group member companies will be listed in the register provided by that external listed issuer.

Whether or not UBI Banca and/or the other Group member companies are listed in the register of the external listed issuer, they will also be listed in the register held by UBI Banca.

18. Relations with registered and unregistered shareholders

UBI Banca pays particular attention to the continuous management of relations with shareholders, institutional investors and the national and international financial community and it guarantees systematic disclosure of reliable, exhaustive and timely information on the Group's activities, results and strategies.

The “Relationships with Registered Shareholders Service” and “Investor and Media Relations Area” are provided for this purpose. Information of significant importance to shareholders is also provided in special sections of the corporate website of the Bank (www.ubibanca.it).

The “Relationships with Registered Shareholders Service”, as part of the Corporate Affairs, Participation and Relations with the Authorities Area oversees all aspects of the Bank's relations with shareholders, assesses applications to become a Registered Shareholder, maintains the shareholders' register, in compliance with all company requirements, and also co-ordinates preparations for the Shareholders' Meetings of the Bank and all related activities. The “UBI Club”, which is available for Registered Shareholders, offers a series of banking concessions and insurance cover: a current account at particularly attractive conditions and discounts on other products and services such as custody accounts, Qui UBI internet

banking, safe deposit boxes and payment systems. The insurance cover is free of charge for Registered Shareholders and their families and consists of a family civil liability policy with a maximum liability limit of €100,000, an accident life or permanent invalidity policy for invalidity equal to or greater than 66%, a policy that pays a daily indemnity in case of hospitalisation caused by an accident and a safe withdrawal policy. The banking concessions are only for shareholders with current accounts at one of the banks in the UBI Group, whereas insurance cover is for all shareholders.

The Investor and Media Relations Area, which reports directly to the Chief Executive Officer, is responsible for interactions with international financial markets, (the UBI Group share is currently followed by 24 brokerage houses and approximately 550 institutional investors were met during 2014), managing media relations, planning and organising corporate events held by UBI Banca, UBI Banca's sponsorships, and co-ordinating and supporting the communication activities of Group member companies. As part of its institutional duties the Investor and Media Relations Area is also responsible for the direct management of the Investor Relations and Press Section of the Bank's website and the supervision of the ubibanca.it website as a whole.

19. Shareholders' meetings (pursuant to Art. 123 bis, paragraph 2, letter c) of the Consolidated Finance Act)

Shareholders' Meetings are either ordinary or extraordinary.

General Meetings, both ordinary and extraordinary, are validly constituted in first call, when at least one twentieth of the Registered Shareholders with the right to vote are present either in person or through a representative and proxy.

In second call, an Ordinary Shareholders' Meeting shall be validly constituted regardless of the number of Registered Shareholders present, while in the second call an Extraordinary Shareholders' Meeting shall be validly constituted, without prejudice to the provisions of Art. 28, when at least 1/400 (onefourhundredth) of the members with the right to vote are present either in person or through a representative and proxy.

In accordance with the Articles of Association, the [Ordinary Shareholders' Meeting](#):

- a) appoints and removes members of the Supervisory Board and sets the remuneration of the members of the Supervisory Board, as well as an additional total sum for the remuneration for those assigned particular offices, powers or functions, which is allocated in accordance with Art. 44 of the Articles of Association. It elects the Chairman and the Senior Deputy Chairman of the Supervisory Board according to the procedures set out in Art. 45 of the Articles of Association. Proper grounds must be given for the removal of members of the Supervisory Board;
- b) approves remuneration policies for members of the Management Board and remuneration and/or incentive schemes based on financial instruments;
- c) decides on the liability of the members of the Supervisory Board and, pursuant to Art. 2393 and Art. 2409-decies of the Italian Civil Code, on the liability of the members of the Management Board, without prejudice to the concurrent liability of the Supervisory Board;
- d) decides on the distribution of profits, subject to the presentation of the financial statements and of the consolidated financial statements approved pursuant to Art. 2409-terdecies of the Italian Civil Code;
- e) appoints and dismisses the external statutory auditors responsible for auditing the accounts;
- f) approves the separate financial statements if the Supervisory Board fails to approve them or if this is requested by at least two thirds of the members of the Supervisory Board;
- g) approves and amends the Regulations for Shareholders' Meetings;
- h) appoints the Board of Arbitrators.
- i) decides on the other matters that fall within its competence either by law or by the Articles

of Association.

An **Extraordinary Shareholders' Meeting** makes amendments to the Articles of Association, decides the appointment, removal, replacement and powers of receivers and all other matters for which it is responsible by law.

Except as otherwise provided for by these Articles of Association, both ordinary and extraordinary Shareholders' Meetings pass resolutions by an absolute majority of the votes; in the case of a tied vote, the motion is considered rejected. If a Shareholders' Meeting, whether in ordinary or extraordinary session, is called upon to consider a proposal concerning a transaction with related parties, where the committee formed in compliance with Consob Regulation No. 17221 of 12th March 2010 and subsequent amendments has expressed an opinion against the transaction and if the Shareholders' Meeting has approved that proposal with the quorum for resolutions required by these Articles of Association, the conclusion of that transaction shall be forbidden if a number of non-related party shareholders who represent at least 3% of shareholders with voting rights is present in the Shareholders' Meeting and the majority of those non-related party shareholders have voted against the transaction.

Appointments of company officers, when they are responsibility of the Shareholder's Meeting, must be performed by secret ballot in accordance with the procedures set forth in Art. 45 of the Articles of Association.

Moreover, in accordance with Art. 28, paragraph three of the Articles of Association, "Without prejudice to any other mandatory provision of the law, for the approval of resolutions concerning a change of the company objects, the elimination or closedown of the operational headquarters at Brescia and Bergamo, as provided for and identified in Art. 3, the early dissolution of the company, determined by events provided for by law, excluding the case pursuant to number six of Art. 2484 of the Italian Civil Code, the repeal or the amendment of articles 23 and 36 of the Articles of Association and/or the introduction of any other provision incompatible with those articles, such as the approval of the amendment or repeal of this clause and/or of the quorum for resolutions provided in it, the vote in favour of at least one twentieth of all the Registered Shareholders with voting rights is required, even in a second call of a Shareholders' Meeting.

Again without prejudice to any other mandatory legal provisions, the vote in favour of at least one twentieth of all the Registered Shareholders with voting rights, who also represent at least 20% of the share capital subscribed and paid up on the ninetieth day prior to that of the Shareholder's Meeting is required, even in a second call of a Shareholders' Meeting, for the approval of resolutions concerning the repeal or amendment of Art. 45, paragraph six, Art. 48, paragraph six and Art. 49, paragraphs six, seven and eight of these Articles of Association and also of this clause itself and the quorum for passing resolutions contained in it.

For resolutions to be passed upon request of the Banking Supervisory Authority in relation to amendments to legal regulations, both ordinary and extraordinary shareholders' meetings shall pass resolutions by an absolute majority vote. In these cases, the provisions of Art. 48, paragraph five of the Articles of Association apply for resolutions for which the Supervisory Board is responsible.

Shareholders' meetings are held in all the cases provided for by law and by the Articles of Association and they are convened by the Management Board, or, pursuant to Art. 151 *bis* of Legislative Decree No. 58 of 24th February 1998, by the Supervisory Board or by at least two of its members, without prejudice to the other powers to convene provided by law.

Ordinary shareholders meetings are convened in any event at least once a year within 120 days of the end of each financial year to pass resolutions on matters for which it holds responsibility by law or in accordance with the Articles of Association.

Ordinary and extraordinary Shareholders' Meetings may be convened by Registered Shareholders and shall be held without delay following the presentation of the request, giving the grounds and the agenda; the request must be signed by at least one twentieth of the Registered Shareholders in possession of voting rights on the date of the request.

In compliance with the Articles of Association in force and with the procedures and time limits

set by law, a number of Registered Shareholders equal to not less than one fortieth of those entitled to participate in the Shareholders' Meeting on the date of request, may make an application in writing for additions to be made to the agenda to be dealt with in the meeting, as it results from the notice convening the Shareholders' Meeting. Their application shall indicate the additional matters they are proposing and also present proposals for resolutions on matters that are already on the agenda. The signatures of the Registered Shareholders must be authenticated in accordance with the law, either by employees of the Bank or of its subsidiaries authorised to do so. Legitimation to exercise the right is given by filing a copy of the communication issued by the intermediary in accordance with the law and regulations in force.

As concerns proceedings in Shareholders' Meetings, the Bank has (by means of a shareholders' resolution) adopted Regulations for Shareholders' Meetings, designed to govern the ordered and efficient functioning of these meetings and in particular to regulate the procedures for Registered Shareholders to speak and reply. These regulations have also been published on the Bank's website in the corporate governance section and in the shareholders' section.

A Shareholders' Meeting is also validly held when remote connection systems are used that ensure the identification of Registered Shareholders with a legitimate right to participate, the possibility for them to take part in the proceedings of the meetings and to vote on deliberations and, if expressly provided for by the notice of call, the possibility to take part in the discussion of the items dealt with. However, the Chairman and the Secretary must be present in the place indicated in the notice of call where it is considered that the meeting is taking place.

The Management Board, in agreement with the Chairman of the Supervisory Board, identifies, from time to time, the locations connected by means of remote systems for each call, taking account in particular of the composition of the Registered Shareholders.

The Regulations for Shareholders' Meetings establish the criteria and procedures for holding Shareholders' Meetings by means of the use of remote connection systems.

Only persons who have been Registered Shareholders for at least 90 days from the date of entry in the shareholders' register may attend the meetings, exercise voting rights and be eligible for appointment to corporate bodies.

A Registered Shareholder is entitled to only one vote no matter how many shares are possessed. A Registered Shareholder is entitled to be represented by issuing a written proxy to another Registered Shareholder having the right to attend the Shareholders' Meeting. Proxies may not be granted to any members of the management or control bodies, or to employees of the Bank, or to any controlled companies or to any member of the management or control bodies, or employees of the aforesaid controlled companies, or to the firm of statutory auditors appointed or to the person responsible for the statutory audit of the Bank, or to parties to whom one of the other conditions of incompatibility apply according to the law.

Without prejudice to the provisions of paragraph 2, of Art. 2372 of the Italian Civil Code, proxy authorisations can be issued for individual shareholders' meetings only, with effect also for subsequent sessions, and may not be issued with the name of the representative left blank. No Registered Shareholder may act as proxy for more than five other Registered Shareholders, or whatever greater number is set by the regulations currently in force. Voting by mail is not permitted.

Members of the Management Board and similarly members of the Supervisory Board may not vote on resolutions concerning their areas of responsibility. The right to vote in the case of a pledge or usufruct on shares may be exercised by Registered Shareholders only.

Shareholders' Meetings shall be held, alternately, in the city or province of Bergamo and in the city or province of Brescia.

Shareholders' Meetings are attended by the members of the Management and Supervisory Boards, managers and employees of the Bank, the Directors, Statutory Auditors and employees of Group member companies and the representatives of the companies appointed to audit the consolidated annual accounts.

The Shareholders' Meeting met once in 2014, on 10th May 2014 in ordinary and extraordinary session.

In 2014 the equity markets were characterised by a first half dominated by a bullish phase followed by the second half of the year which was affected by high volatility, due both to the fragile and varying prospects for economic recovery in the Eurozone, and the rapid succession of alarming data on the geo-political front.

The UBI Banca share ended the trading day on 30th December 2014 at €5.967, an increase of 21.2% compared with the end of 2013. The minimum and maximum prices for the year were €4,824 and €7.545 respectively.

The stock market capitalisation of UBI Banca on 30th December 2014 (based on the official price) was €5.4 billion compared to €4.4 billion at the end of 2013, which placed UBI Banca in third place amongst listed Italian commercial banking groups (fourth place amongst all the listed Italian banking groups) and in first position amongst “popular” banks.

At European level, the UBI Banca Group was again amongst the first 45 institutions by stock market capitalisation in the classification drawn up by the Italian Banking Association in its European Banking Report, which includes the countries of the European Monetary Union plus Switzerland.

Attachment A

Positions held by the members Supervisory Board of UBI Banca Scpa in other companies listed in regulated markets including foreign markets(*), in financial, banking, insurance or large companies.

Name	Position held in the issuer	Positions held in other listed companies or in banking, financial, insurance or large companies
Andrea MOLTRASIO	Chairman of the Supervisory Board	Chairman of the Board of Directors: <ul style="list-style-type: none"> - Icro Didonè Spa - Clinica Castelli Spa Deputy Chairman: <ul style="list-style-type: none"> - European Association of Co-operative Banks (EACB) Director: <ul style="list-style-type: none"> - Icro Coatings Spa - Italian Banking Association - Banca Popolare di Bergamo Onlus Foundation - BergamoScienza Association
Mario CERA	Senior Deputy Chairman of the Supervisory Board	= =
Alberto FOLONARI	Deputy Chairman of the Supervisory Board	Chairman of the Board of Directors: <ul style="list-style-type: none"> - Fingiamma Spa - Mercury Spa Director: <ul style="list-style-type: none"> - Editoriale Bresciana Spa - Centro Stampa Quotidiani Spa
Armando SANTUS	Deputy Chairman of the Supervisory Board	= =
Dorino Mario AGLIARDI	Member of the Supervisory Board	= =
Antonella BARDONI	Member of the Supervisory Board	= =
Letizia BELLINI CAVALLETTI	Member of the Supervisory Board	= =
Marina BROGI	Member of the Supervisory Board	Board Member: <ul style="list-style-type: none"> - Impregilo Spa - Prelios Spa Chairman of the Board of Statutory Auditors: <ul style="list-style-type: none"> - Fratelli Branca Distillerie Srl Chairman of the Supervisory Committee: <ul style="list-style-type: none"> - Cape Natix SGR Spa in compulsory administrative liquidation - Credito Cooperativo Fiorentino in compulsory administrative liquidation Member of the Supervisory Committee: <ul style="list-style-type: none"> - IMEL.EU
Pierpaolo CAMADINI	Member of the Supervisory Board	Board Member: <ul style="list-style-type: none"> - Finanziaria di Valle Camonica Spa - Gold Line Spa
Luca CIVIDINI	Member of the Supervisory Board	Vice President & General Manager: <ul style="list-style-type: none"> - G.F.C. Spa Board Member: <ul style="list-style-type: none"> - Malpaga Spa
Alessandra DEL BOCA	Member of the Supervisory Board	= =
Ester FAIA	Member of the Supervisory Board	= =
Marco Giacinto GALLARATI	Member of the Supervisory Board	= =

continued

Name	Position held in the issuer	Positions held in other listed companies or in banking, financial, insurance or large companies
Carlo GARAVAGLIA	Member of the Supervisory Board	Board Member: <ul style="list-style-type: none"> - De Longhi Spa (*) - Del Clima Spa (*) - O.R.I. Martin Spa Chairman of the Board of Statutory Auditors: <ul style="list-style-type: none"> - Comitalia Compagnia Fiduciaria Spa
Gian Luigi GOLA	Member of the Supervisory Board	Board Member: <ul style="list-style-type: none"> - Newspaper Milano Srl Chairman of the Board of Statutory Auditors: <ul style="list-style-type: none"> - 2I Rete Gas Spa Full Statutory Auditor: <ul style="list-style-type: none"> - Sigit Spa - 2B Energia Spa Chairman of the Supervisory Committee: <ul style="list-style-type: none"> - Ial Cisl Piedmont in extraordinary administration
Lorenzo Renato GUERINI	Member of the Supervisory Board	Chairman of the Board of Directors: <ul style="list-style-type: none"> - 035 investimenti Spa - Quenza Srl Deputy Chairman of the Board of Directors <ul style="list-style-type: none"> - Italcementi Spa (*)
Alfredo GUSMINI	Member of the Supervisory Board	= =
Federico MANZONI	Member of the Supervisory Board	Chairman of the Board of Directors and Managing Director: <ul style="list-style-type: none"> - Mittel Investimenti Immobiliari Srl Chairman of the Board of Statutory Auditors: <ul style="list-style-type: none"> - Mesgo Spa Full Statutory Auditor: <ul style="list-style-type: none"> - Barabino & Partners Spa - Fidelitas Spa - FGH Spa - Terme di Sirmione Spa - Castello SGR Spa - Iniziative Bresciane Spa - Enercom Srl - G.E.I. Gestione Energetica Impianti Spa
Mario MAZZOLENI	Member of the Supervisory Board	= =
Enrico MINELLI	Member of the Supervisory Board	= =
Sergio PIVATO	Member of the Supervisory Board	Chairman of the Board of Statutory Auditors: <ul style="list-style-type: none"> - SMA Spa - Società Editoriale Vita Spa Full Statutory Auditor: <ul style="list-style-type: none"> - Brembo Spa (*) - Auchan Spa
Andrea RESTI	Member of the Supervisory Board	= =
Maurizio ZUCCHI	Member of the Supervisory Board	= =

Positions held by the members of the Management Board of UBI Banca Scpa in other companies listed in regulated markets including foreign markets(*), in financial, banking, insurance or large companies.

(**) Companies belonging to the UBI Banca Group

Name	Position held in the issuer	Positions held in other listed companies or in banking, financial, insurance or large companies
Franco POLOTTI	Chairman of the Management Board	Chairman of the Management Board and Chief Executive Officer: - O.R.I. Martin Spa Deputy Chairman of the Management Board and Chief Executive Officer: - Mar.Bea. Srl Chief Executive Officer: - Trafilati Martin Spa General Partner: - F.B.G. di Polotti Franco e C. Snc Board Member: - Italian Banking Association - Banca San Paolo di Brescia Foundation - Opera per l'Educazione Cristiana Art and Spirituality - Eco Fortis Srl - C.M. Srl Committee Member: - Associazione Industriale Bresciana Member of the Governing Council: - Federacciai
Giorgio FRIGERI	Deputy Chairman of the Management Board	Chairman of the Board of Directors: - Banca Popolare di Bergamo Spa (**) Chairman: - Istituto Diocesano per il Sostentamento del Clero di Bergamo (Diocesan Institute for the Support of the Clergy of Bergamo)
Victor MASSIAH	Chief Executive Officer	Board Member: - Italian Banking Association - Interbank Deposit Protection Fund - Federazione delle Banche, Assicurazioni e della Finanza (banking, insurance and finance federation)
Silvia FIDANZA	Member of the Management Board	Executive Officer: - Fondo Condor Trade Srl Chairman of the Supervisory Board: - Befado S.p. z.o.o. Poland
Luciana GATTINONI	Member of the Management Board	Chairman of the Board of Directors: - BPB Immobiliare Srl with sole shareholder (**) Full Statutory Auditor: - Italcementi Spa Bergamo (*) - Angelo Canevisio Spa - Domus Adiutrix Spa - Ganart Srl - Trafileries Assi Spa - Metalmauri Trafileries Spa Alternate Auditor: - Immobililegno Spa - Proposte Spa - Anita Srl
Francesco IORIO	Member of the Management Board / General Manager	Board Member: - UBI Sistemi e Servizi Scpa (**) - Italian Banking Association

continued

Name	Position held in the issuer	Positions held in other listed companies or in banking, financial, insurance or large companies
Italo LUCCHINI	Member of the Management Board	Chairman of the Board of Directors: - Azienda Agricola Lodoletta Srl. Deputy Chairman of the Board of Directors: - Italmobiliare Spa (*) Chief Executive Officer: - Foundation for the Economic and Social history of Bergamo - Study and Research Institute - Legler Family Foundation Board Member: - Italcementi Spa Bergamo (*) - Fondazione Italcementi Cav. Lav. Carlo Pesenti - Fondazione A.J. Zaninoni - Banca Popolare di Bergamo Onlus Foundation - Bergamo in History Onlus Foundation Chairman of the Board of Statutory Auditors: - Immobileffe Spa Alternate Auditor: - Fonderia di Torbole Spa
Flavio PIZZINI	Member of the Management Board	Chairman of the Board of Directors: - Borghesi Buroni Foundation Deputy Chairman of the Board of Directors: - UBI Sistemi e Servizi Scpa (**) Board Member: - Immobiliare Due Febbraio Srl - Fondazione Lambriana - Moncucco SA - Clinica Luganese SA Chairman of the Board of Statutory Auditors: - Impresa Tecnoeditoriale Lombarda Srl - Fondazione Opere Sociali - Fondazione Housing Sociale - Fondazione Ebis Single Auditor: - Novaradio Srl Receiver: - Bosa Srl (in liquidation)
Elvio SONNINO	Member of the Management Board / Senior Deputy General Manager	Board Member: - UBI Academy SCRL (**) - UBI Sistemi e Servizi Scpa (**) - UBI Banca International Sa (**) Chairman of the Governing Council: - Centro Studi Nazionale per il Controllo e la Gestione dei Rischi Aziendali (National Study Centre for the Control and Management of Corporate Risk)

Summary Tables

TABLE 1: INFORMATION ON THE OWNERSHIP STRUCTURE (as at 31st December 2014)

STRUCTURE OF THE SHARE CAPITAL

	Number of shares	percentage of share capital	Listed (indicate markets) /unlisted	Rights and obligations
Ordinary shares	901,748,572	100%	Milan – <i>Mercato Telematico Azionario</i> (electronic stock exchange)	
Shares with multiple voting rights	==	==	==	
Shares with limited voting rights	= =	= =	= =	
Shares with no voting rights	= =	= =	= =	
Other	==	==	==	

SIGNIFICANT INVESTMENTS IN THE SHARE CAPITAL

Declarant	Direct shareholder	Percentage (%) of ordinary share capital	Percentage (%) of voting share capital
Silchester International Investor LLP	No	4.903%	4.903%
BLACKROCK INCORPORATED (indirect - assets under management)	No	4.951%	4.951%
Cassa di Risparmio di Cuneo Foundation	Yes	2.230%	2.230%

TABLE 2: SUPERVISORY BOARD (appointed by the Shareholders' Meeting of 20th April 2013 for the three year period 2013/2014/2015) and committees (appointed by the Shareholders' Meeting of 23rd April 2013)

Supervisory Board											Appoint-ments Committee		Remuneration Committee		Internal Control Committee		Accounts Committee		Related and Connected Parties Committee		
Position	Members	Date of birth	Date first appointed	In office since	In office until	List (*)	Independent as per Corporate Governance Code	Supervisory Board (****)	Manage ment Board (****)		No. of appoint-ments (**)	(***)	(****)	(***)	(****)	(***)	(****)	(***)	(****)	(***)	(****)
Chairman	ANDREA MOLTRASIO	1956	(from 01/04/2007) as at 24/04/2010 from 20/04/2013	20/04/2013	AGM 2016	M/SB		21/21			7	p	4/4								
Senior Deputy Chairman	MARIO CERA	1953	20/04/2013	20/04/2013	AGM 2016	M/SB		20/21			= =	M	4/4	p	14/14						
Deputy Chairman	ALBERTO FOLONARI	1937	05/05/2007 (appointed DC on 10/5/2007)	20/04/2013 (appointed DC on 23/4/2013)	AGM 2016	M/SB	X	19/21			4	M	4/4								
Deputy Chairman	ARMANDO SANTUS	1969	28/04/2012	20/04/2013 (appointed DC on 23/4/2013)	AGM 2016	M/SB	X	18/21			= =	M	3/4	M	11/14						
Board Member	DORINO MARIO AGLIARDI (*)	1954	20/04/2013	20/04/2013	AGM 2016	m	X	21/21			= =						M	9/10			
Board Member	ANTONELLA BARDONI	1963	20/04/2013	20/04/2013	AGM 2016	M/SB	X	17/21			= =								M	10/12	
Board Member	LETIZIA BELLINI CAVALLETTI	1962	20/04/2013	20/04/2013	AGM 2016	M/SB	X	21/21			= =										
Board Member	MARINA BROGI	1967	20/04/2013	20/04/2013	AGM 2016	M/SB	X	21/21			6			M	13/14			M	10/10		
Board Member	PIERPAOLO CAMADINI	1963	20/04/2013	20/04/2013	AGM 2016	M/SB	X	20/21	10/29 (§)		2					M	25/28				
Board Member	LUCA VITTORIO CIVIDINI	1961	20/04/2013	20/04/2013	AGM 2016	m	X	21/21			2										
Board Member	ALESSANDRA DEL BOCA	1947	20/04/2013	20/04/2013	AGM 2016	M/SB	X	21/21			= =			M	14/14						
Board Member	ESTER FAIA	1973	20/04/2013	20/04/2013	AGM 2016	M/SB	X	19/21			= =										
Board Member	MARCO GIACINTO GALLARATI	1963	20/04/2013	20/04/2013	AGM 2016	m	X	21/21			= =								P	12/12	

TABLE 2 continued: SUPERVISORY BOARD AND COMMITTEES

Supervisory Board											Appoint- ments Committee		Remuneration Committee		Internal Control Committee		Accounts Committee		Related and Connected Parties Committee	
Position	Members	Date of birth	Date first appointed	In office since	In office until	List (*)	Independent as per Corporate Governance Code	Supervisory Board (***)	Managem ent Board (****)	No. of appoint- ments (**)	(***)	(****)	(***)	(****)	(***)	(****)	(***)	(****)	(***)	(****)
Board Member	CARLO GARAVAGLIA (°)	1943	01/04/2007	20/04/2013	AGM 2016	M/SB	X	21/21	6/29 (§)	4					M	27/28				
Board Member	GIAN LUIGI GOLA (°)	1964	20/04/2013	20/04/2013	AGM 2016	M/SB	X	21/21	2/29 (§)	5					M	28/28				
Board Member	LORENZO RENATO GUERINI (°)	1949	20/04/2013	20/04/2013	AGM 2016	M/SB		21/21		3							P	10/10		
Board Member - Secretary	ALFREDO GUSMINI (°)	1944	24/04/2010	20/04/2013	AGM 2016	M/SB	X	21/21	9/29 (§)	= =					M	28/28				
Board Member	FEDERICO MANZONI (°)	1949	01/04/2007	20/04/2013	AGM 2016	M/SB	X	20/21		10							M	10/10		
Board Member	MARIO MAZZOLENI	1943	01/04/2007	20/04/2013	AGM 2016	M/SB	X	21/21		= =	M	4/4								
Board Member	ENRICO MINELLI	1965	28/04/2012	20/04/2013	AGM 2016	M/SB	X	21/21		= =	M	4/4							M	12/12
Board Member	SERGIO PIVATO (°)	1945	01/04/2007	20/04/2013	AGM 2016	M/SB	X	21/21	1/29 (§)	4					p	28/28				
Board Member	ANDREA CESARE RESTI	1965	20/04/2013	20/04/2013	AGM 2016	m	X	21/21		= =			M	14/14						
Board Member	MAURIZIO ZUCCHI	1954	20/04/2013	20/04/2013	AGM 2016	m	X	21/21		= =										
Quorum currently required for the presentation of lists by Registered Shareholders The election of the members of the Supervisory Board shall take place on the basis of lists presented by: - at least 500 Registered Shareholders who represent at least 0.5% of the share capital; - the outgoing Supervisory Board with a proposal supported by at least 500 shareholders representing at least 0.5% of the share capital; - by UCITS (undertakings for the collective investment of transferable securities) holding a total percentage of at least 1% of the share capital who have the right to participate in and vote in the Shareholders' Meeting called to elect the Supervisory Board.																				
Number of meetings held during 2014			Supervisory Board: 21		Appointments Committee: 4		Remuneration Committee: 14		Internal Control Committee: 28		Accounts Committee: 10		Related and Connected Parties Committee: 12							

NOTES

(°) Enrolled in the Register Of External Statutory Auditors

(§) as a member of the Internal Control Committee

(*) “M/SB” or “m” depending of if the Board Member has been elected from the “majority list presented by the Supervisory Board (M/SB” or from the “minority list (m)”.

(**) Number of directorships or appointments as statutory auditor (or equivalent positions) held in other companies listed on regulated markets including foreign markets, in financial, banking or insurance

(***) This column shows the position of the Member of the Supervisory Board within the Committee (“C” Chairman; “M” Member).

(****) This column shows the number of meetings attended by the member in relation to the total number of meetings he could have attended.

TABLE 3 MANAGEMENT BOARD (appointed by the Supervisory Board at its meeting on 23rd April 2013)

Position	Members	Date of birth	First appointed	In office since	In Office until	Independent (in accordance with Art. 147 <i>quater</i> of the Consolidated Finance Act) (**)	Executive	Participation in meetings of the Management Board	Number of other positions (***)
Chairman	FRANCO POLOTTI	1954	10/05/2008	23/04/2013 (appointed Chairman on 23/04/2013)	(*)		X	29/29	12
Deputy Chairman	GIORGIO FRIGERI	1941	02/04/2007	23/04/2013 (appointed Deputy Chairman on 23/04/2013)	(*)		X	28/29	2
Chief Executive Officer	VICTOR MASSIAH (1)	1959	27/11/2008 (appointed Chief Executive Officer on 27/11/2008 with effect from 1/12/2008)	23/04/2013 (appointed Chief Executive Officer on 27/11/2008)	(*)		X	29/29	3
Board Member	SILVIA FIDANZA	1974	23/04/2013	23/04/2013	(*)	X		28/29	2
Board Member	LUCIANA GATTINONI	1950	23/04/2013	23/04/2013	(*)		X	27/29	10
Board Member	FRANCESCO IORIO	1968	23/04/2013	23/04/2013	(*)		X	29/29	2
Board Member	ITALO LUCCHINI	1943	23/04/2013	23/04/2013	(*)	X		28/29	11
Board Member	FLAVIO PIZZINI	1955	02/04/2007	23/04/2013	(*)		X	27/29	12
Board Member	ELVIO SONNINO	1960	23/04/2013	23/04/2013	(*)		X	29/29	4

29 meetings of the Management Board were held in 2014.

NOTES

- (1) the Chief Executive Officer to whom duties have been assigned pursuant to Art. 43 *bis* of the Articles of Association, with the support of the General Manager in connection with the overall design of internal control systems.
- * The members of the Management Board shall remain in office for three financial years (2013-2014-2015). Their term of office shall expire on the date of the Supervisory Board meeting convened to approve the financial statements relating to their last year in office. They remain in office in any event until a new Management Board is appointed in accordance with Art. 46, letter a) of the Articles of Association and they may be re-appointed.
- ** The members of the Management Board are not required to meet the requisites of independence in the Corporate Governance Code, due, amongst other things, to the decision made by UBI Banca to form internal committees within the Supervisory Board provided for by that code for which those requisites are required.
- *** Number of positions as management or supervisory/auditor board member held in other companies listed on regulated markets including foreign markets, in financial, banking or insurance companies or companies of significant dimensions. This report contains full details of the appointments (Attachment A).

Attachment 1

Principal characteristics of the existing risk and internal control management systems in relation to the financial reporting process.

1) Introduction

The existing risk and internal control management system in relation to the financial reporting process of the UBI Banca Group consists of a set of corporate rules and procedures adopted by various operational units, designed to ensure the reliability, accuracy and promptness of financial reporting.

In this respect of Law No. 262 of 28th December 2005 (and subsequent amendments) “Measures for the protection of savings and to regulate financial markets”, inserted Art. 154 *bis* into the Consolidated Finance Act which introduced the role of the Senior Officer Responsible for the preparation of corporate accounting documents (hereinafter the “Senior Officer Responsible”) into the corporate organisation of listed companies in Italy, who is held responsible for the preparation of corporate accounting documents.

One of the objectives proposed by the reform is to strengthen the system of internal controls in relation to the financial reports produced by listed issuers. To achieve this the UBI Banca Group has responded to the new legislation with a series of projects designed, amongst other things, to identify and concretely adopt an organisational and methodological system (administrative and financial model of governance), in a context of integrated compliance, that makes it possible to continuously regulate activities concerning the adequacy and effective application of the supervision of financial reporting risk and consequently to be able to make an accurate assessment of the internal control system in question.

The model developed was approved by the Management Board and the Supervisory Board on 15th January 2008 and 6th February 2008 respectively and then officially implemented in a specific set of regulations, issued with Group Communication No. 166 of 8th August 2008. This Group Communication also includes the “Methodological manual for compliance risk assessment pursuant to Law No. 262/2005” that was updated and then approved by the Management Board on 17th December 2012 and circulated in Group Circular 44 of 25th January 2013, with the aim of increasing the focus of the Senior Officer Responsible on the most critical areas by planning monitoring activities on the basis of the degree of risk assigned to the various relevant processes pursuant to Law No. 262/2005 (the risk driven process). The model adopted, the efficacy of which is the subject of constant monitoring, is based on the main reference frameworks recognised nationally and internationally for the development of adequate systems of internal controls for financial reporting, the COSO Framework² and the COBIT Framework³, and it involves different areas described in detail in the section that follows.

2) Description of the main characteristics of risk and internal control management system in relation to financial reporting processes.

The system of controls for financial reporting is based on three fundamental pillars:

- the existence of an adequate internal control system at company level designed to reduce the risk of errors and improper conduct for the purposes of accounting and financial reporting, by verifying on an ongoing basis that adequate systems of governance and standards of conduct and adequate risk management processes are in place and that there

² COSO (Committee of Sponsoring Organizations of the Treadway Commission) is a private voluntary organisation for the improvement of the quality of financial reporting through the use of ethical principles in business, internal controls and an adequate system of corporate governance.

³ COBIT (Control Objectives for IT and related technology Framework) was drawn up by the IT Governance Institute, a United States body which has the objective of defining and improving corporate standards in the IT sector. More specifically, the UBI Group has adopted the Framework IT Control Objectives for Sarbanes Oxley, defined specifically to control financial information.

are effective organisational structures, clear reporting systems and adequate IT and communication systems. Verification at company level is performed by using a special tool known as “CLC Assessment”, which is based on the qualitative assessment of a series of risk factors considered essential for the soundness and reliability of an administrative and financial governance system;

- the development and maintenance of adequate processes to control the production of accounts and financial reports and subsequent verification over time that they are adequate and actually applied. This includes administrative and accounting procedures that guarantee reasonable certainty of the reliability of financial reporting, whether it relates to financial reporting processes in the strict sense of the term or to business and support processes considered nevertheless significant for the purposes of financial reporting;
- the development of controls on the management of technological infrastructures and software applications which regard financial and administrative processes and subsequent verification over time that they are adequate and actually applied.

a) Stages of the risk and internal control management system in relation to financial reporting processes

With regard to the development of adequate processes of control over the production of accounts and financial reports and the development of controls over the management of technological infrastructures, the framework adopted involves the following stages of analysis and investigation:

- identification of the **relevant scope of application** consisting of the companies in the UBI Banca Group, the accounts and processes considered significant on the basis of both quantitative parameters, in relation to operating and capital amounts in the financial statements, and qualitative parameters, in relation to the complexity of the business and the type or implicit risks. The method adopted by UBI Banca Group for the definition of the relevant scope of application requires the identification of significant variables derived, in sequential order, from:
 - selection of the significant companies;
 - selection of the significant accounts at Group level;
 - selection of the significant accounts at individual company level;
 - intersection of the significant accounts with processes, at individual company level;
- formalisation of the relevant processes and risks connected with financial reporting and related supervisory checks. This activity is designed to assess and document the processes identified as significant for the purposes of Law No. 262/2005 and also the risks connected with financial reporting and the relative controls set in place to oversee them. The production of these documents constitutes a preliminary condition for the subsequent verification of the adequacy of the internal control system;
- definition of the area of investigation of the reference year by planning annual assessment activities, planned on a six-monthly basis, in application of the risk driven Model referred to above, involving the assignment of a risk ranking to processes. On the basis of that Model, differentiated analysis approaches are defined, while always ensuring an appropriate level of supervision of the most significant processes, partly on the basis of qualitative elements inferred from:
 - anomalies found in previous analyses;
 - level of stability of the processes;
 - the analysis of anomalies found by other monitoring functions; and
 - information acquired through interviews of the Chief Risk Officer, Chief Audit Executive and Chief Operating Officer held for this purpose;
- definition of the regular frequency of assessment processes, on the basis of the degree of risk assigned to the process, giving priority to processes that are considered to be at high risk but in any event ensuring, over the three year period, that all significant process are assessed, even if they are considered to be at low risk;
- risk measurement and the adequacy of the controls. The objective of that activity is to verify the adequacy of the administrative and accounting procedures employed in the preparation

of financial statements and in all other financial reporting, as well as how efficiently the controls have been designed and implemented. The activity consists of the following steps:

- verification of the adequacy of the administrative and accounting procedures employed in the preparation of financial statements and in all other financial reporting.. This activity, known as “risk and control assessment”, carried out by monitoring the risks associated with financial reporting procedures intrinsic to the life cycle of financial data, attributable to observance of “financial assertions” which international standards define as the requirements which each item in the financial statements must meet for compliance with legal obligations. “Financial assertions” therefore perform the function of an operational tool which guides the identification and assessment of the controls to perform, the absence or ineffectiveness of which can prejudice the achievement of veracity and accuracy in the representation of the capital, operating and financial position of the Group;
- valuation of the key controls for mitigation of financial reporting risks, identified and defined at the “risk and control assessment” stage. This activity, known as “test of design”, is intended to define the requirements of the key controls for mitigation of the risks of failure to comply with “financial assertions”. This activity may bring to light concerns which require the preparation of appropriate corrective action plans;
- verification of the effective and continuous application of controls. This stage, which consists of “effectiveness tests”, is designed to assess the effective application, in the accounting period, of administrative and accounting procedures employed in the preparation of financial statements and in all other financial reporting. In this stage, verification is performed of the implementation of the controls provided for by the system of documentation put in place during the stage when processes and procedures were formulated and introduced. This activity may bring to light concerns which require the preparation of appropriate corrective action plans;
- definition and monitoring of corrective action to be undertaken as a result of the verifications performed. The methodology involves the initiation, on the basis of the corrective action plans just mentioned, of a structured course of action which by means of specific monitoring action, leads to effective reinforcement of controls by the involvement and empowerment of the relative process owners and the consequent modification of the related internal system of regulations;
- assessment, on completion of the stages described above, of the overall degree of adequacy of the internal control system put in place to oversee financial reports produced relating to the reporting period for oversight activities. Final assessment is officially performed with a specific report that is submitted to the General Management and the Management Board.

b) Roles and functions involved

The operational stages described above are conducted by the specialist structure within the Parent, in staff units under the Senior Officer Responsible, and also with the support of various other corporate roles involved for various reasons in compliance with the specific requirements of Law No. 262/2005.

The following are involved:

- the Chief Operating Officer through the units reporting to him. the Organisation Area of UBI and of UBI Sistemi e Servizi Scpa are involved in the organisation and maintenance of document systems, designed to meet the requirements of assessing the adequacy and effectiveness of procedures that impact financial reporting;
- the other internal control functions (relating in particular to the Chief Audit Executive e Chief Risk Officer), in order to create organisational synergies and consistency in assessment across the various units concerned.

The roles and responsibilities of the stakeholders involved in the specific activities required by Law No 262/2005, as well as the relations between the Senior Officer Responsible and the various company personnel involved, with particular reference to the exchange of information between them, are defined by the specific Organisational Regulation which serves as follows:

- to clearly state the tasks and operational responsibilities of the Senior Officer Responsible and those of the other persons involved in the processes/activities for compliance with Law No 262/2005;

- to define the necessary reporting to the Senior Officer Responsible, and identify the units responsible for providing them, and their frequency and deadlines;
- to provide for the Senior Officer Responsible to have a functional role within the corporate governance of the Group.

The interactions of the Senior Officer Responsible with the other control functions are also regulated by the “UBI Banca Group Internal Control System Policy” approved by the Supervisory Board on the basis of proposals submitted by the Management Board on 1st July 2014. It formalises the co-ordination activity that normally takes the form of periodic meetings of the Chiefs of the corporate control functions and the Senior Officer Responsible with the aim of promoting the constant exchange of information. This co-ordination also relates to the sharing of operational aspects (e.g. activity programmes), methodological aspects (e.g. procedures for assessing risks and controls) and any actions to be taken. Information about these co-ordination activities is reported to the Internal Control Committee on a quarterly basis at a meeting which is also attended by the Senior Officer Responsible.

Furthermore, The administrative and financial governance model also employs a hierarchical certification system whereby the executive officers of individual companies and outsourcers of the UBI Banca Group, and the General Manager and first line staff of UBI Banca, provide the Chief Executive Officer and the Senior Officer Responsible of the Parent with internal certifications.

Before certifications pursuant to Art. 154 *bis* of Legislative Decree No. 58/98 on the annual separate company and consolidated financial statements and on the condensed interim financial statements are issued, following the verification procedures performed during the year, a special report is prepared by the staff that report directly to the Senior Officer Responsible containing, amongst other things, a summary opinion on the soundness and effectiveness of the administrative and accounting internal control system, which is submitted to the General Manager for a prior opinion. This report, approved by the Senior Officer responsible for preparing company accounting documents and the Chief Executive Officer, is submitted to the attention of the Management Board on a half yearly basis.

Attachment 2

Policy on internal controls to manage risk assets and conflicts of interest with regard to connected parties.

1. Introduction
2. Identification of sectors of activity and types of economic relationships
Criteria for the identification of sectors of activity and types of economic relationships
Mechanisms for the identification of sectors of activity and types of economic relationships
Significant Persons
3. Risk appetite
Consolidated and individual quantitative limits
Management of credit quality
Significant Persons
4. Guidelines for the establishment and governance of organisational processes to identify and collect information on connected parties and to identify and quantify transactions with them at all stages of the relationship
Introduction
Organisational roles
IT systems e Procedures
Significant Persons
5. Guidelines for the establishment and governance of control processes for the correct measurement and management of risks assumed, and monitoring the design and implementation of internal policies
Powers and responsibilities

1 Introduction

External regulatory environment

The Bank of Italy recently published guidelines on “Risk assets and conflicts of interest with regard to connected parties”¹ which require authorised banks in Italy to adopt appropriate organisational structures and internal control systems to monitor risk assets and conflicts of interest regarding connected parties.

Connected counterparty risk arises from the fact that “the closeness of persons to the decision-making centres of a bank might compromise the objectivity and impartiality of decisions concerning the grant of loans to, and other transactions with, those persons, which may result in possible distortions in the resource allocation process, the exposure of the Bank to inadequately measured or monitored risks, and potential harm to depositors and shareholders”²

Supervisory regulations identify two types of controls against such risk:

- limits on regulatory capital designed to contain risk asset³ exposures to connected parties, differentiated according to their specific type⁴;
- procedures that ensure the integrity of decision-making processes in transactions with connected parties, safeguarding resource allocation and protecting third parties from expropriation practices⁵.

In this context, connected parties are defined in general terms as:

- related parties;
- parties connected with them⁶.

Finally, in order to take account of potential risks of conflicts of interest caused by counterparties that do not, strictly speaking, fall under the definition of connected parties but whose work could in any case have a significant impact on the Bank’s risk appetite (e.g. “significant personnel”⁷), the legislation states that each banking group must adopt – in line with provisions on connected counterparties – appropriate processes to manage transactions in which such parties could have a direct or indirect interest, personally or otherwise.

Specifically, internal procedures must require the relevant personnel to declare their interests in individual transactions and for the management of such relationships to be assigned to a hierarchically superior level.

Internal regulatory environment

In order to implement the regulations on controls⁸, the UBI Banca Group has adopted the “*Policy on internal controls on risk assets and conflicts of interest with regard to connected parties*”. This sets out the guidelines and rules for the adoption – by the Group as a whole and the individual banks and companies within it – of adequate organisational structures, internal control systems and specific policies to monitor these risks in the two areas defined above (prudential limits and decision-making processes).

The purpose of the guidelines and rules is to give the UBI Group effective control mechanisms and to identify the responsibilities of company bodies, the duties of the corporate functions and reporting regarding the prevention, correct management, mitigation and monitoring of potential conflicts of interest resulting from all relationships with connected parties, with a particular focus on recording them and monitoring changes in exposures to and transactions with them.

¹ See Circular No. 263 of 27th December 2006 “New regulations for the prudential supervision of banks”, ninth update of 12th December 2011 – Title V – Chapter 5.

² See Circular No. 263 of 27th December 2006 “New regulations for the prudential supervision of banks”, ninth update of 12th December 2011 – Title V – Chapter 5 – Section I.

³ Risk assets are considered net exposures as defined for the purposes of the regulations on concentration of risk (see Title V, Chapter 1, Section I, para 3) and the “Instructions for compiling regulatory capital reports and capital ratios” (Circular No 155 of 18th December 1991), Section 5.

⁴ See Circular No. 263 of 27th December 2006 “New regulations for the prudential supervision of banks”, ninth update of 12th December 2011 – Title V – Chapter 5 – Section II Limits on risk assets.

⁵ See Circular No. 263 of 27th December 2006 “New regulations for the prudential supervision of banks”, ninth update of 12th December 2011 – Title V – Chapter 5 – Section III Decision-making procedures.

⁶ See Circular No. 263 of 27th December 2006 “New regulations for the prudential supervision of banks”, ninth update of 12th December 2011 – Title V – Chapter 5 – Section I Paragraph 3.

⁷ See para. 3.2 of the “Provisions on remuneration policies and practices in banks and banking groups” of 30th March 2011.

⁸ See Circular No. 263 of 27th December 2006 “New regulations for the prudential supervision of banks”, ninth update of 12th December 2011 – Title V – Chapter 5 – Section IV.

Regarding the definition of “connected parties”, UBI Group’s *“Regulations for transactions with UBI Group connected parties”* sets out, in detail, the scope of what is meant by related parties and parties associated with them.

Finally, in order to take account of potential risks of conflicts of interest caused by counterparties that do not, strictly speaking, fall under the definition of connected parties but whose work could in any case have a significant impact on the Bank’s risk appetite (e.g. “significant personnel”⁹), the UBI Banca Group has adopted – in line with provisions on connected counterparties – appropriate processes to manage transactions in which such parties could have a direct or indirect interest, personally or otherwise. Specifically, internal procedures must require the relevant personnel to declare their interests in individual transactions and for the management of such relationships to be assigned to a hierarchically superior level.

The definition of “significant personnel” encompasses the people defined as “Top management” in the *“UBI Banca Group remuneration and incentive policies”* document, as approved by the Supervisory Board.

Hereafter in the policy, these people are termed “Significant Persons”.

The actual practical implementation of the legislation and regulations, and of the guidelines set forth in the policy, must be adapted to the characteristics and strategies of the Group as a whole and of each bank and company within the Group, in accordance with the principle of proportionality, while ensuring precise compliance with the supervisory regulations.

In this context, the Parent approves and reviews internal policies on risk assets and conflicts of interest with regard to connected parties at least once every three years. The relative decisions are adopted following the procedures set forth in legislation and regulations¹⁰ and the various documents setting out internal control policies are communicated to shareholders via a specific report and kept available in case requested by the Bank of Italy.

The governing bodies of Group entities must have a knowledge of the risk profile and the risk management policies set by the senior management of the Parent. To this end, they must implement the contents of internal policies, company regulations and, in general, legislation and regulations, and they must contribute to its implementation, each according to their responsibilities, consistent with the reality of their companies and with the risk management strategies and policies decided by the senior management of the Parent.

Content and structure of the policy

In accordance with the regulations on internal controls on risk assets and conflicts of interest with regard to connected parties, the policy comprises the following chapters¹¹:

- *Identification of sectors of activity and types of economic relationships*, which, in line with the Group’s operating characteristics and strategies, sets out the rules and guidelines for identifying the sectors of activity and types of economic relationships where conflicts of interest could arise;
- *Risk appetite*, which establishes the maximum total acceptable risk asset exposure to all connected parties and the related organisational structures to effectively monitor compliance – ex ante and ex post – with this limit;
- *Guidelines for the establishment and governance of organisational processes to identify and collect information on connected parties and to identify and quantify transactions with them at all stages of the relationship*, which sets out specific and separate rules and guidelines for organisational roles and IT systems;

⁹ See para. 3.2 of the “Provisions on remuneration and incentive policies and practices in banks and banking groups” of 30th March 2011.

¹⁰ See Circular No. 263 of 27th December 2006 “New regulations for the prudential supervision of banks”, ninth update of 12th December 2011 – Title V – Chapter 5 – Section III paragraph 2.2. “The bank’s management board, supervisory board and independent directors must be closely involved in drafting, amending and substantially adding to the procedures, and the main corporate functions affected must also have an input. In detail:

- procedures are approved by the body responsible for strategic supervision;
- the independent directors and the supervisory board provide a detailed and reasoned opinion on the overall suitability of the procedures to meet the objectives of the current policy; the opinions of the independent directors and supervisory board are binding for the decision of the body responsible for strategic supervision;
- the relevant internal units perform a thorough investigation, each in their own areas of responsibility, to check that the proposed solutions meet the various requirements of this policy.

The procedure described above is also followed for proposals, to be submitted to the shareholders’ meeting, to amend the articles of association if it is necessary to alter these provisions.”

¹¹ See Circular No. 263 of 27th December 2006 “New regulations for the prudential supervision of banks”, ninth update of 12th December 2011 – Title V – Chapter 5 – Section IV.

- *Guidelines for the establishment and governance of organisational control processes for the correct measurement and management of risks assumed, and monitoring the design and implementation of internal policies;*
- *Powers and responsibilities, which sets out the principles that the Management Board must follow when enforcing the risk assumption limits defined in this policy.*

2 Identification of sectors of activity and types of economic relationships

Criteria for the identification of sectors of activity and types of economic relationships

With reference to the sectors of activity and types of economic relationships, transactions with connected parties can cover any transaction involving the assumption of risk asset exposures¹², transfers of resources, services or obligations, regardless of whether or not consideration is due in return.

The Group has a “Regulation on transactions with UBI Banca Group connected parties” which sets out in detail:

- the definition of connected-party transactions;
- the distinctions between connected parties according to their greater or lesser significance and the size of the amount, and the identification of the quantitative and qualitative parameters used to classify the various types of transactions (e.g. quantitative indicators include the relevance indicator of the amount of the transaction¹³ and the regulatory capital, and the relevance indicator of the asset; qualitative indicators include organisational rules that determine which bodies take decisions over specific transactions);
- exclusions¹⁴.

Mechanisms for the identification of sectors of activity and types of economic relationships

Under the criteria set out in the preceding paragraph, the notion of transactions with connected parties could potentially cover all transactions and all kinds of economic relationships pertaining to sectors of activity – including those that do not imply risk asset exposures – that could give rise to conflicts of interest and can be carried out both by the Parent and by the individual banks and companies in the Group.

In this sense, given the variety and high number of transactions that fall within the scope of connected-party transactions, in order to monitor this risk thoroughly the Group must adopt¹⁵ procedures, processes, mechanisms and internal policies to ensure that any operator who enters into contact with a potential connected party – following a request to carry out any kind of transaction and prior to its execution – checks whether the counterparty is designated as a connected party in the Group database and, if the counterparty is a connected party, check whether the transaction is covered by one of the exclusions.

The guidelines for the identification process are set out in paragraph four.

In order to more accurately identify the areas where the guidelines are to be implemented in practice, the transactions that could generate conflicts of interest in relation to the Group’s operations and strategies can be split into ordinary banking activities (in the narrow sense) and extraordinary transactions (in the broad sense).

¹² Risk assets are considered net exposures as defined for the purposes of the regulations on concentration of risk, as described in Title V, Chapter 1, Section I, para. 3 of the Supervisory Regulations and the “Instructions for compiling regulatory capital reports and capital ratios” (Circular No 155 of 18th December 1991), Section 5.

¹³ For the relevance indicator of the amount, the amount may be the sum paid to/from the counterparty if cash was used, the fair value if financial instruments were used, or the maximum amount disburseable in the case of loans. Qualitative/organisational rules set by the Supervisory Board on the basis of the provisions of the articles of association or other legislation and regulations (the Civil Code, the supervisory code etc.) are deemed to be more significant.

¹⁴ In accordance with supervisory regulations (see Title V – Chapter 5 – Section I – Paragraph 3) the following are not considered to be connected-party transactions:

- transactions between members of a banking group if they are connected by a relationship of total control, including jointly;
- fees paid to the corporate officers, providing these are in line with the supervisory provisions on incentive and remuneration systems in banks;
- intra-group transfers of funds or of collateral carried out as part of the system to manage consolidated liquidity risk, including transactions relating to covered bonds, securitisations and similar transactions;
- transactions to be performed on the basis of instructions for the purposes of stability issued by the Bank of Italy, or on the basis of instructions issued by the Parent of the Group to carry out instructions issued by the Bank of Italy in the interests of the stability of the Group;

¹⁵ This activity also covers updating existing procedures, processes and mechanisms that widen the definition of connected parties (e.g. significant personnel).

The ordinary operations defined as UBI Banca Group banking activities (in the narrow sense) include, for example:

- granting credit¹⁶;
- funding activities;
- investment and ancillary services for financial and non-financial assets¹⁷;
- advisory services and assistance for customers and other counterparties;
- collection, payment and fund transfer services;
- opening typical banking relationships (e.g. current accounts) and applying and changing their economic conditions;
- operations relating to remuneration and incentives systems;
- ordinary activities relating to managing the acquisition and disposal of goods and services.

The extraordinary operations defined as UBI Group banking activities (in the broad sense) include, for example:

- extraordinary activities relating to managing acquisitions and disposals of goods and services, including the purchase, sale and leasing of real property.
- extraordinary transactions (e.g. buying equities, corporate transactions such as mergers, demergers by acquisition or demergers in the strict non-proportional sense, increases in share capital, etc.).

While this list is merely for illustrative purposes and cannot be considered an exhaustive illustration of the preceding paragraph, the internal regulations governing each of the areas indicated must be supplemented and amended in order to transpose the provisions of the supervisory regulations and the criteria and guidelines set out in this policy and the regulation on transactions with connected parties.

In particular, the processes, procedures and IT systems that govern management of individual transactions/relationships with connected parties at all stages of the relationship (e.g. initial decision, management, monitoring, etc.) must be identified and made official in the internal regulations on the subject.

Significant Persons

The guidelines, systems and rules set out in this section must also be properly applied following the minimum standards set forth in supervisory documents¹⁸ on significant persons, as defined in the introduction.

3 Risk appetite

Consolidated and individual quantitative limits

The UBI Group and each bank in the Group intend to comply with the prudential limits on risk asset exposures to connected parties set forth in supervisory regulations. To that end, they have adopted mechanisms designed to ensure ongoing compliance with said limits.

The consolidated limits are summarised in the table.

Prudential limits on risk asset exposures to connected parties
(The limits related to the consolidated regulatory capital)

Senior managers	Investors with control or able to exercise considerable influence	Other investors and parties who are not investors	Parties subject to control or considerable
5%	Non-financial related parties		
	5%	7.5%	15%
	Other related parties		
	7.5%	10%	20%

¹⁶ See the specific instructions on conflicts of interest between granting credit and investing in equities, as set out in the regulation on what shares banks may hold.

¹⁷ See the specific instructions on conflicts of interest in investment and ancillary services, as set out in the joint Bank of Italy-Consob regulation implementing article 6, paragraph 2-bis of the Consolidated Finance Act.

¹⁸ The legislation and regulations require that banks and banking groups' own rules must at least require personnel to declare their interests in operations and for the management of such relationships (e.g. granting credit, entering credit litigation) to be assigned to a hierarchically superior level.

At the individual level, each bank belonging to the UBI Banca Group may have risk asset exposures to connected parties totalling less than 20% of its own regulatory capital, regardless of the financial or non-financial nature of the connected party.

In order to calculate the individual limit, banks belonging to a banking group consider their risk asset exposures to all connected parties across the group.

Risk appetite – maximum limit of all exposures to all connected parties

In accordance with the supervisory regulations, UBI Banca Group establishes its risk appetite on an annual basis, which is made official via a specific internal regulation applying to the units responsible.

The following terms are defined in accordance with the provisions of the document "Risk appetite and the creation of value in the UBI Banca Group: interpretation and governance":

- **limit:** the maximum/minimum value of a quantifiable risk indicator, which is established by the Supervisory Board and binding on the actions of the Management Board. Generally speaking, if the policy does not provide any further specific rules, in the event that this limit is exceeded then the Supervisory Board must be promptly informed and an automatic ban enforced on assuming new risk positions or increasing existing risk positions; the Management Board may only take corrective action with the prior approval of the Supervisory Board or, in urgent cases, of its Chairman;
- **early warning threshold:** the maximum/minimum value of a quantifiable risk indicator, which is established by the Supervisory Board and, if exceeded, must be immediately notified to the Supervisory Board or its Chairman by the Management Board, which retains complete operating independence;
- **Target:** the value – possibly referring to a quantifiable risk indicator – that the Management Board must aim for in its activities, and therefore in annual and longer term plans. It is also possible to set a qualitative target. Divergence from the established targets is stated in the periodic reporting between the Management Board and the Supervisory Board.

