

Banca IFIS S.p.A.

## REPORT ON REMUNERATION

pursuant to article 123-ter of the Italian Consolidated Finance Act



Document approved by the Board of Directors  
during the session held on 2 February 2016

Banca IFIS S.p.A. – Registered office in Via Terraglio 63, 30174 Venice–Mestre – Registration number in the Companies Register of Venice and Tax Code 02505630109 – VAT number 02992620274 – REA (Administrative Economic Index) number: VE - 0247118 – Share capital Euro 53,811,095 – Register of Banks no. 5508 - Parent Company of the Banca IFIS Banking Group S.p.A., enrolled in the register of Banking Groups – Member of the Interbank Deposit Protection Fund, of the Italian Banking Association, of the Italian Factoring Association, of Factors Chain International

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Dear Shareholders,

Dear Shareholders,

Pursuant to art. 123 ter of Legislative Decree 24th February 1998 no.58 (Consolidated Finance Act), you are called to decide for or against Section I of this report.

With this document the Board of Directors of Banca IFIS S.p.A. aims to comply with the above-mentioned law referred to in art. 123 ter of the Consolidated Finance Act, the banking regulations and the self-regulatory rules contained in the Self-Governance code for listed companies, as specified below.

In particular, in light of the possibility given in Annex 3A, Scheme No 7-bis of the "Issuer's Regulations", to comply, in a single document, with the regulations referred to in art. 123 ter of the Consolidated Finance Act and with the Supervisory Provisions of the Bank of Italy with regard to remuneration, this report includes additional information, in aggregate form, on so-called "Risk Takers" not included within the scope of the afore-mentioned Consolidated Finance Act article.

With regard to the incentive plans based on financial instruments, detailed information is supplied with reference to the information contained in the Information Document concerning remuneration plans based on financial instruments (pursuant to article 114 bis of the Consolidated Finance Act and article 84 bis of the Consob Issuer Regulations). The Report on Remuneration and the Information document relating to remuneration based on financial instruments are available on the website <http://www.bancaifis.it/Corporate-Governance-of-Shareholders>

Information about the requirements of reporting to the public pursuant to the Supervisory Provisions for banks – Circular 285 of 17th December 2013 – on corporate governance, can be found in the report on corporate governance and information about the ownership structures that can be found on the Bank's website <http://www.bancaifis.it/Corporate-Governance/Corporate documents>.

## INTRODUCTION

### Provisions applicable to the Banca IFIS banking Group

The Report on remuneration (hereinafter also Report) was prepared in accordance with:

- article 123 *ter* of the CFA, entitled "Report on remuneration";
- of article 114 bis of TUF, entitled "disclosure of information to the market on awards of financial instruments to corporate officers, employees or contractors";
- of Consob Regulation no. 11971/1999 (Issuers' Regulations), with particular reference to articles 84 quater, entitled "Report on remuneration", and 84 *bis*, entitled "Information on the allocation of securities to corporate officers, employees or contractors", as well as to Annex 3A, Scheme no. 7 *bis* "Report on remuneration" of the Issuers' Regulations and Scheme no. 7 "Information document which is the subject of the explanatory report of the Board of Directors for the Shareholders' Meeting called to approve the remunerations plans based on financial instruments";
- the provisions relating to "Remuneration and incentive policies and practices" issued by the Bank of Italy and contained in Circular no. 285 of 17 December 2013, implementing EC Directive 2013/36/EU (so-called CRD IV).

This Report also takes into account European legislation regarding, in particular:

- delegated Regulation (EU) of 4 March 2014 no. 604 that establishes the regulatory technical standards regarding the qualitative and quantitative criteria suitable to identify the categories of staff whose professional activities have a substantial impact on the risk profile of the institution ( Key personnel or Risk Takers);
- Regulation (EU) of 26 June 2013 no 575, with reference to the provisions concerning the remuneration policy;
- Directive 2013/36/EU of 26 June 2013 (CRD IV), with respect to forecasts on policies and remuneration and incentive practices in banks and banking groups.

The EBA Guidelines, the provisions of the "Self Governance Code" and the *format* of Borsa Italiana S.p.A. were also considered for the Report on corporate governance and ownership structure in accordance with art. 123 *bis* of the CFA.

