

Proposal to replenish the loss for the year and the declaration of a dividend

Dear Shareholders,

Consideration has been given to equity reserves for the purposes of replenishing the loss for the year of €12,023,174.77 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 €5,072,165,495.30 and includes a share premium reserve of €3,306,627,105.38 retained earnings of €1,485,345,538.75 and other reserves of €280,192,851.17.

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 €12,023,174.77 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 27th December 2017 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 €1,141,300,266 ordinary shares outstanding net of treasury shares repurchased to give a maximum payout of €125,543,029.26 drawn from the Extraordinary Reserve.

Payment of the dividend, if approved, shall take place from 23rd May 2018, against presentation of coupon No. 21, and with ex dividend date of 21st May 2018 and record date of 22nd May 2018.

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, 8th February 2018.

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.