UBI Banca Group sets risk appetite towards connected parties in terms of:

- the maximum authorised credit towards all connected parties as a ratio against the total authorised credit to ordinary customers (nominal value);
- an early warning threshold and an absorbed capital limit (credit requirements) at consolidated level, as an expression of total consolidated available financial resources¹⁹.

The values can be summarised as follows:

Description of levels *		Amount
Authorised credit limit (nominal value)	Total authorised credit for connected parties / total authorised credit for ordinary customers	≤ 2.75%
Early warning threshold for allocated capital (credit risk)	Internal capital absorbed / available financial resources	≤ 1.75%
Allocated capital limit (credit risk)	Internal capital absorbed / available financial resources	≤ 2.0%

(*) Figures used to calculate limits are updated to 30th September 2012

Levels of authorised credit and internal capital absorbed are checked on a quarterly basis, at the same time as supervisory reports are produced.

The Management Board is responsible for verifying the figure set out in this document and must report to the Supervisory Board regarding maintaining the indicator within below the established value.

Lastly, the Group assesses legal, reputational and conflict-of-interest risks related to dealing with connected parties, where relevant to business operations, as part of the Internal Capital Adequacy Assessment Process (ICAAP); specifically, if prudential limits are exceeded, as well

¹⁹ For the definition of Available Financial Resources, see "Risk appetite and the creation of value in the UBI Banca Group: interpretation and governance". The values attributed to the Available Financial Assets are not to be added to the amounts given in the "Credit risk management policy", of which they are simply a component.

as the initiatives described in the recovery schedule it also takes account of excesses in the process to determine total internal capital.

Qualitative controls

In order to ensure proper management and adequate monitoring of risk assets, the Group has adopted suitable controls and specific credit policies which cover the following subjects:

- procedures to identify connected parties, to record their details in Group IT applications, taking account of overlaps with IFRS connected parties, regulations on connected parties pursuant to Consob resolution 17221/2010 and Art.136 of the Consolidated Banking Act regarding the proper storage of information and its amendment in the event of changes in connected parties;
- rules to determine the amount of exposure subject to limit checks in the event of the existence of risk mitigation guarantees (e.g. personal guarantees, guarantees with security, etc.);
- rules to identify cases in which the assumption of additional risk assets should be accompanied by specific risk attenuation techniques provided by persons independent from the connected parties and whose value is not positively correlated with the creditworthiness of the borrower. The identification of such cases must be general in scope and refer to the amount of risk assets as a ratio of regulatory capital, transaction frequency and the nature of the relationship between the connected party and the bank or banking group;
- processes to ensure effective management of limits on risk exposure to connected parties, to be evaluated both ex ante (when a new loan is under consideration or being amended) and ex post (during the monitoring phase);
- rules on first level and second level monitoring and on periodic reporting, clearly identifying the organisational structures responsible. Regulations must also be drawn up on processes regarding prompt notification of the bodies responsible in the event that the defined limits are exceeded;
- the establishment of a process to ensure that risk asset exposures to connected counterparties are restored to within the limits if they are exceeded²⁰ under the rules set out in legislation and regulations²¹.

Significant Persons

The guidelines, systems and rules set out in this section must also be properly applied following the minimum standards set forth in supervisory documents²² on significant persons, as defined in the introduction.

4 Guidelines for the establishment and governance of organisational processes to identify and collect information on connected parties and to identify and quantify transactions with them at all stages of the relationship

Introduction

In order to comply with supervisory regulations on identifying and recording information about parties and identifying and quantifying transactions, the UBI Group has devised and adopted specific organisational processes to:

- identify connected parties, to record their complete details in Group IT applications, taking account of overlaps with IFRS connected parties, regulations on connected parties pursuant

²⁰ For example, if it became a connected party after the relationship was established.

²¹ See Circular No. 263 of 27th December 2006 "New regulations for the prudential supervision of banks", ninth update of 12th December 2011 – Title V – Chapter 5 – Section II – Paragraph 3: "the Parent will prepare, within 45 days of the limit being exceeded, a recovery plan put forward by the management body and approved by the body responsible for strategic oversight, having consulted the body responsible for control. The recovery plan is sent to the Bank of Italy within 20 days of its approval, together with the documents containing the resolutions of the corporate bodies."

²² The legislation and regulations require that banks and banking groups' own rules must at least require personnel to declare their interests in operations and for the management of such relationships (e.g. granting credit, entering credit litigation) to be assigned to a hierarchically superior level.

to Consob resolution 17221/2010 and Art. 136 of the Consolidated Banking Act regarding the correct storage of information and its amendment in the event of changes;

- identify and quantify transactions with connected parties at all stages of the relationship, from the time that the transaction is requested and prior to its execution.

The rules and guidelines that the Group intends to follow in terms of organisational roles and IT systems and procedures are set out below.

Organisational roles

The responsibility for identifying existing relationships between counterparties – and between counterparties and the Bank, or between the Parent and the Group companies – where the counterparty can be defined as a related or connected party, lies with the corporate function assigned to monitor business groups in order to assess major risks, as defined in the supervisory regulations.

To this end, the function responsible for identifying the counterparty as a connected party and the connected relationships must use all information available both internally (e.g. company databases and archives) and externally (the “Centrale rischi” central credit register, the “Centrale bilanci” central register of financial statements, etc), integrating and comparing them in order to ensure it has a complete overview of the business groups.

The activities relating to identifying a counterparty as a connected party must be carried out on an ongoing basis and ensure that information is up to date.

The function must also adopt suitable procedures for collecting, conserving and updating information on connected parties, and must make these procedures official by way of a specific internal regulation.

Lastly, particular attention is required in cases of relationships with business groups that use complex corporate structures or do not ensure total transparency with regard to their ownership and organisation structures (e.g. if they include offshore companies or use company vehicles or legal schemes that can obstruct the reconstruction of ownership or control structures).

IT systems and procedures

The Group has adopted IT systems that are in use across the entire banking group and accessible to all units, which make it possible to:

- record information about connected parties from the moment they are defined as such pursuant to the “Regulation on transactions with UBI Banca Group connected parties”;
- provide all banks in the Group with up-to-date information about Group connected parties;
- to record changes to them;
- to monitor – ex ante and ex post – the total amount of and changes in the associated risk assets, also considering the current value of any existing risk mitigation techniques.

Specifically, the Parent uses IT systems that make it possible to verify, at all times, compliance with the consolidated and individual limits on risk asset exposures to connected parties.

Significant Persons

The guidelines, systems and rules set out in this section must also be properly applied following the minimum standards²³ set forth in supervisory documents on significant persons, as defined in the introduction.

5 Guidelines for the establishment and governance of control processes for the correct measurement and management of risks assumed, and monitoring the design and implementation of internal policies;

In order to ensure that it has a system of controls that are in line with legislation and regulations, the UBI Group designs and adopts appropriate multi-level organisational control processes in accordance with the Group governance policy.

²³ The legislation and regulations require that banks and banking groups’ own rules must at least require personnel to declare their interests in operations and for the management of such relationships (e.g. granting credit, entering credit litigation) to be assigned to a hierarchically superior level.

Three different levels of control units are responsible for ensuring correct measurement and management of risk exposures to connected parties and good design and implementation of internal policies, each according to the responsibilities assigned to them under corporate procedures, as indicated the relevant internal Group documentation, which must be updated and expanded to take account of the supervisory regulations and the rules and guidelines set forth in the policy.

Group controls are structured as follows:

- *first level controls* (i.e. line controls) designed to ensure the proper performance of the activities relating to their mission at different hierarchical levels. These are carried out by the unit managers (hierarchical controls), incorporated into procedures (procedural controls) or performed as part of back-office and/or staff activities; they are integrated into the processes to which they belong/pertain;
- *second level controls*, performed by specialist functions tasked with the ongoing identification, prevention and measurement of business risks, and providing periodic and specific reports, as a necessary basis for monitoring and assessing the system of internal controls;
- *third level controls*, performed by the Internal Audit Function and leading to an objective judgment on the setup and functioning of the internal control system or parts thereof and, in particular, on the adequacy of risk controls assigned to specialist functions.

Specifically, the legislation and regulations require that:

- the risk management function is responsible for measuring the risks – including market risks – underlying relationships with connected parties, checking compliance with the limits attributed to the various structures and operating units, and monitoring each of their compliance with the risk appetite levels set out in internal policies;
- the compliance function verifies the ongoing existence and robustness of procedures and systems capable of ensuring compliance with all external and internal regulatory obligations;
- the Internal Audit Function checks that internal policies are being followed, immediately reporting any failures to the Supervisory Body and the Bank's senior management; it also provides periodic reports to corporate bodies regarding the overall exposure of the bank or banking group to risks deriving from transactions with connected parties and other conflicts of interest, where necessary proposing amendments to internal policies and organisational and control structures to improve monitoring of such risks;
- the independent directors of the Parent provide assessments, support and proposals on organisational matters and the performance of internal controls on all activities involving the assumption and management of risk exposures to connected parties and also perform general checks on the compliance of the activities with strategic and management guidelines. The Supervisory Board assigns the functions described in this paragraph to the current Consob Related Parties Committee, which is to be renamed the Related and Connected Parties Committee.

The processes, mechanisms and IT systems relative to the controls at every level – both procedural and hierarchical/functional – are identified and described for each business sector, naming the units responsible, and made official in the internal regulations governing the management and performance of the operations.

6 Powers and competences

The Supervisory Board is responsible for defining and adopting Group-wide strategies on risk exposures to connected counterparties and approving the Management Board's proposed methods for identifying and assessing risk, qualitative risk management indicators and quantitative information.

The Parent approves and reviews internal policies on risk assets and conflicts of interest with regard to connected parties at least once every three years. The documents setting out internal

control policies are communicated to shareholders via a specific report and kept available in case requested by the Bank of Italy.

The Supervisory Board is responsible for amending and updating the policy, while the Management Board is responsible for the practical implementation of the individual rules and regulations.

Without prejudice to the boundaries set out above, the Management Board is responsible for the practical implementation of rules and limits established in internal regulations.

In order to ensure the very fullest information, any proposals to amend this policy document submitted to the Supervisory Board for its approval must be accompanied by the documents referred to above, noting any changes necessary for the practical implementation of the new version of the policy document.

In the event of changes to the regulations implementing the rules and policy guidelines adopted by the Management Board, the new version of the regulations must be submitted to the Supervisory Board for information purposes; the new provisions will take effect 15 days after the Management Board sends the document to the Supervisory Board.

The Management Board is responsible for the full implementation of this policy.

REPORT OF THE SUPERVISORY BOARD TO THE SHAREHOLDERS' MEETING

**in compliance with Art. 153, paragraph 1 of Legislative Decree No. 58 of
24th February 1998
and Art. 46, paragraph 1, letter h) of the Articles of Association**

Dear Registered Shareholders,

This report to the Shareholders Meeting has been prepared in accordance with Art. 153 of Legislative Decree No. 58 of 24th February 1998 (Consolidated Finance Act) and Art. 46 paragraph 1, letter h) of the Articles of Association, in compliance with which, the Board is required to report to shareholders on the supervisory activities performed, on omissions and reprehensible actions observed and in relation to matters within the scope of its responsibilities relating to the financial year ended 31st December 2014.

UBI Banca has adopted a two tier system of management and control, which is considered better suited to the governance requirements of the Parent, UBI Banca, and at the same time as providing stronger protection for registered and unregistered shareholders, especially through the activity of the Supervisory Board, a body appointed directly by the registered shareholders and representing them.

The distinguishing features of the two tier system lie in the distinction between:

- the **strategic supervision and control functions**, assigned to the Supervisory Board, which combines some of powers assigned by traditional systems to shareholders' meetings (approval of financial statements, appointment of the members of the management body and determination of the relative fees) and to boards of statutory auditors and assumes some "senior management" responsibilities, insofar as it is called upon to take decisions on proposals submitted to it by the Management Board on the business and/or financial plans and budgets of the Bank and the Group and also on strategic operations indicated in the Articles of Association;
- the corporate **management** functions, assigned to the Management Board, which has exclusive authority to perform all ordinary and extraordinary operations necessary to the pursuit of the company objects, in compliance with the general guidelines and strategic policies approved by the Supervisory Board.

This division of functions identifies distinct features of the operational life of the Bank and assigns them to the corporate bodies just mentioned which, with their respective roles and responsibilities, give rise to a corporate governance model that is more appropriate to the structure of the Bank and the Group in the context of a single business design, characterised by continuous dialogue and inter-functional co-operation.

The annual report on the Corporate Governance and Ownership Structure of UBI Banca Scpa - attached to the 2014 Annual Report - provides detailed information on the two-tier system of corporate governance adopted.

UBI Banca is a "popular" bank incorporated in the form of a joint stock co-operative company. For the sake of completeness, it should also be noted that, given the co-operative nature of the banks involved, the mutual banking segment is subject to legislative reforms. On 24th January 2015, Decree Law No. 3 regarding urgent measures for the banking and investment system (which came into effect on 25th January 2015) was published in the Italian Official Journal on 24th January 2015. This legislation also includes provisions regarding changes to the current governance of mutual banks. As of the date of this report, this decree is currently undergoing the process for conversion into law.

* * *

The Supervisory Board is composed of 23 members elected from among the Registered Shareholders with voting rights, including a Chairman and a Senior Deputy Chairman appointed by a Shareholders' Meeting in compliance with article 45 and two Deputy Chairmen chosen by the Supervisory Board itself from among its members. The members of the Supervisory Board, as appointed by the Shareholders' Meeting on 23rd April 2013, shall remain in office for three financial years and retire from office on the date of the Shareholders' Meeting convened in compliance with paragraph two of Art. 2364-*bis* of the Italian Civil Code.

Following its appointment and in accordance with the relevant regulations in force, the Supervisory Board successfully ascertained that the requirements for integrity, professionalism and independence were met by all its members. The Board also conducted a self-assessment of its size, composition and functioning, as well as of the committees

established within it as part of the scheduled self-assessment process for 2013, 2014 and 2015.

As specifically concerns the procedures for evaluating the requirement of independence, it should be noted that, prior to the approval of this report, the Supervisory Board conducted an up-to-date verification of the requirement of independence, while also assessing, in compliance with Bank of Italy provisions concerning corporate governance, the lending positions held with the Group by each Member. All of the Members of the Board – based on declarations by each and on the information available to the Bank – have met the requirements of independence as defined by Art. 148, paragraph 3 of the Consolidated Finance Act and in accordance with Bank of Italy supervisory provisions with regard to corporate governance (Circular No. 285).

As concerns the requirements of the Code of Corporate Governance, 20 of the 23 Members of the Supervisory Board are independent. Specifically, Members Andrea Moltrasio, Mario Cera and Lorenzo Renato Guerini are not independent, given that they were prominent members of subsidiaries of UBI Banca during the previous three financial years.

While it acknowledges the principle of collegial responsibility in performance of its duties, the Supervisory Board - in relation to its responsibilities, its composition and the characteristics of its members - decided to establish specific internal committees with the functions of fact finding and submitting proposals and advice.

As concerns the composition of the Supervisory Board and the organisation of the board's committees, see the report on the Corporate Governance and Ownership Structure of the Bank.

It should also be noted that the Board has assigned the supervisory functions specified under Art. 19 (regarding internal control and audit committees) of Legislative Decree No. 39 of 27th January 2010 to its Internal Control Committee. The Board has also granted this committee the functions of a Supervisory Body in accordance with Legislative Decree No. 231/2001 concerning the “administrative liability of entities”.

* * *

Changes in the Articles of Association of UBI Banca

During 2014, UBI Banca began a process of fine tuning its corporate governance, which will include changes to the Bank's Articles of Association. Taking account of changes in legislation, the instructions of the Bank of Italy, and other market trends, the changes, as approved by the Supervisory Board on 13th February and by the Shareholders' Meeting on 10th May 2014 within the scope of their respective responsibilities, have introduced adaptations to the governance mechanisms by creating an “integrated mutual bank” based on per capita voting, but which is able to promote the balanced representation of registered shareholders.

For a description of these changes to the Articles of Association, see the report on the Corporate Governance and Ownership Structure of UBI Banca Scpa.

In 2014, the Supervisory Board updated the rules for its Appointments Committee in order to adapt them to the provisions of the Articles of Association introduced by resolution of the Shareholders' Meeting of 10th May 2014 and to the supervisory provisions concerning the organisation and corporate governance of banks as issued by the Bank of Italy in May 2014. The new regulations were published in a specific section of UBI Banca's corporate website.

On 7th May 2014, the Bank of Italy, as part of its Circular No. 285, issued the new supervisory provisions for the corporate governance of banks, which update the related regulations previously issued in 2008 in order to meet the needs of:

- o ensuring the transposition of the provisions of European legislation, particularly Directive 2013/36/EU (CRD IV) and the guidelines issued by the EBA in 2011 regarding internal governance;
- o clarifying and reinforcing the rules regarding a number of aspects that emerged from practical experience, co-ordinating them with the clarifications and application guidelines provided to the banking sector, ensuring harmony with other provisions issued in the meantime or currently being revised within the scope of work related to the transposition of CRD IV.

On 18th November 2014, also in relation to Circular No. 285, the Bank of Italy issued new

provisions regarding remuneration and incentive policies and practices, which included aspects affecting articles of association in relation to shareholder responsibilities concerning remuneration and incentives.

In relation to the above, it should be noted that work has begun to amend the Articles of Association in response to the aforementioned Bank of Italy supervisory provisions concerning corporate governance and remuneration and incentive policies and practices.

* * *

Implementation of the European banking union

On 1st January 2014, the new European framework (Basel 3) came into effect, whereas the launch of the Single Supervisory Mechanism (SSM) on 4th November 2014 assigned specific tasks to the ECB concerning the prudent supervision of banks and calls for direct ECB supervision over the 120 largest banks (13 of which are Italian) in co-operation with the national supervisory authorities of participating countries.

In order to prepare for the launch of the SSM, a comprehensive assessment was concluded in October 2014 with a view to improving the transparency of the financial statements of banks and to increasing confidence in the solidity of the banks subject to single European supervision.

For UBI Banca, all phases of this comprehensive assessment pointed to the existence within the Group of significant surplus capital compared with the established thresholds.

* * *

Remuneration and incentive policies

In our meeting of 3rd February 2015, as proposed by the Remuneration Committee, the Supervisory Board approved the update to the remuneration and incentive policies of the UBI Group for 2015.

The remuneration policies have been substantially revised, both in form and in substance, in order to bring them in line with the latest in best practices in terms of simplicity, efficacy and adequacy. In particular, one of the key features of the new policies is the introduction of a system of long-term incentives for members of management that have the greatest impact on governance and business.

The 2015 Policies take particular account of adapting to the new supervisory provisions for banks with regard to remuneration and incentive policies and practices issued by the Bank of Italy in November 2014 in transposition of Directive 2013/36/EU of the European Parliament and of the Council of 26th June 2013 (also known as “CRD IV”) on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms.

Based on the observations of the Remuneration Committee, the Supervisory Board has expressed approval of the Group’s remuneration and incentive policies and their consistency with the proposal to submit the 2015 incentive scheme for key personnel (which calls for the determination of a portion of the variable component of remuneration by granting ordinary shares of the Parent, UBI Banca) for approval by the shareholders.

As proposed by the Remuneration Committee, the Supervisory Board also moved to submit the remuneration and incentive policies for the Supervisory and Management Boards to the shareholders for approval.

The Board also approved the presentation of a specific proposal to the shareholders regarding procedures for determining compensation to be paid in the event of early termination of employment or leaving office before the end of one's term.

The above decisions were then adopted in accordance with supervisory provisions concerning remuneration and incentive policies and practice for banks and banking groups, as issued on 18th November 2014.

On 3rd October 2014, within the scope of sector-wide action, the Bank of Italy reported the start of assessments aimed at evaluating the remuneration and incentive policies and

practices in place within the UBI Banca Group. The outcome of these assessments were presented by the supervisory authority on 11th March 2015.

Strategic and organisational change in the Group

During the year and in the first part of 2015, work continued and was completed on a series of initiatives aimed at simplifying and rationalising the Group's organisation and activities, as approved by the Supervisory Board within the scope of its responsibilities.

The following are of particular note:

- corporate reorganisation efforts and simplification of the Group's structure, particularly with the merger of the companies IW Bank (online banking) and UBI Banca Private Investment (financial advisory network) with the goal of synergistically integrating the online model with that of the financial advisors in line with the current market landscape;
- finalisation of partnerships in the distribution of life and non-life insurance products;
- further measures to rationalise the Group's branch network and continuation of the initiatives concerning commercial processes;
- full implementation of enhancement of the policy-making and co-ordination role of the Parent over the product companies, particularly as concerns the revision of the governance model with the centralisation of the roles of Chief Risk Officer, Compliance, and the Chief Financial Officer of the Group's lender companies (i.e. UBI Leasing, Prestitalia and UBI Factor).

These activities are also listed under point 1 of this report below.

The system of internal controls, the reporting system and business continuity

The document "Report on the Corporate Governance and Ownership Structure of UBI Banca Scpa" may be consulted for a description of the architecture, rules and organisational units of the system of internal controls. It also gives specific information required under article 123-bis, paragraph 2(b) of the Consolidated Finance Act (Legislative Decree No. 58/1998) concerning the risk management and internal control systems that govern the financial reporting process.

Of particular note during the year was the action taken to implement the new provisions issued by the Bank of Italy on 2nd July 2013, effective as of 1st July 2014, concerning systems of internal controls, information systems and business continuity (*Vigilanza prudenziale delle Banche* – Circular No. 263 of 27th December 2006 – update No. 15).

These provisions introduced important changes with respect to the regulatory framework in force in order to furnish banks with a complete, adequate, functional and reliable system of internal controls, by regulating, amongst other things, the following: the role of corporate bodies within the internal control system; the role of corporate control functions, the outsourcing of corporate functions, the IT system and operational continuity.

The self-assessment report sent to the Bank of Italy in January 2014 described the results of the gap analysis conducted and the adaptation measures identified. These measures were implemented in the second stage of the project, which began in February 2014 and was progressively implemented in line with the deadlines established by applicable legislation.

The required regulatory compliance actions were carried out before the deadline set (1st July 2014), with particular reference to the following:

- internal control system – regulates guidelines, roles, duties and responsibilities of the corporate bodies and control functions of the Parent and its subsidiaries and also the relative co-ordination procedures;
- outsourcing of corporate functions – regulations for decision-making processes, controls and the relative lines of reporting, as well as the main roles and responsibilities of the persons involved;
- risk appetite framework (RAF): definition of the main roles and responsibilities assigned to the units involved in activities to define, implement and monitor the RAF;
- RAF training processes and approval and the main reporting lines between the Group units involved;

- compliance, risk control and internal audit: update and establishment of the main roles and responsibilities, the processes and the lines of reporting of these functions;
- business continuity – update of the Operational Continuity Programme in compliance with the new provisions.

Work to implement the new legislation took place in the second half of the year and included the following:

- System of Internal Controls: co-ordination of the control functions, with a particular emphasis on the sharing of operational aspects and the definition of the reporting calendar regarding the system of internal controls;
- Outsourcing company functions: appointment of the Contacts for Outsourced Activities and launch of the new operating processes;
- Risk Appetite Framework (RAF): updating risk appetite in conjunction with the budget process and changes in internal regulations in line with the new process;
- Compliance: updating methodologies and implementation of the new specialist measures (e.g. fiscal and labour law);
- Risk Control: definition of methodologies and mechanisms for second-level credit controls and for the assessment of IT risk;
- Internal Audit: adaptation of methodologies and of the scope of the activity.

In the same way, the provisions of the General Corporate Regulations were also updated.

With regard to the provisions of Chapter 8 (Information Systems), which came into effect on 1st February 2015, decisions were made in early 2015 regarding completion of the actions needed in relation to the ICT function, logical security, the governance date, management of change and of accidents, IT risk, and ICT compliance.

The Supervisory Board constantly monitors developments in the area, including through the Board's internal committees.

* * *

In compliance with **Consob Communication No. 1025564 of 6th April 2001** and subsequent amendments to it, specific information is given below on the supervisory activities performed by the Supervisory Board in 2014 in the order of presentation recommended in that Consob communication.

1. This Supervisory Board participated in all the meetings of the Management Board, authorising members of the Internal Control Committee to do so also individually on its behalf.

The Supervisory Board supervised compliance with the law, the Articles of Association and proper management practices and acquired information on the activities of the Bank and its subsidiaries and also on major capital, financial and operating transactions.

Transactions of significance with respect to operations and capital concluded by the Bank and its subsidiaries during the year were performed in compliance with law, the Articles of Association and exclusively and fully in the interests of the respective company. On the basis of information obtained by the Management Board pursuant to Art. 150 of the Consolidated Finance Act, those transactions were neither manifestly imprudent, risky, in conflict of interest, contrary to Shareholder resolutions or such as to compromise the integrity of the Bank's assets.

A full and exhaustive review of transactions of greater significance during the year is contained in the Management Report for the 2014 Consolidated Financial Statements. The main initiatives undertaken are mentioned here.

During the year, a series of actions were undertaken which sought to simplify and streamline the Group's structure and its areas of business. The most important of these actions, which were, where applicable, approved by the UBI Banca Supervisory Board, may be summarised as follows:

- the merger of IW Bank SpA (online banking) into UBI Private Investment (financial advisory network), given their converging, complementary operating models. The merger, which was authorised by the Bank of Italy by way of a Provision of 27th February 2015, is expected come into effect on 25th May 2015 and calls for the

- surviving entity of the merger to be named IW Bank SpA, thereby maintaining the current trademark;
- finalisation of partnerships for the distribution of life and non-life insurance products. In this context and within the scope of the reorganisation of the joint venture in the area of the distribution of life insurance products, UBI Banca has agreed to repurchase non-controlling interests in Group banks at values that are in line with the fair value of the share holdings;
- full sale of the capital in UBI Gestioni Fiduciarie, a “dynamic fiduciary” company, within the scope of the broader programme of disposing of non-core businesses;
- actions to redefine the Group’s organisation and distribution structure, including the continuation of actions concerning the commercial value chain, aimed at reducing operating costs, maximising company efficiency and maintaining profitability.

2./3. The Consob approved a regulation regarding related-party transactions with Resolution No. 17221 of 12th March 2010 and subsequent amendments.

The requirement relates to the procedures to be followed for the approval of transactions concluded by listed companies with parties that could create a conflict of interest. The Group approved in-house regulations regarding related party transactions within the time limits set by Consob, in which it defined internal processes that will assure compliance with Consob requirements.

In implementation of article 53, paragraphs 4 *et seq.* of the Consolidated Banking Act and Inter-Ministerial Credit Committee Resolution No. 277 of 29th July 2008, the Bank of Italy also, on 12th December 2011, issued the ninth update of the New regulations for the prudential supervision of banks regarding risk assets and conflicts of interest concerning parties related to banks or banking groups. The purpose of these measures was to limit the link that the proximity of certain “related parties” to a bank’s decision-making powers could compromise the objectivity and impartiality of decisions concerning the granting of financing or other transactions.

In implementation of such measures, the rules governing transactions with UBI Banca Scpa related parties and those governing transactions of the UBI Group with related parties have been issued.

In this regard, the Related Parties Committee, established within the Supervisory Board, is called upon to express opinions on transactions to be conducted with the various types of related and connected parties.

The Supervisory Board oversees compliance of the aforementioned rules with applicable laws and regulations and reports to the Registered Shareholders in accordance with article 153 of Legislative Decree No. 58 of 24th February 1998 (the Consolidated Finance Act).

- Related parties

The Supervisory Board periodically reviewed lists of all the related-party transactions concluded in the preceding quarter, contained in reports received from the Management Board. They included those not subject to a prior opinion from the Committee in accordance with the regulation adopted, with specification of the related party, the type of transaction and the amount and, if the transaction was not subject to prior examination by the Committee, the underlying grounds for the exemption.

With regard to transactions between companies in the Group and all of its related parties, no atypical and/or unusual transactions were performed during the year (as defined by Consob Communication No. DEM/1025564 of 6-4-2001 and subsequent amendments). Furthermore, no transactions of that type were even performed with counterparties that were not related parties.

Normal commercial and financial intragroup and related-party transactions have been properly disclosed by the Management Board in Part H of the notes to the UBI Banca separate and consolidated financial statements.

The Management Report provides information pursuant to article 5, paragraph 8 of Consob Regulation No. 17221 of 12th March 2010.

The information provided by the Management Board in its report has been found to be sufficient.

- Connected parties

During the year, as concerns transactions with “connected parties”, the Supervisory Board has periodically examined the list – as provided by the Management Board – of all transactions executed, including those not subject to the prior opinion of the committee in accordance with the rules.

In 2014, the UBI Banca Group always remained within the limits specified under supervisory regulations.

Specific information in this regard is provided in the Management Report.

The Report on Corporate Governance and the Ownership Structure describes the main contents of the monitoring, reporting and decision-making regulations adopted for the performance of related party transactions by the Bank.

The transactions with senior managers of the bank, with senior managers of Group member companies, and with companies controlled by said parties are conducted under normal market conditions and the provisions of article 136 of the Consolidated Banking Act are carefully complied with for those transactions. The Supervisory Board has also overseen the adequacy of the system for ensuring compliance with Art. 136 of the Consolidated Banking Act.

All the transactions performed by Group companies with their related and connected parties were carried out in compliance with correct principles both in substance and form under conditions analogous to those applied for transactions with independent parties and are considered as being consistent with and responding to the interests of the company. They were performed in accordance with the organisational structure adopted.

4. On 30th April 2011, the Registered Shareholders, as duly proposed by the Supervisory Board and based on the favourable opinion of the Internal Control Committee, approved the engagement of the auditing firm Deloitte & Touche S.p.A. for the statutory audits of the UBI Banca separate and consolidated financial statements and corporate accounts for the financial years from 2012 to 2020 and for the audit of the proper recognition of transactions in said accounts, as well as for the limited audit of the half-year interim consolidated financial statements of the UBI Group, while also establishing the related fees to be paid in accordance with the proposal of the Supervisory Board and in compliance with article 13 of Legislative Decree 39/2010.

The independent statutory auditor, Deloitte & Touche S.p.A, with which the Supervisory Board had ongoing meetings, either directly or through internal committees, issued its reports on the 2014 separate and consolidated financial statements on 6th March 2015. They contained the unqualified opinion with respect to the conformity of the accounting records and the consistency of the management report with the financial statements.

- 5./6. In 2014, the Supervisory Board received no expressly qualified reports from the shareholders such as those envisaged under Article 2408 of the Italian civil code. Having said that, on 18th July 2013, UBI Banca was served a writ of summons by Giorgio Jannone and other Registered Shareholders demanding, essentially, that it be declared that (i) the only valid list for the appointment of members of the Bank's Supervisory Board be the one presented by Mr Jannone himself after verifying the irregularity of the other two lists which received a greater number of votes at the meeting of 20th April 2013 and (ii) the shareholder resolution concerning the appointment of the corporate bodies be deemed invalid, or, subordinately, (iii) certain votes submitted within a particular period of time at the meeting of shareholders (i.e. upon opening the vote) be deemed invalid. It therefore judges the claims made in that summons to be without foundation. The Bank considers that the procedures preliminary to the shareholders meeting to check the lists presented were carried out correctly and that the proceedings of the shareholders' meeting were also carried out properly. It therefore judges the claims made in that summons to be without foundation. In a hearing of 19th June 2014, the Investigating Magistrate, having considered the preliminary questions raised by UBI Banca concerning the legitimacy of the parties to be relevant, ordered a court-appointed expert to verify whether the necessary quorum to challenge the shareholders' resolution mentioned above had existed.

The Supervisory Board has received no claims or other notifications directly. The companies of the Group have received claims from customers concerning the services provided. The strategic orientation of the Group, which sees the management of disputes as an essential means of pursuing the goal of ongoing improvement in the level of customer satisfaction, has been further consolidated. A specific project has been developed in order to improve the model for handling complaints. By assigning responsibility for the guidance and co-ordination of the network banks and product companies to the units of the Parent, this model aims to ensure greater uniformity in strategy and to standardise conduct, including by establishing formal guidelines concerning the key issues. No significant omissions or other irregularities in the overall process of claims management have emerged.

For the sake of completeness, it should also be noted that, during the year, a number of requests were received from the Consob in accordance with article 115, paragraph 1, of the Consolidated Finance Act, and replies to such requests have been provided in a timely manner.

We also report that with a letter of 30th April 2014, the Consob (Italian securities market authority) has launched proceedings in accordance with article 195 of the Consolidated Finance Act relating to Members of the Supervisory Board – in office from 2009 until 30th April 2014, with the exception of Members Agliardi, Cividini, Gallarati, Resti and Zucchi – concerning a report of a possible violation of article 149 of the Consolidated Finance Act in relation to reporting on corporate governance. The relative defence documents, to which all the Supervisory Board members in receipt of the notification adhered, were submitted to the Consob within the time limits set.

On 14th May 2014, as ordered by the Bergamo Public Prosecutor's Office, searches were conducted of the UBI Banca Group in response to claims dated 2012 (by Jannone and Lannutti, and related mainly to the matters concerning UBI Leasing and UBI Factor) and to a claim dated July 2013 made to the Supervisory Authority, acquired by the Prosecutor's Office (by Members of the Supervisory Board Agliardi, Cividini, Gallarati, Resti and Zucchi) regarding the alleged existence of shareholder agreements that were not reported to the competent authorities. The Group provided maximum co-operation with the *Guardia di Finanza* (finance police).

A request has been submitted – at the end of 2014 – for a six-month extension (until 29th June 2015) in the deadline for concluding the preliminary investigation.

The Group has already provided answers and clarifications at the time to the competent supervisory authorities on the matters contained in the reports and no new events have occurred to report, nor is there any additional news.

On 11th February 2015, the Bergamo Public Prosecutor's Office, through the *Guardia di Finanza*, served members of UBI Banca and other companies of the Group with search warrants within the scope of an investigation launched following the provision of 14th May 2014 issued by said authority. The alleged infraction concerns Art. 2636 of the Italian Civil Code (which regards undue influence over shareholders) in relation to the meeting of shareholders of 20th April 2013, which led to the appointment of the UBI Banca Supervisory Board for the period 2013-2014-2015.

In consideration of their nature, it is considered that the procedures initiated by the Consob and the Public Prosecutor's Office of Bergamo can have no repercussions on Group assets.

The Internal Auditing unit has conducted specific investigations of the matters involved in these measures and has kept the Internal Control Committee constantly apprised.

7. The fees shown below were paid to the independent statutory auditors Deloitte & Touche Spa for the financial year 2014, in accordance with the law.

Type of service (figures in thousands of euro)	Deloitte & Touche Spa	
	UBI Banca Scpa	Other UBI Banca Group companies
Audit services	968	1,274
Certification services	1,082	50
Other services	-	-
Total	2,050	1,324

All fees shown include any index-based charges and do not include out-of-pocket expenses, security fees or VAT.

8. The fees reported below were paid to companies belonging to the network of the independent statutory auditors, Deloitte & Touche S.p.A, for financial year 2014, in accordance with the law.

Type of service (figures in thousands of euro)	Companies of the Deloitte & Touche Spa Network	
	UBI Banca Scpa	Other UBI Banca Group companies
Audit services	-	315
Certification services	-	18
Other services	60	-
Total	60	333

All fees shown include any index-based charges and do not include out-of-pocket expenses, security fees or VAT. Details of these fees are also given in an attachment to the financial reports as required by Art. 149-*duodecies* of the Issuers' Regulations.

The independent statutory auditors, Deloitte & Touche Spa, furnished the Internal Control Committee – which, in accordance with Art. 49 of the Articles of Association, performs supervisory functions pursuant to article 19 of Legislative Decree No. 39/2010 – with annual confirmation of its independence pursuant to article 17 of Legislative Decree No. 39/2010. No critical issues or risks regarding the statutory auditor's independence have come to light from contacts and discussions with the Committee.

9. With regard to the updates proposed during the period by the Management Board concerning the programme for the issuance of covered bonds, the Supervisory Board has taken note of the report of the Compliance unit and has confirmed the decisions made in previous meetings regarding: the approval of the assessments of the objectives and the related legal and reputational risks; approval of the control procedures formulated; the favourable opinion on the compliance of the programme's activities with the legislation and supervisory provisions and on the impact of the activities on the capital and operating equilibrium of the Bank.

The Supervisory Board, acting on a recommendation of the Appointments Committee, as required by Art. 46 letter n) of the Articles of Association, expressed an opinion in favour of the Management Board's nominations for the positions of Board Member and Statutory Auditor of the subsidiaries listed under letter b) of Article 36 of the Articles of Association.

The Supervisory Board also examined the Management Board's proposed fees to be paid to the Boards of Directors and Statutory Auditors of Group companies that had been requested to set remuneration at the next Shareholders' Meetings. In agreement with the Remuneration Committee in that regard, the Supervisory Board verified the consistency of the Management Board's proposals with Group remuneration policies. With regard to the internal regulations on limits to the number of positions held by senior managers of the bank, the Supervisory Board has issued an opinion as to whether two senior managers of Group companies have surpassed these limits, noting that it is in the Group's interest for these parties to hold positions on the boards of the subsidiary banks. The accumulation of positions within the Parent is in line with regulations.

10. The Supervisory Board met 21 times in 2014. The Chief Executive Officer and the Senior Officer Responsible for the preparation of corporate accounting documents (the “Senior Officer Responsible”) were invited to attend meetings where operating and financial results were reviewed and, within the scope of their responsibilities, and, in compliance with Art 38 of the Articles of Association, the Chief Executive Officer reported on activities performed and on transactions of major operating, financial and capital importance carried out by the Parent and its subsidiaries.
- While observing the principle of collegial responsibility in the performance of its duties, the Supervisory Board - in relation to its responsibilities, its composition and the characteristics of its members - in compliance with supervisory instructions, with the provisions of the Articles of Association and with the recommendations contained in the Corporate Governance Code of Borsa Italiana, decided to create specific committees with the functions of submitting proposals and advice and performing assessments: an Appointments Committee, a Remuneration Committee, an Internal Control Committee and an Accounts Committee. In addition, in accordance with the provisions of Consob regulations concerning related parties and in implementing the new prudential supervisory provisions, a Related and Connected Parties Committee has been established.
- These Committees performed their activities as provided for by the Articles of Association and their respective regulations, reporting on their work to the Supervisory Board. The Report on Corporate Governance and Ownership Structure may be consulted for details of the issues addressed by these Committees.
- In 2014, the Appointments Committee met four times; the Remuneration Committee, 14 times; the Internal Control Committee, 27 times; the Accounts Committee, ten times, and the Related Parties Committee met twelve times.
- In order to provide constant reporting on operating events and as required by Art. 49 of the Articles of Association, at least one member of the Internal Control Committee attended meetings of the Management Board in compliance with regulations in force. The Management Board met 29 times in 2014.
11. Within the scope of its responsibilities, the Supervisory Board acquired information on and oversaw the adequacy of the organisational structure of the Bank and compliance with the law and proper principles of management through channels which included the Internal Control Committee and the Accounts Committee. This was performed by making direct observations, by acquiring information from the Senior Accounting Officer Responsible for preparing the corporate accounting documents and by holding periodic meetings with the those functions in the Bank involved in the system of internal controls and with the independent auditors, during the course of regular exchanges of information. Based on these meetings, we feel that the principles of proper management have been consistently applied and respected.
12. The Supervisory Board acquired information through channels which included the Internal Control Committee and it oversaw, within the scope of its responsibilities, the adequacy of the organisational structure of the Bank.
- With regard to the organisation of the Parent, in March 2014, the Supervisory Board approved the changes to the UBI Banca General Corporate Regulations primarily to account for the effects of efforts to strengthen the Parent's co-ordination over the product companies, so as to promote homogeneity and greater integration, at the Group level, of the systems of governance and control with the changes to the model of governance, which involved a centralisation of the functions of CRO, Compliance and CFO of the lender companies, i.e. UBI Leasing, Prestitalia and UBI Factor. The Board, with the help of its committees, has constantly monitored the progressive implementation of this strengthening process.
- As a result, the General Corporate Regulations were then supplemented to account, in particular, for the changes in regulations – following the resolutions of the Supervisory Board of 1st July 2014 – given that, on that same date, the new regulations for the prudential supervision of banks regarding systems of internal controls, information systems, and business continuity (see Bank of Italy Circular No.

263 of 27th December 2006, 15th update of 2nd July 2013) came into effect. The General Corporate Regulations were also supplemented in order to take account of the changes to the organisational structure during the period, which affected areas that included the Chief Audit Executive, the Chief Lending Officer, the Chief Business Officer, the Chief Risk Officer, and the Chief Financial Officer.

In October 2014, the Supervisory Board approved a new configuration concerning the Chief Audit Executive that takes account of: changes resulting from the new regulations for the prudential supervision of banks; the need for a renovated methodological and operational configuration of activities following certification by the Internal Auditing Function of compliance with the International Standards for the Professional Practice of Internal Auditing; and the changes to the scope of the Group companies involved and to the related processes.

The Supervisory Board, through the Internal Control Committee, has also monitored developments with Internal Auditing in terms of the function's structure, staff and operating tools – particularly as concerns aspects related to the implementation of an automated system of rating Italian branches in order to support the remote auditing efforts of Internal Auditing – as well as the Quality Assurance Review of internal auditing conducted by an external firm (PricewaterhouseCooper), which had a positive outcome and was looked at further by the Supervisory Board.

13. An assessment of the adequacy of the internal control system is conducted each year by Internal Auditing and takes account of the evaluations by the other control functions of the company. The outcome of this assessment is presented to the Supervisory Board for the appropriate verifications, which are conducted with the support of the Internal Control Committee.

With regard to internal controls, the Supervisory Board has also made decisions concerning implementation of the provisions of the Bank of Italy (see Circular No. 263/2006, 15th update) regarding systems of internal controls, information systems and business continuity, as explained in the related section of this report.

The Supervisory Board has examined the periodic reports of the second and third-level internal control functions, including on the basis of the presentations provided by the heads of the various units, and has taken note of the main areas for improvement that have emerged.

In addition, the Supervisory Board is a recipient of the annual report of the Supervisory Body pursuant to Legislative Decree 231/2001 for the year 2013.

When assessing the overall system of internal controls, the Supervisory Board was supported, in particular, by the Board's Internal Control Committee.

The following are the primary activities conducted by this committee in 2014 regarding the most significant issues concerning the Bank's system of internal controls, which sought to assess the adequacy of this system and the related regulatory context, including:

- the main changes to laws and regulations in areas affecting the overall architecture of the Group's system of internal controls, such as the 6th May 2014 update to Bank of Italy Circular No. 285/2013 regarding corporate governance, the July 2014 update to the Code of Corporate Governance and the convergence towards the Single Supervisory Mechanism, in relation to which the committee monitored the phases of the comprehensive assessment of leading banks by the ECB in conjunction with the local supervisory authorities;
- the development of "Project 263" aimed at adapting the overall system of internal controls to account for the new regulations for prudential supervision established in the 15th update to Bank of Italy Circular No. 263/2006 in terms of the organisational structure and overall system of internal policies and regulations;
- the management of conflicts of interest and, in particular, situations in which persons appointed to office in the network banks surpass the threshold of positions held and, with regard to interlocking, the annual verification of the lack of any causes of incompatibility of the Members of the Management Board and of the Senior Officer Responsible for preparing the company accounting documents;

- the organisation and structure of the Bank and its subsidiaries, including in relation to the changes in consolidated companies – such as the planned merger of IW Bank into UBI Banca Private Investment, the International Strategy Project, and the UBI World Project -- and information concerning executives and senior management of the Bank and its subsidiaries;
- issues concerning the system of powers, the definition and assignment of responsibilities, and the management of human resources – such as the systems of remuneration and incentives, trends in personnel costs, training efforts by UBI Academy, and the project “Human Resources Quality”;
- the reporting lines , particularly as concerns reporting by the control functions to senior management and the periodic reporting prepared by the units responsible for control activities, including in relation to the co-ordination of the organisation’s control functions as defined within the scope of the UBI Banca Group’s Policies for the System of Internal Controls;
- the activities of the control units of the Group companies, including by way of specific meetings and with a particular emphasis on the areas affected by the Bank of Italy’s new regulations for prudential supervision, the use of advanced internal models adopted by the Group for measuring and managing credit and operational risk, and convergence towards the Single Supervisory Mechanism;
- matters relating to anti-money laundering, with a particular focus on implementing the “Anti-money laundering - appropriate verification of customers and keeping of the AUI [single financial transactions database]” project, intended to ensure the compliance of procedures and internal systems with the regulations in force;
- the Compliance function, taking note – in part through the reports produced – of the progress of initiatives concerning the organisation and related regulations and of initiatives aimed at enhancing the compliance process and, in particular, at centralising within the Parent the compliance functions of UBI Leasing, Prestitalia, and UBI Factor. A similar process of centralisation also concerned the Risk Control Function;
- transparency, usury and privacy, particularly as concerns developments in the mechanisms controlling related compliance in relation to the specific projects launched by the Parent;
- matters concerning the complaints management process;
- activities to prepare for the UBI Banca Shareholders’ Meeting.

14. The Supervisory Board assessed and oversaw the adequacy and efficiency of the administration and accounting system and its reliability in recording operating events faithfully, partly by means of internal committees of the Board. This was performed by holding specific meetings with the functions in the Bank involved in the internal control system and with the independent auditors, by acquiring adequate reports from other corporate bodies of the bank and from the heads of the respective functions, by examining corporate documents and by analysing the results of the work performed by those persons. Within the scope of evaluating the system of internal controls and based in part on the information provided by the Accounts Committee and the independent auditors, the Internal Control Committee has evaluated the adequacy of the systems of accounting and administration and has found them to be generally appropriate to the size and characteristics of the Group’s business.

The Supervisory Board has paid due attention to the strategic and organisational profiles of a number of product companies. In addition to what has been reported above in the section concerning strategic and organisational developments for the Group, it should also be noted that, during the year, the functions of Chief Risk Officer, Compliance and Chief Financial Officer of the Group's lender companies were centralised. Various initiatives also involved Prestitalia and UBI Factor with the goal of improving their accounting functions, including the adoption of information systems specifically calibrated for their respective businesses.

As required by Art. 19 paragraph 3 of Legislative Decree No. 39/2010, the Supervisory Board was informed by the Internal Control Committee that it had received a report on fundamental issues found during the independent statutory

audit and significant shortcomings of the system of internal controls relating to the financial reporting process. The conclusion of the report on the separate financial statements for UBI Banca and the consolidated financial statements for the UBI Group for the year ended 31st December 2014 was that no significant shortcomings in the system of internal accounting controls were found.

The Chief Executive Officer and the Senior Officer Responsible for preparing the corporate accounting documents have issued a declaration pursuant to Art. 154-bis of the Consolidated Finance Act concerning the information contained in the separate and consolidated financial statements for 2014.

15. The Supervisory Board worked, both directly and through its internal committees and the corporate functions involved in the system of internal controls, to ensure that the conduct of subsidiaries was consistent with the objectives set by the Parent. No shortcomings were found concerning the adequacy of instructions given by the Parent to its subsidiaries pursuant to Art. 114, paragraph 2 of the Consolidated Finance Act nor on the reporting performed by subsidiaries to the Parent in order to comply with disclosure obligations required by law. The Supervisory Board, assisted by the Internal Control Committee and the Accounts Committee, exchanged information with the corresponding bodies of the subsidiaries concerning the systems of control and accounting administration and the general performance of the companies.
16. No significant issues requiring specific investigation emerged from the periodic exchanges of information that occurred through the Accounts Committee and Internal Control Committee with the independent statutory auditors, Deloitte & Touche S.p.A, pursuant to paragraphs 3 and 5 of article 150 of the Consolidated Finance Act. The Accounts Committee and the Internal Control Committee held meetings between the end of 2014 and in the first months of 2015 with the independent auditors and with the Senior Accounting Officer in preparation for approval by the Supervisory Board of the separate and consolidated financial statements for the year ended 31st December 2014.
17. UBI Banca Scpa complies with the Corporate Governance Code for listed companies of Borsa Italiana and it has prepared a Report on the Corporate Governance and Ownership Structure of UBI Banca Scpa which is attached to the Annual Report. That report was prepared in compliance with Art 123 *bis* of the Consolidated Finance Act and its purpose is to furnish shareholders and the market with an analysis of the system of corporate governance adopted by UBI Banca Scpa. It gives details of the procedures by which the Code itself has been complied with by the Bank and also provides an account of those principles with which the Bank has complied in full and those that it has chosen not to observe, even only partly, on the basis of the principle of either “comply or explain”, including in relation to the necessary respect of the specific characteristics of mutual banks, which must strictly comply with the provisions of the Consolidated Banking Act and applicable supervisory provisions. In this regard, it should be noted that the current chairman of the Remuneration Committee is not an independent as defined by the Code of Corporate Governance, given that, in previous years, he has been a key member of a subsidiary of strategic importance, although he has no personal interest in or relations of any kind with other members of the organisation. With reference to the motives for this decision, as described in detail in the Report on Corporate Governance and Ownership Structure, it should be noted that it has been deemed appropriate to deviate, on this specific point alone, from the indications of the Code of Corporate Governance in order to ensure full and effective continuity in the Bank’s operations. It is, however, emphasised, that the remaining four members of the Committee possess the requirements of independence.
18. In conclusion, we would refer the reader back to the information provided above for details of the supervisory activities carried out by the Supervisory Board. We can also confirm that no omissions, reprehensible actions or irregularities requiring mention to Registered Shareholders emerged, other than as reported under points 5 and 6 above.

For a full description of the disputes and audits involving the Group during the year, see the Management Report for the 2014 Consolidated Financial Statements. Furthermore the Supervisory Board did not use its powers to convene a Shareholders' Meeting or a meeting of the Management Board.

19. To complete the activity performed, the Supervisory Board has no proposals to make within the meaning of Art. 153, paragraph 2 of the Consolidated Finance Act, while details of opinions and decisions concerning the separate and consolidated financial statements are given at the end of this report.

* * *

Dear Registered Shareholders,

The **criteria followed in the management of the Bank to achieve its mutual objects**, as established by Art. 2545 of the Italian Civil Code, are clearly evident and observable in the activities of the Bank and of the Group as a whole.

UBI Banca is a major player in the network of economic and social relations of the communities in which it operates, consistent with its key objectives and the values and principles of its Code of Ethics. With reference in particular to the mutual objects inherent in its institutional model, the Bank provides concessions for its Registered Shareholders and organises commercial and philanthropic initiatives for the less advantaged groups in the local economic and social communities which it serves.

In terms of the first of these aspects, UBI Banca provides UBI Club members with a series of banking incentives and insurance coverage, while active involvement in the economic and social development of the various communities is based on commercial activities that feature a keen focus on serving households, small and medium enterprise, and non-profit organisations.

Within the scope of the efforts of community investment and philanthropy, UBI Banca, the network banks and the foundations created by the Group contribute to the work of hundreds of organisations and associations, both church associated and others, spread throughout the community through a variety of social, cultural, environmental, scientific and solidarity initiatives. In accordance with their articles of association, most of the network banks allocate a share of their profits to this activity and to the endowment capital of foundations established within the Group.

* * *

Finally, the Supervisory Board informs the shareholders that in a meeting held on 11th March 2015, having verified that they complied with the provisions of the law and having taken note of the documentation provided, it has unanimously approved the following resolutions:

- the consolidated financial statements and the separate financial statements as at and for the year ended 31st December 2014 of Unione di Banche Italiane Scpa, composed of the balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes to the financial statements;
- a proposal to replenish the loss for the year by charging it to the share premium reserve;
- the proposal to the Shareholders' Meeting to distribute a dividend of €0.08 on each of the ordinary shares outstanding, excluding treasury shares, drawn from the extraordinary reserve.

11th March 2015

THE SUPERVISORY BOARD

**REPORTS ON THE OTHER ITEMS ON
THE AGENDA OF THE
SHAREHOLDERS' MEETING**

Appointment of the Board of Arbitrators

Dear Registered Shareholders,

On the date of this Shareholders' Meeting, having completed their three year period of office, the mandate of the members of the Board of Arbitrators expires and you are therefore called upon in this meeting to appoint new members for the years 2015-2017.

It should be noted that pursuant to Art. 51 of the Articles of Association the Board of Arbitrators consists of a Chairman, two full members and two alternate members, elected by a Shareholders' Meeting from amongst the registered and non-registered shareholders of the Bank.

The arbitrators remain in office for three years and may be re-elected. They provide their services free of charge, except for the reimbursement of expenses.

The outgoing Board of Arbitrators was composed as follows:

<i>Avv.</i>	Giampiero	DONATI	Chairman
<i>Avv.</i>	Giuseppe	ONOFRI	Full Arbitrator
<i>Avv.</i>	Attilio	ROTA	Full Arbitrator
<i>Prof.</i>	Rodolfo	LUZZANA	Alternate Arbitrator
<i>Avv.</i>	Pierluigi	TIRALE	Alternate arbitrator

Pursuant to Art. 51 of the Articles of Association the election of the arbitrators takes place on the basis of individual nominations submitted by Registered Shareholders and/or by the Supervisory Board, where the maximum number is that of the number of arbitrators to be elected.

In relation to the above, the Supervisory Board has decided to propose the following candidates for the position of arbitrator at UBI Banca to the Shareholders' Meeting for the three-year term of 2015-2016-2017 :

<i>Avv.</i>	Giampiero	DONATI
<i>Prof.</i>	Rodolfo	LUZZANA
<i>Avv.</i>	Giuseppe	ONOFRI
<i>Avv.</i>	Attilio	ROTA
<i>Avv.</i>	Pierluigi	TIRALE

In compliance with the provisions of Art. 51, paragraph 3 of the Articles of Association the candidates are listed in alphabetical order with no distinction made between full and alternate arbitrators.

11th March 2015

THE SUPERVISORY BOARD

Remuneration report in accordance with the legislation and regulations in force

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Introduction

This report has been prepared for the purpose of public disclosure in accordance with the current relevant legislation. It is composed of two sections.

The first section illustrates the Group Remuneration and incentive policies for 2015, providing a reference framework for the main decision-making processes, characteristics and procedures used to ensure that remuneration is linked to results, the main performance indicators employed, the reasons behind the choice of variable remuneration schemes and the other non-monetary schemes.

The second section is divided into two parts.

The first part summarises the main decision-making processes in 2014, the results of implementing the remuneration policies, information on wage agreements concerning the start and end of employment relationships, as well as the contents of the main items of wages in the quantitative tables.

The second part gives aggregate quantitative information by area of activity and category of personnel with remuneration by name for the members of the management and supervisory bodies, the Chief Executive Officer, General Manager, Senior Deputy General Manager and Deputy General Managers of UBI Banca, and totals for the remuneration of key management personnel.

The Shareholders' Meeting votes to approve or reject the first section of the report. That vote is not binding. The result of the vote is disclosed to the public in accordance with Art. 125-*quater*, paragraph 2 of Legislative Decree No. 58 of 24th February 1998.

Section I - Group Remuneration and incentive policies for 2015

Executive Summary

1. Principles and aims

Remuneration and incentive policies are a key tool serving among other things to support the medium and long-term strategies of the Group.

They are designed with the objective of creating value over time and pursuing sustainable growth for shareholders, employees and customers.

Their purpose is to attract, motivate and retain staff, creating a sense of identity and developing a culture linked to performance and merit.

The key principles are:

- fairness, understood as consistency in the remuneration of comparable roles and responsibilities, offering the same career opportunities to all;
- attention to risk and compliance, to ensure the sustainable growth of the Bank over time;
- prudence, as a fundamental criterion of banking that is crucial to the introduction of rules and processes intended to avoid behaviour and phenomena that conflict with the interests of the Bank or may lead to moral hazard;
- competitiveness, defined as continuous comparison with best practices and market trends;
- rewarding merit, understood as the recognition of the results, skill sets, behaviours, and values in the actions of each individual that are made available to develop team spirit and a sense of belonging to the Group.