### Structuring of the Report

On the basis of the current provisions, formerly mentioned, this Report is divided into the following sections:

- **Section I:** aimed at illustrating, for members of the Board of Directors, for the general managers and managers with strategic responsibilities in addition to "Risk Takers" not included within the scope of article 123 *ter* of the CFA, the company's remuneration policy and the procedures used for the adoption and implementation of this policy. This section describes the policy provided for the year 2016;
- **Section II** divided into two parts; the first aims to represent, by name, for members of the administrative and control bodies, for the general managers and, in aggregate, for managers

with strategic responsibilities in addition to "Risk Takers" not included within the scope of article 123 *ter* of the CFA, each of the items that make up the remuneration. The second part shows analytically, in tabular form, as indicated in Annex 3A, Scheme no. 7 *bis* of the Issuers' Regulations, the remunerations paid during the year 2015, in any capacity and in any form, by the company and by subsidiaries or affiliates.

With regard to the incentive plans based on financial instruments, detailed information is contained in the information document regarding remuneration plans based on financial instruments.

## SECTION I - Remuneration and incentive policies

### 1. Bodies and entities involved in the preparation, approval and implementation of remuneration policies

The main bodies and entities involved in the preparation and approval of the remuneration and incentive policies are:

- the Shareholders' Meeting;
- the Board of Directors;
- the Remuneration Committee;
- the CEO;
- the General Manager;
- the Control Functions
- the Human Resources;
- Strategic Planning;

The role of these subjects in this area is described in the Articles of Incorporation and/or in the corporate regulations as specified below.

#### 1.1 Role of the Shareholders' Meeting

The Ordinary Shareholders' Meeting, in accordance with art. 10 of the Articles of Incorporation, "*in addition to establishing the remuneration of the bodies it has appointed, approves:*

- *the remuneration and incentive policies for the Board of Directors, for the CEO, for the Board of Statutory Auditors, for the General Manager and for the remaining personnel.*
- *any remuneration plans based on financial instruments;*
- *the criteria for determining the remuneration to be agreed in the event of early termination of the employment relationship or early termination of the office, including the limits established in that remuneration in terms of annuities of fixed remuneration and the maximum amount that results from their application".*

Pursuant to the same article, the Shareholders' Meeting may also:

- establish, pursuant to article 2389 of the Italian Civil Code, the remuneration of the members of the Board of Directors;
- determine a total amount for the remuneration of all the Directors, including those appointed with specific charges.

#### 1.2 Role of the Board of Directors

The Board of Directors, according to the provisions of art. 14 of the Articles of Incorporation, has exclusive competence in the resolutions concerning "*remuneration and incentive policies to be submitted to Shareholders' Meeting, the review, at least annually, of these policies and the*



*responsibility for their correct implementation, also with the task of ensuring that the remuneration policy is adequately documented and accessible within the corporate structure".*

In addition, pursuant to art. 10 of the Articles of Incorporation, the Board of Directors, with the favourable opinion of the Board of Statutory Auditors, may also determine the remuneration of Directors vested with special tasks.

At the preliminary stage, the Board uses its own internal committee (Remuneration Committee) as specified below.

### 1.3 Role of the Remuneration Committee

The Remuneration Committee is an internal committee of the Board of Directors of the Parent Company and provides support functions to the Board of Directors in defining the remuneration and incentive policies of the banking Group. Specifically, in accordance with the relevant Regulations updated on 15 December 2015, the Committee has the task of:

- *"advising and formulating proposals to the Board of Directors of the Parent Company for the remuneration and incentive schemes for corporate officers (including executive directors and other directors holding particular offices), of managers with strategic responsibilities and for the heads of the internal control functions of the Parent Company and of the other Group companies as well as establishing performance objectives related to the variable component of this remuneration;*
- *providing advice on determining the criteria for the remuneration of the remaining "key" employees identified within the Parent Company and the other Group companies in compliance with current supervisory regulations;*
- *directly overseeing the correct application of the rules on the remuneration of the managers of the internal control functions of the Parent Company and of the other companies of the Group, in close collaboration with the Board of Statutory Auditors;*
- *ensuring preparation of the documentation to be submitted to the Board of Directors of the Parent Company for its decisions;*
- *collaborating with other committees within the Board of Directors in particular with the Risk Management and Internal Control Committee, where the coincidence of a significant component of the members of the two committees does not ensure, by that very fact, such collaboration;*
- *ensuring the involvement of the Internal Audit Department, of the Human Resources area, of the Strategic Planning function, of the Risk Management and of the Compliance Department of the Parent Company in the process of preparing and monitoring remuneration policies and practices of the Group;*
- *monitoring implementation of the decisions adopted by the Board of Directors of the Parent Company and of the other Group companies regarding remuneration and in particular voicing opinion, also using the information received from the corporate structures, on the achievement of performance targets which are linked to the incentive plans and on the establishment of other conditions for the payment of remunerations;*

