

Proposal to replenish the loss for the year and dividend distribution

Dear Shareholders,

Consideration has been given to equity reserves for the purposes of replenishing the loss for the year of €493,425,486.00 as reported in the notes to the financial statements (Part B, Section 14.4 of Liabilities¹), and in particular to the criteria for the use of them.

The portion of those reserves available totals €5,666,060,842.72 and includes a share premium reserve of €3,798,429,612.02, retained earnings of €1,589,956,153.43 and other reserves of €277,675,077.27.

In compliance with Art. 2364 bis of the Italian Civil Code and Art. 44 of the Articles of Association, the Management Board proposes replenishing the loss for the year by charging it in the amount of €493,425,486.00 to the share premium reserve.

Furthermore, in consideration of the adequate capitalisation of the Parent and the Group according to the parameters established by Basel 3 Rules and in compliance with the European Central Bank Communication of 13th December 2016 on the subject of dividend distribution policies, the Management Board has decided to make a proposal to the Shareholders' Meeting to distribute a dividend of €0.11 on each of the 974,204,888 ordinary shares that will be outstanding as at 20th February 2017 (the effective merger date of Banca Popolare di Bergamo, Banco di Brescia, Banca Popolare di Ancona, Banca Carime and Banca di Valle Camonica into the Parent), excluding treasury shares repurchased on that date, for a total dividend payment of at most €107,162,537.68, to be drawn from the extraordinary reserve.

The aforementioned number of shares does not take account of possible rounding off of figures resulting from transactions to exchange the shares of Banca Popolare di Ancona, Banca Carime e Banca di Valle Camonica with UBI Banca shares following the conclusion of the merger into the Parent of those banks.

If approved, the dividend will be paid on 24th May 2017 (via coupon number 19), with ex-dividend date 22nd May and record date 23rd May.

According to the tax laws currently in force no entitlement to a tax credit exists on the dividend. Depending on the type of beneficiary the dividend may form part of taxable income to the extent provided for by law or it may be subject to a withholding tax at the rate in force from time to time.

Bergamo, 9th February 2017

THE MANAGEMENT BOARD

¹ A summary table giving the origin, availability for use and distribution of equity items in compliance with Art. 2427, paragraph 1, No. 7 bis) of the Italian Civil Code.