(see Chapter I)

2. Main developments compared with 2014

Various important new developments have been introduced for 2015 on the basis of regulatory changes and with a view to continuous improvement, and also in the light of best practice and market trends:

- the redefinition of the category of Material Risk Takers (MRT) or Key Personnel (KP) on the basis of new qualitative and quantitative criteria provided for in Delegated Regulation (EU) No. 604¹, which has brought the total number of positions to 209, on the basis of the actual capacity of the individual corporate roles to influence the risk profile of the individual company and the Group (see Chapter IV);
- the introduction of a long-term incentive scheme (LTIS) on a three yearly basis, intended to bring the interests of management increasingly into line with those of shareholders in the medium to long-term. The system concerns a small number of Top Managers among the Key Personnel, on the basis of the strategic position occupied in policy terms over the governance of the Group and their impact on the main business areas (see Chapter VI, section 2);
- the identification of two further trigger conditions (“gates”) to which the incentive schemes are linked in the long and short-terms, in compliance with the Risk Appetite Framework (RAF) of the Group: the Liquidity Coverage Ratio (LCR) and Leverage Ratio (LR), in addition to the Common Equity Tier 1 (CET 1) and the Net Stable Funding Ratio (NSFR) already provided for (see Chapter VI, section 2);
- the identification of a peer group for benchmarking, consisting of ten Italian banks that are listed on the stock market and are considered to be the most comparable (See Chapter II);
- an increase in the welfare elements (goods and services offered to employees) in the context of current regulations (see Chapter VI).

¹ Adopted on 4th March in accordance with article 94 (2) of CRD IV as proposed by the EBA.

3. Ten pillars

1. Regulatory context

The Group updates its policies and practices continually on the basis of the regulatory context, which has been subject to further changes in 2014.

The policies for 2015 are designed to comply with the most recent instructions issued by the Supervisory Authorities at the Italian and European levels.

2. Benchmarking

The Group has set itself the target of improving its capacity to attract, motivate and retain staff, among other things by means of continuous comparison with best practice and market trends.

In order to have an appropriate comparison also in terms of remuneration benchmarking, a peer group has been identified consisting of ten Italian banks, with characteristics that are considered to be the most comparable with our Group.

(see Chapter II)

3. Risk appetite

The Risk Appetite Framework (RAF) contained in the document “Risk appetite and value creation in the UBI Banca Group” defines strategic Group orientations in relation to the evaluation of current and future capital adequacy, and risk assumption and management policies.

In the pursuit of sustainable growth and the creation of value, these orientations have been translated into principles and guidelines that are a source of inspiration for the policies and remuneration and incentive policies of the Group.

(See Chapter III)

4. Governance

Governance systems and rules have the purpose of ensuring clarity, transparency and effectiveness in the definition and management of the remuneration and incentive policies of the Group.

The main stakeholders in the process:

- the UBI Banca Shareholders' Meeting
- the Supervisory Board
- the Remuneration Committee
- the Management Board
- the Shareholders' Meetings of the Italian subsidiary banks
- the Boards of Directors and Boards of Statutory Auditors of the banks and subsidiaries
- Strategic Planning and Capital Management
- Human resources², Risk Management, Compliance and Internal Audit, as corporate control functions

operate in accordance with their specific powers and responsibilities.

(see Chapter III)

5. Persons to whom the policies apply

The policies apply to the following categories of staff:

- Material Risk Takers (MRT) or Key Personnel (KP) identified in accordance with the new qualitative and quantitative criteria provided for in Delegated Regulation (EU) No. 604, in which more specific categories with differing characteristics and treatments are defined, that is the members of corporate bodies who are not linked to the Group by a regular employee contract, the Top Key Personnel (Top KP), the Core Key Personnel (Core KP) and the Other Key Personnel (Other KP);
- Other Group personnel;
- Associate workers not linked to the Group by a regular employee contract.

² For the sole purpose of regulating remuneration

In 2015, following the application of the new criteria, the total number of Material Risk Takers is set at 209³ positions, amounting to 1.1% of the entire workforce of the Group and takes into account the inclusion in this category, in accordance with the regulations, of 137 members of corporate bodies.

This group has been identified by applying criteria of proportionality, taking into consideration the specific characteristics of the current federal model of organisation of the Group, in which the Parent is focused on the strategic management, coordination and control functions of the subsidiaries, which operate within defined areas of autonomy, taking into account the type of activity performed and the associated risk profiles.

(See Chapter IV)

6. Comparative remuneration and pay mix

Distinct and competitive remuneration packages are defined on the basis of the category of personnel, in terms of fixed and variable components and benefits.

The objective is to position Group remuneration in line with the market, partly with a view to retention, with the aim of assigning the highest pay bands of the remuneration benchmarks to the highest performing staff, those with the most potential, and those who are in strategic positions and at market risk.

The 1:1 ratio is confirmed as the maximum limit between fixed and variable remuneration, except for the key investment positions in the asset management company, as identified in the Annual Report, taking into consideration the specific characteristics of this employment market.

The following table shows the average theoretical pay mix, divided between the various categories of Material Risk Takers and calculated as the total for each aspect of remuneration (fixed or variable with long and short-term targets) as a percentage of total remuneration.

The ratio between the variable and fixed component for the Control Functions does not exceed the limit of one third, in accordance with the regulations.

(See Chapter IV)

"Material Risk-Takers" Perimeter	Number	Fixed remuneration	Variable short-term	Variable long-term
"Corporate bodies"	137	100%	-	-
"UBI CEO"	1	50%	30%	20%
"Top"	21	62%	25%	13%
"Core"	29	80%	20%	-
"Other"	21	85%	15%	-

7. Performance measurement

The variable component of remuneration is mainly based on performance measurement, on both an annual and long-term basis.

The objective is to involve and motivate staff to achieve medium and long-term policies and also to recognise team and individual contributions.

The measurement is related to income statement and balance sheet indicators corrected for risk, internal and external customer satisfaction levels, strategic projects and assessments of the effectiveness of their behaviour.

To ensure a more direct correlation between results and rewards a bonus pool has been set, to which access is gradual and subject to the satisfaction of trigger conditions ("gates") by the Group and the achievement of risk-adjusted profit targets set at the level of both the Group and the individual business entity.

The following indicators are identified as trigger conditions ("gates"), set out by implementation scheme:

- Common Equity Tier 1 (CET 1)
- Net Stable Funding Ratio (NSFR)

³ This group may be subject to revisions during the year, approved by the competent corporate bodies.

- Liquidity Coverage Ratio (LCR)
- Leverage Ratio (LR).

The indicators used to evaluate performance vary according to the time horizon of the incentive scheme in question. In particular:

A) Annual incentive scheme

The indicators for 2015 are:

- RORAC⁴, at Group level;
- Adjusted normalised net profit⁵, at the level of the individual business entity.

B) Three-year incentive scheme (for Top Key Personnel).

The indicators for 2015-2017 are:

- RORAC, at Group level;
- performance of the UBI Banca share⁶ relative to the peer group.

With reference to the Material Risk Takers category, both incentive schemes have adequate mechanisms for the deferral of accrued bonuses, in accordance with principles of proportionality.

(See Chapter VI, Section 2)

8. Clawback and malus conditions

On the basis of the performances of the Group and the individual company, the bonus pool may be increased or reduced, even to zero, by *ex post* adjustment (*malus*).

Provision has also been made for the repayment of bonuses that have already been disbursed, using clawback mechanisms that take individual behaviours into account, as set out in the regulatory framework, whether or not there are compensation or disciplinary issues.

Specifically for Key Personnel, a proportion of the variable component of remuneration is subject to deferred payment and *ex post* risk adjustment mechanisms (*malus*): 60% for the Chief Executive Officer of UBI Banca, 40% for the Top and Core Key Personnel, and 30% for Other Key Personnel.

(See Chapter VI, Section 2)

9. Other retention and attraction tools

The other tools designed to attract and retain staff include:

- staff awards such as promotions, pay increases and one-off bonuses related to career paths and professional development;
- the company productivity bonus or alternatively, result premium, as defined by the national trade union agreement, the conditions and criteria for which may be set annually in the context of supplementary trade union negotiations;
- commercial contest schemes geared to period objectives and aimed at directing the distribution network towards supporting business and targets;
- job-security agreements, for which the amount has been agreed or granted during the same employment relationship to retain professionals in high demand within the labour market and to protect the financial profiles of the Bank (only in exceptional circumstances can this occur at the time of termination of the employment relationship, in accordance with criteria set out by the Shareholders' Meeting);
- any special indemnities associated with specific positions within the governance and control structures that are functionally linked to the role occupied;
- benefits which, in addition to the provisions of the national trade union agreement, are awarded in order to protect the health and welfare of staff, such as discounts on products and services provided by the Bank, and to support requirements for the performance of assignments, geographical mobility and personnel management;
- The Bank may make use of specific non-competition agreements, when they are required or advisable for the protection of commercial and customer goodwill. The necessary payments

⁴ This indicator is also effective with specific reference to the Parent, UBI Banca Servizi e Sistemi and UBI Banca Academy.

⁵ Normalised net profit adjusted for the delta of the cost between allocated and absorbed capital. Where this indicator is not available it is substituted with normalised net profit.

⁶ Defined by the indicator "Total Shareholder Return" ("TSR")

will be agreed within the limits set in article 2125 of the Civil Code and in line with Bank of Italy supervisory instructions, legal interpretations and market practices.

(See Chapter VI, Sections 1, 2, 3 and 4)

10. Post-employment benefits

The criteria for determining extraordinary remuneration, in addition to what is required by law or under the national trade union agreement, in the event of the early termination of the employment relationship or of the position held, are set by the Shareholders' Meeting.

No. special payments (golden parachutes) are generally envisaged for the early termination of the employment relationship or the position held.

Any individual agreements, on an exceptional basis, in the context of the criteria set by the Shareholders' Meeting, must reflect performance achieved over time and, for Key Personnel, must in any event be submitted to the Remuneration Committee for prior due consideration in support of the Supervisory Board.

This is without prejudice to payments and disbursements that are required by law or under the national trade union agreement, or on the basis of transactions performed within the context and limits of these obligations and in order to avoid objectively justified litigation risks. The said payments and disbursements do not form part of the pay mix and will be set in relation to the specific circumstances and in strict compliance with the current regulations.

I. Principles and aims

Remuneration and incentive policies are a key tool that serves to support the medium and long-term strategies of the Group.

They are designed with the objective of creating value over time and pursuing sustainable growth for shareholders, employees and customers.

Their purpose is to attract, motivate and retain staff, creating a sense of identity and developing a culture linked to performance and merit.

The key principles, in line with the usual practices for the management and development of resources, are:

- fairness,
- attention to risk and compliance,
- prudence,
- competitiveness,
- rewarding merit.

These principles are applied throughout the organisation and reflected at the level of each business area in relation to all personnel including the staff of the external distribution networks, without affecting the specific characteristics of their remuneration.

Fairness

Fairness is understood as the principle of consistency in the remuneration of comparable roles and responsibilities, offering the same career opportunities to all.

This principle is guaranteed by using tools to analyse and assess the positions in the organisation which enable the regular evaluation of internal remuneration levels and their consistency on the basis of the complexity and strategic function of the role within the Group.

At the same time the performance level of the functions of each role are continuously monitored, using tools for the assessment of performance, skills and potential to ensure that the most deserving staff are assigned to the highest remuneration bands.

This principle is also applicable in structured processes based on management tools present within the Group. These include the process (Merit Plan), usually on an annual basis, for the purpose of formulating staff award proposals, connected with professional development programmes and regulated by the Parent by means of guidelines issued to each Group member company.

Attention to risk and compliance

The Group is attentive to risk and constantly seeks full compliance with regulatory requirements, to ensure the sustainable growth of the Bank over time.

The Risk Appetite Framework (RAF) contained in the document “Risk appetite and value creation in the UBI Banca Group”⁷ is an important source of inspiration for policies.

It is used to determine the preliminary trigger conditions (“gates”) of the incentive schemes and to define conditions and limits, so that the total amount of variable remuneration is such that it does not limit adequate levels of capitalisation for the risks assumed, providing for significant reductions or even the elimination of the variable components of remuneration in the event of below forecast or negative performance levels.

The economic and financial indicators are completed by other parameters such as customer satisfaction, the quality of work and the results of the audit, which are critical for the managing of compliant behaviours and supervising the sustainability of results in the medium to long term.

⁷ This internal document defines strategic Group orientations in relation to the evaluation of current and future capital adequacy, and risk assumption and management policies.

Prudence

Prudence is a fundamental criterion of banking that is crucial to the introduction of rules and processes intended to avoid behaviour and phenomena that conflict with the interests of the Bank or may lead to moral hazard.

The remuneration and incentive schemes of the Group are defined in accordance with policies for the prudent management of risk and comply with the provisions defined in the context of the process of prudential monitoring.

They are also intended to lead to motivations and behaviours based on sobriety and ethical conduct in business, transparency and integrity in relations within the business and with customers, dialogue and the development a climate of trust with all our stakeholders.

Competitiveness

Competitiveness is defined as continuous comparison with best practices and market trends and analysis of the comparative remuneration of each role in relation to the relevant benchmark.

The attention paid to market trends stems from the conviction that by including comparisons with the external context it is possible to improve the ability of the Group to attract, motivate and retain staff.

For this purpose a peer group has been identified to serve as a benchmark, consisting of ten Italian banks, while setting aside the specific characteristics of businesses such as asset management, for which targeted market surveys are performed.

The objective is to position Group remuneration in line with the market, partly with a view to retention, with the aim of assigning the highest pay bands of the remuneration benchmarks to the highest performing staff, those with the most potential, and those who are in strategic positions and at market risk.

Rewarding merit

Merit is rewarded by means of the recognition of the results, skill sets, behaviours, and values in the actions of each individual, measured on several levels using structured analysis and evaluation processes.

Among these, incentive schemes are a key lever for recognising merit and continuing the commitment to bring variable remuneration into line with the results that have actually been achieved.

The policies are designed to recognise individual merit, and at the same time consolidate team spirit and a sense of belonging, relating the objectives and results of each employee to their own business unit, bank or company and to the Group.

II. Regulatory context and market practices

The Group updates its policies and practices continually on the basis of the regulatory context, which has been subject to further changes in 2014 at both the Italian and European levels.

They have been brought into line with the most recent directives issued by the Supervisory Authority, in the pursuit of compliance as a key tool for the sustainable growth of the Bank, and in particular:

- Directive 2013/36/EU of the European Parliament (CRD IV) in force since 1st January 2014;
- the joint Consob-Bank of Italy communication of 29th January 2014, implementing the ESMA guidelines on remuneration policies and practices;
- Delegated Regulation (EU) No. 604 of 4th March 2014, for the identification of Material Risk Takers (MRT) and “Key Personnel (KP);
- the Consob Communication of 19th June 2014 relating to information to be provided to the public about indemnities and benefits granted to Executive Directors and General Managers;

- the Bank of Italy supervisory instructions published on 18th November 2014.

In developing the policies, account was also taken of the guidelines and procedures adopted by the other banking groups with the objective of achieving consistency with the best practices and market trends and continuously improving the ability of the Group to attract, motivate and retain staff.

In order to obtain a benchmark which is also relevant to remuneration, the peer group consists of ten Italian banks, with characteristics that are considered to be the most comparable with our Group in terms of their size, complexity and the regulatory context.

Peer Group
<i>Banca Popolare dell'Emilia Romagna</i>
<i>Banca Popolare di Milano</i>
<i>Banca Popolare di Sondrio</i>
<i>Banco Popolare</i>
<i>Carige</i>
<i>Credito Emiliano</i>
<i>Credito Valtellinese</i>
<i>Intesa San Paolo</i>
<i>Monte dei Paschi di Siena</i>
<i>Unicredit</i>

The remuneration trends of the overall banking market in Italy and best practice, both internationally and across other sectors, are monitored on a regular basis with the support of specialised consultancy firms, with the objective of keeping up to date and taking consistent, competitive decisions to motivate and retain the key resources of the Group.

III. Governance process and principal stakeholders

Governance systems and rules have been defined with the aim of ensuring clarity, transparency and effectiveness in the definition and management of the remuneration and incentive policies of the Group.

The main stakeholders in the process are:

- the UBI Banca Shareholders' Meeting
- the Supervisory Board
- the Remuneration Committee
- the Management Board
- the Shareholders' Meetings of the Italian subsidiary banks
- the Boards of Directors and Boards of Statutory Auditors of the banks and subsidiaries
- Strategic Planning and Capital Management
- Human Resources,⁸ Risk Management, Compliance and Internal Audit, as corporate control functions.

As well as determining the total remuneration for the members of the Supervisory Board, the UBI Banca Shareholders' Meeting approves the remuneration policies of the Supervisory Board and Management Board, the incentive component based on financial instruments, and the criteria and limits for determining remuneration in the event of the early termination of the employment relationship or of the position held.

The Supervisory Board, on the proposal of the Remuneration Committee, which includes the competent corporate functions, sets and reviews the remuneration and incentive policies of the Group on at least an annual basis and approves the Report on Remuneration, Section I of which is subject to a non-binding vote by the Shareholders' Meeting.

The policies are then submitted for approval by the Shareholders' Meetings of the Italian banks and the Boards of Directors of foreign banks and companies, except for the incentive

⁸ For the sole purpose of regulating remuneration

component based on financial instruments, which is subject to approval by the UBI Banca Shareholders' Meeting. Information is also provided to the above bodies by means of the annual Report on Remuneration within the Group.

The Management Board and the Boards of Directors of the banks and subsidiaries, in accordance with the policies set, approve the relative means to implement them and, with the support of Human Resources and the other competent functions, direct choices concerning the management and remuneration of staff.

The Management Board also determines the remuneration of senior management at UBI Banca, its subsidiaries and of those categorised as Top and Core Material Risk Takers⁹ - which are subject to an opinion of consistency from the Supervisory Board, following consultation with the Remuneration Committee. This normally takes place in the context of the periodic staff bonus process (Merit Plan).

With the exception of matters reserved to the Shareholders' Meeting, the Management Board submits any exceptions to the policies for the opinion of the Remuneration Committee and the consequent resolutions of the Supervisory Board.

Corporate and control functions are involved *ex ante*, working together to ensure the adequacy and regulatory compliance of the policies and practices adopted, and carry out *ex post* monitoring of their proper functioning and application.

The role of the main stakeholders involved in the process of defining, approving, implementing and auditing the policies is set out below.

Annual General Meeting of UBI Banca Shareholders

The Shareholders' Meeting is responsible for:

- approving remuneration policies for Members of the Supervisory Board and determining their remuneration, in addition to other total amounts for the remuneration of those members to whom particular offices, powers or functions have been assigned;
- approving remuneration policies for members of the Management Board;
- approving remuneration and/or incentive schemes based on financial instruments;
- the criteria and limits for determining remuneration in the event of the early termination of the employment relationship or of the position held;
- increasing the ratio between the fixed and variable components of remuneration over 100% (ratio above 1:1)¹⁰.

The Shareholders' Meeting also takes a non-binding vote on Section I of the annual Report on Remuneration.

Supervisory Board

The Supervisory Board, following consultation with the Remuneration Committee, submits proposals to the Shareholders' Meeting to set:

- the remuneration of members of the Supervisory Board;
- remuneration policies for members of the Management Board;
- remuneration and/or incentive schemes based on financial instruments;
- the criteria for determining remuneration in the event of the early termination of the employment relationship or of the position held.

It also, following consultation with the Remuneration Committee:

- allocates the remuneration set by the Shareholders' Meeting for the members of the Supervisory Board;
- determines the remuneration for members of the Management Board, in accordance with the remuneration policies approved by the Shareholders' Meeting for members of the Management Board;
- approves the remuneration policies and the annual Report on Remuneration;
- decides on the regulations to implement the remuneration and incentive schemes for Material Risk Takers with particular reference to the Top and Core groups, ensuring that

⁹ The Other Key Personnel are the responsibility of the relevant Boards of Directors.

¹⁰ This approval is not on the agenda for the 2015 Annual General Meeting, since in 2015 the 1:1 ratio will be exceeded by a limited number of positions in the asset management company, which is not currently subject to this limit, on the basis of the transition regime included in the Bank of Italy supervisory instructions (Circular 285).

they are consistent with general policies of the Bank in terms of risk assumption, strategies, long-term objectives, and the approach taken to corporate governance and internal control;

- decides, following an annual appraisal of the conditions, on the activation of the long-term incentive scheme, without prejudice to the responsibilities of the Shareholders' Meeting with regard to financial instruments.

The Supervisory Board also, on the proposal of the Remuneration Committee, sets the remuneration policies for the corporate officers of subsidiaries.

Finally, with the support of the Remuneration Committee, it carries out checks at least once a year to see that the policies are being implemented correctly.

Remuneration Committee

The Remuneration Committee is formed of members of the Supervisory Board and governed by special regulations, published in the "Corporate Governance/Supervisory Board" section of the Bank's website, which determine its responsibilities and functioning in compliance with legal, regulatory and article-of-association provisions.

The Committee provides assessment work, submits proposals and performs preliminary activities for the Supervisory Board, making use of external independent consultants and involving the competent corporate functions. In 2014 it was supported by Mercer, an independent consulting firm that is part of the Marsh & McLennan Companies group, and by the D'Urso Gatti Bianchi law firm.

In detail, it formulates proposals:

- for the decisions that the Supervisory Board subjects for the approval of the Shareholders' Meeting;
- for the remuneration of corporate bodies;
- for remuneration policies;
- for the implementation schemes and remuneration of Material Risk Takers, with particular reference to the Top and Core groups.

For the purpose of verification of the consistency with Group remuneration policies, it provides opinions:

- on remuneration and/or incentive schemes based on financial instruments;
- on the amount of remuneration set by the Management Board for the senior management of UBI Banca and its subsidiaries.

The Committee also:

- provides consultation in relation to determining the criteria for the remuneration of Other Key Personnel;
- directly oversees the correct application of the rules concerning the remuneration of the corporate control functions;
- provides opinions to the Supervisory Board about whether the trigger conditions and the performance objectives of the incentive schemes have been achieved;
- works with other internal committees of the Supervisory Board and ensures that the competent corporate bodies are involved;
- sees to the preparation of the documentation to be submitted to the Supervisory Board and draws up the periodic Report on Remuneration;
- provides the Supervisory Board and Shareholders' Meeting with adequate information about the activities performed.

The Remuneration Committee is composed of the following members of the Supervisory Board:

- Mario Cera as the Chairman
- Alessandra Del Boca
- Marina Brogi
- Andrea Cesare Resti
- Armando Santus

The composition of the Remuneration Committee reflects an adequate level of experience and expertise in relation to bank governance, law, finance and remuneration policies.

With reference to the appointment of the Senior Deputy Chairman, Mario Cera (who for the previous three years had performed a senior role in a strategically significant subsidiary) to the

position of Chairman of the Remuneration Committee, as already described in the 2013 report, in view of the efficient operational continuity of the Bank it was considered appropriate not to comply, for this specific point only, with the requirements of Art. 6.P.3 of the Borsa Italiana Corporate Governance Code in order to ensure that the Committee continues to function in a full and efficient manner. It is precisely the professional experience and knowledge of the Group that Mario Cera has acquired that, together with his substantial and well-known independence of judgement, were and are a suitable guarantee of the better and appropriate functioning of the Committee. The other four members of the Committee are in possession of the requirements of independence required by the Code.

The Remuneration Committee met 14 times in 2014 (the average length of the meetings was over two hours) concentrating mainly on the following fields:

- examination of the new provisions and recommendations received from the Supervisory Authorities;
- examination of requests relating to remuneration and the related answers to be submitted to the Supervisory Authorities;
- advisory work and the submission of proposals to the Supervisory Board for the approval of the remuneration policies for members of the Management Board for submitted for the approval of the Shareholders' Meeting;
- advisory work and the submission of proposals to the Supervisory Board for the determination of the additional remuneration to be paid to members of the Supervisory Board who are members of the Internal Control Committee for performing the duties of a Supervisory Body pursuant to Legislative Decree No. 231/2001 submitted for the approval of the Shareholders' Meeting;
- fact finding and advisory work for the Supervisory Board to verify the consistency of the remuneration recommended by the Management Board for the management bodies and senior management of subsidiaries with Group remuneration policies;
- advisory work and the submission of proposals to the Supervisory Board for the approval of remuneration and incentive policies for employees and associate workers not bound to companies by employee contracts;
- advisory work and the submission of proposals to the Supervisory Board for the formulation of the reasoned recommendation to increase the ratio between variable and fixed remuneration up to a maximum of 2:1, limited to employees of the subsidiary UBI Banca Pramerica SGR S.p.A., submitted for the approval of the Shareholders' Meeting;
- fact finding and advisory work for the Supervisory Board to verify the compliance of the remuneration plan based on financial instruments (shares of the listed Parent, UBI Banca), decided by the Management Board and submitted for the approval of the Shareholders' Meeting with Group remuneration policies ;
- fact finding and advisory work for the Supervisory Board for the approval of the Report on Remuneration submitted for the approval of the Shareholders' Meeting;
- verification of the trigger conditions and the performance objectives for the 2013 incentive scheme;
- examination and formulation of a proposal for the revision of the remuneration and incentive policies for 2015;
- fact finding and advisory work for the Supervisory Board for the approval of the incentive scheme for Key Personnel;
- verification that remuneration changes for specific management positions categorised as Top Management and Highest Management Levels of the Control Functions comply with remuneration and incentive policies;

Three meetings have already been held in 2015.

Management Board

The Management Board is responsible for:

- formulating proposals to be made to the Supervisory Board for subsequent submission to the Shareholders' Meeting, for remuneration and/or incentive schemes based on financial instruments, the criteria for determining remuneration in the event of the early termination

of the employment relationship or of the position held and Section II of the annual Report on Remuneration;

- approving the means for implementing the policies and, with the support of Human Resources and the other competent functions, directing choices concerning the management and remuneration of staff;
- determining the remuneration of senior management at UBI Banca, its subsidiaries and in general those categorised as Top and Core Material Risk Takers - to be submitted to the Supervisory Board for an opinion of consistency, following consultation with the Remuneration Committee;
- making recommendations to the Boards of Directors of the subsidiaries in relation to the proposals that they will submit to their respective Shareholders' meetings for setting the remuneration of the board of directors and any remuneration and/or incentive schemes based on financial instruments.

Shareholders' Meetings of the Italian subsidiary banks

The Shareholders' Meetings of the Italian subsidiary banks are responsible for approving the remuneration policies and setting the remuneration for their corporate bodies, on the basis of proposals made by the board of directors, in accordance with the instructions of the competent bodies of the Parent.

They are also responsible for approving remuneration and/or incentive schemes based on financial instruments relating to their business, and for the criteria and limits set for determining remuneration to be agreed in the event of the early termination of the employment relationship or of the position held, subject to the approval of the UBI Banca Shareholders' Meeting.

The Shareholders' meetings also adopt the annual Report on Remuneration submitted by the competent bodies of the Parent.

The Boards of Directors and Boards of Statutory Auditors of the Banks and Subsidiaries

The Boards of Directors and Boards of Statutory Auditors of the banks and subsidiaries receive from the competent bodies of the Parent and adopt the following:

- the Group Remuneration and incentive policies¹¹, except for the incentive component based on financial instruments, which is subject to approval by the UBI Banca Shareholders' Meeting;
- the means for implementing the policies.

They adopt and submit for the approval of their Shareholders' meetings proposals for setting the remuneration of the same corporate bodies and for the criteria and limits set for determining remuneration to be agreed in the event of the early termination of the employment relationship or of the position held.

They also adopt the annual Report on Remuneration from the competent bodies of the Parent and, on the basis of the guidelines issued by the Parent and with the support of Human Resources and the other competent corporate bodies, direct choices relating to the management and remuneration of staff, including decisions relating to the remuneration of their Key Personnel, with the exclusion of top management.

The Boards of Statutory Auditors operate as control functions in the context of the general powers assigned to them.

Corporate and control functions

The following corporate and control functions, according to their respective responsibilities, are involved and work together with one another and with the Remuneration Committee to ensure the adequacy, regulatory compliance and proper functioning of the remuneration policies and practices adopted.

Strategic Planning and Capital Management

¹¹ This responsibility is specific to foreign banks, because for Italian banks the Shareholders' Meeting of the individual bank has this responsibility.

Strategic Planning and Capital Management work together with Human Resources to define the remuneration and incentive policies of the Group and ensure that information is provided for the prompt reporting of the means for implementing policies, with particular reference to Group and company performance indicators.

Human Resources Function

The Human Resources Function, included among the corporate control functions for the sole purpose of regulating remuneration, works with the Remuneration Committee with all information necessary and appropriate to its proper functioning and is responsible for the correct and adequate implementation of schemes to implement incentive and remuneration policies.

Human Resources make use of other specialist functions and units within the Group, such as Strategic Planning, Capital Management, Management Control, Legal Affairs, Administration and the other Control Functions, collecting and co-ordinating their contributions, with a view to both making proposals and the prompt reporting of the means for implementing policies.

Compliance

The Compliance Function is involved to ensure the adequacy and compliance with the provisions of the policies and the means for implementing them, expressing the appropriate compliance assessments.

It verifies, amongst other things, that the corporate incentive schemes meet the objectives of compliance with the legislation and regulations, the Articles of Association and any ethical codes or other standards of conduct applicable to the Bank or company, in order to ensure appropriate mitigation of legal and reputational risks, which are primarily linked to relations with customers.

It reports to the bodies responsible on the outcomes of the verifications performed, indicating any areas for improvement or corrective measures.

Risk Management

It participates in the process of defining remuneration policies in order to provide support in assessing their consistency with the objective of the long and short-term risk containment of each legal entity and Group overall, and with the maintenance of capital and liquidity requirements.

It contributes to ensuring that the incentive schemes are adequately calibrated to take account of all the risks taken by each legal entity in accordance with the Group's existing procedures.

It reports to the bodies responsible on any areas for improvement, with proposals for the adoption of corrective measures.

Internal Audit

At least once a year, the Internal Audit Function verifies that the implementation schemes and remuneration practices comply with approved policies and the applicable legislation and regulations, and it reports its findings and any irregularities to the relevant corporate bodies and functions for the adoption of any necessary corrective measures.

The results of the verifications conducted are reported annually to the Shareholders' Meeting.

IV. Persons concerned, comparative remuneration and pay mix

Persons concerned

Three categories to which these remuneration policies apply have been identified:

- Material Risk Takers (MRT) or Key Personnel (KP) identified in accordance with Delegated Regulation (EU) No. 604, in which more specific categories with differing characteristics and treatments are defined, that is the members of corporate bodies, Top Key Personnel (Top KP), Core Key Personnel (Core KP) and Other Key Personnel (Other KP);
- Other Group personnel;

- Associate workers not linked to the Group by a regular employee contract.

In 2015, following the application of the new criteria, the total number of Material Risk Takers is set at 209¹² positions, amounting to 1.1% of the entire workforce and takes into account the inclusion of members of corporate bodies in this category. In detail these consisted of:

- 137 members of corporate bodies, not linked to the Group by a regular employee contract;
- 22 in the category of Top Key Personnel, including the Chief Executive Officer and General Manager of UBI Banca, the highest levels of the functions of the Parent (with the exclusion of the Control Functions) and the top management of the main legal entities in the Group;
- 29 in the category of Core Key Personnel, whose activities may have significant impacts on the risk profile of the Bank or cover control functions at the first level of the Parent;
- 21 in the category of Other Key Personnel.

This group has been identified taking into account the outcomes of the evaluation carried out by the individual Group banks, co-ordinated by the Parent, which has ensured the overall consistency of the process and its final results, partly by means of specific implementation regulations.

This group has been identified by applying criteria of proportionality, taking into consideration the specific characteristics of the current federal model of organisation of the Group, in which the Parent performs the functions of strategic management, coordination and control functions of the subsidiaries, which operate within defined areas of autonomy, taking into account the type of activity performed and the associated risk profiles.

Comparative remuneration

The Group sets itself the objective of positioning itself at remuneration levels that are in line with the market, partly with a view to retention and taking results into account, with the aim of assigning the highest pay bands of the remuneration benchmarks to the highest performing staff, those with the most potential, and those who are in strategic positions and at market risk.

Comparative remuneration is monitored by comparison with the peer group and the general market, as well as by paying attention to the specific characteristics of each business and role. Through this comparison, the Group intends to improve the competitiveness of remuneration and thus its capacity to attract, motivate and retain staff.

Distinct and competitive remuneration packages have been defined on the basis of the category of personnel, in terms of fixed and variable components and benefits.

Pay mix

The Group aims to achieve a balanced ratio between fixed and variable components of remuneration, with balanced levels of pay mix.

Variable remuneration may not exceed the fixed component, thus confirming the 1:1 ratio as the maximum limit between fixed and variable remuneration, except for the key investment positions in the asset management company, taking into consideration the specific characteristics of this employment market.

Taking into account, among other things, the comparative remuneration shown through benchmarking, particularly with reference to the variable component of remuneration of managerial positions with the greatest strategic and business impact (Top Key Personnel, except for the control functions), from 2015 the pay mix will be changed, through the introduction of a long-term incentive component on a three yearly basis.

The main objective is to bring the interests of management increasingly into line with those of shareholders in the long term, leveraging on the variable components of remuneration while at the same time making the actual remuneration package more competitive, improving our capacity to attract, motivate and retain staff.

¹² This group may be subject to revisions during the year, approved by the competent corporate bodies.

The table shows the average theoretical pay mix, calculated as a percentage of total remuneration, taking into account the fixed and variable long and short-term components - divided between the various categories of Material Risk Takers identified.

The ratio between the variable and fixed component for the control functions does not exceed the limit of one third.

<i>"Material Risk-Takers" Perimeter</i>	<i>Number</i>	<i>Fixed remuneration</i>	<i>Variable short-term</i>	<i>Variable long-term</i>
<i>"Corporate bodies"</i>	137	100%	-	-
<i>"UBI CEO"</i>	1	50%	30%	20%
<i>"Top"</i>	21	62%	25%	13%
<i>"Core"</i>	29	80%	20%	-
<i>"Other"</i>	21	85%	15%	-

V. The remuneration policies of corporate bodies

The remuneration of corporate bodies is defined in compliance with the current regulatory framework and in accordance with the Articles of Association, based on best practice, Italian guidelines and future European policies.

The purpose of the policies is to attract the best skill sets; they are based on principles of both fair remuneration for similar roles and differentiation between roles on the basis of the levels of responsibility and risk involved. They also take account of the professional skills required, the time and commitment employed, and market competitiveness.

In detail, the fees of members of the corporate bodies of the UBI Banca Group are structured with a ceiling set by that of the Chairman of the Management Board which is set at the same level as that of the Chairman of the Supervisory Board, and is lower than the fixed remuneration of the Chief Executive Officer.

No attendance payments exist for meetings of the corporate bodies.

Members of the corporate bodies classified as senior management may receive forms of remuneration linked to results, while all the other members of the corporate bodies of the Group receive no variable remuneration.

No member of the corporate bodies may unilaterally decide to waive their right to part or all of their remuneration and no guaranteed bonuses¹³ or leaving bonuses exist.

1. Supervisory Board

The board members' fees approved by the Shareholders' Meeting on the basis of a proposal from the Supervisory Board, for the period of office, are decided by the Supervisory Board on the basis of a proposal from the Remuneration Committee and related to their period of tenure in the role.

Most members of the Supervisory Board receive remuneration for the specific positions held by them as Chairman, Deputy Chairmen, Secretary, Chairmen and members of the committees established within the Board and Supervisory Body, with the exception of the Chairman of the Remuneration Committee and the Chairman and members of the Appointments Committee.

2. Management Board

If the Chairman of the Management Board takes up positions in other Group banks or companies, he may receive total further remuneration of not more than 30% of the remuneration set for the position of Chairman of the Supervisory Board.

The fee of the Chairman of the Management Board is set at the same level as that of the Chairman of the Supervisory Board.

The maximum total fee payable to each Member of the Management Board, with the exception of those relating to the "special assignments" of the Chairman, the Deputy Chairman of the Board and the Chief Executive Officer, for membership of the Management Board and where relevant the corporate bodies of the Group banks and companies, is equal to the amount due

¹³ Without prejudice to exceptions allowed for board members classified as senior management by legislation and regulations, limited to the first year of employment.

for the position of Member of the Management Board (currently €120,000 per year), plus 2/3 (therefore, at present, a potential maximum amount of €200,000 per year).

Any exemptions for exceptional reasons are in any event subject to the prior approval of the Supervisory Board, following consultation with the Remuneration Committee.

The Chief Executive Officer and members of the Management Board classified as senior management of UBI Banca, since they are included within the category of Material Risk Takers, are eligible for forms of variable remuneration linked to results.

3. Boards of Directors of Group member companies

For those who are not members of the Management Board of the Parent and are members of the Management Boards of the Group banks and companies, on the basis of principles of proportionality, the remuneration ceiling is equal to the amount due for the position of Member of the Management Board (currently €120,000 per year), plus 1/3 (thus, at present, a potential maximum amount of €160,000 per year). In this case too, any exemptions for exceptional reasons are in any event subject to the prior approval of the Supervisory Board, following consultation with the Remuneration Committee.

The remuneration for positions held in the banks and companies in the Group is decided on the basis of the importance of the bracket they are in, defined in an internal classification for this purpose and are consistent, in accordance with principles of proportionality, with those of the Supervisory Board and Management Board.

The fixed fee set for the positions of Chairman and Deputy Chairman includes remuneration for attendance at meetings of the Board of Directors and the Executive Committee. The fee paid to the Chairman may not exceed the fixed remuneration paid to the top and senior management (Managing Director or General Manager).

Payments due to senior managers employed by businesses within the Group for positions held on the boards of Group banks and companies are paid back to the company concerned. Provision has, however, been made, given the extensive commitment and responsibilities taken, for the payment to those concerned of a special allowance limited to a maximum sum of €20,000, related to the positions occupied and subject to specific regulations, as a distinct element of remuneration. The payment of this allowance ceases at the time when the position is no longer held. Its amount is calculated to reflect the cumulative remuneration due to the senior manager/employee for the positions held, within the above maximum sum and in accordance with principles of proportionality.

4. Boards of Statutory Auditors

The remuneration paid to Boards of Statutory Auditors is set at fixed levels, including the remuneration to be paid to members of the Board of Statutory Auditors if they are acting as a Supervisory Body pursuant to Legislative Decree No. 231/2001, on the basis of bands to which the Group member companies belong, defined in an internal classification for this purpose, in accordance with principles of proportionality.

An increase of approximately 50% of remuneration is payable for the positions of Chairmen.

VI. Remuneration and incentive policies for Staff and Associate workers

The remuneration package made available to staff by the Group is targeted at the achievement of long to medium to long-term objectives, and balanced depending on the relevant category, on the basis of the following components:

- fixed remuneration;
- variable remuneration based on performance measurement, with a time horizon that distinguishes between short-term (annual) objectives and, for Top Key Personnel, long-term (three year) objectives;
- variable remuneration for purposes of retention and attraction;
- benefits.

1. Fixed remuneration

The fixed component of remuneration is structured in an amount that allows the variable component to contract appreciably or fall to zero in relation to the results adjusted for risks that have actually been achieved.

It includes remuneration earned for positions in the corporate bodies, allowances for roles associated with specific positions within the corporate structure, retention tools, contributions to supplementary pension funds, insurance and health policies as provided for in contractual agreements, and any allowances associated with geographical mobility.

It is defined on the basis of the position occupied and on the basis of the principles of rewarding merit. In particular, the following parameters are taken into consideration:

- the objectives and responsibilities assigned to the role occupied, including the levels of exposure to risk;
- the reference benchmarks for remuneration, with particular attention to professional skills at the greatest market risk, the business and the operating context;
- the proper performance by the person of the functions of the role, in terms of performance and skill levels;
- the growth potential for the professional skills that are most relevant and most difficult to find on the labour market;
- the experience acquired and career path followed.

There is a regular process for the assessment of positions for the purposes of comparing positions within the organisation with the external market, which determines the assignment of a value (grade) to each role, representing the complexity of the position.

Regular monitoring processes are also in place for the evaluation of the proper performance of the functions of the role, potential and experience, by means of current staff management and evaluation tools, particularly:

- the annual professional evaluation process;
- performance in terms of the main objectives of the incentive schemes;
- evaluation of managerial performance¹⁴;
- assessment of potential¹⁵.

These principles are applied as part of the Merit Plan, a process regulated by the Parent by means of guidelines issued to each Group member company, with the purpose of formulating staff award proposals, usually on an annual basis.

2. Variable remuneration based on Performance

The variable component of remuneration is mainly based on performance measurement, on both an annual and long-term basis.

The objective is to involve and motivate staff to achieve medium and long-term policies and also to recognise team and individual contributions.

To ensure a more direct correlation between results and rewards a bonus pool has been set, to which access is gradual on the basis of the satisfaction of preliminary trigger conditions (“gates”) by the Group and the achievement of risk-adjusted profit targets set at the level of both the Group and the individual business entity.

The measurement is related to income statement and balance sheet indicators corrected for risk, internal and external customer satisfaction levels, strategic projects and assessments of the effectiveness of their behaviour.

Performance based variable remuneration consists of:

- short-term incentive schemes (annual);
- long-term incentive schemes (three yearly);
- the company productivity bonus or alternatively, a result bonus, as defined by the current national trade union agreement;
- commercial “contests”.

¹⁴ Through the use of management appraisal tools, a survey method designed on the basis of individual interviews.

¹⁵ Through the use of assessment tools, a survey method designed on the basis of group interviews.

To complete the variable component of remuneration, it is also possible to pay one-off bonuses, for outstanding performance and with a view to motivation and retention. These are defined in the Merit Plan in accordance with the guidelines issued by the Parent, the costs set in the budget and criteria of selectivity and merit.

Bonus pool

Each year, if the capital stability, liquidity and risk-adjusted profit conditions are met at Group level, a budget is provided for a bonus pool to be used for the incentives schemes.

This provision is divided at the level of the Group and each company, taking into consideration the expected profitability, the number and type of personnel, the relative theoretical bonus levels, the type of business or context and in any event the capacity of the Company to remunerate the capital.

On the basis of the performance in relation to the budget approved each year by the Management and Supervisory Boards (calculated at Group level using RORAC and at the level of the individual legal entity using normalised net profit adjusted for the “delta cost” between allocated and absorbed capital¹⁶) the bonus pool may be increased, without prejudice to the correct remuneration of capital and liquidity, up to a predetermined maximum, or reduced as far as zero (malus), both at the overall level and at the level of each legal entity, in accordance with the criteria set out in the implementation regulations.

An example of how this works is given below, on the basis of which the bonus pool may vary once given RORAC results relative to budget have been taken into consideration.

<i>Group RORAC (% achievement of objective)</i>	<i>Change in bonus pool</i>
<i>>150%</i>	<i>Up to 200%</i>
<i>110% - 150%</i>	<i>Up to 150%</i>
<i>80% - 110%</i>	<i>Up to 100%</i>
<i>50% - 80%</i>	<i>Up to 60%</i>
<i>0% - 50%</i>	<i>Up to 30%</i>
<i><0%</i>	<i>0%</i>

The bonus pool may also be reduced to zero in the event of failure to achieve the trigger conditions (“gates”) if the financial statements show a loss on normalised amounts.

If the available allocation is exceeded, criteria have been set for the bonuses to be redistributed, until the capacity of this allocation is reached.

Entry conditions (“gates”)

The incentive schemes are triggered upon satisfaction of the conditions (“gates”) set at Group level to ensure capital stability and liquidity as defined in the “Risk appetite in the UBI Banca Group” policy and the “Policy to Manage Financial Risks of the UBI Banca Group”; more specifically the indicators identified (set in accordance with the relevant implementation documents) are:

- *Common Equity Tier 1 (CET 1);*
- *Net Stable Funding Ratio (NSFR);*
- *Liquidity Coverage Ratio (LCR);*
- *Leverage Ratio (LR).*

The values of these indicators are verified at the end of the period, on 31st December of each year for the short-term incentives scheme and on 31st December of the three year period in question for the long-term scheme.

¹⁶For a limited number of companies with low absorption of capital the indicator used is normalised net profit.

The incentive schemes are not, however, triggered if the financial statements show a loss on normalised amounts.

Short-term incentive schemes

The short-term incentive schemes are intended to achieve the annual objectives, and support value generation over time by Group companies, rewarding the achievement of risk-adjusted objectives, while maintaining adequate capital levels and liquidity and ensuring that incentives are not in conflict with the interests of the Bank, its shareholders and its customers.

The indicators used to evaluate performance at the level of the Group and single legal entities in 2015 are:

- RORAC¹⁷, at Group level;
- *Adjusted normalised net profit*¹⁸, at the level of the individual business.

At the individual and business unit level, the parameters used for incentives schemes are mainly quantitative and measurable, providing for qualitative aspects for performance measurement and normally also related to levels of customer satisfaction.

The indicators, particularly for staff who sell financial products and instruments do not consider direct connections with single services or products, but relate more generally to areas or sectors of activity and are defined with the intention to pursue and safeguard proper relationships with customers and comply with regulations and legislation in force, with particular reference to compliance with the obligations concerning behaviour and conflicts of interest, and those pursuant to the MIFID directive, in accordance with the guidelines issued by ESMA.

The calculation methods are designed to allow graduated payment of bonuses, depending on the degree to which objectives are attained and also to prevent conduct that places the Bank at risk.

Bonuses are related to the complexity of the role and the results achieved at individual, team, company and Group level.

There are no guaranteed bonuses, without prejudice to exceptions allowed by legislation and regulations limited to the first year of employment.

Access to bonuses is withdrawn if company regulations or instructions are violated, as ascertained by the imposition of disciplinary penalties, or following adverse findings made by the Internal Audit Function, as set out in the corporate implementation regulations.

Incentive Scheme for Material Risk-Takers

Material Risk Takers, with the sole exception of the control functions, for which there are no indicators linked to financial and operating objectives, are subject to further indicators in addition to the Group and company objectives referred to above, as follows:

- profit on continuing operations before tax (POCBT) normalised at Group level;
- core income at legal entity level;
- customer satisfaction.

Exclusively for the most senior positions at the Parent¹⁹, a share of the bonus may be adjusted on the basis of the position of the UBI Banca share compared with the listed banks used for the benchmark.

In line with the principles expressed in the legislation and regulations, the structure of the bonus payout is differentiated for the Key Personnel category and particularly for positions categorised as Top and Core, for which:

- 50% of the bonus is converted into ordinary shares of UBI Banca, subject to retention clauses that align the incentives with the Bank's long-term interests;
- 40% of the bonus is deferred for three years (for the Chief Executive Officer of UBI Banca, 60% is deferred for five years, in consideration of the size of the theoretical variable target, which is over €500,000).

¹⁷ This indicator is also effective with specific reference to the Parent, UBI Banca Servizi e Sistemi and UBI Banca Academy.

¹⁸ Normalised net profit adjusted for the delta of the cost between allocated and absorbed capital. Where this indicator is not available it is substituted with Normalised Net Profit.

¹⁹ The Chief Executive Officer, General Manager and Senior Deputy General Manager of UBI Banca.

The same percentage is used for the amount in financial instruments for both the deferred and upfront variable components. There is a two-year retention period for financial instruments that are paid upfront, while there is a one year period for the deferred components.

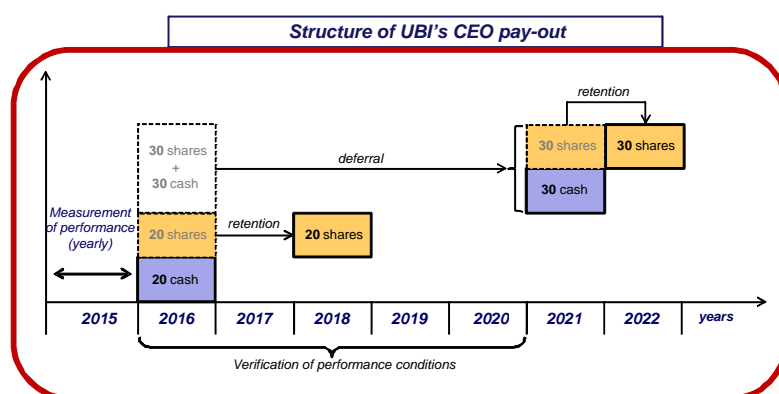
For Other Key Personnel, taking into consideration the principle of proportionality and on the basis of the significance of the variable amounts, the payment rules are less strict, providing for the deferral of 30% of the bonus for two years and excluding the use of financial instruments.

In order to ensure capital stability, liquidity and the capability to generate risk-adjusted profit over time, consistently with the long-term strategic objectives of the Bank or company, the deferred portion is paid on condition that adequate levels of capital stability (Common Equity Tier 1), liquidity (Net Stable Funding Ratio) and risk-adjusted profit (RORAC) are maintained at Group level, as set out in the corporate implementation regulations approved by the Supervisory Board. The deferred portion of the bonus will not be paid if these conditions are not met (a *malus*).

Examples of the payout procedures for Material Risk Takers, differentiated on the basis of the type of role, are given below.

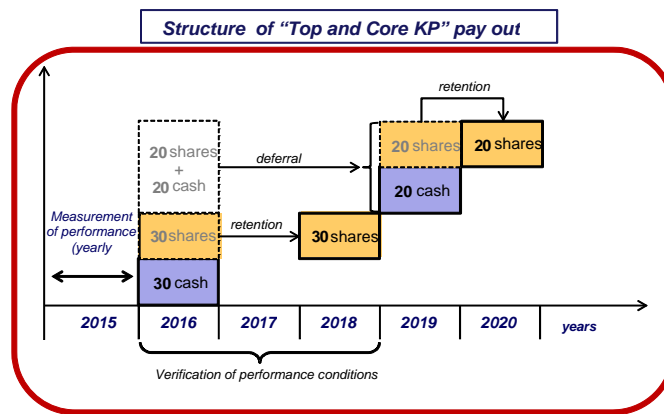
In detail the Chief Executive Officer of UBI Banca receives 40% upfront and 60% deferred, more specifically:

- 20% is paid upfront in cash at the end of the performance measurement period;
- 20% is paid upfront in shares at the end of the performance measurement period and is subject to a further two-year retention period;
- 30% in cash is deferred for five years and subject to further performance monitoring conditions;
- 30% in shares is deferred for five years subject to further performance monitoring conditions and is subject to a further one-year retention period.

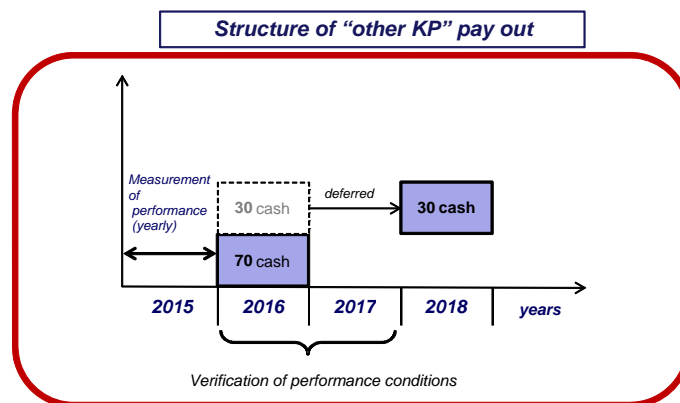


The Top and Core categories receive 60% upfront and 40% deferred, more specifically:

- 30% is paid upfront in cash at the end of the performance measurement period;
- 30% is paid upfront in shares at the end of the performance measurement period and is subject to a further two-year retention period;
- 20% in cash is deferred for three years and subject to further performance monitoring conditions;
- 20% in shares is deferred for three years subject to further performance monitoring conditions and is subject to a further one-year retention period.



Other Key Personnel receive 70% upfront and the remaining 30% deferred after two years, paid in cash.



The payment mechanisms set out above are always applied, in accordance with the relevant category, if the variable amount earned by the individual exceeds €50,000 gross.

If the bonuses earned are below this threshold, the above mechanisms are regulated by the following criteria:

- for the Top and Core categories, if the bonus earned by the individual is less than 15% of their fixed remuneration, the payment is made entirely upfront, 50% being paid in cash at the time when the conditions are met and the remaining 50% as ordinary shares of UBI Banca with a two-year retention period.
- for Other Key Personnel, if the bonus earned by the individual is less than 10% of their fixed remuneration, the payment is made entirely upfront, without the use of financial instruments.

Unless expressly indicated otherwise, participants in the schemes who terminate their employment contracts before the bonus payment dates set out for each model, partly with a view to retention, will lose all rights to deferred bonuses.

Long-term incentive schemes

A long-term incentive scheme (LTIS) on a three yearly basis will be introduced from 2015, intended to bring the interests of management increasingly into line with those of shareholders, in a perspective of creating value in the long-term as well as the short-term, in compliance with legislation and regulations in force and best market practices.

This intervention is also intended to make remuneration target levels more competitive, attributing greater value to the variable component and directing the pay mix towards performance, among other things promoting the loyalty of strategic personnel.

The incentive scheme concerns a small number of Top Key Personnel, on the basis of the strategic position occupied in policy terms over the governance of the Group and their impact on the main business areas, including the Chief Executive Officer, General Manager and Senior Deputy General Manager of UBI Banca.

Taking into consideration the high volatility of current scenarios and in order to promote greater flexibility enabling the continuous alignment of performance over the long term, a rolling mechanism has been set in place, with a consequent adjustment of new long-term incentive plans on the basis of changing internal and market conditions.

The bonuses will be paid in UBI Banca shares (performance shares), which are considered the most appropriate instruments for aligning the interests of shareholders with those of management.

The frequency for the activation of each incentives plan is decided each year by the Supervisory Board, following consultation with the Remuneration Committee, without prejudice to the approval of the share component by the Shareholders’ Meeting.

While the preliminary trigger conditions (“gates”) are not affected, value creation objectives have been set, taking into account the difficulties of the current context and evaluated on the basis of a performance matrix with two indicators:

- Group RORAC, calculated at the end of the three-year period and based on the average return on three-year BTPs over the period in question;
- Total Shareholder Return (TSR), which measures the performance of the UBI Banca share, compared in terms of quartile positioning with the listed banks in the reference peer group.

The performance matrix according to which, on the basis of the levels of achievement of the goals set in the context of the relevant implementation regulations, a percentage of the bonus in question is earned is shown below:

- if the performance of UBI Banca shares is between the lower quartile and the median of the reference benchmark, 50% of the bonus is earned if the RORAC target objective is achieved, or 60% if the RORAC maximum target (the cap) is achieved;
- if the performance of UBI Banca shares is between the median and the upper quartile of the reference benchmark, 60% of the bonus is earned if the RORAC target objective is achieved, or 70% if the RORAC maximum target (the cap) is achieved;
- if the performance of UBI Banca shares is above the upper quartile of the reference benchmark, 70% of the bonus is earned if the RORAC target objective is achieved, or 80% if the RORAC maximum target (the cap) is achieved.

Performance matrix		
TSR	Group Gruppo plus 3-year BTP	
	"Target"	"Cap"
>Q3	70%	80%
Med	60%	70%
>Q1	50%	60%

Assessments of managerial effectiveness and the degree to which any strategic projects in the reference period have been achieved may act as complementary “correction factors”, increasing the bonus earned by up to a further 20% on the basis of value creation parameters. If the value creation parameters are not activated, the correction factor does not apply.

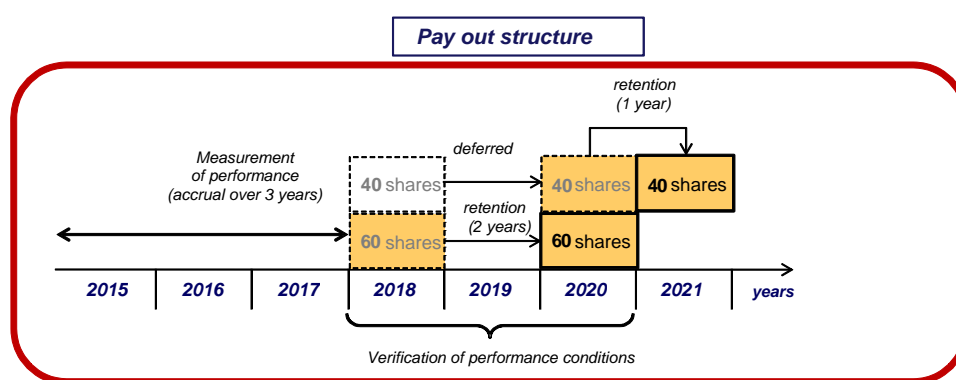
The degree to which objectives have been achieved is subject to overall assessment at the end of the three year period by the Supervisory Board, following consultation with the Remuneration Committee and with the involvement of the other relevant committees, on the basis of evidence provided by the Management Board.

Given the current uncertainty of the financial and economic environment, the Supervisory Board, on the basis of proposals submitted by the Management Board and in consultation with the Remuneration Committee, reserves the right to evaluate revisions of the three year objective during the reference period.

The structure of the bonus payout provides for the following payments:

- 60% is paid upfront in shares at the end of the three-year performance measurement period (accrual) with a two-year retention period;
- 40% is paid upfront in shares, deferred by two years and with a one-year retention period. With a view to compliance with legislation and regulations in force, the portion is awarded before the end of the deferral period, but subject to a further year of retention to verify that the conditions for the payment effectively exist.

Examples of the payout procedures are given below.



In order to ensure capital stability and liquidity over time, consistent with long-term strategic objectives, the deferred portion is paid on condition that adequate levels of capital stability (Common Equity Tier 1) and liquidity (Net Stable Funding Ratio) are maintained at the end of the deferral period, as set out in the corporate implementation regulations. The deferred portion of the bonus will not be paid if these conditions are not met (malus).

Clawback clause

The variable component of remuneration is subject to clawback mechanisms for the repayment of bonuses that have already been disbursed.

Clawback has a particular impact on incentives earned by and/or paid to staff who have caused or played a role in:

- behaviours leading to a significant loss for the Bank;
- violations of the requirements imposed under article 26 or, when the subject is an interested party, article 53, subsections 4 *et seq.* of the Consolidated Banking Act or requirements relating to remuneration and incentives;
- fraudulent behaviour or serious misconduct that could damage the Bank.

These provisions are independent of any compensation or disciplinary issues.

3. Other retention and attraction tools

Among the other tools for attracting and retaining staff are awards such as promotions, pay increases and one-off bonuses related to career paths and professional development and managed as part of the Merit Plan, usually on an annual basis.

There may also be a company bonus or alternatively a result premium, as defined by the national trade union agreement, the conditions and criteria for which are set annually in the context of supplementary trade union negotiations. The bonus may be disbursed either in

cash or in the form of other specific services, including for example those connected with the Group's welfare system.

It is possible to implement specific commercial campaigns aimed at directing the distribution network towards supporting business plans and targets. These initiatives are developed in line with targets set during budget preparation, ensuring the prevention of conflicts of interest and behaviours that may lead to moral hazard.

These commercial initiatives are marginal and supplementary compared with the actual incentive schemes, with particular reference to the objectives, costs, impacts on staff motivation and effects at the level of risk assumption.

It is also possible to grant special indemnities associated with specific positions within the governance and control structures that are functionally linked to the role occupied.

Finally, there are tools for the attraction and retention of professionals in demand within the labour market. These include the use of:

- job-security agreements, for which the amount has been agreed or granted during the same employment relationship to retain professionals in high demand within the labour market and protect the financial profiles of the Bank (only in exceptional circumstances can this occur at the time of termination of the employment relationship, in accordance with criteria predetermined by the Shareholders' Meeting);
- plans to enhance the commercial contribution made by staff from the external market, making it possible to provide economic rewards (e.g. for the acquisition of new customers or assets), in compliance with regulations in force.

Lastly, the Bank may make use of specific non-competition agreements, when they are required or advisable for the protection of commercial and customer goodwill. The necessary payments will be agreed within the limits set in article 2125 of the Civil Code and in line with Bank of Italy supervisory instructions, legal interpretations and market practices.

4. Benefits

In addition to what is already required under the National Labour Contract, wage packets paid to staff may provide for the granting of benefits awarded on the basis of internal fairness and external competitiveness, consistent with the need to meet the demands of the various categories of employees and in compliance with tax and social security legislation.

In particular, specially regulated supplementary collective pension²⁰, health and insurance plans, infancy welfare services and canteen services serving meals, sports and recreational activities and discounts on products and services provided by the Bank and its subsidiaries are provided to protect the health and welfare of staff.

The provision of company cars for business and personal use and guest accommodation to meet requirements for geographical mobility and personnel management in the Group has also been established and regulated.

5. Post-employment benefits

The criteria for determining extraordinary remuneration, in addition to what is required by law or under the national trade union agreement, in the event of the early termination of the employment relationship or of the position held, including the limits set in terms of years of fixed remuneration and the maximum amount resulting from their application, are set by the Shareholders' Meeting.

No special payments (golden parachutes) are generally envisaged for the early termination of the employment relationship or of the position held.

Any individual agreements, on an exceptional basis, in the context of the criteria set by the Shareholders' Meeting, must reflect performance achieved over time and, for Key Personnel, must in any event be submitted to the Remuneration Committee for prior due consideration in support of the Supervisory Board.

²⁰There are normally no pension benefits granted on a discretionary basis.

This is without prejudice to payments and disbursements that are required by law or under the national trade union agreement, or on the basis of transactions performed within the context and limits of these obligations and in order to avoid objectively justified litigation risks. The said payments and disbursements do not form part of the pay mix and will be set in relation to the specific circumstances and in strict compliance with the current regulations.

6. Associate workers not linked to the Group by regular employee contracts

Any variable remuneration due to associate workers not employed under regular employee contracts is governed by the criteria and guidelines contained in this document, appropriately adjusted to take account of the characteristics of the specific business.

With particular reference to financial advisors and financial and insurance agents, their remuneration includes:

- a recurring component (commissions) that constitutes the more stable and regular element of remuneration and are the real fee for the promotional activity;
- a non-recurring component (related to the incentive schemes) which is subject to prior triggering of the bonus pool (“gates”) and subsequent “correction factors”, taking into account operational risk indicators, that promote proper behaviour and the link with the legal and reputational risks to which the Bank is exposed, in addition to compliance with the rules for protecting customers and gaining their loyalty.

In order to reduce and guard against the relevant risks, the consultancy contracts entered into provide for specific reports and control procedures, to ensure compliance with the provisions of the law and the internal regulations in force.

VII. Attachments

1. Description of the indicators used

Common Equity Tier 1 (CET 1): in terms of regulatory capital, this is the highest quality core capital (composed of the total ordinary shares issued by the Bank that satisfy the regulatory classification criteria, share premium reserves, retained profits, valuation reserves and other reserves recognised) net of the deductions required by the regulations as a ratio of Risk Weighted Assets (RWA).

Customer Satisfaction is surveyed as part of the Consultation Project; appropriate adjustments to take market performance into account may be made at the time when performance is calculated, in order to mitigate any possible distortions associated with particular external events.

Leverage Ratio (LR) - Financial leverage calculated as the ratio of Tier I fully loaded and the degree of total exposure including all the assets and off-balance sheet items not deducted pursuant to article 429 of Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26th June 2013 (CRR). Pending the imposition of the requirement - subject to the approval by the European Parliament and the Council of a specific legislative proposal based on a report that is to be presented by the Commission before the end of 2016 - the indicator level set in the Basel III framework is used as a value of risk capacity.

Liquidity Coverage Ratio (LCR) - indicator designed to ensure that a Bank maintains sufficient high quality liquid assets available which can be converted into cash to meet liquidity requirements over a period of 30 days in a stress scenario defined by the Supervisory Authority. It is defined as the ratio of the stock of “available high quality liquid assets” and the sum of “net cash outflows over a time horizon of 30 days, estimated in a context of normal business and supplemented by situations of stress”.

Net Stable Funding Ratio (“NSFR”) - indicator of structural balance designed to monitor and contain risk associated with the transformation of maturities within a tolerance threshold considered acceptable by the Group. It is the ratio of funding (liabilities) to weighted lending

(assets), which takes account of the stability of the liabilities and the degree of liquidity of the assets.

Total Shareholder Return (TSR) – expresses the increase in the value of the share, calculated as a percentage difference between the daily average in December 2015 (for the annual incentives scheme) or 2017 (for the three-year incentives scheme) and the daily average in December 2014, including the value of any dividends paid (excluding the possibility that they could be reinvested). They are compared with banks in the reference benchmark that are listed in regulated markets, on the basis of the quartile positioning of the UBI Banca Group. The method provides for normalisations in the event of exceptional circumstances (e.g. increases in capital).

Return On Risk-Adjusted Capital (RORAC) - expresses the profitability in percentage terms of capital at risk calculated as the ratio between NOPAT (net operating profit after tax) and average allocated (budgeted) capital or average absorbed (actual) capital.

NOPAT is obtained by adjusting the consolidated net profit (attributable to the Group and to non-controlling interests) - net of non-recurring extraordinary items and the cost relating to incentive schemes - to notional interest (net of taxes) calculated using the following formula:

- when budgeting: (average adjusted tangible shareholders' equity²¹ - average allocated capital) X average yield of three-year BTPs expected for 2015²²
- with actual figures: (average adjusted tangible shareholders' equity - average allocated capital) X average daily yield in the reference period of three-year BTPs for the period in question.

Allocated/absorbed capital is calculated by summing:

- a. the total Risk Weighted Assets (RWA for credit risk, RWA for market risk and RWA for operational risk) multiplied by the Group's Tier 1 target ratio (Risk Appetite assuming no AT1 issuances);
- b. 100% of shortfall of total provisions to expected losses (fully loaded shortfall);
- c. hedge funds, any equity investments, subordinated assets deducted from own funds;
- d. amount of the available-for-sale (AFS) fair reserve for government debt securities if negative + value of the AFS reserve for other debt securities and equity instruments if negative.

Core Income refers to the income indicator, net of the finance result: net interest income (excluding the effects of PPA²³) + net fee and commission income (using normalised data).

Profit on continuing operations before tax (POCBT) is considered net of extraordinary and non-recurring items.

Normalised net profit (NNP) is considered net of non-recurring extraordinary items and the cost relating to incentives schemes.

Normalised net profit, adjusted for the cost of capital "delta" - calculated as the algebraic sum of the net profit in the income statement - net of non-recurring extraordinary items and the cost relating to incentives schemes - and of the (positive or negative) difference between the absorbed and allocated capital, measured on the basis of the cost of capital (set at 10.31% for 2015).

CET 1 and the NSFR are defined in accordance with the regulations currently in force and are recognised as in the "Risk appetite" document, the "Policy to Manage Financial Risks" and the related regulations for their implementation.

All the accounting and financial data (including any related normalisations) are shown in the financial statements and/or by evidence provided by the Senior Officer Responsible, the Strategic Planning Area and the Risk Management Area.

²¹ Adjusted Tangible Shareholders' Equity: shareholders' equity from financial statements + expected self-financing + non-controlling interests - AFS fair value reserves and cash flow hedging - intangible assets.

²² BTPs (Italian government bonds) with a maturity of three years: 3-year IRS budget 2015 + spread 3y BTP vs 3y IRS forecast by the Finance Area for the purposes of calculating the AFS reserve.

²³ **Purchase Price Allocation** - in the context of accounting using the cost of purchase method, this indicates the recognition in the financial statements of the acquirer, on the acquisition date, of the fair value of the net assets of the businesses acquired, even if they had not already been recorded in the accounts of these businesses, and the positive (or negative) balance between the purchase cost and the fair value of the net assets acquired, recorded in the accounts of the acquirer as goodwill.

For Finance, the objectives take account of the “Policy to Manage Financial Risks” and the related regulation for its implementation; particular use is made of risk-adjusted indicators (RORAC).

In the context of incentives schemes, in addition to or instead of the indicators shown above, specific quantitative and qualitative objectives are normally used, identified in accordance with the activities for which each position is responsible.

2. Description of terms, acronyms and abbreviations

Bonus pool: total allocated budget linked to incentive schemes.

Cap: maximum achievable level for an objective.

Cash: cash component of variable remuneration.

Clawback: mechanism that provides for the repayment of a bonus that has already been paid out.

CRD IV: *Capital Requirements Directive IV* - Directive 2013/36/EU of the European Parliament in force since 1st January 2014 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms.

EBA: *European Banking Authority* supervising the banking sector.

ESMA: *European Securities and Markets Authority* - the European authority for financial instruments and markets, supervising the securities market.

“Gate” condition required to trigger incentive schemes, related to Group capital stability and liquidity indicators.

Golden parachute: special payments, in addition to what is required by law or under the national trade union agreement, relating to the early termination of the employment relationship or of the position held.

LTIS: *Long-Term Incentive Scheme*.

Malus: *ex post* adjustment mechanisms on the basis of which the bonus pool and/or the bonuses earned may be reduced, even to zero.

MIFID: *Markets in Financial Instruments Directive*, the European Directive for the protection of savers and the efficiency and integrity of the financial markets.

MRT: *Material Risk Takers* or *Key Personnel*, defined in Commission Delegated Regulation (EU) No. 604/2014, which supplements CRD IV and provides the qualitative and quantitative criteria for the identification of members of staff whose activities have a material impact on the Bank's risk profile. Within the UBI Banca Group, MRTs have been divided into three groups, with different treatments, in accordance with principles of proportionality, with particular regard to procedures for the payment of the bonuses earned.

Pay mix: percentage of the various components of remuneration (fixed and variable) represented by total remuneration.

Pay out: structure and procedures for the payment of bonuses.

Peer group: sample of banks used for reference to serve as a remuneration benchmark.

Performance share: UBI Banca shares linked to performance intended for the payment of a portion of the bonuses earned by Key Personnel, pursuant to legislation and regulations in force.

Accrual period: performance measurement period.

Retention period: period during which shares earned by individuals on the basis of performance must be kept and cannot be sold.

KP: Key Personnel or Material Risk Takers. See MRT above.

RAF: Risk Appetite Framework, the reference framework for determining the risk appetite of UBI Banca Group.

Upfront: procedure for the disbursement of bonuses linked to the reference performance and not subject to deferral conditions.

3. Positions categorised as Material Risk Takers

The total figures²⁴ divided on the basis of EBA criteria and the various categories of Key Personnel are given below. The positions are set out in detail in the implementation regulations approved by the Supervisory Board, on the basis of a proposal from the Remuneration Committee.

<i>EBA Criteria - Regulation 604</i>	<i>Total number</i>	<i>"Top" perimeter</i>	<i>"Core" perimeter</i>	<i>"Other KP" perimeter</i>
<i>3.1 / 3.2 - Management bodies in their management function and in their supervisory function</i>	137			
<i>3.3 - Member of senior management</i>	21	19	1	1
<i>3.4 - Responsible for control functions</i>	4		4	
<i>3.5 - "Material business unit"</i>	4	1	1	2
<i>3.7 - Managerial responsibility in control functions</i>	10		6	4
<i>3.8 - Managerial responsibility in a "material business unit"</i>	7		6	1
<i>3.9 - Responsible for legal affairs, finance, taxation, budgeting, human resources, IT and economic analysis.</i>	11	1	8	2
<i>3.11 - Credit responsibility</i>	13	1	2	10
<i>3.12 - Financial risk responsibility</i>	2		1	1
Total number	209	22	29	21

²⁴ This group may be subject to revisions during the year, approved by the competent corporate bodies.

Section II - Implementation of 2014 Remuneration and incentive policies

I. Part one

1. Decision-making process

In a meeting of 4th March 2014, on the basis of a proposal submitted by the Remuneration Committee, the Supervisory Board approved the document “Remuneration and Incentive Policies” for the UBI Banca Group for 2014, and the relative incentives model for Key Personnel. It also approved the proposal submitted by the Management Board (meeting of 25th February 2014) for the reduction of remuneration to the administrative bodies²⁵ of subsidiary undertakings when their terms of office have expired.

In the meeting of 11th March 2014 the Management Board, without prejudice to the responsibilities of the Shareholders’ Meeting in relation to (i) remuneration policies for members of the Management Board and (ii) the incentive scheme based on financial instruments restricted to Key Personnel, adopted the update of the 2014 remuneration and incentive policies and the relative incentives model for Key Personnel.

In the meeting of 26th March 2014 the Supervisory Board decided, on the proposal of the Management Board and after consulting with the Remuneration Committee, to submit to the Shareholders’ Meeting of UBI Banca the proposal to increase the remuneration to be paid to members of the Supervisory Board and Internal Control Committee by €51,000, from 1st January 2014, in relation to their appointment to act as a Supervisory Body pursuant to Legislative Decree No. 231/2001. This proposal, in line with usual practice, takes into account the increased commitment for the performance of the function and the acceptance of new responsibilities. The increase is equivalent to 15% of the annual remuneration due to the members of the Internal Control Committee.

The 2014 policies were subsequently approved by the Shareholders’ Meetings of the Italian subsidiary banks and the Boards of Directors of the remaining Group member companies and banks (subject to the approval of the UBI Banca Shareholders’ Meeting for the component of the incentives scheme that is paid in financial instruments).

During the Shareholders’ Meeting of UBI Banca held on 10th May 2014, in his report on the item on the agenda, the Chairman of the Supervisory Board provided shareholders with the required information on remuneration and incentive systems and practices, summarising the main contents of the Report on Remuneration.

The Shareholders’ Meeting approved the proposal of the Supervisory Board to set remuneration policies for the members of the Management Board and to pay part of the variable component of the remuneration for Key Personnel in the form of financial instruments through the grant of ordinary shares of the Parent UBI Banca, and the additional payment to be made to the Supervisory Board in relation to the duties undertaken to perform the functions of a Supervisory Body.

Following this, the Boards of Directors of the Banks and Group member companies approved the implementation models for Key Personnel working in the Bank and its subsidiaries, in order that staff could be informed of them as appropriate.

In the meeting of 24th July 2014, the Supervisory Board decided, following a proposal submitted by the Management Board and after consulting with the Remuneration Committee, to relax the bonus deferral mechanisms for bonus payments of less than €50,000 earned by Key Personnel applying the provisions of the 2014 Policies to bonuses relating to 2013. This

²⁵ Board of Directors: Banca Popolare di Bergamo, Banco di Brescia, Banca Popolare Commercio Industria, Banca Regionale Europea, Banca Carime, Banca Popolare di Ancona, Banca di Valle Camonica, UBI Banca Pramerica SGR, UBI Banca Factor, Centrobanca Sviluppo Impresa, UBI Banca Trustee, UBI Banca Management, SBIM, BPB Immobiliare; Board of Statutory Auditors: Banca Popolare di Ancona, Banca di Valle Camonica, UBI Banca Pramerica, UBI Banca Factor, Centrobanca Sviluppo Impresa, SBIM; Sole Director: Solim.

decision also took into consideration the containment of administrative costs and the aim of motivating the staff concerned: 50% of the bonus was paid in cash at the time the conditions were met (2014) and the remaining 50% as ordinary shares of UBI Banca with a two-year retention period (2016).

The Supervisory Board and the Remuneration Committee were assisted for the above by Mercer, an independent consulting firm that is part of the Marsh & McLennan Companies group, by the D'Urso Gatti Bianchi law firm and by the following corporate functions: Human Resources, Strategic Planning, Risk Management, Compliance and Internal Audit.

2. Principal aspects

The following changes have been introduced in the 2014 Policies.

- The adjustment, following organisational changes, of the Key Personnel category (defined as a total of 57 positions of which 52 are Top Management and five are Highest Management Level of the control functions, equivalent to 0.31% of total Group staff).
- The updating of the trigger conditions ("gates") for incentives schemes, including capital stability, liquidity and risk-adjusted profit indicators, calculated at Group level on 31st December 2014:
 - Common Equity Tier 1 ("CET 1") $\geq 9\%$;
 - Net Stable Funding Ratio ≥ 1 ;
 - Return On Risk-Adjusted Capital (RORAC) positive and in any event $\geq 50\%$ of the budget target.
- The introduction of more flexible methods for the use of the bonus pool, providing a mechanism for it to increase or contract on the basis of RORAC, at Group level²⁶ and of the normalised net profit adjusted for the cost of capital indicator of at the level of each company.²⁷
- The change of performance indicators for the purpose of deferring the bonuses of Key Personnel, linked to the maintenance of the following levels: *Common Equity Tier 1* $\geq 9\%$, *Net Stable Funding Ratio* ≥ 1 and *RORAC* $\geq 50\%$ of the budget target.
- The setting of a maximum limit for the ratio between fixed and variable remuneration at 1:1, with the exception of the asset management company, for which, for a limited number of positions, taking into account the specific nature of the market, this limit has been increased up to a maximum of 2:1.
- The introduction, for senior managers who are employees of businesses within the Group, of a special economic allowance to be paid for positions occupied on the boards of banks and companies in the Group, subject to specific regulations, as a distinct element of remuneration. The amount of the allowance is calculated to reflect the cumulative remuneration due to the senior manager/employee for the positions held, within a maximum sum. It ceases to be paid at the time when the position is no longer held.

The main results for 2014 are as follows:

- Expenses incurred for the remuneration of directors and statutory auditors amounted to approximately €14 million, (down compared with the €15.5 million reported in the previous year) accounting indicatively for a little less than 1% of total staff costs. This reduction also results from a decision taken by the Supervisory Board on 4th March, following a proposal submitted by the Management Board, which made it possible to reduce costs for the remuneration of the Management Bodies of subsidiaries that were renewed during the year by approximately €1.1 million, and achieve the objective of reducing total governance expenses by around 20% that the Group set itself in 2012. In this regard, taking into consideration all the actions taken since 2012, governance expenses have been reduced overall by more than 30%, amounting to more than €5 million.
- With particular reference to financial advisors and agents not bound to companies by employee contracts the total amount incurred is approximately €50.8 million, of which approximately €50.3 million as recurring remuneration and approximately €500,000 as performance-related remuneration; and approximately €935,000 for consultancy contracts.

²⁶ This indicator is also effective with reference to the Parent, UBI Banca Sistemi e Servizi and UBI Banca Academy.

²⁷ Where this indicator is not available it is substituted with Normalised Net Profit.

- On 31st December 2014 the total amount of salaries paid (fixed remuneration) at Group level amounted to €898 million, 1.7% of which was for Key Personnel.
- The Chief Executive Officer is the only person in the Group who is paid over €1 million euro.
- As part of the Merit Plan, changes have been made to remunerate merit, with the exclusion of those required by automatic contract clause increases, for 8.6% of staff, with a total impact of approximately 0.5% of the total amount of salaries paid and one-off bonuses amounting to approximately €2.8 million gross have been paid to around 9.5% of Group staff. The recipients of one-off bonuses include 18 employees categorised as Key Personnel, for a total amount of €235,000 gross.
- With reference to incentive schemes, on the basis of the available evidence, the trigger conditions (entry thresholds, or “gates”) for the Group were met and the total allocation of €20 million set in the budget is confirmed, taking into consideration the Group RORAC performance of between 80% and 110% compared with the budget.
- At the level of the individual company, on the basis of the first projections, subject to changes at the final verification stage for the qualitative and quantitative indicators, 16 Group member companies will have access to the incentives scheme, although with varying spending capacity on the basis of their results, in particular:
 - the bonus pool initially allocated for five companies (Banca Regionale Europea, Banca Popolare Commercio e Industria, Banca Popolare di Ancona, UBI Banca Private Investment and IW Bank), has been increased by 50%, following performances of over 110% compared with the budget;
 - the bonus pool for five companies (Banca Popolare di Bergamo, UBI Banca, UBI Banca Sistemi e Servizi, UBI Banca Academy and UBI Banca Pramerica SGR) has been confirmed, following performances of between 80% and 110% compared with the budget;
 - the bonus pool for two companies (Banca di Valle Camonica and UBI Factor) has been reduced to 60%, following performances below 80% of the budget;
 - the bonus pool for four companies (Banco di Brescia, Banca Carime, Prestitalia and UBI Banca International) has been reduced to 30%, following performances below 50% of the budget.
- On the basis of these projections the total amount is confirmed as approximately €15.6 million, costing approximately €20 million, of which €2.8 million (costing €3.6 million) relates to Key Personnel.
- Overall, it is estimated that 42% of Group staff were beneficiaries, including 57% of Key Personnel, including the most senior positions at the Parent (Chief Executive Officer, General Manager, Senior Deputy General Manager and Deputy General Managers), details of which are estimated and given by name in the second part of the report (Issuers’ Regulations Tables).
- In 2014, once the two-year retention period provided for was over, 216,808 UBI Banca shares were granted from the upfront component earned in the 2011 incentive scheme by 39 employees categorised as Key Personnel.
- With reference to the 2013 incentive scheme, when the final consolidated figures were compiled, overall expenditure was increased by 1% of total expenditure compared with the estimate of €97,000 gross made in the report for the previous year. This increase was decided upon on consideration of the positive results that made it possible to award non-budgeted bonuses for UBI Banca Pramerica and, in consideration of the improved performances achieved, to increase the total number of beneficiaries (+5%). This increase was partially compensated for by a reduction in expenditure on Key Personnel of 10% compared with estimates, amounting to €138,000 gross.
- For Other Key Personnel, a commercial initiative (the “Contest”) was triggered in the Group’s network banks²⁸ in 2014, on a six-monthly basis, to support the sales targets for non-life sector insurance policies, with the exclusion of CPI policies²⁹. On the basis of the results earned, 120 iPad Airs (Wi-Fi, 16GB) were awarded in the first half of 2014 and in the second half 134 Amazon gift tokens with an approximate value of €500 are to be awarded to the branches and *Private & Corporate Unity* teams that have achieved the highest performance.

²⁸ Banca Popolare di Bergamo, Banco di Brescia, Banca Popolare Commercio e Industria, Banca Carime, Banca Popolare di Ancona, Banca Regionale Europea, Banca di Valle Camonica.

²⁹ CPI - *Creditor Protection Insurance*: insurance policies covering risks such as death or invalidity.

- In 2014 staff were again offered an opportunity to opt for the company bonus for 2013 to be distributed as money, or in the form of specific benefits connected with the Group's welfare system, including in particular: reimbursements of expenses incurred for children's nurseries, education and summer camps during school holidays, or additional contributions to their supplementary pension. Approximately 31% of staff have opted for their company bonus to be awarded in the form of welfare contributions.

3. Post-employment benefits

No payments for the end of employment relationships were made to Key Personnel during this financial year.

In relation to the repercussions of the current regulatory, economic and financial system context, which confirm the continuation of a general market crisis, the UBI Banca Group has decided that it is essential to achieve a strong recovery in efficiency and productivity, among other things in terms of staff numbers, as a prerequisite for maximising the positioning of the Group in a desirable future recovery scenario, while, however, recognising that the commitment of our staff has never failed, even in this difficult context. For this purpose, on 26th November 2014 a framework agreement was signed, defining the regulatory, economic and managerial solutions to be adopted. In particular, an incentivised redundancy scheme was introduced which, partly in order to mitigate its economic and social impacts, provides for recourse to the extraordinary benefits of the "Solidarity fund for Credit Personnel" (Ministerial Decree 158 of 28th April 2000 and subsequent extensions, amendments and additions) for employees meeting the requirements to be entitled to a pension from 1st January 2016 to 31st March 2020, (with the INPS - national insurance institute - "window" not after 1st April 2020 inclusive), while for those who acquire entitlement to a pension no later than 1st January 2016, the Company will pay an all inclusive gross amount equal to a number of monthly salary payments based on the gross annual remuneration at the time when the employment relationship was terminated, on the basis of age. The necessary provisions to cover this agreement were made in the 2014 accountd. No staff categorised as Key Personnel have brought their employment relationship to an end under the agreement in 2014.

A non-competition obligation remuneration agreement exists with the Chief Executive Officer.

Three job-security agreements have been signed with staff categorised as Key Personnel.

4. Incentive schemes based on financial instruments

Information on incentive schemes based on financial instruments, pursuant to 114-*bis* of the Consolidated Finance Act is contained in the proposal submitted to the Shareholders' Meeting to pay part of the variable component of the remuneration for Key Personnel in the form of financial instruments through the grant of ordinary shares of the Parent, UBI Banca.

5. Items of remuneration

Reference is made to the tables in part two to provide basic items of remuneration. With regard to the tables included in item 1) Quantitative information by area of activity and category of personnel, the following are represented:

- fixed remuneration, defined as annualised remuneration paid to 31st December 2014, payment of which is guaranteed. This includes amounts specified by contract (salary, normal increases, various indemnities, amounts above trade union rates, staff retention agreements during the employment relationship, significant contributions to pension funds made by the company, etc.) and any other sum, however it may be guaranteed, in addition to that provided for by the national collective labour contract. Overtime is excluded;
- performance-related variable remuneration with particular reference to the 2014 incentive schemes, calculated on an accruals basis on preliminary figures and not yet paid. This figure is subject to changes when the final accounts are published;
- the procedures for the payment of Key Personnel, on the basis of the results of the incentive schemes mentioned in the preceding point, divided between upfront payments in cash and shares (payment of which is not subject to deferral conditions) and deferred quotas in cash and shares;

- the amounts of deferred remuneration over previous years, that have not yet been granted on the basis of the deferral procedures.

The following information is given in table 1 of the tables contained in item 2) Quantitative information on management and supervisory bodies and the Chief Executive Officer, General Manager, Senior Deputy General Manager and Deputy General Managers of UBI Banca:

- fixed remuneration for the position (column 1);
- remuneration for attendance on committees (column 2);
- variable non-equity remuneration (cash) divided into “bonuses and other incentives”, which include 2014 incentive scheme payments estimated on an accruals basis on preliminary figures and not yet paid relating to the upfront component, any one-off payments, company bonuses and “share of profits”, the latter not paid (column 3);
- non-monetary benefits which include insurance policies, pension funds and any other benefits such as cars, guest accommodation, according to the taxable income criterion (column 4);
- other remuneration, such as job-security and non-competition agreements paid during the employment relationship, provisions made for deferred remuneration, length of service bonuses and other residual items (column 5);
- the total for the above items (column 6);
- the fair value of remuneration in shares (column 7);
- end of term of office or of employment relationship indemnities (column 8) falling due in 2014.

Table 2 as required under Consob Resolution No. 18049 of 23rd December 2011 is not included, since there are currently no stock option plans within the Group.

Table 3A contains information relating to schemes based on financial instruments other than stock options. More specifically, it shows:

- the relevant incentive scheme (column 1);
- the number of shares accrued in 2011, 2012, 2013 and 2014, that have yet to be paid because they are subject to retention and deferral mechanisms and the relative vesting period (columns 2 and 3);
- the fair value for the year (column 12).

Table 3B, as above, contains information relating to deferred monetary incentive schemes (column 3C). Amounts have also been entered in column 4 for “other bonuses” in which bonuses for the year not explicitly included in schemes defined beforehand are reported.

II. Part two

Part two contains the following:

- quantitative information by area of activity and category of personnel, with a distinction between the fixed component of remuneration and the variable performance-related component;
- quantitative information by name is given for the management and supervisory functions and also for the Chief Executive Officer, General Manager, Senior Deputy General Manager and Deputy General Managers of UBI Banca. Because there is no total remuneration for other key management personnel that is greater than the highest remuneration paid to the Chief Executive Officer and the General Manager of UBI Banca, aggregate information is given, with the number of persons given in place of the names.
- finally, the last table of this document gives shares held in UBI Banca and its subsidiaries by members of the management and supervisory bodies and by the Chief Executive Officer, General Manager, Senior Deputy General Manager and Deputy General Manager and other key management personnel of UBI Banca (pursuant to Art. 84 quater of Consob Resolution No. 11971 of 14th May 1999 and subsequent amendments).

1. Quantitative information by area of activity and category of personnel

Fixed remuneration

The table below gives the total fixed remuneration at Group level by type of personnel and general area of activity.

Group fixed remuneration ⁽¹⁾

(employee personnel as at 31/12)

Figures in thousands of euro	CRR Art.450 cluster	Group		UBI Banca		Banks ⁽²⁾		Other companies ⁽³⁾	
		Number of persons	31.12.2014	Number of persons	31.12.2014	Number of persons	31.12.2014	Number of persons	31.12.2014
UBI Chief Executive Officer ⁽⁴⁾		1	1,424	1	1,424	-	-	-	-
UBI General Manager		1	748	1	748	-	-	-	-
UBI Senior Deputy General Manager	Senior Management	1	621	1	621	-	-	-	-
UBI Deputy General Managers ⁽⁵⁾		3	1,244	3	1,244	-	-	-	-
Other Executive Board Members and General Managers		15	3,903	-	-	10	2,709	5	1,194
Managers of main lines of business		31	6,167	19	4,151	7	1,136	5	881
Managers of highest level of control functions	Material risk-takers	5	814	5	814	-	-	-	-
Other senior managers	-	297	37,655	107	13,670	133	16,462	57	7,523
Other employees	-	17,777	845,486	1,538	83,279	13,595	638,344	2,644	123,863
TOTAL		18,131	898,061	1,675	105,950	13,745	658,650	2,711	133,460

- (1) Company costs and other expense items not considered a part of fixed remuneration are excluded (e.g. overtime, travelling allowances and expense refunds, etc.), additionally, the remuneration of a member of staff belonging to "Other employees" is not reported because employed with a foreign employment contract.
- (2) Banca Popolare di Bergamo Spa, Banco di Brescia Spa, Banca Popolare Commercio e Industria Spa, Banca Regionale Europea Spa, Banca Popolare di Ancona Spa, Banca Carime Spa, Banca di Valle Camonica Spa, UBI Banca Private Investment Spa, IW Bank Spa, UBI Banca International Sa.
- (3) UBI Sistemi e Servizi SCpA, UBI Leasing Spa, UBI Factor Spa, UBI Pramerica SGR Spa, Prestitalia Spa, UBI Fiduciaria Spa, BPB Immobiliare Srl, UGI Gestione Fiduciarie Sim Spa, Centrobanca Sviluppo Impresa SGR Spa, Coralix Rent Srl, S.B.I.M Spa, UBI Academy, UBI Trustee Sa.
- (4) In 2014 holidays not taken amounting to approximately €61,700 were recovered.
- (5) The cost of the fees paid to a Deputy General Manager of UBI were incurred by the company in which he occupies the position of Operational Chairman.

The table below gives the total fixed remuneration by type of personnel and general area of activity specifically for the Parent, UBI Banca.

UBI Banca fixed remuneration ⁽¹⁾

(employee personnel as at 31/12)

Figures in thousands of euro	General Management		Business		Lending		Other functions ⁽²⁾	
	Number of persons	31.12.2014	Number of persons	31.12.2014	Number of persons	31.12.2014	Number of persons	31.12.2014
UBI Chief Executive Officer	1	1,424	-	-	-	-	-	-
UBI General Manager	1	748	-	-	-	-	-	-
UBI Senior Deputy General Manager	1	621	-	-	-	-	-	-
UBI Deputy General Managers	3	1,244	-	-	-	-	-	-
Managers of main lines of business	-	-	6	1,483	3	658	10	2,009
Managers of highest level of control functions	-	-	-	-	-	-	5	814
Other senior managers	-	-	49	6,576	11	1,263	47	5,831
Other employees	-	-	364	22,360	315	15,690	859	45,229
TOTAL	6	4,037	419	30,419	329	17,611	921	53,883

(1) Company costs and other expense items not considered a part of fixed remuneration are excluded (e.g. overtime, travelling allowances and expense refunds, etc.).

(2) Chief Financial Officer, Chief of General Affairs and Subsidiaries, Chief Audit Executive, Chief Risk Officer, Compliance, Investor and Media Relations, Customer Care, Chief Operating Officer and Support to the Supervisory Board.

2014 incentive schemes - estimates

The table below gives an estimate of the number of beneficiaries and the amount or performance-related remuneration paid through incentive schemes, divided by type of personnel and areas of activity. It is calculated on the basis of preliminary figures and is subject to modifications.

2014 Incentive Scheme Estimate ⁽¹⁾:

(employee personnel)

	Group		UBI Banca		Banks ⁽²⁾		Other Companies ⁽³⁾	
	Number of beneficiaries	31.12.2014	Number of beneficiaries	31.12.2014	Number of beneficiaries	31.12.2014	Number of beneficiaries	31.12.2014
Figures in thousands of euro								
UBI Chief Executive Officer	1	590	1	590	-	-	-	-
UBI General Manager	1	238	1	238	-	-	-	-
UBI Senior Deputy General Manager	1	144	1	144	-	-	-	-
UBI Deputy General Managers	3	296	3	296	-	-	-	-
Other Executive Board Members and General Manager	6	458	-	-	4	295	2	163
Managers of main lines of business	16	926	13	460	1	41	2	425
Managers of highest level of control functions	5	124	5	124	-	-	-	-
Other senior managers	134	303	54	104	57	92	23	107
Other employees	7,476	12,546	769	1,492	5,506	7,924	1,201	3,129
TOTAL	7,643	15,625	847	3,448	5,568	8,352	1,228	3,825

(1) Company costs are excluded.

(2) Banca Popolare di Bergamo Spa, Banco di Brescia Spa, Banca Popolare Commercio e Industria Spa, Banca Regionale Europea Spa, Banca Popolare di Ancona Spa, Banca Carime Spa, Banca di Valle Canonica Spa, UBI Banca Private Investment Spa, IW Bank Spa, UBI Banca International Sa.

(3) UBI Sistemi e Servizi ScpA, UBI Factor Spa, UBI Pramerica SGR Spa, Prestitalia Spa, UBI Academy.

With regard to Key Personnel, the following two tables show the payment procedures for bonuses of over €50,000, to which more restrictive conditions in terms of deferral and financial instruments are applied, and those for bonuses of less than €50,000, which are paid upfront, 50% in cash at the time the conditions were met and the remaining 50% as ordinary shares of UBI Banca with a two-year retention period.

2014 Incentive Scheme Estimate ⁽¹⁾: means of payment for "Key Personnel" - bonus less than €50,000

	Number of beneficiaries	Up-front portion	
Figures in thousands of euro		Cash (2015)	Shares (2017)
UBI Chief Executive Officer	-	-	-
UBI General Manager	-	-	-
UBI Senior Deputy General Manager	-	-	-
UBI Deputy General Managers	-	-	-
Executive Board Members and General Managers of the Group	1	16	16
UBI Managers of main lines of business	11	167	167
Managers of main lines of business of the Group	2	38	38
UBI Managers of highest level of control functions	5	62	62
TOTAL	19	283	283

(1) Company costs are excluded

2014 Incentive Scheme Estimate ⁽¹⁾: means of payment for "Key Personnel" - bonus greater than €50,000

	Number of beneficiaries	Up-front portion		Deferred portion	
		Cash (2015)	Shares (2017)	Cash (2018)	Shares (2019)
Figures in thousands of euro					
UBI Chief Executive Officer	1	118	118	177	177
UBI General Manager	1	47	47	72	72
UBI Senior Deputy General Manager	1	43	43	29	29
UBI Deputy General Managers	3	89	89	59	59
Executive Board Members and General Managers of the Group	5	128	128	85	85
UBI Managers of main lines of business	2	38	38	25	25
Managers of main lines of business of the Group	1	117	117	78	78
UBI Managers of highest level of control functions	-	-	-	-	-
TOTAL	14	580	580	525	525

(1) Company costs are excluded

The table below gives a summary of deferred remuneration in previous years and the dates when it will be due for payment in the future, once the necessary stability, liquidity and risk-adjusted profit conditions have been verified.

Prior year deferred remuneration: key personnel ⁽¹⁾

Figures in thousands of euro	2011 scheme			2012 scheme			Scheme 2013		
	Number of beneficiaries	Cash (2015)	Shares (2016)	Number of beneficiaries	Cash (2016)	Shares (2017)	Number of beneficiaries	Cash (2017)	Shares (2018)
UBI Chief Executive Officer	-	-	-	-	-	-	-	-	-
UBI General Manager	-	-	-	-	-	-	-	-	-
UBI Senior Deputy General Manager	-	-	-	-	-	-	1	19	19
UBI Deputy General Managers	-	-	-	-	-	-	1	13	13
Executive Board Members and General Managers of the Group	5	80	80	6	43	43	5	76	76
UBI Managers of main lines of business	1	11	11	-	-	-	-	-	-
Managers of main lines of business of the Group	31	247	247	10	99	99	1	59	59
Managers of highest level of control functions	2	7	7	-	-	-	-	-	-
TOTAL	39	345	345	16	142	142	8	167	167

(1) Company costs are excluded

2013 incentive schemes - final data

To ensure maximum transparency, the final data for 2013 incentive scheme payments is given below. Compared with the estimates provided in the previous Report on Remuneration, they have increased by approximately +1% overall, amounting to approximately €97,000 gross.

2013 Incentive Scheme Actual Figures ⁽¹⁾:

(employee personnel)

Figures in thousands of euro	Group		UBI Banca		Banks ⁽²⁾		Other companies ⁽³⁾	
	Number of beneficiaries	31.12.2013	Number of beneficiaries	31.12.2013	Number of beneficiaries	31.12.2013	Number of beneficiaries	31.12.2013
UBI Chief Executive Officer	-	-	-	-	-	-	-	-
UBI General Manager	-	-	-	-	-	-	-	-
UBI Senior Deputy General Manager	1	94	1	94	-	-	-	-
Deputy general managers UBI ⁴	2	98	2	98	-	-	-	-
Other Executive Board Members and General Manager	7	438	-	-	5	277	2	161
Managers of main lines of business	17	618	13	232	1	23	3	363
Managers of highest level of control functions	7	238	7	238	-	-	-	-
Other senior managers	179	1,125	86	519	61	238	32	368
Other employees	8,292	6,325	963	1,044	6,212	2,899	1,117	2,381
TOTAL	8,505	8,935	1,072	2,225	6,279	3,437	1,154	3,273

(1) Company costs are excluded.

(2) Banca Popolare di Bergamo Spa, Banca Regionale Europea Spa, Banca Popolare Commercio e Industria Spa, Banca di Valle Camonica Spa, UBI Banca Private Investment Spa, IWB Bank Spa.

(3) UBI Sistemi e Servizi SCpA, UBI Pramerica SGR Spa e UBI Academy.

(4) In last year's Remuneration Report, the figures for the "UBI Deputy General Managers" were included in "Managers of main lines of business"

As concerns Key Personnel, the final data allow a reduction of 10%, amounting to approximately €138,000 gross, compared with the estimates provided in the previous report.

The following tables, divided between bonuses of over €50,000 and bonuses of less than that amount, summarise their composition in terms of deferral and financial instruments.

2013 Incentive Schemes ⁽¹⁾: means of payment for "Key Personnel" - bonus greater than €50,000

Figures in thousands of euro	Number of beneficiaries	Up-front portion		Deferred portion	
		Cash (2014)	Shares (2016)	Cash (2017)	Shares (2018)
UBI Chief Executive Officer	-	-	-	-	-
UBI General Manager	-	-	-	-	-
UBI Senior Deputy General Manager	1	28	28	19	19
UBI Deputy General Managers	1	19	19	13	13
Executive Board Members and General Managers of the Group	5	113	113	76	76
UBI Managers of main lines of business	-	-	-	-	-
Managers of main lines of business of the Group	1	89	89	59	59
UBI Managers of highest level of control functions	-	-	-	-	-
TOTAL	8	249	249	167	167

(1) Company costs are excluded

2013 Incentive Scheme ⁽¹⁾: means of payment for "Key Personnel" - bonus less than €50,000

Figures in thousands of euro	Number of beneficiaries	Up-front portion	
		Cash (2014)	Shares (2016)
UBI Chief Executive Officer	-	-	-
UBI General Manager	-	-	-
UBI Senior Deputy General Manager	-	-	-
UBI Deputy General Managers	1	17	17
Executive Board Members and General Managers of the Group	2	30	30
UBI Managers of main lines of business	13	116	116
Managers of main lines of business of the Group	3	45	45
UBI Managers of highest level of control functions	7	124	114
TOTAL	26	332	322

(1) Company costs are excluded

2. Quantitative information on the management and supervisory bodies and on the Chief Executive Officer, General Manager, Senior Deputy General Manager, Deputy General Managers and other key management personnel of UBI Banca

The tables below give detailed information relating to 2014 and more specifically they consist of Table 1 and Table 3A and 3B pursuant to Art. 84 *quater* of the Issuers' Regulations adopted with Consob Resolution No. 11971 of 14th May 1999 and subsequent amendments.

Table 1 pursuant to Attachment 3 of the Issuers' Regulations

Remuneration paid to members of the management and supervisory bodies and to general management and other key management personnel (Art. 84 quater of Consob Resolution No. 11971 of 14th May 1999 and subsequent amendments)

(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	
Name and Surname	Position	Period in which position was occupied	Date on which appointment ends	Fixed remuneration	Remuneration for attendance on committees	Non-equity variable remuneration		Non-monetary benefits	Other remuneration	Total	Fair value of equity remuneration	Indemnity for end of term of office or end of employment relationship
						Bonuses and other incentives	Share of profits					
Moltrasio Andrea	UBI BANCA:											
	- Chairman of the Supervisory Board	01.01/31.12	AGM 2016	375,000.00						375,000.00		
	- Member of the Supervisory Board	01.01/31.12	AGM 2016	80,000.00						80,000.00		
	- Chairman of Appointments Committee	01.01/31.12	AGM 2016									
	TOTAL			455,000.00						455,000.00		
Cera Mario	UBI BANCA:											
	- Senior Deputy Chairman of the Supervisory Board	01.01/31.12	AGM 2016	250,000.00						250,000.00		
	- Member of the Supervisory Board	01.01/31.12	AGM 2016	80,000.00						80,000.00		
	- Member of the Appointments Committee	01.01/31.12	AGM 2016									
	- Chairman of the Remuneration Committee	01.01/31.12	AGM 2016									
	TOTAL			330,000.00						330,000.00		
Folonari Alberto	UBI BANCA:											
	- Deputy Chairman of the Supervisory Board	01.01/31.12	AGM 2016	40,000.00						40,000.00		
	- Member of the Supervisory Board	01.01/31.12	AGM 2016	80,000.00						80,000.00		
	- Member of the Appointments Committee	01.01/31.12	AGM 2016									
	TOTAL			120,000.00						120,000.00		
Santus Armando	UBI BANCA:											
	- Deputy Chairman of the Supervisory Board	01.01/31.12	AGM 2016	40,000.00						40,000.00		
	- Member of the Supervisory Board	01.01/31.12	AGM 2016	80,000.00						80,000.00		
	- Member of the Appointments Committee	01.01/31.12	AGM 2016									
	- Member of the Remuneration Committee	01.01/31.12	AGM 2016		17,500.00					17,500.00		
	Total UBI Banca remuneration			120,000.00	17,500.00					137,500.00		
	BANCA POPOLARE DI BERGAMO: other remuneration (notary services)								4,447.80	4,447.80		
	BANCA POPOLARE COMMERCIO INDUSTRIA: other remuneration (notary services)								8,179.10	8,179.10		
	BANCO DI BRESCIA: other remuneration (notary services)								1,460.00	1,460.00		
	BANCA CARIME other remuneration (notary services)								320.00	320.00		
	BPB IMMOBILIARE: other remuneration (notary services)								1,945.00	1,945.00		
	CORALI RENT : other remuneration (notary services)								50.00	50.00		
	UBI FIDUCIARIA: other remuneration (notary services)								1,200.00	1,200.00		
	UBI LEASING: other remuneration (notary services)								10,400.00	10,400.00		
	TOTAL			120,000.00	17,500.00				28,001.90	165,501.90		

(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and Surname	Position	Period in which position was occupied	Date on which appointment ends	Fixed remuneration	Remuneration for attendance on committees	Non-equity variable remuneration		Non-monetary benefits	Other remuneration	Totale	Fair Value dei compensi equity	Indennità di fine carica o di cessazione del rapporto di lavoro
						Bonuses and other incentives	Share of profits					
Agliardi Dorino Mario	UBI BANCA:											
	- Member of the Supervisory Board	01.01/31.12	AGM 2016	80,000.00						80,000.00		
	- Member of the Accounts Committee	01.01/31.12	AGM 2016		40,000.00					40,000.00		
	TOTAL			80,000.00	40,000.00					120,000.00		
Bardoni Antonella	UBI BANCA:											
	- Member of the Supervisory Board	01.01/31.12	AGM 2016	80,000.00						80,000.00		
	- Member of the Related and Connected Parties Committee	01.01/31.12	AGM 2016		20,000.00					20,000.00		
	TOTAL			80,000.00	20,000.00					100,000.00		
Bellini Cavalletti Letizia	UBI BANCA:											
	- Member of the Supervisory Board	01.01/31.12	AGM 2016	80,000.00						80,000.00		
	TOTAL			80,000.00						80,000.00		
Brogi Marina	UBI BANCA:											
	- Member of the Supervisory Board	01.01/31.12	AGM 2016	80,000.00						80,000.00		
	- Member of the Accounts Committee	01.01/31.12	AGM 2016		40,000.00					40,000.00		
	- Member of the Remuneration Committee	01.01/31.12	AGM 2016		17,500.00					17,500.00		
	TOTAL			80,000.00	57,500.00					137,500.00		
Camadini Pierpaolo	UBI BANCA:											
	- Member of the Supervisory Board	01.01/31.12	AGM 2016	80,000.00						80,000.00		
	- Member of the Internal Control Committee	01.01/31.12	AGM 2016		60,000.00					60,000.00		
	- Member of the Supervisory Body	01.01/31.12	AGM 2016		9,000.00					9,000.00		
	TOTAL			80,000.00	69,000.00					149,000.00		
Cividini Luca Vittorio	UBI BANCA:											
	- Member of the Supervisory Board	01.01/31.12	AGM 2016	80,000.00						80,000.00		
	TOTAL			80,000.00						80,000.00		
Del Boca Alessandra	UBI BANCA:											
	- Member of the Supervisory Board	01.01/31.12	AGM 2016	80,000.00						80,000.00		
	- Member of the Remuneration Committee	01.01/31.12	AGM 2016		17,500.00					17,500.00		
	TOTAL			80,000.00	17,500.00					97,500.00		
Faia Ester	UBI BANCA:											
	- Member of the Supervisory Board	01.01/31.12	AGM 2016	80,000.00						80,000.00		
	TOTAL			80,000.00						80,000.00		
Gallarati Marco Giacinto	UBI BANCA:											
	- Member of the Supervisory Board	01.01/31.12	AGM 2016	80,000.00						80,000.00		
	- Chairman of Related and Connected Parties Committee	01.01/31.12	AGM 2016		45,000.00					45,000.00		
	TOTAL			80,000.00	45,000.00					125,000.00		
Garavaglia Carlo	UBI BANCA:											
	- Member of the Supervisory Board	01.01/31.12	AGM 2016	80,000.00						80,000.00		
	- Member of the Internal Control Committee	01.01/31.12	AGM 2016		60,000.00					60,000.00		
	- Member of the Supervisory Body	01.01/31.12	AGM 2016		9,000.00					9,000.00		
	TOTAL			80,000.00	69,000.00					149,000.00		

(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and Surname	Position	Period in which position was occupied	Date on which appointment ends	Fixed remuneration	Remuneration for attendance on committees	Non-equity variable remuneration		Non-monetary benefits	Other remuneration	Total	Fair value of equity remuneration	Indemnity for end of term of office or end of employment relationship
						Bonuses and other incentives	Share of profits					
Gola Gian Luigi	UBI BANCA:											
	- Member of the Supervisory Board	01.01/31.12	AGM 2016	80,000.00						80,000.00		
	- Member of the Internal Control Committee	01.01/31.12	AGM 2016		60,000.00					60,000.00		
	- Member of the Supervisory Body	01.01/31.12	AGM 2016		9,000.00					9,000.00		
	TOTAL			80,000.00	69,000.00					149,000.00		
Guerini Lorenzo Renato	UBI BANCA:											
	- Member of the Supervisory Board	01.01/31.12	AGM 2016	80,000.00						80,000.00		
	- Chairman of the Accounts Committee	01.01/31.12	AGM 2016		80,000.00					80,000.00		
	TOTAL			80,000.00	80,000.00					160,000.00		
Gusmini Alfredo	UBI BANCA:											
	- Member of the Supervisory Board	01.01/31.12	AGM 2016	80,000.00						80,000.00		
	- Secretary of the Supervisory Board	01.01/31.12	AGM 2016	40,000.00						40,000.00		
	- Member of the Internal Control Committee	01.01/31.12	AGM 2016		60,000.00					60,000.00		
	- Member of the Supervisory Body	01.01/31.12	AGM 2016		9,000.00					9,000.00		
	TOTAL			120,000.00	69,000.00					189,000.00		
Manzoni Federico	UBI BANCA:											
	- Member of the Supervisory Board	01.01/31.12	AGM 2016	80,000.00						80,000.00		
	- Member of the Accounts Committee	01.01/31.12	AGM 2016		40,000.00					40,000.00		
	TOTAL			80,000.00	40,000.00					120,000.00		
Mazzoleni Mario	UBI BANCA:											
	- Member of the Supervisory Board	01.01/31.12	AGM 2016	80,000.00						80,000.00		
	- Member of the Appointments Committee	01.01/31.12	AGM 2016									
	TOTAL			80,000.00						80,000.00		
Minelli Enrico	UBI BANCA:											
	- Member of the Supervisory Board	01.01/31.12	AGM 2016	80,000.00						80,000.00		
	- Member of the Related and Connected Parties Committee	01.01/31.12	AGM 2016		20,000.00					20,000.00		
	- Member of the Appointments Committee	01.01/31.12	AGM 2016									
	TOTAL			80,000.00	20,000.00					100,000.00		
Pivato Sergio	UBI BANCA:											
	- Member of the Supervisory Board	01.01/31.12	AGM 2016	80,000.00						80,000.00		
	- Chairman of the Internal Control Committee	01.01/31.12	AGM 2016		100,000.00					100,000.00		
	- Chairman of the Supervisory Body	01.01/31.12	AGM 2016		15,000.00					15,000.00		
	TOTAL			80,000.00	115,000.00					195,000.00		
Resti Andrea Cesare	UBI BANCA:											
	- Member of the Supervisory Board	01.01/31.12	AGM 2016	80,000.00						80,000.00		
	- Member of the Remuneration Committee	01.01/31.12	AGM 2016		17,500.00					17,500.00		
	TOTAL			80,000.00	17,500.00					97,500.00		

(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and Surname	Position	Period in which position was occupied	Date on which appointment ends	Fixed remuneration	Remuneration for attendance on committees	Non-equity variable remuneration		Non-monetary benefits	Other remuneration	Total	Fair value of equity remuneration	Indemnity for end of term of office or end of employment relationship
						Bonuses and other incentives	Share of profits					
Zucchi Maurizio	UBI BANCA:											
	- Member of the Supervisory Board	01.01/31.12	AGM 2016	80,000.00						80,000.00		
	TOTAL			80,000.00						80,000.00		
Polotti Franco	UBI BANCA:											
	- Chairman of the Management Board	01.01/31.12	AGM 2016	375,000.00						375,000.00		
	- Member of the Management Board	01.01/31.12	AGM 2016	120,000.00						120,000.00		
	TOTAL			495,000.00						495,000.00		
Frigeri Giorgio	UBI BANCA:											
	- Deputy Chairman of the Management Board	01.01/31.12	AGM 2016	75,766.57						75,766.57		
	- Member of the Management Board	01.01/31.12	AGM 2016	120,000.00						120,000.00		
Total UBI Banca remuneration				195,766.57						195,766.57		
	BANCA POPOLARE DI BERGAMO											
	- Chairman of the Board of Directors	24.03/31.12	AGM 2017	68,716.86						68,716.86		
	- Director	24.03/31.12	AGM 2017	27,795.58						27,795.58		
	- Executive Committee	24.03/31.12	AGM 2017		7,720.99					7,720.99		
Total Banca Popolare di Bergamo remuneration				96,512.44	7,720.99					104,233.43		
	CENTROBANCA SVILUPPO IMPRESA SGR:											
	- Chairman of the Board of Directors	01.01/24.03	24/03/2014	2,273.97						2,273.97		
	- Director	01.01/24.03	24/03/2014	1,819.18						1,819.18		
Total Centrobanca Sviluppo Impresa SGR remuneration				4,093.15						4,093.15		
	UBI PRAMERICA SGR:											
	- Chairman of the Board of Directors	01.01/18.03	18/03/2014	8,438.36						8,438.36		
	- Director	01.01/18.03	18/03/2014	2,109.59						2,109.59		
Total UBI Pramerica SGR remuneration				10,547.95						10,547.95		
	UBI SISTEMI E SERVIZI:											
	- Director	01.01/11.04	11/04/2014	1,401.00						1,401.00		
	TOTAL			1,401.00						1,401.00		
Massiah Victor	UBI BANCA:			308,321.11	7,720.99					316,042.10		
	- Senior manager	01.01/31.12	the position has no termination date	652,431.81		119,899.99		113,083.26	(*) 38,614.72	924,029.78	59,721.67	
	- Chief Executive Officer	01.01/31.12	AGM 2016	500,000.00						500,000.00		
	- Member of the Management Board	01.01/31.12	AGM 2016	120,000.00						120,000.00		
	TOTAL			1,272,431.81		119,899.99		113,083.26	38,614.72	1,544,029.78	59,721.67	
Fidanza Silvia	UBI BANCA:											
	- Member of the Management Board	01.01/31.12	AGM 2016	120,000.00						120,000.00		
TOTAL				120,000.00						120,000.00		

(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and Surname	Position	Period in which position was occupied	Date on which appointment ends	Fixed remuneration	Remuneration for attendance on committees	Non-equity variable remuneration		Non-monetary benefits	Other remuneration	Total	Fair value of equity remuneration	Indemnity for end of term of office or end of employment relationship
						Bonuses and other incentives	Share of profits					
Gattinoni Luciana	UBI BANCA:											
	- Member of the Management Board	01.01/31.12	AGM 2016	120,000.00						120,000.00		
	Total UBI Banca remuneration			120,000.00						120,000.00		
	BPB IMMOBILIARE:											
	- Chairman of the Board of Directors	20.03/31.12	AGM 2017	7,863.01						7,863.01		
	- Director	20.03/31.12	AGM 2017	3,931.51						3,931.51		
	Total BPB Immobiliare remuneration			11,794.52						11,794.52		
	TOTAL			131,794.52						131,794.52		
Iorio Francesco	UBI BANCA:											
	- General Manager	01.01/31.12	the position has no termination date	600,000.11		48,045.99		22,582.14	5,847.41	676,475.65	38,550.37	
	- Member of the Management Board	01.01/31.12	AGM 2016	120,000.00						120,000.00		
	Total UBI Banca remuneration			720,000.11		48,045.99		22,582.14	5,847.41	796,475.65	38,550.37	
	(*) UBI SISTEMI E SERVIZI:											
	- Director	01.01/31.12	AGM 2015									
	Total UBI Sistemi e Servizi remuneration											
	TOTAL			720,000.11		48,045.99		22,582.14	5,847.41	796,475.65	38,550.37	
Lucchini Italo	UBI BANCA:											
	- Member of the Management Board	01.01/31.12	AGM 2016	120,000.00						120,000.00		
	TOTAL			120,000.00						120,000.00		
Pizzini Flavio	UBI BANCA:											
	- Member of the Management Board	01.01/31.12	AGM 2016	120,000.00						120,000.00		
	Total UBI Banca remuneration			120,000.00						120,000.00		
	UBI SISTEMI E SERVIZI:											
	- Deputy Chairman of the Board of Directors	01.01/31.12	AGM 2015	45,000.00						45,000.00		
	- Director	01.01/31.12	AGM 2015	5,000.00						5,000.00		
	Total UBI Sistemi e Servizi remuneration			50,000.00						50,000.00		
	BANCA POPOLARE COMMERCIO INDUSTRIA											
	- Director	01.01/25.03	25/03/2014	7,083.33						7,083.33		
	Total Banca Popolare Commercio Industria remuneration			7,083.33						7,083.33		
	TOTAL			177,083.33						177,083.33		

(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and Surname	Position	Period in which position was occupied	Date on which appointment ends	Fixed remuneration	Remuneration for attendance on committees	Non-equity variable remuneration		Non-monetary benefits	Other remuneration	Total	Fair value of equity remuneration	Indemnity for end of term of office or end of employment relationship
						Bonuses and other incentives	Share of profits					
Sonnino Elvio	UBI BANCA:											
	- Senior Deputy General Manager	01.01/31.12	the position has no termination date	408,450.12		45,075.99		72,047.62	20,931.69	546,505.42	24,254.17	
	- Member of the Management Board	01.01/31.12	AGM 2016	120,000.00						120,000.00		
	Total UBI Banca remuneration			528,450.12		45,075.99		72,047.62	20,931.69	666,505.42	24,254.17	
(°)	UBI BANCA INTERNATIONAL:											
	- Director	01.01/31.12	AGM 2015									
	Total UBI Banca International remuneration											
(°)	UBI SISTEMI E SERVIZI:											
	- Director	01.01/31.12	AGM 2015									
	Total UBI Sistemi e Servizi remuneration											
(°)	UBI ACADEMY:											
	- Director	01.01/31.12	AGM 2015									
	Total UBI Academy remuneration											
	TOTAL			528,450.12		45,075.99		72,047.62	20,931.69	666,505.42	24,254.17	
Leidi Rossella	UBI BANCA:											
	- Deputy General Manager	01.01/31.12	the position has no termination date	367,190.45		51,725.99		22,960.31	20,771.64	462,648.39	11,186.31	
	Total UBI Banca remuneration			367,190.45		51,725.99		22,960.31	20,771.64	462,648.39	11,186.31	
	(°) UBI ACADEMY:											
	- Director	01.01/31.12	AGM 2015									
	Total UBI Academy remuneration											
	TOTAL			367,190.45		51,725.99		22,960.31	20,771.64	462,648.39	11,186.31	
Medda Ettore	UBI BANCA:											
	- Deputy General Manager	01.01/31.12	the position has no termination date	340,379.55		31,332.25		76,672.89	32,413.25	480,797.94	17,228.03	
	Total UBI Banca remuneration			340,379.55		31,332.25		76,672.89	32,413.25	480,797.94	17,228.03	
	(°) BANCA REGIONALE EUROPEA											
	- Director	01.01/11.03 - 25.03/31.12	AGM 2017									
	- Executive Committee	09.04/31.12	AGM 2017									
	Total Banca Regionale Europea Remuneration											
(°)	BANCA VALLE CAMONICA:											
	- Director	01.01/31.12	AGM 2017									
	Total Banca Valle Camonica remuneration											
(°)	IW BANK											
	- Director	01.01 - 07.03	07/03/2014									
	Total IW Bank remuneration											
(°)	UBI FIDUCIARIA											
	- Director	01.01 - 07.03	7/03/2014									
	Total fees UBI Fiduciaria											
	TOTAL			340,379.55		31,332.25		76,672.89	32,413.25	480,797.94	17,228.03	

(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and Surname	Position	Period in which position was occupied	Date on which appointment ends	Fixed remuneration	Remuneration for attendance on committees	Non-equity variable remuneration		Non-monetary benefits	Altri compensi	Totale	Fair Value del compensi equity	Indennità di fine carica o di cessazione del rapporto di lavoro
						Bonuses and other incentives	Share of profits					
Rigamonti Pierangelo (**)	UBI BANCA:											
	- Deputy General Manager	01.01/31.12	the position has no termination date	341,097.00		29,145.23		22,460.22	19,666.68	412,369.13	13,752.02	
	Total UBI Banca remuneration			341,097.00		29,145.23		22,460.22	19,666.68	412,369.13	13,752.02	
(*)	UBI SISTEMI E SERVIZI:											
	- Chairman	01.01/31.12	AGM 2015									
	- Director	01.01/31.12	AGM 2015									
	Total UBI Sistemi e Servizi remuneration											
	TOTAL			341,097.00		29,145.23		22,460.22	19,666.68	412,369.13	13,752.02	
Five key management personnel (*)		01.01/31.12	The positions have no termination date	982,659.01		86,627.06		88,863.95	(**) 58.635,7	1,216,785.72	38,104.14	
				982,659.01		86,627.06		88,863.95	58,635.70	1,216,785.72	38,104.14	
(*) The remuneration relating to dott. Victor Massiah, dott. Iorio, dott. Sonnino, dott.ssa Leidi, dott. Medda and dott. Rigamonti and to key management personnel does not include that relating to any posts held by them in other companies in the Group because this is either waived or paid directly to UBI Banca and it is shown on a pro rata basis with respect to the period in which they occupied the position. (**) The cost of the fees is borne by a company in which he holds another position.												
(*) of which €100,000.08 for a non competition agreement, reduced to €38,614.72 for the recovery of holidays not taken. (**) of which €40,000.22 for a job-security agreement												

Table 3A pursuant to Attachment 3 of the Issuers' Regulations.

Cash incentive schemes based on financial instruments other than stock options, for members of the management and supervisory bodies and for general management and other key management personnel (Art. 84 *quater* of Consob Resolution No. 11971 of 14th May 1999, and subsequent amendments)

			Financial instruments granted in prior years not vested during the year		Financial instruments granted during the year					Financial instruments vested during the year and not granted	Financial instruments vested during the year and granted		Financial instruments relating to the year
A	B	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Name and Surname	Position	Scheme	Number and type of financial instruments	Vesting period	Number and type of financial instruments	Fair value on the grant date	Vesting period	Grant date	Market price when granted	Number and type of financial instruments	Number and type of financial instruments	Value on the vesting date	Fair value
Massiah Victor	- Chief Executive Officer	2014 (****)			19,808 UBI Banca shares	5.577	3	2015	5.9657				31,561.04
		2014 (****)			29,711 UBI Banca shares	5.213	5	2018	5.9657				28,160.63
		2013											
		2012											
		2011											
	TOTAL				49,519 UBI Banca shares	10.790							59,721.67
Iorio Francesco (*)	- General Manager of UBI Banca	2014 (****)			8,004 UBI Banca shares	5.577	3	2015	5.9657				12,753.80
		2014 (****)			12,006 UBI Banca shares	5.213	5	2018	5.9657				11,379.51
		2013											
		2012											
		2011									19,891 UBI Banca shares	6,9088	8,098.07
		2011 (****)	13,261 UBI Banca shares	5									6,318.99
	TOTAL		13,261 UBI Banca shares		20,010 UBI Banca shares	10.790					19,891 UBI Banca shares	6,9088	38,550.37
Sonnino Elvio	- Senior Deputy General Manager of UBI Banca	2014 (****)			7,265 UBI Banca shares	5.577	3	2015	5.9657				11,576.26
		2014 (****)			4,844 UBI Banca shares	5.213	5	2018	5.9657				4,590.28
		2013 (****)	4,355 UBI Banca shares	3									5,792.15
		2013 (****)	2,903 UBI Banca shares	5									2,295.48
		2012											
		2011											
	TOTAL		7,258 UBI Banca shares		12,109 UBI Banca shares	10.790							24,254.17
Leidi Rossella	- Deputy General Manager of UBI Banca	2014 (****)			5,027 UBI Banca shares	5.577	3	2015	5.9657				3,176.14
		2014 (****)			3,352 UBI Banca shares	5.213	5	2018	5.9657				8,010.17
		2013											
		2012											
		2011											
	TOTAL				8,379 UBI Banca shares	10.790							11,186.31

			Financial instruments granted in prior years not vested during the year		Financial instruments granted during the year					Financial instruments vested during the year and not granted	Financial instruments vested during the year and granted		Financial instruments relating to the year
A	B	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Name and Surname	Position	Scheme	Number and type of financial instruments	Vesting period	Number and type of financial instruments	Fair value on the grant date	Vesting period	Grant date	Market price when granted	Number and type of financial instruments	Number and type of financial instruments	Value on the vesting date	Fair value
Medda Ettore Giuseppe	- Deputy General Manager of UBI Banca	2014 ^(****)			5,240 UBI Banca shares	5.577	3	2015	5.9657				8,347.97
		2014 ^(****)			3,493 UBI Banca shares	5.213	5	2018	5.9657				3,310.73
		2013 ^(***)	2,999 UBI Banca shares	3									3,988.67
		2013 ^(***)	1,999 UBI Banca shares	5									1,580.66
		2012											
		2011											
	TOTAL		4,998 UBI Banca shares		8,733 UBI Banca shares	10.790							17,228.03
Rigamonti Pierangelo ^(**)	- Deputy General Manager of UBI Banca and Operational Chairman of UBI Sistemi e Servizi	2014 ^(****)			4,583 UBI Banca shares	5.577	3	2015	5.9657				7,302.68
		2014 ^(****)			3,056 UBI Banca shares	5.213	5	2018	5.9657				2,895.58
		2013 ^(***)	2,672 UBI Banca shares	3									3,553.76
		2012											
		2011											
	TOTAL		2,672 UBI Banca shares		7,639 UBI Banca shares	10.790							13,752.02
Five key management personnel		2014 ^(****)			10,560 UBI Banca shares	5.577	3	2015	5.9657				16,823.42
		2014 ^(****)			2,347 UBI Banca shares	5.213	5	2018	5.9657				2,224.53
		2013 ^(***)	9,853 UBI Banca shares	3									13,104.49
		2012 ^(***)	959 UBI Banca shares	3									927.76
		2012 ^(***)	640 UBI Banca shares	5									368.29
		2011									6,423 UBI Banca shares	6,9088	2,615.08
		2011 ^(****)	4,282 UBI Banca shares	5									2,040.57
	TOTAL		15,734 UBI Banca shares		12,907 UBI Banca shares	10.790					6,423 UBI Banca shares	6,9088	38,104.14

(*) The financial instruments for dott. Iorio relate to the 2011 Scheme, when he occupied the position of General Manager of Banca Popolare Commercio e Industria Spa. ☐

(**) The cost of the financial instruments is borne by a company in which he holds another position. ☐

(***) Those instruments have been promised, but not yet granted. ☐

(****) Estimate calculated on the basis of preliminary figures which may be modified. The market price is calculated on the average market value of UBI Banca shares from 25/11/2014 until 12/01/2015. These instruments will be promised, but not granted.

Table 3B pursuant to Attachment 3 of the Issuers' Regulations.

Cash incentive schemes for members of the management and supervisory bodies and for general management and other key management personnel (Art. 84 *quater* of Consob Resolution No. 11971 of 14th May 1999 and subsequent amendments)

A	B	(1)	(2)			(3)			(4)
Name and Surname	Position	Scheme	Bonus for the year			Prior year bonuses			Other Bonuses
			(A)	(B)	(C)	(A)	(B)	(C)	
			Payable/Paid	Deferred	Deferral period	No longer payable	Payable/Paid	Still deferred	
Massiah Victor	- Chief Executive Officer	2014	118,163.00 (***)	177,244.00 (***)	4				1,736.99
		2013							
		2012							
		2011							
Iorio Francesco (*)	- General Manager of UBI Banca	2014	47,749.00 (***)	71,623.00 (***)	4				296.99
		2013							
		2012							
		2011						31,724.00	
Sonnino Elvio	- Senior Deputy General Manager of UBI Banca	2014	43,339.00 (***)	28,893.00 (***)	4				1,736.99
		2013						18,710.00	
		2012							
		2011							

A	B	(1)	(2)			(3)			(4)
Name and Surname	Position	Scheme	Bonus for the year			Prior year bonuses			Other Bonuses
			(A)	(B)	(C)	(A)	(B)	(C)	
			Payable/Paid	Deferred	Deferral period	No longer payable	Payable/Paid	Still deferred	
Leidi Rossella	- Deputy General Manager of UBI Banca	2014	29,989.00 (***)	19,993.00 (***)	4				21,736.99
		2013							
		2012							
		2011							
Medda Ettore Giuseppe	- Deputy General Manager of UBI Banca	2014	31,257.00 (***)	20,838.00 (**)	4				75.25
		2013						12,883.00	
		2012							
		2011							
Rigamonti Pierangelo (**)	- Deputy General Manager of UBI Banca and Operational Chairman of UBI Sistemi e Servizi	2014	27,340.00 (**)	18,227.00 (***)	4				1,805.23
		2013							
		2012							
		2011							
Five key management personnel		2014	62,986.00 (***)	14,000.00 (***)	4				23,641.06
		2013							
		2012						2,546.00	
		2011						10,245.00	
	TOTAL		2,013.00	350,818.00				76,108.00	51,029.50

(*) The prior year bonuses still deferred for dott. Iorio relate to the 2011 plan, when he occupied the position of General Manager of Banca Popolare Commercio e Industria Spa. ☐

(**) The cost of the bonus for one person in this group was incurred by the company in which he is employed. ☐

(***) Estimate calculated on the basis of preliminary figures which may be modified.

3. Shares held in UBI Banca and in subsidiaries by members of the management and supervisory bodies and by the Chief Executive Officer , General Manager, Senior Deputy General Manager, Deputy General Managers and other key management personnel of UBI Banca (pursuant to Art. 84 quater of Consob Resolution No. 11971 of 14th May 1999 and subsequent amendments).

Surname and first name	Position	Shareholding in	Type of holding	Ownership title	Number of shares owned as at 31/12/2013	Number of shares purchased in 2014	Number of shares sold in 2014	Number of shares owned as at 31/12/2014
Moltrasio Andrea	Chairman of the Supervisory Board	UBI	direct	full ownership	12,000	10,000		22,000
		UBI	spouse (directly)	full ownership	12,000			12,000
Cera Mario	Senior Deputy Chairman of the Supervisory Board	UBI	direct	full ownership	50,007			50,007
Folonari Alberto	Deputy Chairman of the Supervisory Board	UBI	direct	full ownership	1,784,759			1,784,759
		UBI	direct	usufruct	686,693			686,693
			indirect	full ownership	500			500
		UBI	spouse (directly)	full ownership	513,595			513,595
Santus Armando	Deputy Chairman of the Supervisory Board	UBI	direct	full ownership	244,014	19,600 (*)		263,614
Agliardi Dorino Mario	Member of the Supervisory Board	UBI	direct	full ownership	300			300
		UBI	spouse (directly)	full ownership	250			250
Bardoni Antonella	Member of the Supervisory Board	UBI	direct	full ownership	250	2,000		2,250
		UBI	spouse (directly)	full ownership	253			253
Bellini Cavalletti Letizia	Member of the Supervisory Board	UBI	direct	full ownership	11,366	1,000		12,366
		UBI	direct	legal title only	124,956			124,956
		UBI	spouse (directly)	full ownership	-	6,000		6,000
		UBI	children - minors (directly)	full ownership	-	500		500
Brogi Marina	Member of the Supervisory Board	UBI	direct	full ownership	272	10,000		10,272
		UBI	spouse (directly)	full ownership	250		250	-
		UBI	children - minors (directly)	full ownership	500			500
Camadini Pierpaolo	Member of the Supervisory Board	UBI	direct	full ownership	228,795	25,000		253,795
		UBI	spouse (directly)	full ownership	225	775		1,000
		UBI	children - minors (directly)	full ownership	3,000			3,000
		BANCA DI VALLE CAMONICA	direct	full ownership	2,070	331 (**)		2,401
Cividini Luca Vittorio	Member of the Supervisory Board	UBI	direct	full ownership	112,996			112,996
		UBI	spouse (directly)	full ownership	250			250
Del Boca Alessandra	Member of the Supervisory Board	UBI	direct	full ownership	250			250
Faia Ester	Member of the Supervisory Board	UBI	direct	full ownership	250			250
Gallarati Marco Giacinto	Member of the Supervisory Board	UBI	direct	full ownership	750			750
		UBI	spouse (directly)	full ownership	251			251
Garavaglia Carlo	Member of the Supervisory Board	UBI	direct	full ownership	386			386
Gola Gian Luigi	Member of the Supervisory Board	UBI	direct	full ownership	338			338
		UBI	indirect	full ownership	250			250
Guerini Lorenzo Renato	Member of the Supervisory Board	UBI	direct	full ownership	5,000			5,000
		UBI	spouse (directly)	full ownership	100,000	5,000		105,000
Gusmini Alfredo	Member of the Supervisory Board	UBI	direct	full ownership	117,000	8,000		125,000
		UBI	spouse (directly)	full ownership	123,000	2,000		125,000
Manzoni Federico	Member of the Supervisory Board	UBI	direct	full ownership	19,300	5,000		24,300
		UBI	spouse (directly)	full ownership	1,000			1,000
Mazzoleni Mario	Member of the Supervisory Board	UBI	direct	full ownership	15,876			15,876

Surname and first name	Position	Shareholding in	Type of holding	Ownership title	Number of shares owned as at 31/12/2013	Number of shares purchased in 2014	Number of shares sold in 2014	Number of shares owned as at 31/12/2014
Minelli Enrico	Member of the Supervisory Board	UBI	direct	full ownership	198,010			198,010
		UBI	direct	legal title only	134,152			134,152
		UBI	spouse (directly)	full ownership	1,250			1,250
		BANCA DI VALLE CAMONICA	direct	full ownership	100	16 (**)		116
Pivato Sergio	Member of the Supervisory Board	UBI	direct	full ownership	346			346
Resti Andrea Cesare	Member of the Supervisory Board	UBI	direct	full ownership	150	100		250
Zucchi Maurizio	Member of the Supervisory Board	UBI	direct	full ownership	1,366			1,366
		UBI	spouse (directly)	full ownership	1,688			1,688
Polotti Franco	Chairman of the Management Board	UBI	direct	full ownership	2,816	184		3,000
		UBI	indirect	full ownership	2,898,519	253,216 (***)		3,151,735
		UBI	indirect	legal title only	253,216		253,216 (***)	-
		UBI	spouse (directly)	full ownership	33,604	46,396 (****)		80,000
Frigeri Giorgio	Deputy Chairman of the Management Board	UBI	direct	full ownership	16,822	17,000	17,000	16,822
		UBI	spouse (directly)	full ownership	13,888	11,550	14,000	11,438
Massiah Victor	Chief Executive Officer	UBI	direct	full ownership	350,000	60,000		410,000
Fidanza Silvia	Member of the Management Board	UBI	direct	full ownership	8,133			8,133
		UBI	spouse (directly)	full ownership	1,408			1,408
		UBI	children - minors (directly)	full ownership	500			500
Gattinoni Luciana	Member of the Management Board	UBI	direct	full ownership	9,872			9,872
		UBI	spouse (directly)	full ownership	300			300
Iorio Francesco	Member of the Management Board/General Manager	UBI	direct	full ownership	23,922	19,891 (*****)		43,813
Lucchini Italo	Member of the Management Board	UBI	direct	full ownership	49,603			49,603
		UBI	spouse (directly)	full ownership	90,696			90,696
Pizzini Flavio	Member of the Management Board	UBI	direct	full ownership	12,832			12,832
		UBI	spouse (directly)	full ownership	1,000			1,000
Sonnino Elvio	Member of the Management Board /Senior Deputy General Manager	UBI	direct	full ownership	1,691			1,691
		UBI	spouse (directly)	full ownership	300			300
Leidi Rossella	Deputy General Manager	UBI	direct	full ownership	3,088			3,088
		UBI	spouse (directly)	full ownership	1			1
		UBI	children - minors (directly)	full ownership	692			692
Medda Ettore	Deputy General Manager	UBI	direct	full ownership	4,309			4,309
		UBI	spouse (directly)	full ownership	486			486
Rigamonti Pierangelo	Deputy General Manager	UBI	direct	full ownership	7,049			7,049
		UBI	spouse (directly)	full ownership	6,298			6,298
Five key management personnel (*****)		UBI	direct	full ownership	15,354	6,423 (*****)		21,777

(*)	of which 9,600 following the free of charge transfer pursuant to Art. 783 of the Italian Civil Code.
(**)	following a subscription of an increase in the share capital
(***)	following a change in the ownership title, from legal title only to full ownership
(****)	of which 44,997 due to inheritance
(*****)	shares granted by UBI Banca under the 2011 incentive scheme
(*****)	The balance as at 31st December 2013 of the shareholdings of key management personnel and their family members is different from that published in the 2013 annual report because changes occurred in 2014 in the composition of key management personnel and their family members.

Report on the verification of compliance of remuneration and incentive practices with policies approved by the Bank and with the regulatory framework

In compliance with provisions of the Supervisory Authority, the Internal Audit Function performed an annual audit of the remuneration system for 2014. That activity was designed to verify compliance with the remuneration and incentive policies set by the competent bodies.

In relation to the above, the Internal Audit Function carried out an audit from September 2014 to January 2015 which targeted the following areas: i) the triggering of the 2013 incentive scheme paid in 2014; ii) the remuneration policies implemented in 2014; iii) the activities carried out by the Compliance Function for the purposes of expressing the required declaration that the regulatory framework of the Group is compliant; iv) the use by management of the IRB approach to credit risk in relation to remuneration and incentive policies, in compliance with the integrity requirements of the Supervisory Provisions; v) the achievement of improvements in the areas of improvement shown in the Internal Audit Report for the previous year, also taking account of the legislative and regulatory changes that have taken place. It should be noted that the audit of the 2014 Incentive Scheme will be completed with verifications that the payment process planned for the second half of 2015, including the deferred part, is performed in a proper manner, to ascertain that it is in line with what was defined and approved by the competent corporate bodies.

Continuing the work of previous audits, in carrying out further investigations into each of the aspects in question, the activities related to the overall design of the definition/approval, implementation, payment and recording of the remuneration and incentive schemes.

In this context, the analyses performed took into account the principles and recommendations of the EBA “Supervisory Review and Evaluation Process” (SREP), in relation to the matters discussed in section 5.5, “Remuneration policies and practices”.

In general terms, the audits performed on each of the areas for further investigation referred to showed that the operational procedures and practices found and the control mechanisms described by the company staff involved in the process, were shown to be consistent with the approved remuneration and incentive policies and correctly designed to guard against the principal risks inherent in the business performed.

In particular, among the other audit findings that were also detected from documentation and confirmations of compliance received during these activities, the correct implementation by Group companies in 2014 of the Policy approved by the Parent was verified, and it was found that the procedure relating to satisfying the necessary conditions for the triggering of the 2013 incentive scheme and the methods for calculating and assigning the variable remuneration of Key Personnel had been applied correctly, among other things in relation to the management procedures for the retention and deferral periods. Also, having taken into consideration: i) the fees paid to members of the corporate bodies of the UBI Banca Group; ii) the procedures for analysing the comparative remuneration of each position in terms of consistency within and outside the Group; iii) the assessment of the criteria used for the provisions for the 2014 incentive scheme and iv) the verification that the Key Personnel (Risk Takers) were correctly identified, it was found that the rules set in the 2014 Policy were complied with.

At the same time, in order to reinforce the overall oversight of this matter and in the light of its increasing importance, some aspects which could be improved were highlighted. They mainly related to the complete formalisation of the process in question and, as was the case in comments arising from previous audits, increased reporting on the activities and audits performed and the completion of investigations connected with the application of the regulatory provisions for financial advisors with agency contracts and external distribution networks.

The observations of the Internal Audit were circulated to the corporate units responsible, in order to improve the procedures used for the remuneration and incentive process.

Proposal concerning remuneration policies for members of the Supervisory and Management Boards pursuant to the legislation and regulations in force

Dear Registered Shareholders,

In order to ensure - in the interests of all stakeholders - a remuneration scheme that is aligned to long-term corporate strategies and objectives, linked to corporate results, suitably adjusted to take account of all risks, and consistent with the levels of capital and liquidity required to perform the activities undertaken, the Parent, UBI Banca, has defined the remuneration and incentives policies of the UBI Banca Group.

Regulatory context

The remuneration and incentive policies of UBI Banca Group are updated on the basis of the regulatory context, which has been subject to further changes in 2014 at both the Italian and European levels.

They have been brought into line with the most recent directives issued by the Supervisory Authority, in the pursuit of compliance as a key tool for the sustainable growth of the Bank, and in particular:

- Directive 2013/36/EU of the European Parliament (CRD IV) in force since 1st January 2014;
- Circular No. 285 of 17th December 2013 - Supervisory Provisions for Banks, 7th update of 18th November 2014 concerning remuneration policies and practices;
- the joint Bank of Italy-Consob communication of 29th January 2014, implementing the ESMA guidelines on remuneration policies and practices;
- Delegated Regulation (EU) No. 604 of 4th March 2014, for the identification of Material Risk Takers (MRT) and Key Personnel (KP);
- the Consob Communication of 19th June 2014 relating to information to be provided to the public about indemnities and benefits paid to Executive Directors and General Managers.

The remuneration policies of corporate bodies

The remuneration of corporate bodies is defined in compliance with the current regulatory framework and in accordance with the Articles of Association, based on best practice, Italian guidelines and future European policies.

The purpose of the policies is to attract the best skill sets; they are based on principles of both fair remuneration for similar roles and differentiation between roles on the basis of the levels of responsibility and risk involved. They also take account of the professional skills required, the time and commitment employed, and market competitiveness.

In detail, the fees of members of the corporate bodies of the UBI Banca Group are structured with a ceiling set by that of the Chairman of the Management Board which is set at the same level as that of the Chairman of the Supervisory Board, and is lower than the fixed remuneration of the Chief Executive Officer.

No attendance payments exist for meetings of the corporate bodies.

Members of the corporate bodies classified as senior management may receive forms of remuneration linked to results, while all the other members of the corporate bodies of the Group receive no variable remuneration.

No member of the corporate bodies may unilaterally decide to waive their right to part or all of their remuneration and no guaranteed bonuses¹ or leaving bonuses exist.

¹ Without prejudice to exceptions allowed by legislation and regulations limited to the first year of employment, for board members classified as senior management.

It should also be noted that for those who are not members of the Management Board of the Parent and are members of the Management Boards of the Group banks and companies, the remuneration ceiling is equal to the amount due for the position of Member of the Management Board (currently €120,000 per year), plus 1/3 (thus, at present, a potential maximum amount of €160,000 per year). any exemptions for exceptional reasons are in any event subject to the prior approval of the Supervisory Board, following consultation with the Remuneration Committee.

* * *

Dear Registered Shareholders,

in compliance with the supervisory instructions issued by the Bank of Italy, we submit the following proposal for your approval:

“The Shareholders’ Meeting of Unione di Banche Italiane Spa, having considered the proposal of the Supervisory Board,

RESOLVES

the adoption of the remuneration and incentive policies below for members of the Management and Supervisory Boards:

Remuneration policies for members of the Supervisory Board

- *The board members’ fees approved for the period of office by the Shareholders’ Meeting on the basis of a proposal from the Supervisory Board are allocated by the Supervisory Board on the basis of a proposal from the Remuneration Committee and are based on the period of tenure in the role.*
- *Most members of the Supervisory Board receive remuneration for the specific positions held by them as Chairman, Deputy Chairmen, Secretary, Chairmen and members of the committees established within the Board and Supervisory Body, with the exception of the Chairman of the Remuneration Committee and the Chairman and members of the Appointments Committee.*

Remuneration policies for members of the Management Board

- *If the Chairman of the Management Board takes up positions in other Group banks or companies, he may receive total further remuneration of not more than 30% of the remuneration set for the position of Chairman of the Supervisory Board;*
- *The fee of the Chairman of the Management Board is set at the same level as that of the Chairman of the Supervisory Board;*
- *The maximum total fee payable to each Member of the Management Board, with the exception of those relating to the “special assignments” of the Chairman, the Deputy Chairman of the Board and the Chief Executive Officer, for membership of the Management Board and where relevant the corporate bodies of the Group banks and companies, is equal to the amount due for the position of Member of the Management Board (currently €120,000 per year), plus 2/3 (therefore, at present, a potential maximum amount of €200,000 per year);*
- *Any exemptions for exceptional reasons are any event subject to the prior approval of the Supervisory Board, following consultation with the Remuneration Committee;*
- *The Chief Executive Officer and members of the Management Board classified as senior management of UBI Banca, included within the scope of “Material Risk Takers”, are eligible for forms of variable remuneration linked to results.*

26th February 2015

THE SUPERVISORY BOARD

Short and long-term (annual and three-year) incentive schemes based on financial instruments: proposal to set a portion of the variable remuneration of “Key Personnel” by assigning ordinary shares of the Parent, UBI Banca, and a proposal to purchase shares to service the incentive scheme in accordance with the regulations in force;

Dear Registered Shareholders,

As described in Section I of the Remuneration Report, the Parent has reviewed and updated its remuneration and incentive policies for 2015.

With particular reference to Key Personnel, the new perimeter has been redefined on the basis of the criteria introduced by Delegated Regulation (EU) No. 604 of 4th March 2014, divided into categories with differing characteristics and treatments. There is a short-term incentive scheme for the Top and Core categories, with a remuneration structure that complies with the principles set out in the relevant regulations:

- the deferral of payment of a portion of between 40% and 60% of the variable component of remuneration linked to incentive schemes;
- the grant of financial instruments for a portion equal to at least 50% of the same variable remuneration, setting an adequate period of staff retention for this (between 3 and 5 years), in order to align the incentives to the Bank's medium to long-term interests.

Furthermore, a long-term incentive scheme (LTIS) on a three yearly basis will be introduced from 2015, intended to bring the interests of management increasingly into line with those of shareholders, with a view to creating value in both the long and short terms, in compliance with legislation and regulations in force and best market practices.

The beneficiaries are a small number of Top Managers among the Key Personnel, on the basis of the strategic position occupied in policy terms over the governance of the Group and their impact on the main business areas.

The structure of the bonus payout for the long-term variable component provides for:

- 60% to be paid in financial instruments at the end of the three year performance measurement period, with a two-year retention period;
- 40% to be paid in financial instruments, deferred by two years and with a one-year retention period;

The mechanism that has been identified for granting financial instruments is the grant of treasury shares held by the Parent (with the cost charged to the single companies in which the employee in receipt of the shares works).

On the basis of regulatory provisions concerning the use of financial instruments linked to incentive schemes for Key Personnel, 1,700,000 ordinary shares of UBI Banca were purchased to implement resolutions passed by the Shareholders' Meetings of 30th April 2011 (1,200,000 shares at the average price of €3.6419) and 28th April 2012 (500,000 shares at the average price of €3.4911).

Of these, on 1st July 2014 UBI Banca granted 216,808 treasury shares at the end of the two-year retention period for the upfront component of the 2011 incentive scheme to be paid in financial instruments.

Of the 1,483,192 treasury shares remaining, a total of 348,262 shares have been committed, of which 144,528 for the purposes of paying the deferred portion of the 2011 incentive scheme, 89,010 for the 2012 incentive scheme and 114,714 for the 2013 incentive scheme.

The funding requirement for the payment of bonuses in relation to estimates of the 2014 incentive scheme based on preliminary data, should amount to approximately 232,676 shares, the estimate of remaining shares amounts to 902,254 which, considering the theoretical estimates of the requirement for the 2015 incentive scheme, is found to be ample and sufficient to fulfil requirements for the payment of the same.

The remainder of the shares purchased previously shall be used to cover the long-term variable component to be paid in financial instruments. A proposal has also been submitted for approval at today's Shareholders Meeting to authorise the Management Board to purchase an additional maximum number of 1,000,000 ordinary shares of UBI Banca for a total maximum amount of €6,000,000.

In relation to the above amount you are reminded of the following:

- on the basis of paragraph 33 of IAS 32 "Financial instruments: disclosure and presentation", treasury shares that are purchased must be deducted, in the accounts, from equity;
- in accordance with provisions of articles 2357 and following of the Italian Civil Code, purchases must be made within the limits of the distributable profits and of the available reserves reported in the last duly approved financial statements. A separate profit reserve shall be created within equity for this purpose.

Following the purchase of the treasury shares, the amount in question shall be deducted from the separate reserve created.

Furthermore, the UBI Banca shares shall be purchased in the manner specified in paragraph 1, letter b) of Art. 144 *bis* of the Issuers' Regulations - issued in implementation of paragraph 1 of Art. 132 of the Consolidated Finance Act - namely, the purchase on regulated markets following operational procedures that guarantee equal treatment of shareholders and do not allow the direct linking of proposals to purchase to predetermined proposals to sell.

In any event these purchases must be made by the date of the Shareholders Meeting convened to decide, in accordance with Art. 2364-*bis*, No. 4 of the Italian Civil Code, the use of profits for the year ended 31st December 2015 - after first approving the Annual Report for the year, but only if the Annual Report has not already been approved by the Supervisory Board - at a price not lower than €2.50 per share (share capital divided by the number of shares issued) and not more than 5% higher than the official price quoted in the market session prior to each individual transaction.

* * *

Dear Registered Shareholders,

In relation to the above, the Management Board therefore proposes that the ordinary Shareholders' Meeting approves the following resolution:

"The Shareholders' Meeting of Unione di Banche Italiane Scpa,

- *having considered the proposal of the Management Board;*
- *having taken account of the provisions of the law, of the Articles of Association and of the regulations issued by the national commission for companies and the stock exchange (Consob - Italian securities market authority) concerning the purchase of treasury shares;*

RESOLVES

1. *to approve the 2015 short and long-term incentive schemes based on financial instruments, with the payment of components of variable remuneration through the grant of ordinary shares of the Parent, UBI Banca to the categories of Key Personnel as described above.*
2. *to authorise the Management Board and the Chairman, Deputy Chairman and Chief Executive Officer individually on its behalf, to proceed with one or more transactions - to be carried out by the date of the Shareholders' Meeting convened to decide, in accordance with Art. 2364-bis, No. 4 of the Italian Civil Code, on the distribution of profits for the year ended 31st December 2015 (after first approving the Annual Report for the year, but only if the Annual Report has not already been approved by the Supervisory Board) in the manner specified in paragraph 1, letter b), of Art. 144-bis of the Issuers' Regulations, namely by purchase on regulated markets following operational procedures that guarantee equal treatment of shareholders and do not allow proposals to purchase to be directly linked to predetermined proposals to sell - for the purchase of a maximum of 1,000,000 treasury shares for a total maximum value of €6,000,000, at a unit price of not less than €2.50 and not more than 5% higher than the official price quoted in the market session prior to each individual purchase transaction;*
3. *to grant the Management Board and on its behalf the Chairman, Deputy Chairman and Chief Executive Officer, individually, all the necessary powers required to implement the resolution in compliance with the applicable regulations of the authorities concerned."*

24th February 2015

THE MANAGEMENT BOARD

Information document pursuant to Art. 84-bis of the Issuers' Regulations - Short-term incentive plan (annual)

Introduction

In compliance with the requirements of Art. 114-*bis* of Legislative Decree No. 58 of 24th February 1998 (the "Consolidated Finance Act") and the requirements of the Issuers' Regulations adopted by Consob Resolution No. 11971 of 14th May 1999 (the "Issuers' Regulations") concerning the information to be disclosed to the market in relation to remuneration schemes based on financial instruments, this Information Document (the Information Document) has been prepared to provide details of the implementation of a scheme that provides for the payment of the variable component of the remuneration for the Top and Core Key Personnel of the UBI Banca Group, identified in accordance with criteria provided for in Delegated Regulation (EU) No. 604 of 4th March 2014, through the grant of ordinary shares of the Parent UBI Banca (the "Short-term Scheme"), proposed in context of the remuneration and incentives policies of the Group and submitted for approval to the Shareholders' Meeting of 24th April 2015 in first call and 25th April 2015 in second call.

This Information Document - prepared in accordance with Schedule 7 of Annex 3A of the Issuers' Regulations - provides information to the public on the conditions established for the implementation of the Scheme.

According to the definition contained in Art. 84-*bis* of the Issuers' Regulations, the Scheme qualifies as a "significant scheme", due to the nature of its beneficiaries.

Definitions

The meaning of some terms used in the Information Document is given below.

Shareholders' Meeting - The Shareholders' Meeting of UBI Banca that will approve the Scheme

Beneficiaries - Employees of UBI Banca or the Group categorised as Top or Core Key Personnel, in accordance with the provisions of the 2015 Group Remuneration and incentives policy.

Clawback: mechanism that provides for the repayment of a bonus that has already been paid out.

Remuneration Committee - the committee required by the Corporate Governance Code, the composition and functions of which are described in the Corporate Governance Report pursuant to Art. 123-*bis* of the Consolidated Finance Act and in the Report on Remuneration prepared in accordance with Art. 123-*ter* of the Consolidated Finance Act and Art. 84-*quater* of the Issuers' Regulations.

Common Equity Tier 1 (CET 1) - in terms of regulatory capital, this is the highest quality core capital (composed of the total ordinary shares issued by the Bank that satisfy the regulatory classification criteria, share premium reserves, retained profits, valuation reserves and other reserves recognised) net of the deductions required by the regulations as a ratio of Risk Weighted Assets (RWA).

"Gate" - condition required to trigger incentive schemes, related to Group capital stability and liquidity indicators.

Leverage Ratio (LR) - Financial leverage calculated as the ratio of Tier I fully loaded and the degree of total exposure including all the assets and off-balance sheet items not deducted pursuant to article 429 of Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26th June 2013 (CRR).

Pending application of the requirement, subject to approval by the European Council and Parliament of a specific proposal for legislation based on a report which must be submitted to the Commission by the end of 2016, the level of the indicator set by the Basel 3 framework is used as the value for risk capacity.

Liquidity Coverage Ratio (LCR) - indicator designed to ensure that a Bank maintains sufficient high quality liquid assets available which can be converted into cash to meet liquidity requirements over a period of 30 days in a stress scenario defined by the Supervisory Authority. It is defined as the ratio of

the stock of “available high quality liquid assets” and the sum of “net cash outflows over a time horizon of 30 days, estimated in a context of normal business and supplemented by situations of stress”.

Targets - performance indicators defined in the 2015 Group Remuneration and incentive policies and detailed in the regulations of each beneficiary, the achievement of which (subject to the triggering of entry thresholds or “gates”) is a condition for the financial instruments to be granted.

Net Stable Funding Ratio (NSFR) - indicator of structural balance designed to monitor and contain risk associated with the transformation of maturities within a tolerance threshold considered acceptable by the Group.

It is the ratio of funding (liabilities) to weighted lending (assets), which takes account of the stability of the liabilities and the degree of liquidity of the assets.

Top Key Personnel, including the Chief Executive Officer and General Manager of UBI Banca, the highest levels of the functions of the Parent (with the exclusion of the control functions) and the top management of the main legal entities in the Group.

Core Key Personnel, whose activities may have significant impacts on the risk profile of the Bank or cover control functions at the first level of the Parent.

Total Shareholder Return (TSR) – expresses the increase in the value of the share, calculated for the purposes of the short-term incentive scheme as a percentage difference between the daily average in December 2015 and the daily average in December 2014, including the value of any dividends paid (excluding the possibility that they could be reinvested). They are compared with banks in the reference benchmark that are listed in regulated markets, on the basis of the quartile positioning of the UBI Banca Group. The method provides for normalisations in the event of exceptional circumstances (e.g. increases in capital).

Return On risk-adjusted capital (RORAC) - expresses the profitability in percentage terms of capital at risk calculated as the ratio between NOPAT (net operating profit after tax) and average allocated (budgeted) capital or average absorbed (actual) capital.

Profit on continuing operations before tax (POCBT) is considered net of extraordinary and non-recurring items.

Normalised net profit, adjusted for the cost of capital “delta”: calculated as the algebraic sum of the net profit in the income statement - net of non-recurring extraordinary items and the cost relating to incentive schemes - and of the (positive or negative) difference between the absorbed and allocated capital, measured on the basis of the cost of capital (set at 10.31% for 2015).

Normalised net profit (NNP) is considered net of non-recurring extraordinary items and the cost relating to incentives schemes.

1. BENEFICIARIES

The potential beneficiaries of the Scheme are the staff of UBI Banca and its major subsidiaries categorised as Top and Core Key Personnel in the UBI Banca Group, consisting of 51 positions in 2015.

1.1 The names of the beneficiaries who are members of the Board of Directors or the Management Board of the issuer of the financial instruments, of the companies controlling the issuer, and of the companies controlled, directly or indirectly, by the issuer.

The Chief Executive Officer of UBI Banca, *Dott.* Victor Massiah, the General Manager, *Dott.* Francesco Iorio and the Senior Deputy General Manager, *Dott.* Elvio Sonnino are among the potential beneficiaries of the Scheme.

Furthermore, some of the beneficiaries of the Scheme - who are employees of the UBI Banca Group - in addition to carrying out managerial duties related to their roles, also hold positions within the managing bodies of the companies directly or indirectly controlled by UBI Banca. Given that these persons qualify as potential beneficiaries of the Scheme in their capacity as employees of the UBI Banca Group, they are not named in this section, but the information provided below refers to them.

1.2 The categories of employees or associate workers of the issuer of the financial instruments and of the companies controlling or controlled by the issuer.

The Scheme also covers the following categories of employees of UBI Banca and certain of the Group companies:

- Top Key Personnel, including the highest levels of the functions of the Parent (with the exclusion of the control functions) and the top management of the Group companies listed below.
- Core Key Personnel, including the first levels of the control functions and Areas of the Parent, as well as some positions in Banks and Companies with the greatest impact on the Group as defined in the 2015 Remuneration and incentive policy.
- The companies in the UBI Banca Group involved in the scheme are as follows: Banca Popolare di Bergamo Spa, Banco di Brescia Spa., Banca Popolare Commercio e Industria Spa, Banca Regionale Europea S.p.A, Banca Popolare di Ancona Spa, Banca Carime Spa, Banca di Valle Camonica Spa, UBI Banca Sistemi e Servizi Soc. Cons.pa., UBI Banca Pramerica SGR Spa., UBI Banca Leasing Spa, UBI Banca Factor Spa, IW Bank Spa, Prestitalia, UBI Banca International.

1.3 The names of the persons who benefit from the plan belonging to the following groups:

a) general managers of the issuer of financial instruments;

b) other key management personnel of the issuer of financial instruments which is not of “small dimensions”, pursuant to article 3, paragraph 1, letter f) of Regulation No. 17221 of 12th March 2010, where they have received total remuneration during the financial year (obtained by summing cash remuneration and remuneration based on financial instruments) that is higher than the total highest remuneration paid to members of the Board of Directors, or to the Management Board and to the General Managers of the issuer of financial instruments;

c) the natural persons controlling the issuer of shares, who are employees or work on contract within the issuer of shares.

Dott. Francesco Iorio General Manager of UBI Banca is one of the potential beneficiaries of the Scheme.

1.4 Description and number, by category:

a) key management personnel other than those indicated in letter b) of paragraph 1.3;

b) for companies of “small dimensions”, pursuant to article 3, paragraph 1, letter f) of Regulation No. 17221 of 12th March 2010, information by total for all key management personnel of the issuer of financial instruments;

c) any other category of employee or associate worker subject to different treatment under the Scheme (for example, executives, middle managers, office staff, etc.).

- a) In addition to the members of the Management Board, the members of General Management (the Deputy General Manager - Chief of General Affairs and Subsidiaries; the Deputy General Manager - Chief Business Officer; the Deputy General Manager with executive positions at other banks), the Chief Audit Executive, the Chief Risk Officer, the Chief Financial Officer, the Chief Lending Officer and the Compliance Officer, numbering eleven beneficiaries.
- c) The Scheme establishes different treatment for beneficiaries who belong to the highest management level of the corporate control functions.

2. THE REASONS FOR ADOPTION OF THE SCHEME

Details of the reasons underlying the adoption of the Scheme are given in the Remuneration Report prepared in accordance with article 123-ter of the Consolidated Finance Act and article 84-quater of the Issuers' Regulations, which may be consulted.

3. APPROVAL PROCESS AND TIMING OF GRANTS

3.1. Scope of the powers and functions assigned by shareholders to the Management Board for the purposes of the implementation of the Scheme

The remuneration and incentive policies of the UBI Banca Group were approved by the Supervisory Board in a meeting held on 3rd February 2015. at the time when the target bonuses for the beneficiaries of the Scheme were set.

3.2. Names of the parties assigned to administer the Scheme and their function and responsibilities

The Human Resources Area of UBI Banca is responsible for the administration of the Scheme.

The Bank of Italy Supervisory Provisions also assign the Remuneration Committee the task, in close collaboration with the body responsible for the control function, of overseeing the implementation of the rules governing the remuneration of the chiefs of the corporate internal control functions, and the task of providing an opinion, also with the aid of information received from the relevant corporate functions, on the achievement of the performance objectives linked to the incentive schemes and the satisfaction of the other conditions established for the payment of the remuneration.

3.3. Any existing procedures for the revision of the Scheme, with respect, amongst other things, to changes in the key objectives

There are no specific procedures for revision of the Scheme.

3.4. Description of the methods used to determine the availability and the granting of the financial instruments underlying the Scheme.

The mechanism provides for the use of a number of treasury shares held by the Parent (with the cost charged to the individual companies in which the beneficiaries of the shares work), corresponding to the maximum amount of the deferred bonuses to be paid. The shares will be "promised" to the beneficiaries by means of specific notification until they are actually granted at the end of each retention period. Under this mechanism the value of the bonus paid may vary according to the performance of the share price.

3.5. The role performed by each director in determining the features of the above mentioned schemes and the occurrence of any situations of conflicts of interest for the directors involved.

The Supervisory Board identified the key elements of the Scheme on the basis of the opinion issued by the Remuneration Committee of UBI Banca.

No member of UBI Banca Group senior management is involved in the approval of the resolutions adopted by the Supervisory Board and the Remuneration Committee.

3.6. For the purposes of the requirements of Article 84-bis, paragraph 1, the date of the decision made by the body responsible for proposing the approval of the schemes to the Shareholders' Meeting and the proposal by the remuneration committee, if present.

On 24th February 2015, the Management Board approved the proposal for the long-term scheme to be submitted to the Ordinary Shareholders' Meeting of UBI Banca, convened for 24th and 25th April in first and second call respectively, consistent with the remuneration and incentives policies of the UBI Banca Group, approved by the Supervisory Board on 3rd February 2015, on the basis of a recommendation made by the Remuneration Committee.

3.7. For the purposes of the requirements of Article 84-bis, paragraph 5, the date of the decision made by the body responsible for the assignment of the instruments and any proposal to the aforementioned body made by the remuneration committee, if present.

On 26th January 2015, the Remuneration Committee of UBI Banca voted on the 2015 Group Remuneration and incentive policies approved by the Supervisory Board on 3rd February 2015 and adopted by the Management Board on 11th February 2015.

3.8. The market price, recorded on the aforesaid dates, for the financial instruments on which the schemes are based, if traded in regulated markets.

The official market price of the ordinary shares of UBI Banca recorded on the dates of meetings of the Remuneration Committee (26th January 2015), the Supervisory Board (3rd February 2015) and the Management Board (11th February 2015) was €6.370, €6.044 and €6.323 respectively.

3.9. For plans based on financial instruments traded on regulated markets, what are the terms and procedures adopted by the issuer in determining the timing of the grant of the financial instruments to take account of coincidences in the timing of:
i) the aforementioned grant or any related decisions taken by the remuneration committee, and
ii) the disclosure of any relevant information pursuant to Article 114, paragraph 1; for example, when the information is:
a. not already public and capable of positively influencing the market prices, or
b. already published and capable of negatively influencing market prices.

During approval and implementation of the Scheme, information shall be disclosed to markets as required by the laws and regulations in force from time to time.

4. THE CHARACTERISTICS OF THE INSTRUMENTS GRANTED

4.1. Description of the structure of the remuneration schemes based on financial instruments.

The Scheme provides for 50% of the variable remuneration linked to short-term incentive schemes to be paid in the form of ordinary shares of UBI Banca, subject to retention and deferral clauses.

4.2. Specification of the Scheme's effective period of implementation, also with reference to any cycles established.

While the Scheme will be renewed annually, unless amended, the implementation period for the Scheme will start in 2015 and end in 2020 (2022 for the Chief Executive Officer), according to the following schedule:

- a) 2016: during the first quarter of 2016, the Human Resources Area shall assess the individual performance for 2015 of the Scheme's beneficiaries and submit the results to the decision-making bodies of the Group.
If the conditions for triggering the Scheme are met and the individual performance objectives are achieved, 50% of the variable component of the remuneration shall be converted into shares and shall be subject to retention and deferment clauses that align the incentives to the Bank's long-term interests:

- 60% (40% for the Chief Executive Officer) of this variable component in shares will vest immediately and be subject to a retention clause until 2018;
 - the remaining 40% (60% for the Chief Executive Officer of UBI Banca) of the variable remuneration in shares will be deferred and subject to performance conditions over the period 2016-2018 (for the Chief Executive Officer of UBI Banca the deferral is extended to 2020);
- b) 2018: upon completion of the retention period, the 60% portion will be granted in the form of shares to the potential beneficiaries;
 - c) 2019: verification of the performance conditions (with the exclusion of the Chief Executive Officer of UBI Banca) over the period 2016-2017-2018 and if they are achieved, the remaining 40% shall be subject to a further retention period until 2020;
 - d) 2020: at the end of the retention period, the 40% portion will be granted in the form of shares to the potential beneficiaries;
 - e) 2021: with specific reference to the Chief Executive Officer of UBI Banca, verification of the performance conditions over the period 2016-2020 and if they are exceeded, the remaining 60% shall be subject to a further retention period until 2022;
 - f) 2022: at the end of the retention period, the remaining 60% portion will be granted to the Chief Executive Officer of UBI Banca in the form of shares.

When variable remuneration linked to the incentives scheme is earned amounting at the same time to less than €50,000 and less than 15% of fixed remuneration, an upfront payment is made, 50% of which is in shares with a two-year retention period.

4.3. End of the Scheme.

The implementation of the 2015 Scheme will end in 2022 for the Chief Executive Officer of UBI Banca and in 2020 for the remaining Key Personnel as defined above.

4.4. The maximum number of financial instruments, including those in the form of options, granted in each tax year in relation to the persons identified by name or the categories stated.

Taking as a reference the average monthly share price calculated 30 days before the date of the approval of the 2015 Remuneration and incentives policies (€5.93) and in consideration of the maximum remuneration that can be paid against the triggering of the incentives schemes and related performances, a maximum number of approximately 665,000 shares may potentially be granted.

4.5. Trigger procedures and clauses for the Scheme, specifying whether the grant of instruments is subject to conditions being met or the achievement of determined results, including performance related results; a description of those conditions and results.

Triggering of the Scheme is strictly linked to the satisfaction of conditions (“gates”) that guarantee the capital stability and liquidity of the Group, specifically the Common Equity Tier 1, Net Stable Funding Ratio, Liquidity Coverage Ratio and Leverage Ratio. The incentive scheme is not, however, triggered if the financial statements show a loss on normalised amounts.

In addition to the “gates” set by the Group, there are performance indicators at Group and company level, particularly RORAC at Group level, which is also effective with reference to the Parent and to UBI Banca Sistemi e Servizi Soc. Cons.pa and adjusted normalised net profit (and normalised net profit where this is not available) at the level of the individual business. Lastly, further profit targets have been set at the individual level, including profit on continuing operations before tax (POCBT) normalised at Group level, core income at legal entity level and customer satisfaction, in addition to specific indicators associated with individual positions.

Exclusively for the members of the Management Board who are beneficiaries of the Scheme, a share of the bonus may be adjusted on the basis of the position of the UBI Banca share (Total Shareholder Return - TSR) compared with the listed banks in the reference benchmark.

In order to ensure capital stability, liquidity and the capability to generate risk-adjusted profit over time, consistent with the long-term strategic objectives of the Bank or company, the deferred portion is paid on condition that adequate levels of Common Equity Tier 1, Net Stable Funding Ratio and RORAC are maintained at Group level. The deferred portions of the bonus will not be paid if these conditions are not met (malus).

4.6. Details of any restrictions on the availability of the shares, with particular reference to the periods within which the subsequent transfer to the company or to third parties is permitted or prohibited.

The portion of shares that vests immediately is subject to a two-year retention period, while the deferred portion of shares is subject to a one-year retention period.

4.7. Description of any termination conditions for grants under the Schemes if the beneficiaries conduct hedging transactions that neutralise any restrictions on the sale of the financial instruments granted, including in the form of options, or the financial instruments resulting from the exercise of those options.

The Scheme does not have any termination conditions of this kind.

4.8. Description of the effects generated by the termination of the employment relationship.

All rights to deferred bonuses are lost under the Scheme if the employment relationship is terminated during the period considered, with the sole exception of cases of termination of the relationship because retirement requirements have been met for which rights on amounts vested but not yet paid are normally maintained. This also applies in the event of the death of the beneficiary, to the benefit of the legitimate heirs.

4.9. Details of any other reasons for the cancellation of the Scheme.

The Scheme does not have any cancellation clauses, with the exception of the application of clawback mechanisms in the event of fraudulent conduct or gross negligence.

4.10. The reasons for the provision of any " buy-back" by UBI Banca of the shares involved in the Scheme, pursuant to Articles 2357 and following of the Italian Civil Code; the beneficiaries of the buy-back, specifying whether it only applies to particular categories of employees; and the effects of the termination of the employment relationship on the redemption.

The Scheme does not provide for the buy-back by UBI Banca or other companies of the Group of the shares involved in the Scheme.

4.11. Any loans or concessions to be granted for the purchase of the shares pursuant to Article 2358, paragraph 3, of the Italian Civil Code.

The Scheme does not provide for loans or concessions for the purchase of the shares involved in the Scheme.

4.12. Details of the valuations of the expected liability for the company as at the grant date, as determinable on the basis of the terms and conditions already defined, by overall amount and for each instrument of the Scheme.

A maximum theoretical requirement of 665,000 shares is currently estimated, but it is not possible to determine the exact cost of the expected requirement, as it is subject to the satisfaction of particular conditions and the achievement of objectives.

The Scheme provides for the use of a number of treasury shares held by the Parent corresponding to the maximum value of the bonuses payable in shares (with subsequent reimbursement by the individual Group companies for which the beneficiaries of the shares work).

4.13. Specification of any dilution effect on share capital resulting from the granting of the shares.

Since the Scheme will be serviced by the use of treasury shares held by the Parent, its adoption will not have any dilution effect on UBI Banca's share capital.

4.14. Any limits set on the exercise of voting rights and on the assignment of economic rights.

No limits have been set on the exercise of voting rights or on the assignment of economic rights.

4.15. If the shares are not traded on regulated markets, any other information needed to properly measure the value attributable to them.

The Scheme will only use shares traded on regulated markets.

24th February 2015

THE MANAGEMENT BOARD

REMUNERATION SCHEMES BASED ON FINANCIAL INSTRUMENTS
Table No. 1 of scheme 7 of Annex 3A of Regulation No. 11971/1999

REMUNERATION SCHEMES BASED ON FINANCIAL INSTRUMENTS TABLE NO. 1 OF SCHEME 7 OF ANNEX 3A OF REGULATION NO. 11971/1999								
Name or category	Position (to be given only for persons reported by name)	BOX 1 Financial instruments other than options (e.g. Stock grant)						
		Section 1 Instruments relating to currently valid schemes approved on the basis of previous shareholders' resolutions Short-term incentive scheme 2011, 2012, 2013 and 2014						
		Date of shareholder resolution	Type of financial instrument	Number of instruments	Grant date (*)	Purchase price of instruments, if applicable	Market price when granted (*)	Vesting period
Massiah Victor	- Chief Executive Officer	30/04/2011						
		28/04/2012						
		20/04/2013						
		10/05/2014 (***)	Ordinary shares of UBI Banca	19,808	2015	3.6419	5,9657	3
		10/05/2014 (***)	Ordinary shares of UBI Banca	29,711	2018	3.6419	5,9657	5
	TOTAL			49,519				
Iorio Francesco (**)	- General Manager of UBI Banca	30/04/2011 (****)	Ordinary shares of UBI Banca	19,891	2012	3.6419	2.3923	3
		30/04/2011	Ordinary shares of UBI Banca	13,261	2015	3.6419	2.3923	5
		28/04/2012						
		20/04/2013						
		10/05/2014 (***)	Ordinary shares of UBI Banca	8,004	2015	3.6419	5,9657	3
		10/05/2014 (***)	Ordinary shares of UBI Banca	12,006	2018	3.6419	5,9657	5
	TOTAL			53,162				
Sonnino Elvio	- Senior Deputy General Manager of UBI Banca	30/04/2011						
		28/04/2012						
		20/04/2013	Ordinary shares of UBI Banca	4,355	2014	3.6419	6.4440	3
		20/04/2013	Ordinary shares of UBI Banca	2,903	2017	3.6419	6.4440	5
		10/05/2014 (***)	Ordinary shares of UBI Banca	7,265	2015	3.6419	5,9657	3
		10/05/2014 (***)	Ordinary shares of UBI Banca	4,844	2018	3.6419	5,9657	5
	TOTAL			19,367				
Leidi Rossella	- Deputy General Manager of UBI Banca	30/04/2011						
		28/04/2012						
		20/04/2013						
		10/05/2014 (***)	Ordinary shares of UBI Banca	5,027	2015	3.6419	5,9657	3
		10/05/2014 (***)	Ordinary shares of UBI Banca	3352	2018	3.6419	5,9657	5
	TOTAL			8,379				
Medda Ettore Giuseppe	- Deputy General Manager of UBI Banca	30/04/2011						
		28/04/2012						
		20/04/2013	Ordinary shares of UBI Banca	2,999	2014	3.6419	6.4440	3
		20/04/2013	Ordinary shares of UBI Banca	1,999	2017	3.6419	6.4440	5
		10/05/2014 (***)	Ordinary shares of UBI Banca	5,240	2015	3.6419	5,9657	3
		10/05/2014 (***)	Ordinary shares of UBI Banca	3493	2018	3.6419	5,9657	5
	TOTAL			13,731				

Rigamonti Pierangelo (*****)	- Deputy General Manager of UBI Banca	30/04/2011						
		28/04/2012						
		20/04/2013	Ordinary shares of UBI Banca	2,672	2014	3.6419	6.4440	3
		10/05/2014 (***)	Ordinary shares of UBI Banca	4,583	2015	3.6419	5,9657	3
		10/05/2014 (***)	Ordinary shares of UBI Banca	3,056	2018	3.6419	5,9657	5
	TOTAL			10,311				
Executive Board Members and General Managers of the Group		30/04/2011 (****)	Ordinary shares of UBI Banca	30,333	2012	3.6419	2.3923	3
		30/04/2011	Ordinary shares of UBI Banca	20,222	2015	3.6419	2.3923	5
		28/04/2012	Ordinary shares of UBI Banca	16,219	2013	3.6419	3.9811	3
		28/04/2012	Ordinary shares of UBI Banca	10,813	2016	3.6419	3.9811	5
		20/04/2013	Ordinary shares of UBI Banca	22,250	2014	3.6419	6.4440	3
		20/04/2013	Ordinary shares of UBI Banca	11,744	2017	3.6419	6.4440	5
		10/05/2014 (***)	Ordinary shares of UBI Banca	24,039	2015	3.6419	5,9657	3
		10/05/2014 (***)	Ordinary shares of UBI Banca	14,249	2018	3.6419	5,9657	5
	TOTAL			149,869				
UBI Managers of main lines of business		30/04/2011 (****)	Ordinary shares of UBI Banca	6,583	2012	3.6419	2.3923	3
		30/04/2011	Ordinary shares of UBI Banca	4,389	2015	3.6419	2.3923	5
		28/04/2012						
		20/04/2013	Ordinary shares of UBI Banca	18,043	2014	3.6419	6.4440	3
		10/05/2014 (***)	Ordinary shares of UBI Banca	34,348	2015	3.6419	5,9657	3
		10/05/2014 (***)	Ordinary shares of UBI Banca	4,246	2018	3.6419	5,9657	5
	TOTAL			67,609				
Managers of main lines of business of the Group		30/04/2011 (****)	Ordinary shares of UBI Banca	155,313	2012	3.6419	2.3923	3
		30/04/2011	Ordinary shares of UBI Banca	103,540	2015	3.6419	2.3923	5
		28/04/2012	Ordinary shares of UBI Banca	37,187	2013	3.6419	3.9811	3
		28/04/2012	Ordinary shares of UBI Banca	24,791	2016	3.6419	3.9811	5
		20/04/2013	Ordinary shares of UBI Banca	20,818	2014	3.6419	6.4440	3
		20/04/2013	Ordinary shares of UBI Banca	9,164	2017	3.6419	6.4440	5
		10/05/2014 (***)	Ordinary shares of UBI Banca	25,906	2015	3.6419	5,9657	3
		10/05/2014 (***)	Ordinary shares of UBI Banca	13,060	2018	3.6419	5,9657	5
	TOTAL			389,779				
Managers of highest level of control functions		30/04/2011 (****)	Ordinary shares of UBI Banca	4,688	2012	3.6419	2.3923	3
		30/04/2011	Ordinary shares of UBI Banca	3,126	2015	3.6419	2.3923	5
		28/04/2012						
		20/04/2013	Ordinary shares of UBI Banca	17,767	2014	3.6419	6.4440	3
		10/05/2014 (***)	Ordinary shares of UBI Banca	10,439	2015	3.6419	5,9657	3
	TOTAL			36,020				

(*) Financial instruments have been promised on the date indicated, but will not be granted until the end of the vesting period.

(**) The financial instruments for dott. Iorio relate to the 2011 Scheme, when he occupied the position of General Manager of Banca Popolare Commercio e Industria Spa.

(***) The figures have been estimated on preliminary data and may be subject to change.

(****) Financial instruments granted in 2014

(*****) The cost of the financial instruments is borne by a company in which he holds another position.

REMUNERATION SCHEMES BASED ON FINANCIAL INSTRUMENTS
Table No. 1 of scheme 7 of Annex 3A of Regulation No. 11971/1999

REMUNERATION SCHEMES BASED ON FINANCIAL INSTRUMENTS TABLE NO. 1 OF SCHEME 7 OF ANNEX 3A OF REGULATION NO. 11971/1999								
Name or category	Position (to be given only for persons reported by name)	BOX 1 Financial instruments other than options (e.g. Stock grant)						
		Section 2 Newly granted financial instruments on the basis of a decision by the Supervisory Board to make the proposal to the 2015 AGM 2015 Short-term incentive scheme						
		Date of shareholder resolution	Type of financial instrument	Number of instruments	Grant date	Purchase price of instruments, if applicable	Market price when granted	Vesting period
Massiah Victor	- Chief Executive Officer	25/04/2015	Ordinary shares of UBI Banca	NA	NA	NA	NA	NA
Iorio Francesco	- General Manager of UBI Banca	25/04/2015	Ordinary shares of UBI Banca	NA	NA	NA	NA	NA
Sonnino Elvio	- Senior Deputy General Manager of UBI Banca	25/04/2015	Ordinary shares of UBI Banca	NA	NA	NA	NA	NA
Leidi Rossella	- Deputy General Manager of UBI Banca	25/04/2015	Ordinary shares of UBI Banca	NA	NA	NA	NA	NA
Medda Ettore Giuseppe	- Deputy General Manager of UBI Banca	25/04/2015	Ordinary shares of UBI Banca	NA	NA	NA	NA	NA
Rigamonti Pierangelo	- Deputy General Manager of UBI Banca	25/04/2015	Ordinary shares of UBI Banca	NA	NA	NA	NA	NA
Senior Management: Executive board members and general managers of Group companies *		25/04/2015	Ordinary shares of UBI Banca	NA	NA	NA	NA	NA
Material risk-takers: Managers of the main lines of business *		25/04/2015	Ordinary shares of UBI Banca	NA	NA	NA	NA	NA
Material risk-takers: Managers of the highest level of control functions *		25/04/2015	Ordinary shares of UBI Banca	NA	NA	NA	NA	NA
* The names of the persons in the positions reported will be given at a later stage when the scheme is implemented.								

Information document pursuant to Art. 84-bis of the Issuers' Regulations - Long-term Incentive Plan (three year)

Introduction

In compliance with the requirements of Art. 114-bis of Legislative Decree No. 58 of 24th February 1998 (the [Consolidated Finance Act](#)) and the requirements of the Issuers' Regulations adopted by Consob Resolution No. 11971 of 14th May 1999 (the [Issuers' Regulations](#)) concerning the information to be disclosed to the market in relation to remuneration schemes based on financial instruments, this Information Document (the [Information Document](#)) has been prepared to provide details of the implementation of the three-year incentive plan ([long-term scheme](#)) through the grant of ordinary shares of UBI Banca to a limited number of Top Managers among the Key Personnel. This plan was proposed in the context of the remuneration and incentives policies of the Group and submitted for the approval of the Shareholders' Meeting of 24th April 2015 in first call and 25th April 2015 in second call.

The plan is intended to bring the interests of management increasingly into line with those of shareholders, in a perspective of creating long-term value, in compliance with legislation and regulations in force and best market practices.

This Information Document - prepared in accordance with Schedule 7 of Annex 3A of the Issuers' Regulations - provides information to the public on the conditions established for the implementation of the Scheme.

According to the definition contained in Art. 84-bis of the Issuers' Regulations, the Scheme qualifies as a "significant scheme", due to the nature of its beneficiaries.

Definitions

The meaning of some terms used in the Information Document is given below.

[Shareholders' Meeting](#) - The Shareholders' Meeting of UBI Banca that will approve the Scheme

[Beneficiaries](#) - Employees of UBI Banca or the Group categorised as Top or Core Key Personnel, in accordance with the provisions of the 2015 Group Remuneration and incentives policy.

[Clawback](#): mechanism that provides for the repayment of a bonus that has already been paid out.

[Remuneration Committee](#) - the committee required by the Corporate Governance Code, the composition and functions of which are described in the Corporate Governance Report pursuant to Art. 123-bis of the Consolidated Finance Act and in the Report on Remuneration prepared in accordance with Art. 123-ter of the Consolidated Finance Act and Art. 84-quater of the Issuers' Regulations.

[Common Equity Tier 1 \(CET 1\)](#) - in terms of regulatory capital, this is the highest quality core capital (composed of the total ordinary shares issued by the Bank that satisfy the regulatory classification criteria, share premium reserves, retained profits, valuation reserves and other reserves recognised) net of the deductions required by the regulations as a ratio of Risk Weighted Assets (RWA).

["Gate"](#) - condition required to trigger incentive schemes, related to Group capital stability and liquidity indicators.

[Leverage Ratio \(LR\)](#) - Financial leverage calculated as the ratio of Tier I fully loaded and the degree of total exposure including all the assets and off-balance sheet items not deducted pursuant to article 429 of Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26th June 2013 (CRR).

Pending application of the requirement, subject to approval by the European Council and Parliament of a specific proposal for legislation based on a report which must be submitted to the Commission by the end of 2016, the level of the indicator set by the Basel 3 framework is used as the value for risk capacity.

[Liquidity Coverage Ratio \(LCR\)](#) - indicator designed to ensure that a Bank maintains sufficient high quality liquid assets available which can be converted into cash to meet liquidity requirements over a

period of 30 days in a stress scenario defined by the Supervisory Authority. It is defined as the ratio of the stock of “available high quality liquid assets” and the sum of “net cash outflows over a time horizon of 30 days, estimated in a context of normal business and supplemented by situations of stress”.

Targets - performance indicators defined in the 2015 Group Remuneration and incentive policies and detailed in the regulations of each beneficiary, the achievement of which (subject to the triggering of entry thresholds or “gates”) is a condition for the financial instruments to be granted.

Net Stable Funding Ratio (NSFR) - indicator of structural balance designed to monitor and contain risk associated with the transformation of maturities within a tolerance threshold considered acceptable by the Group.

It is the ratio of funding (liabilities) to weighted lending (assets), which takes account of the stability of the liabilities and the degree of liquidity of the assets.

Total Shareholder Return (TSR) – expresses the increase in the value of the share, calculated for the purposes of the short-term incentive scheme as a percentage difference between the daily average in December 2014 and the daily average in December 2017, including the value of any dividends paid (excluding the possibility that they could be reinvested). They are compared with banks in the reference benchmark that are listed in regulated markets, on the basis of the quartile positioning of the UBI Banca Group. The method provides for normalisations in the event of exceptional circumstances (e.g. increases in capital).

Return On risk-adjusted capital (RORAC) - expresses the profitability in percentage terms of capital at risk calculated as the ratio between NOPAT (net operating profit after tax) and average allocated (budgeted) capital or average absorbed (actual) capital.

Profit on continuing operations before tax (POCBT) is considered net of extraordinary and non-recurring items.

Normalised net profit, adjusted for the cost of capital “delta”: calculated as the algebraic sum of the net profit in the income statement - net of non-recurring extraordinary items and the cost relating to incentive schemes - and of the (positive or negative) difference between the absorbed and allocated capital, measured on the basis of the cost of capital (set at 10.31% for 2015).

Normalised net profit (NNP) is considered net of non-recurring extraordinary items and the cost relating to incentives schemes.

1. BENEFICIARIES

The long-term incentive plan concerns a small number of Top Managers among the Key Personnel, on the basis of the strategic position occupied in policy terms over the governance of the Group and their impact on the main business areas.

1.1 The names of the beneficiaries who are members of the Board of Directors or the Management Board of the issuer of the financial instruments, of the companies controlling the issuer, and of the companies controlled, directly or indirectly, by the issuer.

The Chief Executive Officer of UBI Banca, Dott. Victor Massiah, the General Manager, Dott. Francesco Iorio and the Senior Deputy General Manager, Dott. Elvio Sonnino are among the potential beneficiaries of the Scheme.

Furthermore, some of the beneficiaries of the Scheme - who are employees of the UBI Banca Group - in addition to carrying out managerial duties related to their roles, also hold positions within the managing bodies of the companies directly or indirectly controlled by UBI Banca. Given that these persons qualify as potential beneficiaries of the Scheme in their capacity as employees of the UBI Banca Group, they are not named in this section, but the information provided below refers to them.

1.2 The categories of employees or associate workers of the issuer of the financial instruments and of the companies controlling or controlled by the issuer.

The Scheme also covers the following categories of employees of UBI Banca and certain of the Group companies:

- Deputy general managers and Chiefs of UBI Banca (with the exception of Chiefs of the control functions and the Senior Officer Responsible)
- General Managers and Executive Directors of the UBI Banca Group companies listed below
- The companies in the UBI Banca Group involved in the scheme are as follows: Banca Popolare di Bergamo S.p.A., Banco di Brescia S.p.A., Banca Popolare Commercio e Industria S.p.A., Banca Regionale Europea S.p.A., Banca Popolare di Ancona S.p.A., Banca Carime S.p.A., Banca di Valle Camonica S.p.A., UBI Banca Sistemi e Servizi Soc. Cons.p.A., UBI Banca Pramerica SGR S.p.A., UBI Banca Leasing S.p.A., UBI Banca Factor S.p.A., IW Bank S.p.A., Prestitalia, UBI Banca International.

1.3 The names of the persons who benefit from the plan belonging to the following groups:

- a) general managers of the issuer of financial instruments;**
- b) other key management personnel of the issuer of financial instruments which is not of “small dimensions”, pursuant to article 3, paragraph 1, letter f) of Regulation No. 17221 of 12th March 2010, where they have received total remuneration during the financial year (obtained by summing cash remuneration and remuneration based on financial instruments) that is higher than the total highest remuneration paid to members of the Board of Directors, or to the Management Board and to the General Managers of the issuer of financial instruments;**
- c) the natural persons controlling the issuer of shares, who are employees or work on contract within the issuer of shares.**

Dott. Francesco Iorio General Manager of UBI Banca is one of the potential beneficiaries of the Scheme.

1.4 Description and number, by category:

- a) key management personnel other than those indicated in letter b) of paragraph 1.3;**
 - b) for companies of “small dimensions”, pursuant to article 3, paragraph 1, letter f) of Regulation No. 17221 of 12th March 2010, information by total for all key management personnel of the issuer of financial instruments;**
 - c) any other category of employee or associate worker subject to different treatment under the Scheme (for example, executives, middle managers, office staff, etc.).**
- a) In addition to the members of the Management Board, the Deputy General Manager - Chief of General Affairs and Subsidiaries; the Deputy General Manager - Chief Business Officer and the Chief Lending Officer, amounting to six beneficiaries.

2. THE REASONS FOR ADOPTION OF THE SCHEME

Details of the reasons underlying the adoption of the Scheme are given in the Remuneration Report prepared in accordance with article 123-ter of the Consolidated Finance Act and article 84-quater of the Issuers’ Regulations, which may be consulted.

3. APPROVAL PROCESS AND TIMING OF GRANTS

3.1. Scope of the powers and functions assigned by shareholders to the Management Board for the purposes of the implementation of the Scheme

The remuneration and incentive policies of the UBI Banca Group were approved by the Supervisory Board in a meeting held on 3rd February 2015. at the time when the target bonuses for the beneficiaries of the Scheme were set.

3.2. Names of the parties assigned to administer the Scheme and their function and responsibilities

The Human Resources Area of UBI Banca is responsible for the administration of the Scheme.

Bank of Italy Supervisory provisions also require the Remuneration Committee to furnish an opinion, with the assistance of information received from the corporate functions in question, on the achievement of the performance objectives linked to the incentive schemes and on the satisfaction of the other conditions set for the payment of the remuneration.

3.3. Any existing procedures for the revision of the Scheme, with respect, amongst other things, to changes in the key objectives

The Supervisory Board, on the basis of proposals submitted by the Management Board and in consultation with the Remuneration Committee, reserves the right to evaluate possible revisions during the reference period.

3.4. Description of the methods used to determine the availability and the granting of the financial instruments underlying the Scheme.

The mechanism provides for the use of a number of treasury shares held by the Parent (with the cost charged to the individual companies in which the beneficiaries of the shares work), corresponding to the maximum amount of the bonuses to be paid. The shares will be "promised" to the beneficiaries by means of specific notification until they are actually granted at the end of a one-year retention period. Under this mechanism the value of the bonus paid may vary according to the performance of the share price.

3.5. The role performed by each director in determining the features of the above mentioned schemes and the occurrence of any situations of conflicts of interest for the directors involved.

The Supervisory Board has identified the key elements of the Scheme on the basis of the opinion issued by the Remuneration Committee of UBI Banca.

No member of UBI Banca Group senior management is involved in the approval of the resolutions adopted by the Supervisory Board and the Remuneration Committee.

3.6. For the purposes of the requirements of Article 84-bis, paragraph 1, the date of the decision made by the body responsible for proposing the approval of the schemes to the Shareholders' Meeting and the proposal by the remuneration committee, if present.

On 24th February 2015, the Management Board approved the proposal for the long-term Scheme to be submitted to the Ordinary Shareholders' Meeting of UBI Banca, convened for 24th and 25th April, in first and second call respectively, consistent with the remuneration and incentives policies of the UBI Banca Group, approved by the Supervisory Board on 3rd February 2015, on the basis of a recommendation made by the Remuneration Committee.

3.7. For the purposes of the requirements of Article 84-bis, paragraph 5, the date of the decision made by the body responsible for the assignment of the instruments and any proposal to the aforementioned body made by the remuneration committee, if present.

On 26th January 2015, the Remuneration Committee of UBI Banca voted on the 2015 Group Remuneration and incentive policies approved by the Supervisory Board on 3rd February 2015 and adopted by the Management Board on 11th February 2015.

3.8. The market price, recorded on the aforesaid dates, for the financial instruments on which the schemes are based, if traded in regulated markets.

The official market price of the ordinary shares of UBI Banca recorded on the dates of meetings of the Remuneration Committee (26th January 2015), the Supervisory Board (3rd February 2015) and the Management Board (11th February 2015) was €6.370, €6.044 and €6.323 respectively.

3.9. For plans based on financial instruments traded on regulated markets, what are the terms and procedures adopted by the issuer in determining the timing of the grant of the financial instruments to take account of coincidences in the timing of:
i) the aforementioned grant or any related decisions taken by the remuneration committee, and
ii) the disclosure of any relevant information pursuant to Article 114, paragraph 1; for example, when the information is:
a. not already public and capable of positively influencing the market prices, or
b. already published and capable of negatively influencing the market prices.

During approval and implementation of the Scheme, information shall be disclosed to markets as required by the laws and regulations in force from time to time.

4. THE CHARACTERISTICS OF THE INSTRUMENTS GRANTED

4.1. Description of the structure of the remuneration schemes based on financial instruments.

The long-term scheme provides for bonuses to be paid entirely in UBI Banca shares, which are considered the most appropriate instruments for aligning the interests of shareholders with those of management; these shares are subject to retention and deferral clauses.

4.2. Specification of the Scheme's effective period of implementation, also with reference to any cycles established.

The implementation period for the long-term scheme will start in 2015 and end in 2021, according to the following schedule:

- a) 2015-2017: the Human Resources Area shall assess performances over the three year period and submit the results to the decision-making bodies of the Group.
If the conditions for triggering the Scheme are met and the individual and Group performance objectives are achieved, the variable component of the remuneration shall be converted into UBI Banca shares and shall be subject to retention and deferral clauses that align the incentives to the Bank's long-term interests according to the following schedule:
 - 60% of this variable component in shares will vest upfront and be subject to a retention clause until 2020;
 - the remaining 40% shall be deferred and shall be subject to performance conditions over the period 2018-2019;
- b) 2020: verification of the performance conditions over the period 2018-2019 and if they are exceeded, the remaining 40% shall be promised and subject to a further retention period until 2021;
- d) 2021: at the end of the retention period, if the performance conditions for 2020 are met, the remaining 40% of the portion earned will be granted to the potential beneficiaries.

4.3. End of the Scheme.

The implementation of the 2015-2017 long-term scheme will end in 2021

4.4. The maximum number of financial instruments, including those in the form of options, granted in each tax year in relation to the persons identified by name or the categories stated.

Taking as a reference the average monthly share price calculated 30 days before the date of the approval of the 2015 Remuneration and incentives policies (€5.93) and in consideration of the maximum remuneration that can be paid against the triggering of the incentives schemes and related performances, the maximum number of shares that may potentially be granted in each tax year is approximately 330,000, amounting to a total of 1,000,000 shares.

4.5. Trigger procedures and clauses for the Scheme, specifying whether the grant of instruments is subject to conditions being met or the achievement of determined results, including performance related results; a description of those conditions and results

Triggering of the Scheme is strictly linked to the satisfaction of conditions (“gates”) that guarantee the capital stability and liquidity of the Group, specifically the Common Equity Tier 1, Net Stable Funding Ratio, Liquidity Coverage Ratio and Leverage Ratio.

While the preliminary access conditions (“gates”) are not affected, value creation objectives have been set, evaluated on the basis of a performance matrix with two indicators:

- Group RORAC, calculated at the end of the three-year period and related to the average yield of BTPs (Italian government bonds) at three years in the reference period;
- Total Shareholder Return (TSR), which measures the performance of the UBI Banca share, compared in terms of quartile positioning with the listed banks in the reference peer group.

In order to ensure capital stability and liquidity over time, consistently with long-term strategic objectives, the deferred portion is paid on condition that adequate levels of capital stability (Common Equity Tier 1) and liquidity (Net Stable Funding Ratio) are maintained at the end of the deferral period, as set out in the corporate implementation regulations.

The deferred portion of the bonus will not be paid if these conditions are not met (malus).

4.6. Details of any restrictions on the availability of the shares, with particular reference to the periods within which the subsequent transfer to the company or to third parties is permitted or prohibited.

The portion of shares that vests immediately is subject to a two-year retention period, while the deferred portion of shares is subject to a one-year retention period.

4.7. Description of any termination conditions for grants under the Schemes if the beneficiaries conduct hedging transactions that neutralise any restrictions on the sale of the financial instruments granted, including in the form of options, or the financial instruments resulting from the exercise of those options.

The Scheme does not have any termination conditions of this kind.

4.8. Description of the effects generated by the termination of the employment relationship.

All rights to deferred bonuses are lost under the Scheme if the employment relationship is terminated during the period considered, with the sole exception of cases of termination of the relationship because retirement requirements have been met for which rights on amounts vested but not yet paid are normally maintained. This also applies in the event of the death of the beneficiary, to the benefit of the legitimate heirs.

4.9. Details of any other reasons for the cancellation of the Scheme.

The Scheme does not have any cancellation clauses, with the exception of the application of clawback mechanisms in the event of fraudulent conduct or gross negligence.

4.10. The reasons for the provision of any " buy-back" by UBI Banca of the shares involved in the Scheme, pursuant to Articles 2357 and following of the Italian Civil Code; the beneficiaries of the buy-back, specifying whether it only applies to particular categories of employees; and the effects of the termination of the employment relationship on the redemption.

The Scheme does not provide for the buy-back by UBI Banca or other companies of the Group of the shares involved in the Scheme.

4.11. Any loans or concessions to be granted for the purchase of the shares pursuant to Article 2358, paragraph 3, of the Italian Civil Code.

The Scheme does not provide for loans or concessions for the purchase of the shares involved in the Scheme.

4.12. Details of the valuations of the expected liability for the company as at the grant date, as determinable on the basis of the terms and conditions already defined, by overall amount and for each instrument of the Scheme.

It is not currently possible to determine the exact amount of the expected liability, as it is subject to the satisfaction of particular conditions and the achievement of objectives.

The scheme involves the purchase by the Parent (with subsequent reimbursement by the individual Group companies for which the beneficiaries of the shares work) of a number of its treasury shares corresponding to the maximum value of the bonuses. This maximum value is approximately €6,000,000 and the number of shares to be purchased will consequently depend on the price of the shares at the time of purchase.

The Ordinary Shareholders' Meeting is therefore asked to grant an authorisation to the Management Board for the purchase of a number of treasury shares up to a maximum value of €6,000,000.

4.13. Specification of any dilution effect on share capital resulting from the granting of the shares.

Since the Scheme will be serviced by the purchase of treasury shares in the market, its adoption will not have any dilution effect on UBI Banca's share capital.

4.14. Any limits set on the exercise of voting rights and on the assignment of economic rights.

No limits have been set on the exercise of voting rights or on the assignment of economic rights.

4.15. If the shares are not traded on regulated markets, any other information needed to properly measure the value attributable to them.

The Scheme will only use shares traded on regulated markets.

24th February 2015

THE MANAGEMENT BOARD

REMUNERATION SCHEMES BASED ON FINANCIAL INSTRUMENTS

Table No. 1 of scheme 7 of Annex 3A of Regulation No. 11971/1999

REMUNERATION SCHEMES BASED ON FINANCIAL INSTRUMENTS TABLE NO. 1 OF SCHEME 7 OF ANNEX 3A OF REGULATION NO. 11971/1999								
Name or category	Position (to be given only for persons reported by name)	BOX 1 Financial instruments other than options (e.g. Stock grant)						
		Section 1 B Instruments relating to currently valid schemes approved on the basis of previous shareholders' resolutions ²³ Long-term incentive scheme						
		Date of shareholder resolution	Type of financial instrument	Number of instruments	Grant date (*)	Purchase price of instruments, if applicable	Market price when granted (*)	Vesting period
Massiah Victor	- Chief Executive Officer	NA	NA	NA	NA	NA	NA	NA
Iorio Francesco	- General Manager of UBI Banca	NA	NA	NA	NA	NA	NA	NA
Sonnino Elvio	- Senior Deputy General Manager of UBI Banca	NA	NA	NA	NA	NA	NA	NA
Leidi Rossella	- Deputy General Manager of UBI Banca	NA	NA	NA	NA	NA	NA	NA
Medda Ettore Giuseppe	- Deputy General Manager of UBI Banca	NA	NA	NA	NA	NA	NA	NA
Senior Management: Executive board members and general managers of Group companies *		NA	NA	NA	NA	NA	NA	NA
Material risk-takers: Managers of the main lines of business *		NA	NA	NA	NA	NA	NA	NA

* The names of the persons in the positions reported will be given at a later stage when the scheme is implemented.

REMUNERATION SCHEMES BASED ON FINANCIAL INSTRUMENTS

Table No. 1 of scheme 7 of Annex 3A of Regulation No. 11971/1999

REMUNERATION SCHEMES BASED ON FINANCIAL INSTRUMENTS TABLE NO. 1 OF SCHEME 7 OF ANNEX 3A OF REGULATION NO. 11971/1999								
Name or category	Position (to be given only for persons reported by name)	BOX 1 Financial instruments other than options (e.g. Stock grant)						
		Section 2 Newly granted financial instruments on the basis of a proposal to the 2015 AGM 2015 Long-term incentive scheme						
		Date of shareholder resolution	Type of financial instrument	Number of instruments	Grant date	Purchase price of instruments, if applicable	Market price when granted	Vesting period
Massiah Victor	- Chief Executive Officer	25/04/2015	Ordinary shares of UBI Banca	NA	NA	NA	NA	NA
Iorio Francesco	- General Manager of UBI Banca	25/04/2015	Ordinary shares of UBI Banca	NA	NA	NA	NA	NA
Sonnino Elvio	- Senior Deputy General Manager of UBI Banca	25/04/2015	Ordinary shares of UBI Banca	NA	NA	NA	NA	NA
Leidi Rossella	- Deputy General Manager of UBI Banca	25/04/2015	Ordinary shares of UBI Banca	NA	NA	NA	NA	NA
Medda Ettore Giuseppe	- Deputy General Manager of UBI Banca	25/04/2015	Ordinary shares of UBI Banca	NA	NA	NA	NA	NA
Senior Management: Executive board members and general managers of Group companies *		25/04/2015	Ordinary shares of UBI Banca	NA	NA	NA	NA	NA
Material risk-takers: Managers of the main lines of business *		25/04/2015	Ordinary shares of UBI Banca	NA	NA	NA	NA	NA

* The names of the persons in the positions reported will be given at a later stage when the scheme is implemented.

Proposal regarding the criteria and limits for determining remuneration to be agreed in the event of the early termination of an employment relationship or early retirement from corporate office, in accordance with Bank of Italy provisions concerning remuneration and incentive policies and practices contained in Circular No. 285 of 17th December 2013 (7th update).

Dear Registered Shareholders,

Pursuant to Circular 285 of 17th December 2013 (Supervisory Instructions for Banks, 7th update of 18th November 2014 concerning remuneration policies and practices) the Shareholders' Meeting has responsibility for defining the criteria and limits for determining remuneration in the event of the early termination of the employment relationship or of the position held.

In this regard the Supervisory Board resolved, at its meeting of 26th February 2015, to submit the approval of the following resolutions concerning the setting of criteria and limits set for the said remuneration and the methods by which it is to be paid to the Shareholders' Meeting, without prejudice to the provisions of the above Instructions under point 2.2.3 - Exceptions.

Assuming that no special payments (golden parachutes) are generally envisaged for the early termination of the employment relationship or of the position held, any individual agreement, on an exceptional basis, shall be linked to qualitative and quantitative indicators, reflect actual and long-term results and, for Key Personnel, the relative payments:

- a) may be made up to a maximum amount of 24 months' fixed salary within an amount calculated on the basis of the remuneration for the specific position;
- b) will be subject to deferral conditions and to possible retention, where they are to be paid in financial instruments, according to the category of Key Personnel to which the person concerned belongs, as defined by the Group Remuneration and incentives policies currently in force;
- c) will be subject to mechanisms of *ex post* correction (clawback and malus) to cover the risk of fraudulent behaviour or serious misconduct that could damage the Bank.

If the Bank initiates the termination of the employment relationship (dismissal) - as long as it has no just cause for withdrawing from the contract pursuant to Art. 2119 of the Italian Civil Code and without prejudice to any lower limits set as part of collective bargaining rules, whether or not at company level, or in legislation that also applies to senior management - in the event of a legal challenge or request for arbitration made by the senior manager in relation to the relative provision, and where transactions within the limits stated above have not been possible, if the Bank loses the case it may involve a payment, for various reasons, of up to 41 months' fixed salary (pursuant to the national collective labour contract) in addition to any compensation issued based on general principles. In such cases the Bank will have to comply with whatever is ordered by the judge or Board of Arbitrators, subject to all advisable objections or appeals.

If the employment relationship is ended on any other basis such as, for example, mutual consent, formalised in a settlement agreement to be signed in a "protected place" (before a judge, at a provincial office of employment or in the presence of trade union representative) as long as it has no just cause for withdrawing from the contract pursuant to Art. 2119 of the Italian Civil Code and as long as this takes place at the Bank's initiative or in any event in the

Bank's interest, without prejudice to any lower limits set as part of collective bargaining rules, whether or not at company level, that also applies to senior management - the following criteria and maximum limits shall in any case be complied with, in addition to the period of notice required by law and by the national collective labour contract in force:

1. an amount equal to twelve month's salary; this item corresponds to a reasonable neutralisation of the risk that a possible "supplementary payment" could be due pursuant to Art. 30, paragraphs 16 *et seq.* of the national collective labour contract;
2. a further amount equal to twelve month's salary where this becomes advisable due to specific circumstances relating to the individual case. This further amount is understood to be subject to deferral conditions and to possible retention, where it is to be paid in financial instruments, according to the category of Key Personnel to which the person concerned belongs, as defined by the Group Remuneration and incentives policies currently in force.

Any payments (always within the abovementioned limits) shall be graduated on the basis of a prudent assessment of all the circumstances of the individual cases in question, without the possibility of any automatic adjustment or minimum payment obligation, without prejudice to the constraints required by law and the national collective labour contract .

Job-security agreements and non-competition agreements may be signed at the start of or during the employment relationship, as specific tools for the protection and safeguarding of the Bank's professional and business assets which can therefore be paid without limitations.

If the need to defend commercial goodwill and customer retention requires this and makes it advisable, the Bank may make use of specific non-competition agreements, which may also be signed immediately before or at the time of the early termination of the employment relationship. In this case the limit of the payment is set at twelve month's salary, the payment of which will be subject to the provisions of Art. 2125 of the Italian Civil Code and to deferral conditions defined by the Group Remuneration and incentives policies currently in force for a period of twelve months and to possible retention, where it is to be paid in financial instruments, according to the category of Key Personnel to which the person concerned belongs.

The amounts pursuant to paragraph 5, point 2 and the final clause of the preceding paragraph will still be subject to clawback and malus mechanisms to cover the risk of fraudulent behaviour or serious misconduct that could damage the Bank.

In accordance with the provisions of point 2.2.3 - exceptions provided for under Circular 285 of 17th December 2013, 7th update of 18th November 2014 concerning remuneration policies and practices, redundancy incentives, including those connected with extraordinary operations (e.g. mergers) or corporate restructuring, also relate to Key Personnel in accordance with the terms, conditions and limits set as part of collective bargaining rules, whether or not at company level, that also applies to senior management, including what is stated at paragraph 5 points 1 and 2 above.

* * *

Dear Registered Shareholders,

in relation to the above, the Supervisory Board proposes that the Ordinary General Meeting of the Shareholders approves the following resolution:

- “The Shareholders’ Meeting of Unione di Banche Italiane Scpa,*
- *having considered the proposal of the Supervisory Board,*
 - *with due consideration for the current applicable regulations,*

RESOLVES

to approve the terms for setting the criteria and limits set for determining remuneration and the methods by which it will be paid, to be agreed in the event of the early termination of the employment relationship or of the position held.”

26th February 2015

THE SUPERVISORY BOARD

Glossary

ABS (Asset Backed Securities)

Financial instruments issued against securitisations (cf. definition) on which the yield and redemption are guaranteed by the assets of the originator (cf. definition), which are earmarked exclusively to satisfy the rights incorporated in the financial instruments themselves. Technically debt securities are issued by a special purpose entity (SPE - cf. definition). The portfolio underlying the securitisation may consist of mortgage loans, other loans, bonds, commercial paper, loans resulting from credit cards or even other assets. Depending on the type of underlying asset, ABSs may be classified as follows:

- credit loan obligation CLO (the portfolio consists of bank loans);
- collateralised bond obligation, CBO (the portfolio consists of bonds);
- collateralised debt obligation, CDO (the portfolio consists of bonds, debt instruments and securities in general);
- residential mortgage backed security RMBS (the portfolio consists of mortgage loans on residential properties);
- commercial mortgage backed security, CMBS (the portfolio consists of mortgage loans on commercial properties).

Acquisition finance

Finance for company acquisition operations.

Additional Tier 1 capital – AT1

Additional Tier 1 capital (AT1) consists of the following positive and negative items:

- additional tier 1 capital instruments (by way of example, but not an exhaustive list: convertible instruments, instruments that can be written down, “CoCos” – Contingent Convertibles) and the relative share premiums;
- instruments that qualify for inclusion in AT1 in accordance with the previous supervisory regulations and that are subject to transitional (grandfathering) provisions;
- deductions.

In order for them to be eligible, AT1 instruments must satisfy the following requirements:

- they must be issued and paid up;
- they must be perpetual with no redemption incentives;
- call options, if they exist, may only be exercised at the discretion of the issuer and in any event not before five years unless authorised by the supervisory authority under particular circumstances;
- the rules that govern the instruments grant the issuer full discretionary power to annul distributions related to those instruments, at any time, for an unlimited period and on a non-cumulative basis;
- non-payment of the interest does not constitute default for the issuer;
- if a trigger event occurs the nominal amount is reduced either permanently or temporarily, or the instruments are converted into Common Equity Tier 1 capital instruments (cf. definition).

ALM (Asset & Liability Management)

Integrated management of assets and liabilities designed to allocate resources in such a way as to optimise the risk to yield ratio.

Alternative Dispute Resolution (ADR)

This term refers to a set of methods, tools and techniques for resolving disputes out-of-court, where one or both parties rely on a third impartial party to resolve a dispute without resort to the courts. The most common procedures are conciliation and arbitration.

Alternative Investment

A range of forms of investment which includes, amongst other things, private equity investments (cf. definition) and investments in hedge funds (cf. definition).

Asset Management

Management and custody of financial investments belonging to others.

Ateco

National version, developed by the ISTAT (Italian national office for statistics), of the classification of economic activities defined at European level and approved by EU regulations. The latest classification is Ateco 2007, which replaced the previous Ateco 2002.

ATM (Automated Teller Machine)

Automatic device used by customers to perform operations such as withdrawing cash, paying in cash or cheques, requesting information on their accounts, paying utility bills, recharging telephones, etc.. Customers operate the machine by inserting a card and typing in a personal identification number.

Audit

A process for the control of corporate activities and accounts performed by both internal units (internal audit – cf. definition) and external companies (external audit).

Backtesting

Retrospective analyses designed to test the reliability of measurements of risk attached to the positions of asset portfolios.

Banc assurance

Term used to refer to the sale of traditional insurance products through a bank's branch network.

Banking book

This usually identifies that part of a securities portfolio, or in any case financial instruments in general, destined to “ownership” activities.

Banking-Financial Conciliator

The “Banking-Financial Conciliator – Association for resolving banking, financial and corporate disputes – ADR” is an initiative promoted with the support of the Italian Banking Association by the ten largest banking groups, including the UBI Banca Group, to provide customers with a service to resolve disputes rapidly and efficiently as an alternative to going through the courts (ADR stands for Alternative Dispute Resolution – cf. definition).

The following services are provided:

- **Mediation (cf. definition):** mediation procedures carried out through the Banking-Financial Conciliator are regulated not only by Legislative Decree No. 28 of 4th March 2010 and subsequent amendments and additions, but also by the “Mediation procedure regulations” of the relative body concerned filed with the Ministry of Justice. With regard to the obligation to attempt prior mediation procedures as a necessary condition for applying to the courts to settle disputes relating to banking and financial contracts, contracts with customers identify mediation through the Banking-Financial Conciliator as the body to which the aforementioned disputes must be submitted, because it specialises in these matters and has its own network of mediators distributed throughout the country;
- **Arbitration:** procedure whereby, on the basis of a specific clause contained in the contract contested or, in any event, by mutual agreement, the parties submit a dispute to an arbitrator or board of arbitration, who are experts in banking, financial and corporate affairs, acknowledging them as empowered to decide on the question;
- **Ombudsman Giurì Bancario:** a body formed in 1993 and located at the Italian Banking Association to which customers, dissatisfied with the decisions of the complaints departments of their banks or who have not received replies to their complaints within prescribed time limits, might appeal without charge. Responsibility for running the ombudsman service was transferred to the Banking-Financial Conciliator on 1st June 2007. Disputes concerning investment services/activities and other types of transactions not subject to Title VI of the Consolidated Banking Act, may be submitted to it to establish rights, obligations and powers, independently of the amount on the account in question. If the request concerns the payment of a sum of money, the matter falls within the jurisdiction of the ombudsman if the amount requested is not greater than €100,000. The Ombudsman decides within 90 days of the date of receipt of an application. Recourse to the ombudsman does not preclude a customer's right to apply to the courts, or to initiate a mediation procedure, or to submit the matter to a board of arbitration at any time, while the decision is binding for the intermediary.

Banking union

Integrated European project for the supervision, restructuring and resolution of banking crises composed of three pillars: the Single Supervisory Mechanism (SSM), the Single Resolution Mechanism (SRM) and an integrated deposit insurance scheme.

Basel 3

On 16th December 2010, the Basel Committee on Banking Supervision published new rules on the capital and liquidity of banks which came into force in Europe on 1st January 2014.

That European regulatory framework for banks and investment firms is set out in Directive 2013/36/EU (CRD IV) and in EU Regulation 575/2013 (CRR) published in June 2013. Then on 17th December 2013 the Bank of Italy issued new supervisory regulations contained in Circular No. 285.

The new regulations seek to strengthen the quality and quantity of the capital of banks, to contain financial leverage in the banking system (with a maximum limit set), to reduce the possible pro-cyclical effects of prudential rules and to tighten control over liquidity risks, with the introduction of two indicators designed to monitor liquidity both over 30 days (Liquidity Coverage Ratio - LCR, cf. definition) and also in more structural terms (Net Stable Funding Ratio - NSFR, cf. definition)

From the viewpoint of the composition of capital, the new rules give priority to ordinary shares and retained earnings (common equity), the adoption of more stringent criteria for the inclusion of other capital instruments and greater standardisation at international level of the components to be deducted.

Basel 3 therefore improved on the previous international agreement on capital – Basel 2 in force from 1st January 2007 until 31st December 2013 – which had identified the guidelines for calculating the minimum capital requirements for banks¹.

Those prudential regulations were based on “three pillars”:

- **First Pillar (Pillar 1):** while it maintained the objective of a level of capitalisation equal to 8% of risk weighted exposures, a system of rules had been defined for measuring risks typical of banking and financial activities (credit, counterparty, market and operational risks), which introduced alternative methods of calculation characterised by different levels of complexity, with the possibility of using internally developed rating systems, subject to prior authorisation from the Supervisory Authority.
- **Second pillar (Pillar 2):** this required banks to equip themselves with processes and instruments to calculate their total internal capital adequacy requirement (Internal Capital Adequacy Assessment Process - ICAAP) to meet each

¹ The first version of the agreement, known as Basel 1, dates back to 1988 and was signed in that Swiss city where the Bank for International Settlements (BIS) has its headquarters, an organisation which has been promoting monetary and financial co-operation on a worldwide scale since 1930 (it is known in Italy as *Banca per i regolamenti Internazionali* - BRI). The Basel Committee operates within it, formed by the governors of the central banks of the ten most industrialised countries (G10) at the end of 1974, and it is this that has formulated the agreements or “accords”. The following are currently represented on it: Belgium, Canada, France, Germany, Holland, Italy, Japan, Luxembourg, Spain, Sweden, Switzerland, United Kingdom, United States.

The Basel Committee has no supranational authority: the member countries may decide to comply with the accords, but they are not bound to accept the decisions of the committee. The compulsory nature of what is defined in the various agreements results from Directives or Regulations issued by the European Parliament.

The first Basel accord, signed by the central authorities of more than 100 countries established the obligation for the banks participating in it to set aside a share of their capital amounting to 8% of the loans disbursed independently of an assessment of the reliability of the companies that had requested them, using rating procedures.

type of risk, which may even be different from that covered by the total capital requirement (first pillar). The Supervisory Authority is responsible for reviewing the ICAAP process, for formulating an overall opinion and, where necessary, for activating appropriate corrective action;

- **Third pillar (Pillar 3):** this introduced the obligation to publish information on capital adequacy, exposure to risks and the general characteristics of systems designed to identify, measure and manage these risks.

Basis point

One hundredth of a percentage point (0,01%).

Basis swap

Contract which involves an exchange between two counterparties of payments linked to variable interest rates based on different indices.

Benchmark

A standard for the measurement of financial investments: it may consist of well known market indices or of others that are more suited to the risk-yield profile.

Best practice

Conduct that is comparable with the most significant and/or best level achieved in a given field or profession.

Business risk

The risk of adverse and unexpected changes in profits and margins with respect to forecasts, connected with volatility in volumes of business due to competitive pressures and market conditions.

CAGR – Compound Annual Growth Rate

The annual growth rate applied to an investment or other assets for a period of several years. The formula for calculating CAGR is $[(\text{present value}/\text{base value})^{(1/\text{number of years})}-1]$.

Capital allocation

Process by which decisions are made on how to distribute investments among different types of financial asset (e.g. bonds, equities and liquidity). Capital allocation decisions are determined by the need to optimise the risk/return ratio in relation to the time horizon and the expectations of the investor.

Capitalisation (insurance) certificates

Capitalisation contracts fall within the field of application of the legislation on direct life insurance contained in Legislative Decree No. 174 of 17th March 1995. As defined in Art. 40 of that legislative decree, these are contracts with which insurance companies agree to pay capital equal to the premium paid, revalued periodically on the basis of the return on separate internal management of financial assets or, if higher, a minimum guaranteed return, as the consideration for the payment of single or periodical premiums. They cannot have a life of less than five years and the policyholder has the right to cash-in the policy from the beginning of the second year onwards. In accordance with Art. 31 of the cited Legislative Decree No. 174, financial assets used to hedge technical reserves are reserved exclusively to comply with obligations connected with capitalisation contracts (separate management). Consequently, if the insurance company is placed in liquidation (Art. 67), the beneficiaries of those policies have title as creditors with special privileges.

Capitalisation policies

See the item “Capitalisation (insurance) certificates”.

Captive

Term generally used to refer to distribution networks or companies that operate exclusively with customers belonging to the company or group in question.

Cassa di Compensazione e Garanzia (CCG)

A joint stock company which performs the functions of a central counterparty clearing house on spot equity and derivative markets operated by Borsa Italiana and also on the electronic stock market for Government securities.

Chamber of Conciliation and Arbitration at the Consob (Italian securities market authority)

With Resolution No. 16763 of 29th December 2008, the Consob approved the regulations to implement Legislative Decree No. 179 of 8th October 2007, which establishes the Chamber of Conciliation and Arbitration at the Consob and the relative procedures. The Chamber of Conciliation and Arbitration commenced its activities in 2010 following the approval of its statute with Resolution No. 17204 of 4th March 2010. Since 1st August 2012 the organisation of the chamber and its procedures have been regulated by Consob Regulation No. 18275 of 18th July 2012.

The Chamber of Conciliation and Arbitration administers conciliation and arbitration proceedings initiated solely on the initiative of investors, in the presence of disputes concerning the violation by intermediaries of disclosure, proper conduct and transparency rules set by the Consob for them, in contractual relations with investors on matters concerning investment services or collective management of investments (mutual funds), without limit on the amount. The Chamber of Conciliation and Arbitration offers two possible instruments for out-of-court settlement of disputes: the Out-of-court Chamber of Conciliation and Ordinary/Simplified Arbitration.

Recourse to the Chamber of Conciliation and Arbitration satisfies the condition to be able to proceed to a possible subsequent application to courts in accordance with Art. 5, paragraph 1-*bis* of Legislative Decree No. 28 of 4th March 2010 and subsequent amendments and additions.

Commercial paper

Short term securities issued to collect funds from third party purchasers as an alternative to other forms of debt.

Common Equity Tier 1 capital (CET1)

Common Equity Tier 1 capital consists of the following positive and negative items:

- share capital and the relative share premiums;
- retained earnings;
- other items of accumulated other comprehensive income;
- other reserves;
- prudential filters;
- deductions.

The prudential filters consist of regulatory adjustments to the amounts recognised for items (positive or negative) of Common Equity Tier 1 capital. The deductions represent negative items of Common Equity Tier 1 capital.

The requirements for capital instruments to qualify for inclusion in CET1 include the following:

- they must be classified as equity in accordance with the applicable accounting standards;
- the nominal amount cannot be reduced except in the event of liquidation or buyback transactions carried out at the discretion of the issuer, subject to special prior authorisation by the supervisory authority;
- they are perpetual;
- the provisions that govern the instruments do not require the issuer to make compulsory distributions;
- no preferential treatment exists in the distributions;
- the annulment of distributions does not place any restrictions on the bank;
- they represent the most subordinate instruments in the event of insolvency or liquidation of the bank;
- they are not subject to guarantees or provisions in contracts which increase their seniority.

Company networks

Businesses which sign a network contract with which a group of companies can pursue the objective of increasing their ability to innovate and to compete on the market (article 42, Decree Law No. 78/2010, converted with amendments by Law No. 122 of 30th July 2010).

Compliance risk

The risk of incurring legal or administrative penalties, substantial financial losses or damage to reputation as a consequence of violations of laws and external regulations or internal regulations (by-laws, codes of conduct and voluntary codes).

Concentration risk

Risk resulting from (i) exposures to counterparties, including central counterparties, groups of connected counterparties and counterparties in the same economic sector, in the same geographical region or who carry on the same activity or deal in the same goods and (ii) the application of credit risk mitigation techniques including, in particular, risks resulting from indirect exposures such as for example with regard to single suppliers of guarantees. Concentration risk can be divided into two types: concentration risk for single counterparties or groups of connected counterparties (single name concentration risk) and the risk of concentration in a single sector (sector concentration risk).

Conduit

See the item SPE.

Consumer finance

Loans granted to private individuals for the consumption of goods and services.

Corporate

Type of customer consisting of medium or large size companies (mid-corporate, large corporate).

Corporate governance

Corporate governance defines the assignment of rights and responsibilities to the participants in the life of a company in relation to the distribution of duties, responsibility and decision making powers by means of the composition and functioning of internal and external corporate bodies.

Cost income ratio

A performance indicator defined as the ratio of operating costs to gross income.

Country Risk Premium

This is that component of the cost of capital destined to specifically remunerate risk associated with the economic, financial, political and currency instability of a specific country.

Covered bonds

Special bank bonds which, in addition to the guarantee given by the issuing bank, also offer as security a portfolio of mortgage or other high credit quality loans transferred for that purpose to a "special purpose entity".

Banks which intend to issue covered bonds must have own funds of not less than €250 million and a total capital ratio at consolidated level of not less than 9%. The share of the assets potentially useable as security that are transferred may not exceed the following limits, calculated on the basis of the consolidated Tier 1 ratio and the consolidated Common Equity Tier 1 ratio as follows:

- 25% in combined cases of: Tier 1 ratio \geq 7% and CET1 \geq 6%;
- 60% in combined cases of: Tier 1 ratio \geq 8% and CET1 \geq 7%;
- no limit in combined cases of: Tier 1 ratio \geq 9% and CET1 \geq 8%.

CPI (Credit Protection Insurance)

Credit protection insurance policies can be taken out by debtors of financial loans (personal loans, mortgages and credit card debt) to enable them (as policyholders) to pay the residual debt or a number of repayment instalments if temporary or permanent negative events occur (involuntary loss of employment, illness, accidents, permanent invalidity or death). These policies can also be linked to loans to businesses with insurance cover for events which might affect shareholders, directors or key figures in a business.

Credit crunch

Significant fall (or sudden tightening of conditions) in the supply of credit to businesses at the end of a prolonged expansionary period, capable of worsening the successive recessionary period.

Credit Default Swap

Contract by which one party transfers, for a payment of a periodical premium to the other, a credit risk attached to a loan or a security when a determined event occurs linked to the deterioration in the solvency of the debtor.

Credit risk

The risk of incurring losses resulting from the default of a counterparty with whom a position of credit exposure exists.

Cross selling

A technique to increase customer loyalty by selling an integrated range of products and services.

Default

A declared condition of being unable to honour debts and/or payment of the relative interest.

Duration

When applied to a bond or bond portfolio, it is an indicator usually calculated as the average weighted maturities of the interest and capital payments associated with the instrument.

EAD (Exposure At Default)

Estimate of the future value of a position at the time of default (cf. definition) of the relative debtor.

e-MID (interbank deposits market)

Market for trading in interbank deposits on an electronic platform managed by e-MID Sim Spa.

Eonia (Euro overnight index average)

Interest rate calculated as the weighted average of overnight interest rates applied for all unsecured financing transactions in the interbank market by the reference banks.

Equity risk

The risk of losses incurred in the equity investments portfolio that are not fully consolidated on a line-by-line basis.

Eligible assets (assets eligible as collateral or for refinancing)

Securities lodged to guarantee operations with the Eurosystem which regard both monetary policy operations (designed to inject liquidity onto the market) and also intraday operations.

In accordance with article 18.1 of the European System of Central Banks ("ESCB"), all Eurosystem lending operations must be backed by adequate guarantees. In order to define those guarantees the Eurosystem has drawn up a single framework (also termed the "single list") which describes the individual assets eligible for financing operations and the relative haircuts (cf. definition). In order to define those guarantees the Eurosystem has drawn up a single framework (also termed the "single list") which describes the individual assets eligible for financing operations. The list currently distinguishes between types of eligible instrument: marketable assets (listed securities with adequate rating levels) and non-marketable assets (bank loans).

Euribor (Euro interbank offered rate)

Interbank interest rate at which major banks exchange deposits in euro with varying maturities. It is calculated each day as the simple average of the rates quoted at 11.00 a.m. on a sample of banks with a high credit rating selected periodically by the European Banking Federation. Various floating rate loan contracts are linked to the Euribor rate (e.g. home mortgages).

European Banking Authority (EBA)

Composed of representatives of the banking supervisory authorities of European Union member states, the EBA commenced operations on 1st January 2011, taking over the duties and responsibilities of the Committee of European Banking Supervisors (CEBS), which ceased to exist on that date. The EBA oversees the stability of the banking system, transparency on markets and for financial products and the protection of depositors and investors.

European Financial Stability Facility (EFSF)

An instrument designed to provide temporary financial assistance to euro area countries in difficulty, following a decision taken by the Council of the European Union on 9th May 2010, created in the legal form of a joint stock company with registered offices in Luxembourg. With the creation of the ESM (cf. definition), the new rescue programmes have been financed directly by the permanent mechanism since October 2012, while since 1st July 2013 the EFSF has operated solely for the purpose of the repayment of the loans already granted before that date to Greece, Portugal and Ireland. The last rescue programme in progress (for Greece) ended on 31st December 2014. Since that date the EFSF has nevertheless continued to operate exclusively for the purpose of receiving repayments of the loans

from the beneficiary countries, to redeem the holders of bonds issued to finance itself and to match the maturities of the loans granted to those of the securities issued.

European Financial Stabilisation Mechanism (EFSM)

An instrument designed to provide temporary financial assistance to euro area countries in difficulty, following a decision taken by the Council of the European Union on 11th May 2010. Administered by the European Commission on behalf of the EU, the EFSM may grant loans up to a maximum of €60 billion. The funding transactions are backed by the EU budget. The EFSM will remain operational, according to the judgement of Commission, as long as the exceptional conditions which made its creation necessary persist. To-date the EFSM has been employed for programmes to support Ireland and Portugal.

European Insurance and Occupational Pensions Authority (EIOPA)

Composed of representatives of the insurance and pension supervisory authorities of European Union member states, the EIOPA commenced operations on 1st January 2011, taking over the duties and responsibilities of the Committee of European Insurance and Occupational Pensions Supervisors (CEIOPS), which ceased to exist on that date. The EIOPA safeguards the stability of the financial system, transparency on markets and for financial products and the protection of insurance policy-holders and participants in and beneficiaries of pension schemes.

European Securities and Markets Authority (ESMA)

Composed of representatives of the supervisory authorities of participants in the financial markets of European Union member states, the ESMA commenced operations on 1st January 2011, taking over the duties and responsibilities of the Committee of European Securities Regulators (CESR), which ceased to exist on that date. The ESMA oversees the stability of the financial system, transparency on markets and for financial products and the protection of investors.

European Stability Mechanism (ESM)

A permanent crisis management body established by a decision of the European Council on 28th-29th October 2010 and implemented in advance with the ratification of the Fiscal Treaty signed on 2nd February by 25 of the 27 countries in the European Union. The ESM, which became operational in October 2012 and is located in Luxembourg, provides financing to member countries (to-date it has introduced programmes to support Spain and Cyprus). On 8th December 2014 the ESM Board of Governors adopted an instrument for the direct recapitalisation of euro zone banks, which will allow it to recapitalise a bank of systemic importance in the euro area directly, but only if that bank has already taken steps to involve private sector investors. The resources available to the ESM for the new instrument amount to approximately €60 billion.

European System of Central Banks (ESCB)

The European System of Central Banks (SEBC) consists of the European Central Bank (ECB) and the national central banks (NCBs) of all the 28 member countries of the European Union (EU).

The ESCB therefore also includes the national central banks of the member countries of the EU that have not yet adopted the euro either because they enjoy a special status or by virtue of an exception. These member countries continue to use their national currencies, for which they manage their monetary policy, while for the time being the respective central banks maintain their sovereignty in this sphere. Naturally they are not involved in the essential activities of the monetary union, such as setting monetary policy for the euro area.

The NCBs of the countries which do not belong to the euro area are nevertheless committed to preserving the principles of a monetary policy designed to ensure price stability. Membership of the ESCB also involves differing degrees of active co-operation with the Eurosystem in various sectors.

Excessive deficit procedure

On the basis of article 126 of the Treaty on the Functioning of the European Union, European Union countries must avoid excessive deficits. To achieve this they are required to observe two budget rules: their deficits must be 3% lower than their GDPs and their debts must be 60% lower than their GDPs or, if they are higher, they must reduce them at an adequate speed. If a country does not observe one or both of these rules, the European Commission starts a procedure – named the excessive deficit procedure – designed to bring the public accounts of the country in question to a position where the country observes the budget rules of the treaty. The procedure, for which the manner and timing of its application are specified by the Growth and Stability Act (cf. definition), is composed of various stages and is initiated with a European Commission report.

Exchange Traded Fund (ETF)

A particular type of investment fund that is traded on stock markets like a share. Its sole investment objective is to track the index to which it is benchmarked by completely passive management. An ETF has the characteristics of both a fund and a share, allowing investors to exploit the strong points of both instruments with the diversification and reduction of risk provided by funds, but guaranteeing the flexibility and transparency of information provided by trading in real time as a share at the same time.

Exchange Traded Commodities (ETC)

Financial instruments which represent the investment made by the issuer either in commodities (termed physically-backed ETCs in this case) or in commodities futures. The price of the ETC is therefore either directly or indirectly linked to the performance of the underlying assets. Like ETFs (cf. definition), ETCs are traded on stock markets like shares, passively tracking the performance of commodities or of the benchmarks for them.

Factoring

Contract for the sale, either without recourse (with the credit risk attaching to the purchaser) or with recourse (the credit risk remains with the seller), of trade accounts receivable to banks or specialist companies, for management and cash receipt purposes, to which a loan to the seller may be associated.

Fair value

The amount of consideration for which an asset can be exchanged, or a liability settled under free market conditions, between knowledgeable and willing parties. This is often the same as the market price. On the basis of IAS (cf. definition) banks apply fair value, when measuring the value of financial instruments (assets and liabilities) held for trading, available for sale and derivatives and they may also use it to measure the value of equity investments and property, plant and equipment and intangible assets (with different impacts on the income statement for the different assets considered).

Financial Banking Arbitrator

The Financial Banking Arbitrator (FBA) is a body for the out-of-court settlement of disputes (ADR from the English: Alternative Dispute Resolution – cf. definition) pursuant to the Art. 128-*bis* of the consolidated banking act, introduced by the Law on Savings (Law No. 262/2005). The organisation and functioning of the FBA are regulated by the “Instructions concerning systems for the out-of-court settlement of disputes regarding banking and financial transactions and services” and subsequent amendments and additions issued by the Bank of Italy on 18th June 2009. Participation in the scheme is compulsory for all banks and other financial intermediaries.

The FBA has been operational since 15th October 2009. Disputes concerning the establishment of rights, obligations and powers may be submitted to it, relating to transactions or conduct occurring not prior to 1st January 2009, independently of the amount on the account in question.

If the request of the applicant concerns the payment of a sum for any reason whatsoever, the dispute falls within the jurisdiction of the FBA on condition that the amount requested is not greater than 100.000 euro.

Disputes concerning services and activities relating to investments and the sale of financial products and transactions and services that are components of financial products are excluded. Application may currently be made for these disputes to the *Ombudsman Giuri Bancario* of the Banking-Financial Conciliator (cf. definition) and to the Chamber of Conciliation and Arbitration formed at the CONSOB (Italian securities market authority) (cf. definition).

Recourse to the FBA satisfies the condition to be able to proceed to a possible subsequent application to courts in accordance with Art. 5, paragraph 1-*bis* of Legislative Decree No. 28 of 4th March 2010 and subsequent amendments and additions (cf. definition of Mediation).

With the exception of cases where the application to the FBA is initiated by a Prefect (Chief of Police)², completion of the complaints procedures of the intermediary in question constitutes a preliminary and necessary condition for applying to the FBA³, which may be performed in those cases where the outcome of the complaint made is unsatisfactory or when no reply has been made within thirty days of receipt by the bank.

Applications are free of charge for the customer except for a payment of 20 euro as a contribution to expenses for the procedure, which must be refunded by the bank to the applicant if the claim is either fully or partially successful. This contribution is not due if the procedure is initiated by a Prefect.

As opposed to the conciliation procedure, which is designed to reach an agreement between the parties, the BFA makes a decision on claims received by means of a special board of arbitration, while the parties retain the right to apply to the courts or to any other means provided for by law to protect their interests.

The BFA consists of an arbitration body divided into three boards (Milan, Rome and Naples) and of a secretariat service provided by the Bank of Italy. Each arbitration board is composed of five members, three of whom (inclusive of the president) designated by the Bank of Italy one by the associations of the intermediaries and one by associations representing customers.

Fiscal compact

Part of the Treaty on stability, coordination and governance in the Economic and Monetary Union, signed on 2nd March 2012 by all EU countries with the exception of the United Kingdom and the Czech Republic. It came into force from 1st January 2013 for EU countries that had already ratified it. The fiscal compact obliges signatory countries to enact national legislation, preferably at constitutional level, containing a provision that requires the achievement and maintenance of either a balanced budget or a structural deficit and a self-correcting mechanism should they deviate from it, drawn up on the basis of common principles proposed by the Commission. Structural deficits may not be greater than 0.5% of GDP; they may reach 1% but only if the ratio of debt to GDP is well above 60% and if risks for the long-term sustainability of public accounts are limited.

Fixed asset risk

The risk of changes in the value of the tangible fixed assets of the Group.

Floor

Derivatives contract on interest rates, traded outside regulated markets, with which a lower limit is set on the reduction of the lending rate.

Forbearance

This term is used to indicate a situation in which a debtor is not considered able to meet due dates and comply with contractual terms and conditions as a result of financial difficulties. Because of those difficulties the creditor decides to modify the due date and the terms and conditions of the contract in order to allow the debtor to honour the debt or to refinance it, either fully or partially.

² With a measure of 13th November 2012, in order to implement the provisions of article 27-*bis*, paragraph 1 – *quinquies* of Decree Law No. 1/2012, converted with amendments by Law No. 27/2012 – the Bank of Italy established that the procedure of recourse to the FBA may be initiated, when requested by a customer, by Prefects in relation to disputes concerning the failure to disburse, increase or revoke a loan, to the introduction of more severe conditions to the loan contract or to other conduct of a bank resulting from the assessment of creditworthiness.

³ In accordance with “Provisions concerning systems for the out-of-court settlement of disputes relating to banking and financial operations and services” (Sect. VI, par. 1, note 1), appeals made in the absence of a claim made to the intermediary relating to litigation pending before the courts for which the judge has found a failure to meet the conditions to proceed pursuant to Art. 5, paragraph 1 of Legislative Decree No. 28 of 4th March 2010 and subsequent amendments and additions are nevertheless admissible.

FRA (Forward Rate Agreement)

Contract whereby the parties agree to receive (pay) at the end of the contract, the difference between the amount calculated by applying a set interest rate and the amount obtained on the basis of the level of a reference rate chosen beforehand by the parties.

Funding

Acquisition in various forms of the funds required for the activities of a company or for particular financial operations.

Future

Standardised forward contracts with which the parties agree to exchange securities or goods at a set price on a future date. These contracts are usually traded on organised markets where the execution of the contract is guaranteed. As opposed to options (cf. definition), which grant the right but not the obligation to buy, futures contracts oblige the two parties to sell or buy.

Geographical disaster recovery

A set of technical and organisational procedures set in motion when a catastrophe occurs which causes the complete data processing platform to shut down. The objective is to reactivate EDP functions that are vital to the company at a secondary (recovery) site. A disaster recovery system is defined as “geographical” when it is located at least 50 km from the original system. The primary objective is to mitigate risk arising from disaster events with a potential impact on an entire metropolitan area (earthquakes, floods, military intervention, etc.) as prescribed by international safety standards.

Goodwill

This is the amount paid for the acquisition of an interest in a company which is the difference between the cost and the corresponding proportion of the shareholders' equity, for that part that is not attributed to the assets of the company acquired.

Haircut (margin of reduction on collateral)

Measure to control risks applied to assets eligible as collateral in temporary operations. With this measure the central bank determines the value of assets lodged as collateral by deducting a percentage from the market value of the security (the haircut). The Eurosystem applies these haircuts on collateral on the basis of the specific characteristics of the assets.

Hedge fund

A mutual investment fund which has the possibility (denied to traditional fund managers) of using sophisticated investment instruments or strategies, such as short selling, derivatives (options or futures, even up to more than 100% of the assets), hedging (hedging the portfolio against market volatility by short selling and the use of derivatives) and financial leverage (borrowing to then invest the money borrowed).

IAS/IFRS

International accounting standards (IAS) set by the International Accounting Standards Board (IASB), a private sector international body set up in April 2001, to which the accounting professions of major countries belong, while the European Union, the IOSC (International Organisation of Securities Commissions) and the Basel Committee participate as observers. This body has taken over from the International Accounting Standards Committee (IASC), formed in 1973 to promote the harmonisation of rules for preparing company accounts. When the IASC was transformed into the IASB, one decision taken was to term the new accounting standards “International Financial Reporting Standards” (IFRS).

An effort is currently being made at international level to harmonise IAS/IFRS with US Gaap (cf. definition).

IBAN (International Bank Account Number)

International standard used to identify bank accounts. The use of the IBAN code – composed of 27 characters – has been compulsory since 1st July 2008, not just for foreign payments but also for those made in Italy.

Identity access management

A technical and organisational method used to manage and monitor the entire life cycle of granting, managing and revoking access privileges to ICT resources and therefore to company information by each user.

Impaired loans

Loans at their face value to persons in situations of objective difficulty where, however, it is felt the difficulties can be overcome in an appropriate period of time.

Impairment tests

Impairment tests consist of estimating the recoverable amount (i.e. the higher of its fair value less costs to sell and its value in use) of an asset or a group of assets. In accordance with IAS 36 the following must be tested for impairment annually:

- indefinite useful life intangible assets;
- goodwill acquired in a business combination;
- any asset, if there is an indication that it may have been subject to a lasting loss of value.

Index linked

A life policy, the performance of which is linked to that of a reference parameter which could be a share index, a basket of securities or another indicator.

Institutional investors

These include the following: insurance companies, pension funds, OICVMs (cf. definition) and asset management companies.

Intangible assets

Identifiable non-monetary assets with no physical substance.

Interest rate risk

Current or future risk of a change in net interest income and in the economic value of the Bank following unexpected changes in interest rates which have an impact on the banking portfolio.

Internal audit

Function to which internal audit activity (cf. definition) is attributed institutionally.

Investment banking

Investment banking is a highly specialist financial sector which assists companies and governments to issue securities and more generally to obtain funds on capital markets.

Investment grade

High quality bonds which have received a medium-to-high rating (cf. definition) (e.g. not less than BBB on the Standard & Poor's scale).

Investment property

Property held for the purpose of receiving an income from it or to benefit from an increase in its value.

Investor

Entity, other than the originator (cf. definition) and sponsor (cf. definition), which holds a position in a securitisation (cf. definition).

IRB (Internal Rating Based) Approach

An internal rating (cf. definition) approach under Basel 2, which consists of basic (FIRB) and advanced (AIRB) approaches.

- **FIRB (Foundation Internal Rating Based):** under this basic, foundation, approach, banks use internal models to estimate PDs, but use regulatory values, established by supervisory authorities, for LGD (cf. definition) and other risk parameters;
- **AIRB (Advanced Internal Rating Based):** under this advanced approach, which may only be used by banks which satisfy minimum requirements that are more stringent than for the foundation approach, all estimates of inputs for the measurement of credit risk (PD, LGD, EAD, Maturity – cf. definitions) are carried out internally.

Joint venture

Agreement between two or more companies to perform a determined economic activity usually by forming a joint stock company.

Junior

In a securitisation (cf. definition), it is the most subordinated *tranche* of the securities issued, which is the first to meet the losses that may be incurred in the recovery of the underlying assets.

Leasing

Contract by which one party (lessor) grants the use of an asset to the other party (lessee) for a determined period of time. The asset is purchased by or constructed for the lessor on the instructions and as selected by the lessee, where the lessee has the right to purchase the ownership of the asset under preset conditions at the end of the leasing contract.

Libor (London interbank offered rate)

Interest rate calculated for each maturity, as the arithmetic average of the reported rates between the middle two quartiles of the interest rates at which a group of banks belonging to the British Bankers Association (BBA) are willing to make deposits in major currencies with primary customers.

Liquidity Coverage Ratio (LCR)

This indicator is the ratio under stress conditions of high quality liquid assets to total net cash outflows calculated on the basis of certain scenario parameters. The ratio must not fall below 100%. It is designed to ensure that a bank maintains sufficient high quality liquid assets that are not pledged and which can be converted into cash to meet liquidity requirements over a period of 30 calendar days in a stress scenario.

On the basis of an agreement reached by the Basel Committee on Banking Supervision on 6th January 2013, this ratio will be introduced from 1st January 2015, but the minimum ratio required will be set initially at 60% and will be progressively increased until it reaches 100% on 1st January 2019.

Liquidity risk

Risk of the failure to meet payment obligations which can be caused either by an inability to raise funds or by raising them at higher than market costs (funding liquidity risk), or the presence of restrictions on the ability to sell assets (market liquidity risk) with losses incurred on capital account. More specifically, structural liquidity risk is the risk resulting from a mismatch between the sources of funding and lending.

Loss Given Default (LGD)

Estimated rate of loss if a debtor defaults (cf. definition).

Loan To Value (LTV)

The ratio of the amount of a loan to the value of the asset for which the loan is requested or to the price paid by the debtor to acquire the property. The LTV ratio measures the size of the debtor's own financial resources used to purchase an asset with respect to the value of the asset mortgaged for the loan. The higher the LTV ratio, the lower the value of the debtor's own financial resources used to purchase the asset, and as a consequence the lower the protection afforded to the creditor.

Mark down

Difference between the average borrowing rate for the direct forms of funding employed and the Euribor rate.

Mark to market

Valuation of a securities portfolio and of other financial instruments on the basis of market prices.

Mark up

Difference between the average lending rate for the forms of lending employed and the Euribor rate.

Market risk

The risk of changes in the market value of positions in the trading portfolio for supervisory purposes due to unexpected changes in market conditions and in the credit rating of the issuer.

It also includes risks resulting from unexpected changes in foreign exchange rates and commodities prices which relate to all balance sheet items.

Maturity

Residual life of an exposure, calculated according to rules of prudence.

Mediation

A mediation procedure is an attempt to settle a dispute by entrusting a mediation body enrolled in a special register at the Ministry of Justice with the task of assisting in reaching an agreement between the parties quickly, within three months at most. Mediation is regulated by Legislative Decree No. 28 of 4th March 2010 and subsequent amendments and additions and for determined types of dispute, including those concerning banking and financial matters, it requires the assistance of a lawyer. An attempt at a mediation procedure or alternatively recourse, within their respective remits, to the Financial Banking Arbitrator (cf. definition) or the Chamber of Conciliation and Arbitration at the Consob (cf. definition) constitutes a necessary condition for a subsequent application to the courts to settle disputes relating to banking and financial contracts, as well as to other cases provided for by the aforementioned decree. Any agreement reached between the parties, if signed by them and by their respective lawyers or approved by the Chairman of the tribunal, following an application by one of the parties, becomes enforceable.

Merchant banking

This activity includes: the acquisition of securities, equities or debt, of corporate customers for subsequent sale on the market; the acquisition of equity interests of a more permanent nature, but again with the objective of subsequent sale; advisory activities to companies for mergers and acquisitions or restructuring.

Mezzanine

In a securitisation (cf. definition) it is the *tranche* with an intermediate level of subordination between that of the junior (cf. definition) *tranche* and that of the senior (cf. definition) *tranche*.

Near Field Communication (NFC)

NFC technology allows payments to be accepted in a contactless manner, i.e. without any physical contact (reading the magnetic strip or the microchips) between the card and the terminal. With this technology payments can be made not only by using contactless cards, but also with other instruments such as NFC smart phones and for payments of small amounts no receipt is issued and no PIN needs to be typed in or signature given to confirm the transaction.

Net Stable Funding Ratio (NSFR)

This is the ratio between available stable funding and required stable funding. This ratio, which will come into force on 1st January 2018, must be greater than 100%.

The ratio establishes a minimum acceptable level of stable funding based on the liquidity of a bank's assets and its transactions over a time horizon of one year.

New MIC (New collateralised interbank market)

A market segment of the e-MID platform (cf. definition) in which interbank deposits are traded on an anonymous basis and guaranteed against credit risk, which started operating on 11th October 2010 as a development of the MIC (collateralised interbank market), which ceased to operate on that same date. The MIC (collateralised interbank market) was introduced on 2nd February 2009 by the Bank of Italy in order to encourage a recovery in interbank business and greater variety in the maturities of the contracts. As compared to the MIC, apart from the changeover in the management of collateral from the Bank of Italy to the *Cassa di Compensazione e Garanzia* (cf. definition), longer maturities are traded on the New MIC, trading hours are longer and limits are set on the securities accepted as collateral.

Monoline

Insurance companies with one single line of business, which is financial insurance. Their activities include the insurance of bonds (ABS and MBS) for which the underlying assets consist of personal loans and property mortgage

loans. The insurance guarantees the redemption of the bond by assuming direct responsibility for the risk of debtor insolvency in exchange for a commission.

Non performing

A term which refers generally to loans with irregularities in the repayments.

Non-performing loans

Loans to persons or entities that are either insolvent (even if not declared as such in the courts) or in equivalent circumstances.

NUTS (Nomenclature of Territorial Units for Statistics in Italy)

Nomenclature used for statistics purposes at European level (Eurostat), which involves the following division.

<i>Northern Italy:</i>	Piedmont, Valle d'Aosta, Liguria, Lombardy, Trentino Alto Adige, Veneto, Friuli Venezia Giulia, Emilia Romagna;
<i>Central Italy:</i>	Tuscany, Umbria, Marches, Latium;
<i>Southern Italy:</i>	Abruzzo, Molise, Campania, Puglia, Basilicata, Calabria, Sicily, Sardinia.

OICVM (collective equity security investment organisations)

The term includes open, Italian and foreign mutual investment funds and investment companies with variable capital (Sicavs).

Operational risk

The risk of loss resulting from inadequate or failed procedures, human resources and internal systems or from exogenous events. This type of risk includes losses resulting from fraud, human error, business disruption, system failure, non performance of contracts and natural disasters. It includes legal risk.

Options

These consist of the right, but not a commitment, acquired with the payment of a premium, to purchase (call option) or to sell (put option) a financial instrument at a determined price (strike price) before (American option) or on (European option) a future date.

Originator

Entity which transfers its portfolio of deferred liquidity assets to an SPE (cf. definition) for it to be securitised.

OTC (Over The Counter)

Transactions concluded directly between parties without the use of a regulated market.

OTC derivatives traded with customers

Activity to support customers in managing financial risks and more specifically in managing risks resulting from fluctuations in exchange rates, interest rates and commodity (raw materials) prices.

Outsourcing

Recourse to operational support provided by outside companies.

Own funds

Own funds are composed of the Common Equity Tier 1 capital (cf. definition), the Additional Tier 1 capital (cf. definition) and the Tier 2 capital (cf. definition). The Tier 1 capital is comprised of the sum of the Common Equity Tier 1 capital and the Additional Tier 1 capital.

Past due

From 1st January 2012 this category includes loans and receivables past due and/or in arrears which satisfy both the following conditions:

- the debtor is in arrears on a significant credit obligation to a bank or banking group for over 90 consecutive days, where the exposures regard loans to individuals and SMEs, loans to nonprofit organisations and public sector authorities and loans to business other than SMEs (the term of 90 days was already in force for exposures other than those indicated and for exposures secured by real estate property);
- the significant threshold is 5% of the exposure, where the significant threshold is defined as the higher of the following two amounts: the average of the repayments past due and/or in arrears as a percentage of the entire exposure measured on a daily basis in the preceding quarter; the repayments past due and/or in arrears as a percentage of the entire exposure measured on the date reported (the latter significance ratio does not apply to exposures secured by real estate).

Payout ratio

The percentage of the net profit distributed by a company to its shareholders.

PD (Probability of Default)

The probability that a debtor will reach a default (cf. definition) position over an annual time horizon.

Plain vanilla swap

Interest rate swap (cf. definition) in which one counterparty receives a variable payment linked to the LIBOR (generally the six month LIBOR) and pays a fixed rate to the other counterparty, obtained by adding a spread to the yield on a specified type of government security.

Pooled financing (syndicated loans)

Loans organised and guaranteed by a consortium of banks and other financial institutions.

POS terminal (point of sale terminals)

Automatic device for the payment of goods or services at suppliers premises using credit, debit or prepaid cards.

Price sensitive

A term which generally refers to information or data that is not in the public domain, which if disclosed would have a marked effect on the price of a security.

Pricing

This refers generally to procedures followed to determine the returns and/or costs of products and services provided by the Bank.

Private equity

Activities involving the acquisition of equity interests and the subsequent placement with specific counterparties without offering them for sale to the public.

Project finance

Financing of projects on the basis of forecasts of the cash flows that will be generated by them. As opposed to the way in which risks are analysed with ordinary lending, with the project financing technique, not only are the expected cash flows analysed, but specific factors are also examined such as the technical aspects of the project, the suitability of the sponsors for carrying it out and the markets on which the products will be sold.

Rating

A rating of the quality of a company or its issues of debt securities on the basis of the soundness of the company's finances and its prospects.

Reputational risk

Present or future risk of incurring loss of profits or capital resulting from a negative perception of the image of the Bank by customers, counterparties, shareholders of the bank, investors or supervisory authorities.

Residual risk

The risk that established methods of mitigating credit risk used by a bank (e.g. guarantees) are less effective than expected.

Retail

Type of customer consisting mainly of individuals, professionals, shopkeepers and crafts persons.

Restructured loan

Position for which a Bank has agreed a longer period of repayment for a debtor, renegotiating the exposure at lower than market rates.

ROE (Return On Equity)

This is the income earned on equity in terms of profit after tax. Together with ROTE (cf. definition) it constitutes the indicator of greatest interest to shareholders because it gives a measure of the profitability of risk capital.

ROTE (Return On Tangible Equity)

This is the return on equity net of intangible assets.

Risk free rate

Rate of interest on a risk free asset. In practice it is used to refer to the interest rate on short term government securities even if they cannot be considered risk free.

Risks resulting from securitisations

The risk that the underlying economic substance of a securitisation is not fully reflected in decisions made to measure and manage risk.

Risk weighted assets (RWA)

On- and off-balance sheet assets classified and weighted on the basis of risk coefficients, in accordance with banking regulations issued by the supervisory authority for the calculation of capital ratios.

SCT (SEPA Credit Transfer)

A European instrument which allows a party making an order to transfer funds in Europe to a beneficiary in the SEPA area (cf. definition). Completion of the migration to the SCT became compulsory on 1st February 2014.

SDD (SEPA Direct Debit)

A European instrument which allows creditors to make direct debits to the accounts of their debtors held with banks in all SEPA (cf. definition) countries. Completion of the migration to the SDD became compulsory on 1st February 2014.

Securitisation

Operation to sell debts or other financial assets that are not negotiable instruments to a special purpose entity (SPE – cf. definition) whose sole business is to perform that operation and to convert those loans or assets into securities traded on secondary markets.

Senior

In a securitisation transaction (cf. definition) it is the *tranche* with the highest level of privilege in terms of priority for remuneration and repayment.

Sensitivity analysis

System of analysis designed to detect the sensitivity of determined assets or liabilities to changes in interest rates and other reference parameters.

SEPA (Single European Payments Area)

The Single Euro Payments Area came into force on 1st January 2008, within which from 1st February 2014 payments can be made and received in euro under the same standard basic conditions, rights and obligations. A total of 34 European countries have joined (in addition to the 28⁴ countries of the European Union, also Switzerland, Norway, Iceland, Liechtenstein, the Principality of Monaco and from 1st February 2014 the Republic of San Marino). The single IBAN (cf. definition) bank code, SCT (cf. definition) and SDD (cf. definition) comprise some of the instruments used to standardise banking transactions.

Servicer

In securitisation (cf. definition) transactions, it is a company which continues to manage the debts or assets subject to securitisation on the basis of a special servicing contract after they have been sold to the special purpose entity responsible for issuing the securities.

Side pocket

This is a measure to protect all the participants in a hedge fund (cf. definition), which is only employed in “exceptional circumstance” when a sudden reduction in the liquidity of the assets held in the portfolios of the funds, associated with high demand for the redemption of units held, can have negative consequences for the management of the funds themselves. In order to avoid compromising the interests of the participants in a hedge fund in cases where it is necessary to sell illiquid assets in the absence of a market which would ensure reliable prices, the creation of a “side pocket” allows illiquid assets to be transferred to a specially created closed mutual investment fund (i.e. a closed side pocket fund).

The operation is performed by partially splitting the hedge fund, after which the liquid assets continue to be held by the fund itself, while the illiquid assets are transferred to the closed side pocket fund. The smaller, but liquid, hedge fund continues to perform its activities according to the investment policies set in the management regulations, while the closed side pocket fund (which cannot issue new units) is managed with a view to selling the illiquid assets held, proceeding to redemptions of the units as the assets are gradually liquidated.

SMEs (small and medium-sized enterprises)

According to the definition in EU regulations, small and medium-sized enterprises are considered entities which carry on a business and regardless of their legal status employ fewer than 250 persons, with an annual turnover of not more than 50 million euro or with total assets of less than 43 million euro.

Società di Gestione del Risparmio (SGR – asset management company)

Joint stock companies which are authorised to provide management services for both individually and collectively owned assets. More specifically, these companies are authorised to set up mutual investment funds, to manage mutual investment funds that either they or others have formed, to manage Sicav funds and to provide individual customer portfolio management services.

SPE/SPV

Special purpose entities (SPE) or special purpose vehicles (SPV) – also known as conduits - are entities (companies, trusts or other entities), specially formed to achieve a determined objective that is well-defined and circumscribed, or to perform a specific operation.

SPEs/SPVs have a legal status that is independent from the others involved in the operation and generally have no operating or management units of their own.

Sponsor

Entity, other than the originator (cf. definition), which establishes and manages a conduit entity (cf. definition), as part of a securitisation transaction (cf. definition).

Spread

This term normally refers to:

- the difference between two interest rates;
- the difference between the buying (bid) price and the selling (asking) price in securities trading;
- the premium that the issuer of securities recognises in addition to a reference rate.

Stability and growth pact

Originally launched by the European Council in 1997, the pact was amended by a package of measures which came into force on 13th December 2011, known as the “six-pact”. This was designed to reinforce multilateral supervisory

⁴ Since 1st July 2013, following its entrance into the European Union, Croatia also forms part of SEPA.

mechanisms and to increase incentives to balance budgets by making the sanctioning mechanisms automatic. In detail:

- European Union countries agreed to converge on a balanced budget objective with an annual improvement in their structural balances of at least 0.5% of GDP;
- if the ratio of debt to GDP exceeds 60%, then the deficit must have decreased by one twentieth per year over the three years prior to the measurement.

Staff leasing contract (*Contratto di somministrazione di lavoro*)

A fixed term labour contract regulated by Legislative Decree No. 276 of 10th September 2003 (the “Biagi Law” based on Law No. 30 of 14th February 2003), whereby a legal entity uses the services of a worker employed by a staff leasing agency authorised by the Ministry of Labour. The relations between the user company and the leasing agency are governed by a staff leasing contract which also regulates wages and social security contributions.

This form of contract replaced those which governed temporary agency work regulated by Law No. 196 of 24th June 1997 (the “Treu reform”).

Stakeholder

Individuals or groups who have specific interests in an enterprise either because they depend upon it to achieve their goals or because they are considerably effected by the positive or negative effects of its activities.

Stand-Still agreements

Agreements designed to allow borrowers in situations of temporary financial difficulty to freeze existing credit lines, while resolving the original cause of the difficulty or until a formula for full debt restructuring and a new business plan is drawn up.

Stock Options

Term used to refer to options offered to the managers of a company which allow them to purchase shares in the company at a set price.

Strategic risk

Current or future risk of a fall in profits or in capital resulting from:

- changes in the operating context;
- errors in corporate decision-making;
- inadequate implementation of decisions;
- failure to react to change in a competitive environment.

Stress test

The term stress test refers to quantitative and qualitative techniques with which banks assess their vulnerability to exceptional but plausible events. They consist of assessing the effects of specific events on a bank's risks (sensitivity analysis) or the effects of joint movements of a set of economic and financial variables under the assumption of adverse scenarios (scenario analysis).

Structured notes

Bonds for which the interest and/or the redemption value depend on a real parameter (linked to the price of a commodity) or the performance of indices. In these cases the implicit option is unbundled from the host contract in the accounts.

When it is linked to interest rates or inflation (e.g. CCTs – Treasury Certificates of Credit), the implicit option is not unbundled from the host contract in the accounts.

Subordinated bonds

Financial instruments for which the conditions of sale state that the bearers of the debt certificates are satisfied after other creditors if the issuing entity goes into liquidation.

Subprime mortgages

The concept of subprime does not refer to the loan in itself, but rather to the borrower. Technically it refers to a borrower who does not have a fully positive credit history, because characterised by negative lending events such as for example the presence of repayments on previous loans not made, of cheques without funds and/or protested and so on. These past events are symptomatic of a greater intrinsic riskiness of counterparties from whom a corresponding higher remuneration is requested by the lender who grants them a mortgage.

Business with subprime customers developed in the American financial market where the grant of these loans was usually accompanied by securitisation activity and the issue of securities.

Alt-A mortgage loans are defined as loans granted on the basis of incomplete or inadequate information.

Subrogation

A procedure by which a mortgage borrower negotiates a new mortgage with another bank to pay-off the original mortgage by transferring the pledge of the same security (the mortgage on the property) which applied to the “original” bank to the new bank.

Swaps (interest rate swaps and currency swaps)

A transaction consisting of the exchange of cash flows between counterparties according to contracted conditions. With an interest rate swap the counterparties exchange the interest payments calculated on notional reference capital on the basis of different criteria (e.g. one counterparty pays a fixed rate and the other a variable rate). In the case of currency swaps, the counterparties exchange specific amounts of two different currencies, returning them over time according to set conditions which concern both the principal and the interest.

Tankan index

An indicator of the performance of the Japanese economy constructed on the basis of the results of a survey conducted by the Bank of Japan in the last month of each quarter. The survey is on both manufacturing and services sectors, segmented according to the size of the businesses (large, medium or small).

Tax rate

The effective tax rate, obtained as the ratio of income tax to pre-tax profit.

Tier 2 capital (T2)

The Tier 2 capital (T2) consists of the following positive and negative items:

- capital instruments, subordinated loans and the relative share premiums;
- generic provisions of banks that use the standardised methodology up to a limit of 1.25% of exposures weighted for credit risk;
- for banks that use the internal rating based (IRB) approach to calculate credit risk, the shortfall of provisions to expected losses, up to 0.60% of exposures weighted for credit risk;
- instruments that qualify for inclusion in T2 in accordance with the previous supervisory regulations and that are subject to transitional (grandfathering) provisions;
- deductions.

The main requirements for T2 instruments to qualify are as follows:

- original duration of at least five years;
- no early redemption incentive;
- call options, if they exist, can only be exercised at the discretion of the issuer and in any event not before five years, unless authorised by the supervisory authority under particular circumstances;
- amortisation of instruments for the purposes of qualification for T2 in the last five years, calculated on a daily basis.

TLTRO

In a meeting of 5th June 2014, the Governing Council of the ECB announced a decision to conduct a series of “targeted longer-term refinancing operations” over a period of two years, designed to improve the functioning of the monetary policy transmission mechanism by supporting bank lending to the real economy.

Banking counterparties were allotted an initial TLTRO borrowing allowance equal to 7% of the total amount of their loans granted to the euro area non-financial private sector (excluding home purchase mortgages granted to households) outstanding on 30th April 2014. The first allotment of financing took place in September 2014. All counterparties may draw additional amounts between March 2015 and June 2016 in the TLTRO auctions which will be held on a quarterly basis, although subject to a limit in cumulative terms.

All the TLTRO operations will mature in September 2018.

Trading book

This usually identifies that part of a securities portfolio, or in any case financial instruments in general, destined to trading activities.

Trading on line

System for buying and selling financial instruments on the stock exchange via Internet.

Trigger event

A contractually predefined event, which determines the creation of rights in favour of the parties to the contract when it occurs.

TROR (total rate of return swap)

This is a contract with which a “protection buyer” (also known as a “total return payer”) agrees to pay all the cash flows generated by a “reference obligation” to a “protection seller” (also known as the total return receiver), who in return transfers the cash flows linked to the performance of a “reference rate” to the “protection buyer”. On the dates on which the coupons for the cash flows are paid (or at the end of the contract), the “total return payer” pays the “total return receiver” any increase there may be in the “reference obligation”; if, on the other hand the “reference obligation” has decreased then it is the “total return receiver” who pays the relative amount to the “total return payer”. A TROR is in actual fact a structured financial product consisting of a combination of a credit derivative and an interest rate swap (cf. definition).

UCITS (Undertakings for the collective investment of transferable securities)

This term in the broader meaning of the term includes OICVMs (cf. definition) and other mutual investment funds (property mutual investment funds, closed mutual investment funds).

Unit-linked

Life insurance policies with performance linked to the value of investment funds.

US GAAP (Generally Accepted Accounting Principles)

Accounting standards issued by the FASB (Financial Accounting Statement Board), which are generally accepted in the United States of America.

VaR (Value at Risk)

A measure of the maximum potential loss that may be incurred on a financial instrument or portfolio with a set probability (level of confidence) in a determined time period (the reference or holding period).

Warrant

Negotiable instrument which grants the holder the right to purchase fixed rate securities or shares from the issuer or sell them to the issuer under precise conditions.

Zero-coupon

Bonds which do not pay an interest coupon, where the yield is given by the difference between the issue (or purchase) price and the redemption price.

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Group**

Bergamo

Via Crispi, 4
Via Stoppani, 15

Brescia Via Cefalonia, 74

Milano Corso Europa, 16

LOMBARDIA

Provincia di Bergamo

Bergamo

Piazza Vittorio Veneto, 8
Via dei Caniana, 2 (c/o Università)
Via Borgo Palazzo, 51
Via Borgo Santa Caterina, 6
Via Gombito, 6
Via Borgo Palazzo, 135
Via Mattioli, 69
Piazza Risorgimento, 15
Piazza Pontida, 39
Via Corridoni, 56
Via San Bernardino, 96
Piazzale della Repubblica, 4
Via Stezzano, 87 (c/o Kilometrorosso)

Adrara San Martino Via Madaschi, 103
Adrara San Rocco P.zza Papa Giovanni XXIII, 6

Albano Sant'Alessandro Via Cavour, 2

Albino

Via Mazzini, 181
Via Lunga, 1 (Fraz. Fiobbio)

Almè Via Torre d'Oro, 2

Almenno San Bartolomeo Via Falcone, 2

Almenno San Salvatore Via Marconi, 3

Alzano Lombardo Piazza Garibaldi, 3

Arcene Corso Europa, 7

Ardesio Via Locatelli, 8

Azzano San Paolo Piazza IV Novembre, 4

Bagnatica Via Marconi, 6 E

Bariano Via A. Locatelli, 12

Barzana Via San Rocco

Berbenno

Via Stoppani, 102 (Fraz. Ponte Giurino)
Piazza Roma, 2

Boltiere Piazza IV Novembre, 14

Bonate Sopra Piazza Vittorio Emanuele II, 20

Bossico Via Capitan Rodari, 2

Brembilla Via Libertà, 25

Brignano Gera d'Adda Via Mons. Donini, 2

Calcinato Via Coclinio, 8/c

Calcio Via Papa Giovanni XXIII, 153

Calusco d'Adda Via Vittorio Emanuele II, 7

Camerata Cornello Via Orbrembo, 23

Capriate San Gervasio Via Trieste, 46

Caprino Bergamasco Via Roma, 10

Caravaggio Piazza G. Garibaldi, 1

Carvico Via Europa Unità, 3

Casazza Via Nazionale del Tonale, 92

Casirate d'Adda Piazza Papa Giovanni XXIII, 1

Castione della Presolana

Via Donizetti, 2 (Fraz. Bratto - Dorga)
Via A. Manzoni, 20

Cazzano Sant'Andrea Via A. Tacchini, 18

Cenate Sopra Via Giovanni XXIII, 16

Cenate Sotto Via Verdi, 5

Cene Via Vittorio Veneto, 9

Cerete Via Moscheni, 44 (Fraz. Cerete Basso)

Chiusduno Via Cesare Battisti, 1

Cisano Bergamasco Via Pascoli, 1

Ciserano

Via Borgo San Marco ang. Via Garibaldi, 7
(Fraz. Zingonia)

Cividate al Piano Via Papa Giovanni XXIII, 3

Clusone Via Verdi, 3

Colere

Via Tortola, 58
Via Papa Giovanni XXIII, 33
(Fraz. Dezzo di Scalve)

Comun Nuovo Via Cesare Battisti, 5

Costa Volpino Via Nazionale, 150

Curno Largo Vittoria, 31

Dalmine

Via Buttarò, 2
P.zza Caduti 6 luglio 1944 (c/o Tenaris Spa)

Dossena Via Carale, 9

Entratico Piazza Aldo Moro, 18

Fontanella Via Cavour, 156

Foresto Sparso Via Tremellini, 63

Gandino Via C. Battisti, 5

Gazzaniga Via Marconi, 14

Gorlago Piazza Gregis, 12

Gorle Piazzetta del Donatore, 5

Grassobbio Viale Europa, 8/b

Grumello del Monte

Via Martiri della Libertà, 10

Lefte Via Mosconi, 1

Lovere Via Tadini, 30

Lovere-Lovere Sidermeccanica Spa

Via Paglia, 45

Madone Via Papa Giovanni XXIII, 44

Mapello Piazza del Dordo, 5

Martinengo Via Pinetti, 20

Monasterolo del Castello Via Monte Grappa, 27

Nembro Piazza della Libertà

Onore Via Sant'Antonio, 98

Orio al Serio Via Aeroporto, 13

Osio Sopra Via XXV Aprile, 29

Osio Sotto Via Cavour, 2

Paladina Via IV Novembre, 13

Palosco Piazza A. Manzoni, 16

Parre Via Duca d'Aosta, 20/a

Piaro Via Mazzini, 1/a

Piazza Brembana Via B. Belotti, 10

Ponte Nossà Via Frua, 24

Ponteranica Via Pontesecco, 32

Ponte San Pietro Piazza SS Pietro e Paolo, 19

Pontida Via Lega Lombarda, 161

Presezzo Via Caperseegno, 28

Ranica Piazza Europa, 2

Riva di Solto Via Porto, 24

Romano di Lombardia Via Tadini, 2

Roncola Via Roma, 10

Rota Imagna Via Calchera, 1

Rovetta Via Tosi, 13

San Giovanni Bianco

Via Martiri di Cantiglio, 19

San Pellegrino Terme Via S. Carlo, 3

Sant'Omobono Terme Viale alle Fonti, 8

Sarnico Piazza Umberto I

Scanzorosciate Via Roma, 27

Schilpario Via Torri, 8

Sedrina Via Roma, 14

Selvino Via Monte Rosa - angolo Via Betulle

Seriate Viale Italia, 24

Songavazzo Via Vittorio Veneto

Sovere Via Roma, 36

Spirano Via Dante, 9/b

Stezzano Via Bergamo, 1

Suisio Via Carabello Poma, 31

Taleggio Via Roma, 837 (Fraz. Olda)

Tavernola Bergamasca Via Roma, 12

Telgate Via Morengi, 17

Torre Boldone Via Carducci, 12

Torre de Roveri Piazza Conte Sforza, 3

Trescore Balneario Via Locatelli, 45

Treviglio Viale Filagno, 11

Ubale Clanezzo Via Papa Giovanni XXIII, 1

Urgnano Via Matteotti, 157

Valbrembo Via J.F.Kennedy, 1B

Verdello Via Castello, 31

Vertova Via S. Rocco, 45

Viadanica Via Pietra, 4

Vigolo Via Roma, 8

Villa d'Adda Via Fossa, 8

Villa d'Almè Via Roma - ang. Via Locatelli, 1

Villongo Via Bellini, 20

Vilminore di Scalve Piazza Giovanni XXIII, 2

Zandobbio Via G. Verdi, 2

Zogno Viale Martiri della Libertà, 1

Provincia di Brescia

Brescia Via Gramsci, 39

Chiari Via Bettolini, 6

Concesio Viale Europa, 183

Darfo Boario Terme Piazza Col. Lorenzini, 6

Desenzano del Garda Viale Andreis, 74

Esine Via Manzoni, 97

Manerbio Via Dante, 5

Orzinuovi Piazza Vittorio Emanuele II, 31/33

Ospitaletto Via Martiri della Libertà, 27

Palazzolo sull'Oglio Piazza Roma, 1

Paratico Via Don G. Moioli, 17

Rezzato Via Europa, 5

San Paolo Via Mazzini, 62

San Zeno Naviglio Via Tito Speri, 1

Provincia di Como

Como

Via Giovio, 4
Via Badone, 48 (Fraz. Camerlata)
Via Gallio - ang. Via Bossi
Via Cattaneo, 3
Viale Giulio Cesare, 26/28

Cantù

Piazza Marconi, 9
Via Enrico Toti, 1/a (Fraz. Vighizzolo)

Casnate con Bernate S.S. dei Giovi, 5

Cermenate Via Matteotti, 28

Erba

Via Leopardi, 7/e
Via Mazzini, 12

Guanzate Via Roma, 24

Lomazzo Via Monte Generoso, 11
Lurago D'Erba Via Manara, 4
Lurate Caccivio Via Varesina, 88
Olgiate Comasco Via Roma, 75
Oltrona San Mamette Piazza Europa, 6
Mariano Comense Corso Brianza, 20
Rovellasca Via Volta, 1

Provincia di Lecco

Lecco

Corso Matteotti, 3
Via Amendola, 6
Bulciago Via Don Canali, 33/35
Calco Via Italia, 8
Calolziocorte Piazza Vittorio Veneto, 18/a
Carenno Via Roma, 36
Casatenovo Via G. Mameli, 16
Cernusco Lombardone Via Spluga, 43
Costa Masnaga Via Cadorna, 18
Erve Via G. Cabaggio, 42
Merate Via Alessandro Manzoni, 56
Monte Marenzo Piazza Municipale, 5
Olginate Via S. Agnese, 38
Valmadrera Via Fatebenefratelli, 23

Provincia di Milano

Milano

Via Manzoni, 7
Piazza Cinque Giornate, 1
Via Foppa, 26
Corso Italia, 22
Assago Via del Mulino, 6 (c/o Nestlè Spa)
Cassano d'Adda Via Milano, 14
Cornaredo
Via Tolomeo, 1
(c/o St Microelectronics Spa)
Grezzago Piazza Aldo Moro
Trezzo sull'Adda Via A. Sala, 11
Vaprio d'Adda Piazza Caduti, 2

Provincia di Monza-Brianza

Monza

Via Borgazzi, 83
Piazza Giuseppe Cambiaghi, 1
Via San Rocco, 44
Via Boito, 70
Via Vittor Pisani, 2
Via Manzoni, 22/30
Via Carlo Rota, 50
Piazza Duomo, 5
Agrate Brianza
Via C. Olivetti, 2 (c/o St Microelectronics Spa)
Via Marco d'Agrate, 61
Arcore Via Casati, 45
Bernareggio Via Prinetti, 43
Biassono Via Libertà, 1
Brugherio Via de Gasperi, 58/62/64
Carate Brianza Via Cusani, 49/51
Carnate Via Don Minzoni
Cesano Maderno
Via Conciliazione, 29 (Fraz. Binzago)
Cornate d'Adda
Via Circonvallazione, 10/12/14
Via Silvio Pellico, 10 (Fraz. Colnago)
Desio Via Matteotti, 10
Giussano Via IV Novembre, 80 (Fraz. Brugazzo)
Limbrate Via dei Mille, 32
Lissone Via San Carlo, 4
Meda Via Indipendenza, 111
Mezzago Via Concordia, 22
Muggiò Via Cavour, 11/15
Nova Milanese Via Brodolini, 1

Seregno

Via S. Vitale, 17
Via Medici da Seregno, 29/31
Sulbiate Via Mattavelli, 2
Vedano al Lambro Largo della Repubblica, 7
Villasanta Via Confalonieri, 1
Vimercate
Via B. Cremagnani, 20/a
Via Torri Bianche, 3
Via Garibaldi, 12
Via Energy Park, 14

Provincia di Varese

Varese

Via Vittorio Veneto, 2
Via Dalmazia, 63
Piazza IV Novembre, 1 (Fraz. Biumo Inferiore)
Via Valle Venosta, 4
(Fraz. Biumo Inferiore - c/o Ascom Varese)
Viale Luigi Borri, 155
Viale Borri, 237 (c/o Bassani Ticino Spa)
Via Pasubio, 2
Via Caracciolo, 24
Via Virgilio, 27
Piazza Battistero, 2
Via S. Sanvito, 55
Angera Via M. Greppi, 33
Azzate Via Vittorio Veneto, 23
Besozzo Via XXV Aprile, 77
Biandronno Piazza Cavour, snc
Bisuschio Via Mazzini, 28
Bodio Lomnago Via Risorgimento, 23
Busto Arsizio
Piazza S. Giovanni, 3/a
Corso Italia, 54
Via Magenta, 64
Viale Alfieri, 26
Viale Cadorna, 4 - Via Cattaneo, 9
Via Foscolo, 10

Cairate

Via Mazzini, 13
Via Genova, 1 (Fraz. Bolladello)
Cantello Via Turconi, 1
Caravate Via XX Settembre, 22
Cardano al Campo
Via Gerolamo da Cardano, 19
Caronno Pertusella Via Roma, 190
Casale Litta Via Roma, 4
Casorate Sempione Via Milano, 17
Cassano Magnago Via Aldo Moro, 6
Castellanza
Piazza Soldini (c/o Libero Istituto
Universitario Carlo Cattaneo)
Castelseprio Via San Giuseppe, 14
Castiglione Olona
Via Papa Celestino, 22
Via Cesare Battisti, 13
Castronno Via Roma, 51
Cavarina con Premezzo
Via Scipione Ronchetti, 1318
Cislago Via IV Novembre, 250
Cittiglio Via Valcuvia, 19
Clivio Via Ermizada, 10
Comerio Via al Lago, 2
Cunardo Via Luinese, 1/a
Cuveglia Via Battaglia di S. Martino, 50
Cuvio Via Giuseppe Maggi, 20
Daverio Via Giovanni XXIII, 1
Fagnano Olona Piazza Cavour, 11
Ferno Piazza Dante Alighieri, 7
Gallarate
Via A. Manzoni, 12
Via Buonarroti, 20

Via Marsala, 34
Via Varese, 7/a (Fraz. Cascinetta)
Via Raffaello Sanzio, 2
Gavirate Piazza della Libertà, 2
Gazzada Schianno Via Roma, 47/b
Gemonio Via Giuseppe Verdi, 24
Gerenzano Via G.P. Clerici, 124
Germignaga Piazza XX Settembre, 51
Gorla Maggiore Via Verdi, 2
Gornate Olona Piazza Parrocchetti, 1
Induno Olona Via Porro, 46
Ispra Via Mazzini, 59
Jerago con Orago Via Matteotti, 6
Laveno Mombello Via Labiena, 53
Laveno Ponte Tresa
Piazza A. Gramsci, 8 (Fraz. Ponte Tresa)
Leggiano Via Bernardoni, 9
Lonate Ceppino Via Don Albertario, 3
Lonate Pozzolo Piazza Mazzini, 2
Lozza Piazza Roma, 1
Luino Via Piero Chiara, 7
Malnate P.zza Repubblica - ang. Via Garibaldi
Maccagno Viale Garibaldi, 13
Marchirolo Strada Statale 233, 27
Marnate Via Diaz, 12 - angolo Via Genova
Mercallo Via Prandoni, 1
Mesenzana Via Provinciale, 11
Monvalle Piazza Marconi, 1
Mornago Via Cellini, 3 - angolo Via Carugo
Olgiate Olona Via G. Mazzini, 56
Origgio
Via Repubblica, 10
S.S. Varesina, 233 (c/o Novartis Italia Spa)
Porto Ceresio Via Roma, 2
Porto Valtravaglia Piazza Imbarcadero, 17
Saltrio Via Cavour, 27
Samarate Via N. Locarno, 19 (Fraz. Verghera)
Saronno
Via P. Micca, 10
Via Giuseppe Garibaldi, 5
Piazza Borella, 4
Sesto Calende Via XX Settembre, 35
Solbiate Arno Via A. Agnelli, 7
Somma Lombardo
Corso della Repubblica - ang. Via Rebaglia
Sumirago Via Brioschi, 2
Ternate Piazza Libertà, 14
Tradate
Via XXV Aprile, 1
angolo Corso Ing. Bernacchi
Via Vittorio Veneto, 77
(Fraz. Abbiate Guazzone)
Travedona Monate Via Roma, 1
Uboldo Via R. Sanzio, 46
Varano Borghi Via Vittorio Veneto, 6
Vedano Olona Piazza S. Rocco, 8
Venegono Inferiore Via Mauceri, 16
Venegono Superiore Piazza Monte Grappa, 8
Viggiù Via A. Castagna, 1

LAZIO

Provincia di Roma

Roma

Via dei Crociferi, 44
Corso Vittorio Emanuele II, 295
Via Gregorio VII, 289
Largo Salinari, 24 - ang. Via B. Croce 82/84
Viale Gorizia, 34
Via di Porta Castello, 32
Via Val Maira, 125/131
Via Tiburtina, 604
Via dell'Aeroporto, 14/16
Via Pietru Boccanelli, 30
(c/o Sviluppo Italia Spa - Campo Elba)

Via Calabria, 46 (c/o Sviluppo Italia Spa)
Via Gattamelata, 109
Via Donna Olimpia, 128
Largo di Vigna Stelluti, 25
Via dello Statuto, 20
Ciampino Via Kennedy, 163
Monterotondo Via Salaria, 204
Pomezia Via dei Castelli Romani, 22
Velletri Via U. Mattoccia, 6

SARDEGNA

Provincia di Cagliari

Cagliari Via Mameli, 120



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LOMBARDIA

Provincia di Brescia

Brescia

Piazza della Loggia, 5
Corso Magenta, 73 - ang. Via Tosio
Via Lecco, 1
Via San Martino, 2 - ang. Corso Zanardelli
Contrada del Carmine, 67
Via Valle Camonica, 6/b
Via Santa Maria Crocifissa di Rosa, 67
Piazzale Spedali Civili, 1
Corso Martiri della Libertà, 13
Via Trieste, 8
Via Vittorio Veneto, 73 - ang. Tofane
Via Bettole, 1 (Fraz. San Polo)
Via Repubblica Argentina, 90
- ang. Via Cremona
Via Masaccio, 29 (Fraz. San Polo)
Via Bissolati, 57
Corso Martiri della Libertà, 45
Via Milano, 21/b
Via Indipendenza, 43
Via Solferino, 30/a
Via Trento, 25/27
Viale Duca d'Aosta, 19
Via Ambaraga, 126
Via Chiusure, 333/a
Via Cefalonia, 76
Via Orzinuovi, 9/11
Via Lamarmora, 230 (c/o A2A)
Via Triumplina, 179/b

Acquafredda Via della Repubblica, 52

Adro Via Roma, 1

Bagnolo Mella Via XXVI Aprile, 69/71

Bagolino Via San Giorgio, 66

Bedizzole Via Trento, 3/5

Borgosatollo Via IV Novembre, 140

Botticino

Via Valverde, 1 (Fraz. Botticino Sera)

Bovegno Via Circonvallazione, 5

Bovezzo Via Dante Alighieri, 8/d

Breno Via Giuseppe Mazzini, 72

Calcinato Via Guglielmo Marconi, 51

Calvisano Via Dante Alighieri, 1

Capriano del Colle Via Morari, 26

Carpenedolo Piazza Martiri della Libertà, 1

Castegnato Piazza Dante Alighieri, 1

Castelcovati Via Alcide De Gasperi, 48

Castel Mella Via Caduti del lavoro, 56/a

Castenedolo Piazza Martiri della Libertà, 4

Castrezzato Piazza Mons. Zammarchi, 1

Cedegolo Via Nazionale, 105

Cellatica Via Padre Cesare Bertulli, 8

Chiari Piazza Giuseppe Zanardelli, 7

Collio Piazza Giuseppe Zanardelli, 32

Comezzano - Cizzago

Via Giuseppe Zanardelli, 31

Concesio

Via Europa, 203

Via Europa, 8 (c/o centro comm. Valtrumpino)

Darfo Boario Terme Via Roma, 2

Dello Piazza Roma, 36

Desenzano del Garda

Via G. Marconi, 18

Via G. Marconi, 97

Via G. Di Vittorio, 17 (Fraz. Rivoltella)

Edolo Via G. Marconi, 36/a

Fiesse Via Antonio Gramsci, 25

Flero Via XXV aprile, 110

Gardone Riviera Via Roma, 8

Gardone Val Trompia Via G. Matteotti, 212

Gargnano Piazza Feltrinelli, 26

Gavardo Via Suor Rivetta, 1

Ghedi Piazza Roma, 1

Gottolengo Piazza XX Settembre, 16

Gussago Via IV Novembre, 112/a

Idro Via Trento, 60

Iseo

Via Dante Alighieri, 10

Via Risorgimento, 51/c (Fraz. Clusane)

Isorella Via A. Zanaboni, 2

Leno Via Dossi, 2

Limone del Garda Via Don Comboni, 24

Lograto Piazza Roma, 11

Lonato Via Guglielmo Marconi

Lumezzane

Via Alcide De Gasperi, 91 (Fraz. Pieve)

Via M. D'Azeglio, 4 (Fraz. S. Sebastiano)

Mairano Piazza Europa, 1

Manerba del Garda Via Vittorio Gassman, 17/19

Manerbio Via XX Settembre, 21

Marone Via Roma, 59

Moniga del Garda Piazza San Martino

Monte Isola Via Peschiera Maraglio, 156

Monticelli Brusati Via IV Novembre, 5/a

Montichiari Via Trieste, 71

Nave Piazza Santa Maria Ausiliatrice, 19

Nuvolato Via Trento, 17

Nuvolera Via Italia, 3/a

Odolo Via Praes, 13/bis

Offlaga Via Giuseppe Mazzini, 2

Orzinuovi Piazza Vittorio Emanuele II, 18

Ospitaletto Via Padana Superiore, 56

Paderno Franciacorta Via Roma, 32

Palazzolo sull'Oglio Via XX Settembre, 22

Passirano Via Libertà, 36

Pavone del Mella Piazza Umberto I, 1

Pisogne Piazza Umberto I, 11

Poncarale Via Fiume, 8/a

Ponte di Legno Corso Milano, 34

Pontevico Piazza Giuseppe Mazzini, 15

Pralboino Via Martiri Libertà, 52

Prevalle Piazza del Comune, 7

Quinzano d'Oglio Via C. Cavour, 29/31

Remedello Via Roma, 60

Rezzato

Via IV Novembre, 98

Via Zanardelli, 5a/b (Fraz. Virle Treponti)

Rodengo Saiano Via Ponte Cigoli, 12

Roè Volciano Via San Pietro, 119

Roncadelle Via Martiri della Libertà, 119/a

Rovato Corso Bonomelli, 52/54

Sabbio Chiese Via XX Settembre, 83

Sale Marasino Via Roma, 23/ Bis

Salò

Via Pietro da Salò - Loc. Rive

Piazza Vittorio Emanuele II, 20

San Felice del Benaco Viale Italia, 9

San Gervasio Bresciano

Piazza Antica Piazzola, 5

San Paolo Piazza Aldo Moro, 9

Sarezzo

Via Roma, 8

Via G. Carducci, 2 (Fraz. Ponte Zanano)

Seniga Via San Rocco, 15

Sirmione

Via Colombari - ang. Via G. Garibaldi

Piazza Castello, 58

Sulzano Via Cesare Battisti, 85

Tavernole sul Mella Via IV Novembre, 40/42

Tignale Piazzale Francesco d'Assisi

Torbole Casaglia Piazza Caduti, 8

Toscolano Maderno

Via Statale Toscolano, 114/a (Fraz. Toscolano)

Travagliato Piazza Libertà

Verolanuova Piazza Libertà, 1

Vestone Via Perlasca, 5

Villa Carcina Via G. Marconi, 39/c

Visano Via Guglielmo Marconi, 11

Vobarno Via Migliorini - ang. Via San Rocco

Zone Via Monte Guglielmo, 44

Provincia di Bergamo

Bergamo

Via Palma il Vecchio, 113

Via Tremana, 13

Via Camozzi, 101

Albano Sant'Alessandro Via Tonale, 29

Alzano Lombardo Via Roma, 31

Brembate Sopra

Via B. Locatelli ang. Via Sorte

Cologno al Serio Via San Martino, 2

Grumello del Monte Via Roma, 63

Seriate Via Paderno, 25

Trescore Balneario Via Lorenzo Lotto, 6/a

Treviolo Piazza Mons. Benedetti, 10

Provincia di Cremona

Cremona

Viale Po, 33/35

Via Dante, 241

Piazza Stradivari, 19

Via Mantova, 137

Casalmaggiore Via Porzio - ang. Via Nino Bixio

Crema Viale Repubblica, 79

Soncino Via IV Novembre, 25

Provincia di Lodi

Lodi Via Incoronata, 12

Codogno Via Vittorio Emanuele II, 35

Lodi Vecchio Piazza Vittorio Emanuele, 48

S. Angelo Lodigiano Piazza Libertà, 10

Provincia di Mantova

Mantova

V.le Risorgimento, 33 - ang. Valsesia

Via Madonna dell'orto, 6

Piazza Guglielmo Marconi, 7

Bagnolo San Vito

Via Di Vittorio, 35 (Fraz. San Biagio)

Borgofranco sul Po

Via Martiri della Libertà, 64

Castel Goffredo Via Europa, 27

Castiglione delle Stiviere Via C. Cavour, 36

Marmirolo Via Ferrari, 66/d

Moglia Piazza della Libertà, 19
Ostiglia Via Vittorio Veneto, 14
Poggio Rusco Via Trento e Trieste, 9
Quistello Via G. Marconi, 12
Sermide Via Cesare Battisti, 4
Villa Poma Piazza Mazzali, 7

Provincia di Milano

Milano

Piazza XXIV Maggio, 7
Piazza XXV Aprile, 9
Via Antonio Rosmini, 17
Via Ponchielli, 1
Via Giorgio Washington, 96
Via Monte Rosa, 16
Via Mac Mahon, 19
Via Saffi 5/6 - ang. via Monti
Via Silvio Pellico, 10/12
Piazza Sant'Agostino, 7
Via Feltre, 30/32
Via Giovanni da Procida, 8
Piazza Borromeo, 1
Viale Monza, 139/b
Via Lomellina, 14
Via Lecco, 22
Corso Indipendenza, 5
Via Porpora, 65
Largo Scalabrini, 1
Via Bertolazzi, 20 (Zona Lambrate)

Bresso Via Vittorio Veneto, 57
Cernusco sul Naviglio Via Monza, 15
Cologno Monzese Viale Lombardia, 52
Corsico Via G. Di Vittorio, 10
Legnano C.so Magenta, 127 - ang. Via Beccaria
Melegnano Viale Predabissi, 12
Melzo Via Antonio Gramsci, 23
Novate Milanese Via G. Di Vittorio, 22
Paderno Dugnano Via Erba, 36/38
Paullo Piazza E. Berlinguer, 14
Pioltello Via Roma, 92
Rho Viale Europa, 190
Trezzano Rosa Piazza San Gottardo, 14
Trezzo sull'Adda Via Bazzoni

FRIULI VENEZIA GIULIA

Provincia di Pordenone

Pordenone Via Santa Caterina, 4
Fiume Veneto Via Piave, 1 (Fraz. Bannia)

Provincia di Udine

Udine Via F. di Toppo, 87
Ampezzo Piazzale ai Caduti, 3
Majano Piazza Italia, 26
Paularo Piazza Nascimbeni, 5
Prato Carnico Via Pieria, 91/d
Sutrio Piazza XXII Luglio 1944, 13
Tolmezzo Piazza XX Settembre, 2

LAZIO

Provincia di Latina

Latina Via Isonzo, 3

Provincia di Roma

Roma

Via Ferdinando di Savoia, 8
Via Simone Martini, 5
Piazza Eschilo, 67
Via Bevagna, 58/60
Largo Colli Albani, 28
Via Vittorio Veneto, 108/b - Via Emilia
Via Fabio Massimo, 15/17
Via Crescenzo Conte di Sabina, 23
Via Portuense, 718

Via Fucini, 56
Via Boccea, 211/221
Via Camillo Sabatini, 165
Viale Val Padana, 34
Via Ugo Ojetti, 398
Via Aurelia, 701/709
Via A. Pollio, 50 (c/o c.c. Casalbertone)
Viale Guglielmo Marconi, 3/5
Piazza San Silvestro, 6
Piazza dei Tribuni, 58

Provincia di Viterbo

Viterbo

Corso Italia, 36
Via Saragat - ang. Via Polidori
Via Monte San Valentino
Acquapendente Via del Rivo, 34
Bolsena Via Antonio Gramsci, 28
Bommarzo Piazza B. Buozzi, 5
Canepina Via Giuseppe Mazzini, 61
Capodimonte Via Guglielmo Marconi, 84
Civita Castellana Via della Repubblica
Corchiano Via Roma, 45
Fabrica di Roma Viale degli Eroi
Gradoli Piazza Vittorio Emanuele II, 10
Marta Via Laertina, 35/39
Montalto di Castro
Via Aurelia Tarquinia, 5/7
P.za delle mimose, 13 (Fraz. Pescia Romana)
Montefiascone Piazzale Roma
Monterosi Via Roma, 36
Orte Via Le Piane
Ronciglione Corso Umberto I, 78
Soriano nel Cimino Piazza XX Settembre, 1/2
Tarquinia Piazzale Europa, 4
Tuscania Via Tarquinia
Vetralla
Via Roma, 21/23
Via Cassia, 261 (Fraz. Cura)
Vignanello Via Vittorio Olivieri, 1/a
Vitorchiano Via Borgo Cavour, 10

VENETO

Provincia di Padova

Padova Via G. Matteotti, 23
Camposampiero Piazza Castello, 43
Ponte San Nicolò Via Padre M. Kolbe, 1/a

Provincia di Venezia

Mestre Piazza XXVII Ottobre, 29
Mira Via Nazionale, 193

Provincia di Verona

Verona

Via Città di Nimes, 6
Via XXIV Maggio, 16
Via Albere, 18
Via Campagnol di Tombetta, 30
Corte Farina, 4
Via Galvani, 7
Bussolengo Via Verona, 43
Caldiero Via Strà, 114-114/a
Grezzana Viale Europa, 13
Monteforte d'Alpone Viale Europa, 30
Negrar Via Strada Nuova, 17 (Fraz. S. Maria)
Peschiera del Garda Via Venezia, 16
Sant'Ambrogio Valpolicella
Via Giacomo Matteotti, 2
Villafranca di Verona Via della Pace, 58

Provincia di Vicenza

Vicenza

Viale San Lazzaro, 179

Via IV Novembre, 60
Bassano del Grappa Viale San Pio X 85
Schio Via Battaglion Val Leogra, 6

Provincia di Treviso

Treviso Piazza Vittoria, 14
Castelfranco Veneto Via Forche, 2
Conegliano Via XI Febbraio, 1
Montebelluna Via Dante Alighieri

TRENTINO ALTO ADIGE

Provincia di Trento

Pieve di Bono Via Roma, 28

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LOMBARDIA

Provincia di Milano

Milano

Via della Moscova, 33
Via Salasco, 31
Via Bocchetto, 13
Via Borgogna, 2/4
Via Buonarroti, 22
Via Boccaccio, 2
Via Canonica, 54
Viale Coni Zugna, 71
Corso Lodi, 111
Piazzale de Agostini, 8
Piazza Firenze, 14
Largo Gelsomini, 12
Via G.B. Grassi, 89
Via Gian Galeazzo - ang. Via Aurispa
Corso Indipendenza, 14
Via La Spezia, 1
Viale Lombardia, 14/16
Corso Magenta, 87 - Porta Vercellina
Viale Marche, 56
Piazzale Nigra, 1
Via Olona, 11
Via Padova, 21
Corso di Porta Romana, 57
Via del Torchio, 4
Via Eugenio Pellini, 1 - ang. Via Cagliero
Via Vitruvio, 38 - Via Settembrini
Via Solari, 19
Via Spartaco, 12
Viale Monte Santo, 2
Piazzale Zavattari, 12
Via Pellegrino Rossi, 26
Via Melchiorre Gioia, 45
Piazzale Susa, 2
Via Biondi, 1
Via Friuli, 16/18
Via C. Menotti, 21 - ang. Via G. Modena
Viale delle Rimembranze di Lambrate, 4
Viale L. Sturzo, 33/34
Via A. Trivulzio, 6/8
Via Palestrina, 12 - ang. Viale A. Doria
Via Bignami, 1 (c/o C.T.O.)
Via Macedonio Melloni, 52 (c/o I.O.P.M.)
Via della Commenda, 12 (c/o Istituti Clinici)
Corso Porta Nuova, 23
(c/o Ospedale Fatebenefratelli)
Via Francesco Sforza, 35
(c/o Osp. Maggiore)

Piazza Ospedale Maggiore, 3 (c/o Niguarda)
Via Pio II, 3 (c/o Ospedale San Carlo)
Via Castelvetro, 32 (c/o Ospedale Buzzi)
Corso Italia, 17
Via Lomellina, 50
Via Pisanello, 2
Corso Lodi, 78
Piazza Gasparri, 4
Via dei Missaglia - angolo Via Boifava
Via Secchi, 2
Via Meda, angolo Via Brunacci, 13
Corso XXII Marzo, 22
Piazzale Lagosta, 6
Via Padova, 175
Viale Certosa, 138
Via Monte di Pietà, 7
Via A. di Rudini, 8 (c/o Ospedale San Paolo)
Abbiategrosso Piazza Cavour, 11
Arluno Via Piave, 7
Assago Milanofiori
Palazzo Wtc Viale Milanofiori
Bellinzago Lombardo Via delle 4 Marie, 8
Binasco Largo Bellini, 16
Bollate Via Giacomo Matteotti, 16
Bresso Via Roma, 16
Carugate Via Toscana, 10
Cassina de' Pecchi Via Matteotti, 2/4
Cinisello Balsamo
Via Casati, 19
Via Massimo Gorki, 50 (c/o Ospedale Bassini)
Cologno Monzese
Via Indipendenza, 32 - ang. P.zza Castello
Corbetta Corso Garibaldi, 14
Cornaredo
Piazza Libertà, 62
Via Magenta, 34
Corsico
Via Cavour, 45
Viale Liberazione, 26/28
Garbagnate Milanese
Via Kennedy, 2 (Fraz. S. M. Rossa)
Inveruno Via Magenta, 1
Lainate Via Garzoli, 17
Legnano
Corso Sempione, 221
Corso Sempione - angolo Via Toselli
Via Novara, 8
Piazza Don Sturzo, 13
Magenta Piazza Vittorio Veneto, 11
Melegnano Via Cesare Battisti, 37/a
Melzo Piazza Risorgimento, 2
Novate Milanese Via Amendola, 9
Opera Via Diaz, 2
Paderno Dugnano Via Rotondi, 13/a
Parabiago Via S. Maria, 22
Rho
Corso Europa, 209
Via Meda, 47
Via Pace, 165 (Fraz. Mazzo Milanese)
Rozzano
Viale Lombardia, 17
Piazza Berlinguer, 6 (Fraz. Ponte Sesto)
S. Giuliano Milanese
Via Risorgimento, 3
Via S. Pellico, 9 (Fraz. Sesto Ulteriano)
Segrate Piazza della Chiesa, 4
Senago Piazza Matteotti, 10/a
Sesto San Giovanni Via Casiraghi, 167
Settimo Milanese Piazza della Resistenza, 8
Solaro Via Mazzini, 66
Trezzano Rosa Via Raffaello Sanzio, 13/s
Trezzano sul Naviglio Viale C. Colombo, 1
Vittuone Via Villorresi, 67

Provincia di Monza-Brianza

Monza Viale G.B. Stucchi, 110
(c/o Roche Boehringer Spa)

Provincia di Pavia

Pavia

Via Montebello della Battaglia, 2
Corso Strada Nuova, 61/c
Via dei Mille, 7
Viale Ludovico il Moro, 51/b
Via Taramelli, 20
Via Pavesi, 2
Corso Alessandro Manzoni, 17
Piazzale Gaffurio, 9
Via San Pietro in Verzolo, 4
Via Ferrata, 1 (c/o Università)

Albuzzano Via Giuseppe Mazzini, 92/94

Belgioioso Via Ugo Dozzio, 15

Broni Piazza Vittorio Veneto, 52

Casteggio Viale Giuseppe Maria Giulietti, 10

Garlasco Corso C. Cavour, 55

Giussago Via Roma, 38

Godiasco

Piazza Mercato, 19
Viale delle Terme, 44 (Fraz. Salice Terme)

Landriano Via Milano, 40

Linarolo Via Felice Cavallotti, 5

Maghero Via G. Leopardi, 2

Marcignago Via Umberto I, 46

Montebello della Battaglia

Piazza Carlo Barbieri "Ciro", 1

Mortara Piazza Silvabella, 33

Pinarolo Po Via Agostino Depretis, 84

Rosasco Via Roma, 4

San Martino Siccomario Via Roma, 23

Sannazzaro de' Burgondi Viale Libertà 3/5

Siziano Via Roma, 22

Stradella Via Trento, 85

Torrevecchia Pia Via Molino, 9

Travacò Siccomario

P.zza Caduti e Combattenti d'Italia, 1

Valle Lomellina Piazza Corte Granda, 4

Varzi Via Pietro Mazza, 52

Vigevano

Via Dante, 39
Via Madonna degli Angeli, 1
Corso Genova, 95
Via de Amicis, 5

Voghera Via Giacomo Matteotti, 33

EMILIA ROMAGNA

Provincia di Bologna

Bologna

Viale della Repubblica, 25/31
Via Murri, 77
Piazza Dè Calderini, 6/a
Via Ercolani, 4/e
Via Lombardia, 7/a
San Lazzaro di Savena Via Emilia, 208/210
Zola Predosa Via Risorgimento, 109

Provincia di Ferrara

Cento Via Ferrarese, 3

Provincia di Modena

Modena

Viale Trento e Trieste - ang. Via Emilia Est
Carpi Via Baldassarre Peruzzi, 8/b
Sassuolo Viale Crispi, 24

Provincia di Parma

Parma

Via San Leonardo, 4

Via Emilia est, 17

Via Repubblica, 32

Fidenza Piazza G. Garibaldi, 41

Langhirano Via Roma, 25 - Via Ferrari, 17

Provincia di Piacenza

Piacenza

Via Verdi, 48
Via Manfredi, 7
Via Cristoforo Colombo, 19
Caorso Via Roma, 6/a
Carpaneto Piacentino Via G. Rossi, 42
Gragnano Trebbiense Via Roma, 52
Ponte dell'Olio Via Vittorio Veneto, 75
San Nicolò a Trebbia
Via Emilia Est, 48 (Fraz. Rottofreno)

Provincia di Reggio Emilia

Reggio Emilia

V.le Monte Grappa, 4/1 - ang. V.le dei Mille
Via Emilia all'Angelo, 35
Rubiera Viale della Resistenza, 7/a

LAZIO

Provincia di Roma

Roma

Corso Vittorio Emanuele II, 25/27
Via Baldovinetti, 106/110
Via Boccea 51, a/b/c
Viale dei Colli Portuensi, 298/302
Via F.S. Nitti, 73/75/77
Via Norcia, 1/3
Via Guidubaldo del Monte, 13/15
Viale delle Province, 34/46
Via Nizza, 71
Viale Trastevere, 22
Via Sestio Calvino, 57
Via Tiburtina, 544/546 - ang. Via Galla Placidia
Largo Trionfale, 11/12/13/14
Via Cerveteri, 30
Piazza Vescovio, 3 - 3/a - 3/b
- ang. Via Poggio Moiano, 1
Via dei Castani, 133
Via delle Gondole, 90 (Fraz. Ostia)
Via Nomentana, 669/675
Via XX Settembre, 45 - ang. Servio Tullio
Viale dei quattro venti, 83

TOSCANA

Provincia di Firenze

Firenze Piazza Cesare Beccaria, 21

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PIEMONTE

Provincia di Cuneo

Cuneo

Piazza Europa, 1
Via Roma, 13/b
Via della Battaglia, 15
(Fraz. Madonna dell'Olmo)
Corso Antonio Gramsci, 1
Via Savona, 8 - ang. Via Bisalta
Via A. Carle, 2 (Fraz. Confreria)
Via Michele Coppino, 16 (c/o Ospedale)
Alba
Via Teobaldo Calissano, 9
Viale Giovanni Vico, 5

Corso Piave, 74
Via G. Garibaldi, 180 (Fraz. Gallo d'Alba)
Corso Canale, 98/1 (Fraz. Mussotto)

Bagnasco Via Roma, 3
Bagnolo Piemonte
Via Cavalieri di Vittorio Veneto, 12
Barbaresco Via Torino, 16
Barge Viale Giuseppe Mazzini, 1
Barolo Via Roma, 53
Beinette Via Vittorio Veneto, 4
Borgo San Dalmazzo Piazza Liberazione, 8/10
Bossolasco Corso Della Valle, 29
Boves Piazza dell'Olmo, 2
Bra Via Giuseppe Verdi, 10
Brossasco Via Roma, 11/a
Busca Piazza Savoia, 9
Canale Via Roma, 72
Caraglio Piazza Madre Teresa, 8
Carrù P.za V. Veneto, 2 - ang. Via Benevagienna
Castelletto Stura Via Guglielmo Marconi, 6
Castellinaldo Via Roma, 56
Castiglione Tinella Via Circonvallazione, 12
Castino Via XX Settembre, 1
Centallo Piazza Vittorio Emanuele II, 17
Ceva Via Roma, 40
Cherasco Via Vittorio Emanuele II, 34
Chiusa di Pesio Via Roma, 5
Corneliano d'Alba Piazza Cottolengo, 42
Cortemilia Piazza Castello, 1
Costigliole Saluzzo Via Vittorio Veneto, 94
Cravanzana Via XX Settembre, 1
Demonte Via Martiri e Caduti della Libertà, 1
Dogliani Via Divisione Cuneense, 1
Dronero Piazza San Sebastiano, 7
Entracque Via della Resistenza, 5
Farigliano Piazza San Giovanni, 7
Fossano Via Roma, 3
Frabosa Soprana Piazza Guglielmo Marconi, 1
Frabosa Sottana Via IV Novembre, 30
Gareggio Corso Statuto, 15
Genola Via Roma, 32
Govone Piazza Vittorio Emanuele II, 9
Lagnasco Via Roma, 30
La Morra Via Umberto I, 28
Limone Piemonte Via Roma, 62
Magliano Alfieri
Via IV Novembre, 54/a (Fraz. S. Antonio)
Magliano Alpi Via Langhe, 158
Mango Piazza XX Settembre, 6
Monchiero Via Borgonuovo, B/15-1
Mondovi
Piazza G. Mellano, 6
Piazza Maggiore, 8
Piazzale Ellero, 20
Monesiglio Via Roma, 4
Monforte d'Alba Via Giuseppe Garibaldi, 4
Montà Piazza Vittorio Veneto, 31
Monticello d'Alba
Piazza Martiri della Libertà, 2 (Fraz. Borgo)
Moretta Via Torino, 73/bis
Morozzo Via Guglielmo Marconi, 78
Murazzano Via L. Bruno, 6
Murello Via Caduti Murellesi, 39
Narzole Via Pace, 2
Neive Piazza della Libertà, 2
Niella Belbo Piazza Mercato, 12/b
Paesana Via Po, 41
Peveragno Piazza P. Toselli, 1
Piasco Piazza Martiri della Liberazione, 7
Piobesi d'Alba Piazza San Pietro, 12
Priocca Via Umberto I, 65
Racconigi Piazza Roma, 8
Revello Via Saluzzo, 80

Roc cavione Piazza Biagioni, 27
Saliceto Piazza C. Giusta, 1
Saluzzo Corso Italia, 57
Sampeyre Via Vittorio Emanuele II, 22
San Damiano Macra Via Roma, 15
San Michele Mondovì Via Nielli, 15/a
Sanfront Corso Guglielmo Marconi, 14
Santo Stefano Belbo Corso Piave, 82
Savigliano Piazza Schiapparelli, 10
Scarnafigi Piazza Martiri della Libertà, 14
Sommariva del Bosco Via Donatori del Sangue, 11/b
Tarantasca Via Carletto Michelis, 3
Valdieri Corso Caduti in Guerra, 13
Valgrana Via Caraglio, 9
Vernante Piazza de l'Ala, 4
Verzuolo Piazza Martiri della Libertà, 13
Vicoforte Via di Gariboggio, 43
Villafalletto Via Vittorio Veneto, 24
Villanova Mondovì Via Roma, 33/a
Vinadio Via Roma, 11

Provincia di Alessandria

Alessandria
Via Dante - ang. Via C. Lamarmora
Via Venezia, 16
(c/o Ospedale Santi Antonio e Biagio)
Acqui Terme Corso Bagni, 54
Arquata Scrivia Via Libarna, 56
Borghetto Borbera Via San Michele, 2
Cabella Ligure Piazza della Vittoria, 7
Casale Monferrato
Viale G. Giolitti, 2 (c/o ASL)
Piazza San Francesco, 10
Casalnoceto Piazza Martiri della Libertà, 10
Castelnuovo Scrivia Via Solferino, 11
Garbagna Via Roma, 21
Isola Sant'Antonio
Piazza del Peso - ang. Via C. Cavour
Monleale Corso Roma, 41/43
Novi Ligure Corso Marengo, 141
Ovada Via Torino, 155
Pontecurone Piazza Giacomo Matteotti, 5
Pozzolo Formigaro Via Roma, 31
Rocchetta Ligure Piazza Regina Margherita
Sale Piazza Giuseppe Garibaldi, 8
Sarezzano Piazza L. Sarzano, 4
Stazzano Via Fossati, 2/a
Tortona
Piazza Duomo, 13
Via Emilia, 422
Corso della Repubblica, 2/d
P.zza Felice Cavallotti, 1 (c/o ASL)
Valenza Via Dante, 68
Vignole Borbera Via Alessandro Manzoni, 8
Villalvernia Via Carbone, 69
Villaromagnano Via della Chiesa

Provincia di Asti

Asti C.so Vittorio Alfieri, 137
Canelli Corso Libertà, 68
Nizza Monferrato Piazza G. Garibaldi, 70

Provincia di Biella

Biella Via Nazario Sauro, 2
Cossato Via Lamarmora, 9

Provincia di Novara

Novara Largo Don Luigi Minzoni, 1
Arona Corso Liberazione, 39
Borgomanero Via Garibaldi, 92/94
Oleggio Via Mazzini, 15
Tre cate Piazza Dolce, 10

Provincia di Verbania

Verbania Piazza Matteotti, 18 (Fraz. Intra)
Cannobio Via Umberto I, 2

Provincia di Vercelli

Vercelli Piazza Cavour, 23
Borgosesia Via Sesone, 36

Provincia di Torino

Torino
Corso Dante, 57/b
Corso Vittorio Emanuele II, 107
Corso Vercelli, 81/b
Corso Unione Sovietica, 503
Via Madama Cristina, 30 - ang. Lombroso
Corso Orbassano, 236
Corso Matteotti, 15
Via Alfieri, 17
Corso L. Einaudi, 15/17
Piazza Gran Madre di Dio, 12/a
C.so Inghilterra, 59/g ang. C.so Francia
Via Giolitti, 16
Corso Francia, 262
Bibiana Via C. Cavour, 25
Bricherasio Piazza Castelvecchio, 17
Chieri Piazza Dante, 10
Chivasso Via Po, 5
Collegno Via XXIV Maggio, 1
Ivrea Via Circonvallazione, 7
Moncalieri Strada Villastellone, 2
Nichelino Via Torino, 172
None Via Roma, 23
Pinerolo Via Savoia - ang. Via Trieste
Rivoli Via Rombò, 25/e
Santena Via Cavour, 43
Settimo Torinese Via Petrarca, 9
Villar Perosa Via Nazionale, 39/a

LIGURIA

Provincia di Genova

Genova
Via C.R. Ceccardi, 13/r
Corso Torino, 61/r
Via Pastorino, 118 (Loc. Bolzaneto)
Via Sestri, 188/190r (Sestri Ponente)
Piazza G. Lerda, 10/r (Loc. Voltri)
Via Cinque Maggio, 101/r (Priaruggia)
Via C. Rolando, 123 (Sampierdarena)
Via Molassana, 82/r
Piazza Leopardi, 6
Borzonasca Via Angelo Grilli, 15
Chiavari Corso Dante Alighieri, 36
Cicagna Via Statale, 8 - angolo Via Dante, 1
Lavagna C.so Buenos Aires, 84 (Fraz. Monleone)
Mezzanego Via Capitan Gandolfo, 138
Rapallo Via A. Diaz, 6
Santo Stefano d'Aveto Via Razzetti, 11
Sestri Levante Via Fascie, 70

Provincia di Imperia

Imperia Viale Giacomo Matteotti, 13
Bordighera
Via Treviso, 1 - ang. Via V. Emanuele II
Sanremo Via Escoffier, 3A
Taggia Via Boselli, 62 (Fraz. Arma)
Ventimiglia Via Ruffini, 8/a

Provincia di La Spezia

La Spezia
Via G. Pascoli, 22
Via Chiodo, 115
Via San Bartolomeo (c/o ASW Research)
Via Fiume, 152
Via del Canaletto, 307

Castelnuovo Magra
Via Aurelia, 129 (Fraz. Moliciara)
Lerici Calata G. Mazzini, 1
Sarzana Via Muccini, 48

Provincia di Savona

Savona
Piazza Aurelio Saffi, 7/r
Corso Vittorio Veneto, 23
Albenga Piazza Petrarca, 6
Albisola Superiore Corso Giuseppe Mazzini, 189
Andora Piazza Santa Maria, 7
Cairo Montenotte
Corso Marconi, 240 (Fraz. S. Giuseppe)
Loano Via Stella, 34

LOMBARDIA

Provincia di Milano

Milano Via Fabio Filzi, 23

TOSCANA

Provincia di Massa - Carrara

Carrara Via Galileo Galilei, 32

VALLE D'AOSTA

Aosta Via Xavier de Maistre, 8

FRANCIA

Nizza 7, Boulevard Victor Hugo
Mentone Avenue de Verdun, 21
Antibes Avenue Robert Soleau, 15



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MARCHE

Provincia di Ancona

Ancona
Corso Stamira, 14
Viale C. Colombo, 56
Via Breccie Bianche, 68/i
Via Umani
Agugliano Contrada Gavone, 2/b (c/o Socopad)
Castelfidardo Via C. Battisti, 5
Chiaravalle Via della Repubblica, 83
Cupramontana Piazza Cavour, 11
Fabiano
Piazza Miliani, 16
Via Corsi, 3
Falconara Via IV Novembre, 8
Filottrano Via Oberdan, 5
Jesi
Corso Matteotti, 1
Via San Giuseppe, 38
Piazza Ricci, 4
Piazza Vesalio, 5
Via Leone XIII (c/o New Holland Fiat Spa)
Jesi Zipa Via Don Battistoni, 4
Loreto Via Bramante
Maiolati Spontini
Via Risorgimento, 52 (Fraz. Moie)
Montemarciano
Piazza Magellano, 15 (Fraz. Marina)
Monterado Via 8 Marzo, 7 (Fraz. Ponte Rio)
Morro d'Alba Via Morganti, 56
Numana Via Pascoli, 1A
Offagna Via dell'Arenzo, 38

Osimo
Piazza del Comune, 4
Via Ticino, 1 (Fraz. Padiglione)
Rosora Via Roma, 132 (Fraz. Angeli)
Santa Maria Nuova
Via Risorgimento, 68 (Fraz. Collina)
Sassoferrato Piazza Bartolo, 17
Senigallia
Via Marchetti, 70
Via R. Sanzio, 288 (Fraz. Cesano)
Serra de' Conti Piazza Leopardi, 2

Provincia di Ascoli Piceno

Ascoli Piceno Viale Indipendenza, 42
Acquasanta Terme Piazza Terme, 6
Castel di Lama Via Salaria, 356
San Benedetto del Tronto
Piazza Matteotti, 6
Piazza Setti Carraro (Fraz. Porto d'Ascoli)

Provincia di Fermo

Fermo
Contrada Campiglione, 20
Via Dante Zeppilli, 56
Falerone
Viale della Resistenza, 168 Y (Fraz. Piane)
Massa Fermana Via Ada Natali, 5
Montepranaro Via Fermana Nord
Monte Urano Via Papa Giovanni XXIII, 37
Petricoli
Contrada S. Antonio, 217 (Fraz. Valmir)
Porto S. Giorgio Via Tasso
Porto Sant'Elpidio Via Mazzini, 115
Sant'Elpidio a Mare Viale Roma, 1
Torre San Patrizio Via Mazzini, 19A

Provincia di Macerata

Macerata
Viale Don Bosco
Corso Cavour, 34
Camerino Piazza Caio Mario, 5
Castelraimondo Piazza della Repubblica, s.n.c.
Civitanova Marche Corso Umberto I, 16
Corridonia Piazzale della Vittoria, 1
Loro Piceno Piazzale G. Leopardi, 8
Matelica Viale Martiri della Libertà, 31
Monte San Giusto Via Verdi, 11
Pollenza Via V. Cento, 6 (Casette Verdini)
Potenza Picena
Piazza Douhet, 23 (Fraz. Porto)
Via Marefoschi, 1
Recanati Via Cesare Battisti, 20
San Ginesio Piazza Gentili, 31
San Severino Marche Viale Europa
Sarnano Piazza della Libertà, 76
Tolentino Piazza dell'Unità

Provincia di Pesaro - Urbino

Pesaro
Piazzale Garibaldi, 22
Via Antonio Fratti, 23
Urbino Viale Comandino
Acqualagna Via Flaminia, 79
Carpegna Via R. Sanzio, 12
Colbordolo Via Nazionale, 143 (Fraz. Morciola)
Fano Via dell'Abbazia, s.n.c.
Fossombrone Piazza Dante, 24
Lunano Corso Roma, 79
Macerata Feltria Via Antini, 22
Montecopiolo
Via Montefeltresca, 37 (Fraz. Villagrande)
Sant'Angelo in Vado Piazza Mar del Plata, 6

Sassofeltrio
Via Risorgimento, 9 (Frazione Fratte)
Urbania Via Roma, 24

ABRUZZO

Provincia di Chieti

Atessa Via Piazzano, 70 (Fraz. Piazzano)
Francavilla al Mare Via della Rinascita, 2
Guardigrele Via Orientale, 17
Lanciano Viale Rimembranze, 16
Sant'Eusanio del Sangro Corso Margherita
San Giovanni Teatino
Via Aldo Moro, 8 (Fraz. Sambuceto)
San Salvo Strada Istonia, 13/15
Vasto Via Giulio Cesare, 5

Provincia di Pescara

Pescara
Via Michelangelo, 2
Via Nazionale Adriatica Nord, 126
Viale Marconi, 21

Provincia di Teramo

Teramo Piazza Garibaldi, 143
Alba Adriatica Via Mazzini, 124
Giulianova Via Orsini, 28 (Fraz. Spiaggia)
Roseto degli Abruzzi Via Nazionale, 286

CAMPANIA

Provincia di Avellino

Avellino Via Dante Alighieri, 20/24
Montoro Inferiore Via Nazionale, 161/167

Provincia di Benevento

Benevento Piazza Risorgimento, 11/12
Buonalbergo Viale Resistenza, 3
San Giorgio la Molara Via S. Ignazio, 7/9
Telesse Viale Minieri, 143

Provincia di Caserta

Caserta
Via C. Battisti, 42
Via Douhet, 2/a (c/o Scuola Aeron. Milit.)
Alvignano Corso Umberto I, 287
Aversa Via Salvo D'Acquisto
Caiazzo Via Attilio Apulo Caiatino, 23
Grazzanise
Via del Medico, 1 (c/o Aeronautica Militare)
Piedimonte Matese Via Cesare Battisti
Pietramelara Piazza S. Rocco, 18
Pietravairano Via Padre Cipriani Caruso, s.n.c.
Santa Maria Capua Vetere
Via Pezzella Parco Valentino
Succivo Via De Nicola - angolo Via Tinto
Teano Viale Italia
Vairano Patenora
Via della Libertà, 10 (Fraz. Vairano Scalo)
Via delle Rimembranze, 56
Vitulazio Via Rimembranze, 37

Provincia di Napoli

Napoli
Corso Amedeo di Savoia, 243
Via Mergellina, 33/34
Via dell'Epomeo, 427/431
Via Cesario Console, 3C
Via Crispi, 2 - ang. Piazza Amedeo
Piazza Vittoria, 7
Galleria Vanvitelli, 42
Via Santa Brigida, 36
Via Santo Strato, 20/d
Piazza Garibaldi, 127
Via Caravaggio, 52

Via Giovanni Manna, 11
Piazza Giovanni Bovio, 6
Afragola Corso Garibaldi, 38
Boscoreale Via Papa Giovanni XXIII, 16
Cardito Piazza S. Croce, 71
Casalnuovo di Napoli
Via Arcora Provinciale, 60
Cercola Via Domenico Ricciardi, 284/286
Forio d'Ischia Corso F. Regine, 24/25
Grumo Nevano Via Cirillo, 78
Ischia Porto Via A. de Luca, 113/115
Melito Via Roma, 33/43
Monte di Procida Corso Garibaldi, 20/22
Nola
Via Mario de Sena, 201
Piazza Giordano Bruno, 26/27
Pozzuoli
Corso Vittorio Emanuele, 60
Via Domiziana
(c/o Accademia Aeronautica)
Qualiano Via S. Maria a Cubito, 146
Quarto Via Campana, 286
San Giuseppe Vesuviano Via Astalunga, 1
Sant'Antimo Via Cardinale Verde, 31
Torre del Greco Corso Vittorio Emanuele, 77/79
Volla Via Rossi, 94/100

EMILIA ROMAGNA

Provincia di Forlì - Cesena

Forlì Viale Vittorio Veneto, 7D/7E
Cesena Via Piave, 27
Cesenatico Viale Roma, 15
Forlimpopoli Viale Giacomo Matteotti, 37

Provincia di Ravenna

Ravenna Piazza Baracca, 22
Cervia Via G. Di Vittorio, 39
Faenza Via Giuliano da Maiano, 34

Provincia di Rimini

Rimini
Via Flaminia, 175
Via Luigi Poletti, 28
Bellaria - Igea Marina Via Uso, 25/c
Cattolica Via Fiume, 37
Novafeltria Piazza Vittorio Emanuele, 1
Riccione Viale Ceccarini, 207
San Leo Via Montefeltro, 24
Sant'Agata Feltria
Via Vittorio Emanuele II, 1
Santarcangelo di Romagna Via Braschi, 36

LAZIO

Provincia di Frosinone

Frosinone
Via Maria, 63
Via Armando Fabi, 192 (c/o Aeronautica Mil.)

Provincia di Roma

Roma
Via Nazionale, 256
Viale Buozzi, 78
Via Croce, 10
Via Cipro, 4/a
Via Gasperina, 248
Via L. di Breme, 80
Via Prenestina Polense, 145
(Fraz. Castelverde)
Albano Laziale Via Marconi, 7
Fonte Nuova Via Nomentana, 68
Guidonia Montecelio
Via Nazionale Tiburtina, 122 (Fraz. Villalba)
Via Roma, 26

Marcellina Via Regina Elena, 35/c
Marino Piazzale degli Eroi, 4
Palombara Sabina Via Ungheria, 7
San Polo dei Cavalieri Via Roma, 12
Tivoli
Piazza S. Croce, 15
Via di Villa Adriana

MOLISE

Provincia di Campobasso

Campobasso Via Vittorio Veneto, 86
Bojano Corso Amatusio, 86
Larino Via Jovine, 12
Termoli Via Abruzzi

Provincia di Isernia

Isernia Via Dante Alighieri, 25
Venafro Via Campania, 69

UMBRIA

Provincia di Perugia

Perugia
Via Settevalli, 133
Via Deruta (Fraz. San Martino in Campo)
Via P. Soriano, 3
(Fraz. Sant'Andrea delle Fratte)

Bastia Umbra

Via Roma, 25 - angolo Via de Gasperi
Città di Castello Via Buozzi, 22
Deruta Via Tiberina, 184/186
Foligno Viale Arcamone
Giano dell'Umbria
Via Roma, 63 (Fraz. Bastardo)

Magione Via della Palazzetta (loc. Bacanella)

Marsciano Via dei Partigiani, 12

Massa Martana Via Roma, 42

Montecastello di Vibio
Piazza Michelotta di Biorio, 10

Todi

Piazza del Popolo, 27
Via Tiberina, 64
Via Tiberina, 194 (Fraz. Pantalla)

Provincia di Terni

Terni Corso del Popolo, 13
Acquasparta Via Cesare Battisti, 5/d
Avigliano Umbro
Corso Roma - ang. Via S. Maria

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CALABRIA

Provincia di Cosenza

Cosenza
Via Caloprese
Via XXIV Maggio, 45
Corso Mazzini, 117
Via F. Migliori (c/o Ospedale)
Via degli Stadi, 57/d2
Corso Telesio, 1
Acri Via Padula, 95
Amantea Via Elisabetta Noto, 1/3
Aprigliano Via Calvelli, 5
Belvedere Marittimo - Marina Via G. Grossi, 71
Bisignano Via Simone da Bisignano
Cariati Via S. Giovanni, 6
Cassano allo Jonio Corso Garibaldi, 30
Castrovillari Corso Garibaldi, 79/83

Cetraro - Marina Via Lucibello, 10/14

Corigliano Calabro - Scalo

Via Nazionale, 101/103
Crosia Via Nazionale, 74/80 (Fraz. Mirto)
Diamante Via Vittorio Emanuele, 77
Fuscaldo Via Maggiore Vaccari, 14
Lago Via P. Mazzotti, 10/12/14

Lungro Via Skanderberg, 86

Montalto Uffugo

Corso Garibaldi, 25
Via Manzoni, 57 (Fraz. Taverna)

Morano Calabro Via Porto Alegre, 10

Mormanno Via San Biase, 1

Paola Via del Cannone, 34

Praia a Mare Via Telesio, 2

Rende

Via A. Volta, 15 (Fraz. Quattromiglia)
Viale Kennedy, 59/e (Fraz. Roges)
Roggiano Gravina Via Vittorio Emanuele II, 136

Rogliano Via Guarasci, 31

Rossano Via G. Rizzo, 14

Rossano - Scalo Via Nazionale, 9/15

San Demetrio Corone Via D. Alighieri, 10

San Giovanni in Fiore Via Gramsci

Scalea Via M. Bianchi, 2

Spezzano Albanese P.zza della Repubblica, 5/1

Spezzano della Sila

Via del Turismo, 77 (Fraz. Camigliatello Silano)
Torano Castello Strada Provinciale Variante, 4
Trebisacce Via Lutri, 146

Provincia di Catanzaro

Catanzaro

Piazza Indipendenza, 44
Corso Mazzini, 177/179
Via Nazario Sauro, 17 (Fraz. Lido)
Via A. Lombardi - Area Metroquadro

Chiaravalle Centrale Piazza Dante, 8

Girifalco Via Milano

Lamezia Terme Corso Nicotera, 135

Sersale Via A. Greco

Soverato Corso Umberto I, 167/169

Soveria Mannelli Piazza dei Mille, 2

Provincia di Crotone

Crotone Via Mario Nicoletta, 32
Cirò Marina Via Mazzini, 17/19
Cotronei Via Laghi Silani, 40
Petilia Policastro Via Arringa, 178
Strongoli Corso Biagio Miraglia, 115

Provincia di Reggio Calabria

Reggio Calabria

Corso Garibaldi, 144
Viale Calabria, 197/199
Via Argine Destro Annunziata, 81

Bagnara Calabra

Corso Vittorio Emanuele II, 167

Bianco Via Vittoria, 52

Bova Marina Via Maggiore Pugliatti, 2

Cinquefrondi Via Roma, 24

Cittanova Via Roma, 44

Gioia Tauro Via Roma, 52 - ang. Via Duomo

Laureana di Borrello Via IV Novembre, 9

Locri Via Garibaldi, 71

Melito di Porto Salvo Via Papa Giovanni XXIII

Monasterace Marina

Via Nazionale Jonica, 113/114

Palmi Via Roma, 44

Polistena Piazza Bellavista, 1
Rizziconi Via Capitolo, 13
Roccella Jonica Via XXV Aprile, 16
Rosarno Corso Garibaldi, 28
Sant'Eufemia d'Aspromonte
Via Maggiore Cutri, 10/a
Siderno C.so Garibaldi (Fraz. Marina)
Taurianova Piazza Garibaldi, 17
Villa S. Giovanni Viale Italia, 30

Provincia di Vibo Valentia

Vibo Valentia Viale Matteotti 23/25
Arena Piazza Generale Pagano, 1
Nicotera Via Luigi Razza, 1
Pizzo Calabro Via Nazionale
Serra San Bruno Via de Gasperi, 52
Soriano Calabro Via Giardinieri
Tropea Viale Stazione

BASILICATA

Provincia di Matera

Matera
Via del Corso, 66
Via Annunziata, 64/68
Bernalda Corso Umberto, 260
Montalbano Jonico Piazza Vittoria, 3
Pisticci Via M. Pagano, 25
Policoro Via G. Fortunato, 2

Provincia di Potenza

Potenza
Via Alianelli, 2
Via Angilla Vecchia, 5
Via del Gallitello
Genzano di Lucania
Corso Vittorio Emanuele, 180/184
Lagonegro Via Colombo, 25
Lauria Piazza Plebiscito, 72
Marsicovetere
Via Nazionale, 53 (Fraz. Villa d'Agri)
Melfi Piazza Mancini Abele
Rionero in Vulture Via Galliano
Rotonda Via dei Rotondesi in Argentina, s.n.c.
San Fele Via Costa, 12
Senise Via Amendola, 33/39
Tito Scalo P.zza Nassirya Rione Mancusi, 20

CAMPANIA

Provincia di Salerno

Salerno
Via S. Margherita, 36
Via G. Cuomo 29
Via Settimio Mobilio, 26
Agropoli Via Risorgimento - ang. Via Bruno
Angri Via Papa Giovanni XXIII, 48
Baronissi Corso Garibaldi, 197
Battipaglia Via Salvator Rosa, 98
Campagna
Via Quadrivio Basso (Fraz. Quadrivio)
Castel San Giorgio Via Guerrasio, 42
Cava dei Tirreni Piazza Duomo, 2
Eboli Via Amendola, 86
Marina di Camerota Via Bolivar, 54
Mercato San Severino
Corso Armando Diaz, 130
Minori Via Vittorio Emanuele, 9
Nocera Inferiore Via Barbarulo, 41
Pontecagnano Piazza Risorgimento, 14
Roccapiemonte Piazza Zanardelli, 1
San Cipriano Picentino
Via S. Giovanni, 10 (Fraz. Filetta)

Sant'Egidio del Monte Albino
Via SS. Martiri, 13 (Fraz. San Lorenzo)
Teggiano Via Prov. del Corticato (Fraz. Pantano)

PUGLIA

Provincia di Bari

Bari
Piazza Umberto I, 85 (Fraz. Carbonara)
Via Napoli, 53/55 (Fraz. Santo Spirito)
Via Bari, 27/c (Fraz. Torre a Mare)
Via Toma, 12
Viale Pio XII, 46-46/a
Viale de Blasio, 18
Via Melo, 151
Corso Mazzini, 138/b
Via Tridente, 40/42
Via Calefati, 112
Piazza Cesare Battisti, 1 (c/o Università)
Acquaviva delle Fonti Piazza Garibaldi, 49/52
Adelfia Via G. Marconi, 11/a
Altamura Via Maggio 1648, 22/b-22/c
Bitetto Piazza Armando Diaz, 38
Bitonto Piazza della Noce, 14
Capurso Via Torricelli, 23/25
Casamassima Corso Umberto I, 48
Castellana Grotte Piazza della Repubblica, 2
Corato V.le V. Veneto 160/166
- ang. Via Lega Lombarda
Gioia del Colle Corso Garibaldi, 55
Giovinazzo Via G. Gentile, 1
Gravina in Puglia
Corso Vittorio Emanuele, 30/c
Grumo Appula Via G. d'Erasmo, 12
Modugno Piazza Garibaldi, 109
Mola di Bari Piazza degli Eroi, 31
Molfetta Via Tenente Fiorini, 9
Monopoli Via Marsala, 2
Noci Largo Garibaldi, 51
Noicattaro Corso Roma, 8/10/12
Polignano a Mare Piazza Aldo Moro, 1
Putignano Via Tripoli, 98
Rutigliano Piazza XX Settembre, 8
Ruvo di Puglia Via Monsignor Bruni, 14
Sannicandro di Bari Piazza IV Novembre, 15
Santeramo in Colle Via S. Lucia, 78
Terlizzi Via Gorizia, 86/d
Toritto Piazza Aldo Moro, 48
Triggiano Via Carroccio, 5
Turi Via A. Orlandi, 15
Valenzano Via Aldo Moro

Provincia di Barletta-Andria-Trani

Andria Piazza Marconi, 6/10
Barletta Piazza Caduti, 21
Trani Corso Italia, 17/b
Bisceglie Via Aldo Moro, 5
Canosa di Puglia Via Imbriani, 30/34
Margherita di Savoia Corso V. Emanuele, 23

Provincia di Brindisi

Brindisi Corso Roma, 39
Cisternino Via Roma, 57
Ercchie Via Grassi, 19
Fasano Via Forcella, 66
Francavilla Fontana Via Roma, 24
Latiano Via Ercole d'Ippolito, 25
Mesagne Via Torre S. Susanna, 1
Oria Via Mario Pagano, 151
Ostuni Via L. Tamborrino, 2
San Vito dei Normanni Piazza Vittoria, 13
Torre Santa Susanna Via Roma, 38

Provincia di Foggia

Foggia
Viale Ofanto, 198/c
Via Salvatore Tugini, 70/74
Cerignola Via Di Vittorio, 83
Ischitella Corso Umberto I, 111/113
Lucera Via IV Novembre, 77
Manfredonia Corso Roma, 22/24
San Giovanni Rotondo Piazza Europa
San Severo Via Carso, 10
Sant'Agata di Puglia Via XXIV Maggio, 119/121
Stornarella Corso Garibaldi, 22
Troia Via Vittorio Emanuele, 1
Vico del Gargano Via S. Filippo Neri, 10

Provincia di Lecce

Lecce Viale Lo Re, 48
Campi Salentina Via Garibaldi, 6/8
Casarano Via F. Bottazzi - ang. Via Alto Adige
Galatina Via Roma, 26
Maglie Piazza O. de Donno
Nardò Via Duca degli Abruzzi, 58
Squinzano Via Nuova, 25
Trepuzzi Corso Umberto I, 114
Tricase Via G. Toma, 30
Veglie Via Parco Rimembranze, 30

Provincia di Taranto

Taranto
Corso Umberto I, 71
Corso Italia, 202
Castellaneta Piazza Municipio, 7
Fragagnano Via Garibaldi, 14
Ginosa Corso Vittorio Emanuele, 92
Grottaglie Via Matteotti, 72/78
Laterza Piazzale Saragat, 11
Lizzano Via Dante, 78
Manduria Via per Maruggio, 9
Martina Franca Via D'Annunzio, 34
Massafra Corso Italia, 27/29
Palagianello Via Carducci, 11
San Giorgio Jonico Via Cadorna, 11

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LOMBARDIA

Provincia di Brescia

Brescia
Via Duca degli Abruzzi, 175
Viale Bornata, 2
Angolo Terme Piazza degli Alpini, 4
Artogne Via Geroni, 12
Berzo Demo Via San Zenone, 9
Berzo inferiore Piazza Umberto I, 35/a
Bienno Piazza Liberazione, 2
Borno Piazza Giovanni Paolo II, 13
Breno Piazza della Repubblica, 1/2
Capo di Ponte Viale Stazione, 16
Cazzago S.M. Via del Gallo, 2 (Fraz. Bornato)
Cedegolo Via Roma, 26/28
Ceto Loc. Badetto, 23
Cevo Via Roma, 44
Cividate Camuno Via Cortiglione
Coccaglio Largo Torre Romana, 4
Corte Franca Via Roma, 78
Corteno Golgi Via Roma, 1

Darfo Boario Terme

Via Roma, 12
Viale della Repubblica, 2
Corso Lepetit, 77 (Fraz. Fraz. Corna)

Edolo Via Porro, 51**Esine** Piazza Giuseppe Garibaldi, 4/6**Gianico** Via XXV Aprile, 7/9**Malegno** Via Lanico, 36**Malonno** Via G. Ferraglio, 4**Marone** Via Cristini, 49**Niardo** Piazza Cappellini, 3**Ome** Piazza Aldo Moro, 7**Palazzolo sull'Oglio** Via XXV Aprile, 23**Piancogno**

Via Vittorio Veneto, 7 (Fraz. Cagno)
Via XI Febbraio, 1 (Fraz. Pianborno)

Pian Camuno Piazza Giuseppe Verdi, 8**Pisogne** Via Provinciale, 6 (Fraz. Gratacasolo)**Ponte di Legno** Via Cima Cadi, 5/7/9**Provaglio d'Iseo**

Via Roma, 12
Via S. Filastro, 18 (Fraz. Provezze)

Rodengo Saiano Via Guglielmo Marconi, 11/b**Rovato** Corso Bonomelli, 13/17**Sonico** Via Nazionale (c/o c.c. Italmark)**Temù** Via Roma, 71/73**Torbole Casaglia** Piazza Repubblica, 25/26**Travagliato** Via Brescia, 44**Veza d'Oglio** Via Nazionale, 65**Provincia di Bergamo****Ardesio** Piazza Alessandro Volta, 8/9**Casazza** Piazza della Pieve, 1**Castione della Presolana**

P.zza Martiri di Cefalonia, 1

Clusone Viale Gusmini, 47**Costa Volpino** Via Cesare Battisti, 34**Lovere** Via Gregorini, 43**Rogno** Piazza Druso, 1**Sarnico** Via Roma, 68**Sovere** Via Roma, 20**Villongo** Via J. F. Kennedy, 5**Provincia di Como****Dongo** Via Statale, 77**Menaggio** Via Lusardi, 74/76**Provincia di Sondrio****Sondrio** Via Trento, 50 - ang. Via Alessi**Aprica** Corso Roma, 238**Bormio** Via Don Peccedi, 11**Chiavenna** Via Maloggia, 1**Grosio** Via Roma, 1**Livigno** Via Botarel, 35**Morbegno** Piazza Caduti per la Libertà, 9**Piantedo** Via Nazionale, 875**Tirano** P.zza Marinoni, 4**Villa di Tirano** Via Roma, 20**UBI Banca Private Investment**

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ABRUZZO**L'Aquila** Via F. Savini**Pescara** Piazza Rinascita, 6/9**CAMPANIA****Napoli** Via A. Depretis, 51**Pomigliano d'Arco** Via Roma, 31**Caserta** Corso Trieste, 170**Salerno** Via SS. Martiri Salernitani, 25**LIGURIA****Genova** Via XX Settembre, 33**LAZIO****Roma**

P.zza Giuliano della Rovere, 9-11/a
(Fraz. Lido di Ostia)

Via Vincenzo Bellini, 27

LOMBARDIA**Milano**

Piazzale F.lli Zavattari, 12
Via Silvio Pellico, 10/12

Brescia Via Cefalonia, 74**Cremona** Via Rialto, 20**Monza** Via Girolamo Borgazzi, 7**PIEMONTE****Torino** Corso Re Umberto I, 47**PUGLIA****Bari** Via Nicolò dell'Arca, 9-9a**TOSCANA****Firenze** Viale G. Matteotti, 42**Arezzo** Via XXV Aprile, 28-28/a**Grosseto** Via Giacomo Matteotti, 32**Livorno** Via Scali d'Azeglio, 46/50

- ang. Via Cadorna

Pisa Via G.B. Niccolini, 8/10**IWBANK**
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UBI Banca calendar of corporate events for 2015

Date	Event
11 th March 2015	Supervisory Board meeting: approval of the separate and consolidated financial statements for the financial year 2014
24 th April 2015 (1 st Call) 25 th April 2015 (2 nd Call)	Shareholders' Meeting
12 th May 2015	Approval of the Interim financial report as at and for the period ended 31 st March 2015.
18 th May, 19 th May and 20 th May 2015	Ex-dividend date, record date and payment date respectively of the dividend if approved by the Shareholders' Meeting.
7 th August 2015	Approval of the interim financial report as at and for the period ended 30 th June 2015
10 th November 2015	Approval of the Interim financial report as at and for the period ended 30 th September 2015.

The dates of the presentations of accounting data to the financial community, which will indicatively take place on a quarterly basis, will be communicated during the course of the financial year.

Contacts

All information on periodic financial reporting is available on the website www.ubibanca.it

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