- *formulating proposals to the Board of Directors of the Parent Company regarding the criteria of attribution of stock options or the allocation of shares for Directors and employees of the Group;*
- *on this last point, where possible, providing interpretation in controversial cases and rectifying the conditions of allocation of each tranche and regulating the exercise of consequent rights in the case of extraordinary transactions on the capital of the Parent Company (mergers, capital increases free or for a fee, splits or regroupings of shares etc.)".*

Pursuant to the Regulations stated, the Chairman of the Committee reports to the Board of Directors on the activities carried out, at the first suitable meeting. The Committee also assesses at least once a year the adequacy, the overall consistency and the effective application of the remuneration policies of the Group, and reports to the Shareholders' Meeting of the Parent Company on the activities carried out.

### **Composition**

The Appointments Committee consists of three members chosen from among the non-executive members of the Parent Company's Board of Directors, the majority of whom are independent. As approved by the Board of Directors at the meeting of 3 February 2015, the members of the Committee are:

- Francesca Maderna (non-executive and independent Director);
- Andrea Martin (non-executive and non-independent Director);
- Daniele Santosuosso (non-executive and independent Director);

The Remuneration Committee is chaired by the director Francesca Maderna who, in particular, has an adequate knowledge and experience in finance and in remuneration policies.

### **Operational mode**

The Remuneration Committee is appointed for three years and meets periodically, even by video link/telephone, every time the need arises in relation to the tasks assigned to it.

If one or more members of the Committee are no longer in office, the Board of Directors may appoint new ones and/or replace these same members.

As established by the Regulations in force, the Chairman of the Parent Company's Board of Statutory Auditors or another standing Statutory Auditor delegated by him on a time to time basis attends. Other members of the Board of Statutory Auditors may in any case attend and, where issues that affect them are not on the agenda, the CEO and the General Manager of the Parent Company. It also ruled that no Director may attend meetings of the Committee in which proposals submitted to the Board of Directors regard their own remuneration.

The Chairman of the Committee assesses, in relation to the matters to be discussed, the need to involve the Head of Risk Management in order to ensure that the incentive schemes are properly adjusted to take account of all the risks assumed by the banking Group, according to methods that are consistent with those adopted for risk management for regulatory and internal purposes.

The Committee may finally avail itself and/or request the presence of:

- external consultants, who have expert knowledge of remuneration policies, who can also be chosen from among the Members of the Parent company's Board of Directors, provided that such experts do not, at the same time, provide to the Human Resources, to the Executive

Directors or to managers with strategic responsibilities of the Parent Company and/or of the other companies of the Group services whose significance is such as to compromise the independent judgement of said consultants;

- any Corporate Officer or employee of the Parent Company or of another Group company.

The Committee may access all company information deemed relevant for the performance of its tasks and may use, autonomously, the Bank's financial resources in the amount established by the Board and with the requirement of reporting with regards to any use of funds, at least once a year, usually during the review of the report on corporate governance and ownership structures.

Committee meetings were properly documented in minutes and signed by the Members.

### ***Meetings of the Committee***

During 2015 the Committee met ten times; in two cases this involved joint meetings: one with the Board of Statutory Auditors the other with the Board of Statutory Auditors, the Appointments Committee and the Audit and the Risk Management and Internal Control Committee (CCR). The meetings were preceded by discussion among the members and/or by the prior individual examination of the documentation. The average duration of the meetings was approximately fifty minutes. The Committee did not make use of the services of external consultants.

During 2015, the director Francesca Maderna attended nine meetings; the director Andrea Martin (who replaced Sebastien Egon Fürstenberg<sup>1</sup> since the fourth meeting of the Committee) attended six meetings; the director Daniele Santosuosso attended eight meetings.

The CEO attended the meetings where the discussion of issues that concerned him was not envisaged. The Chairman of the Board Statutory Auditors also attended most meetings and on one occasion also one other standing statutory auditor.

During these meetings, the committee gave its opinion in relation to:

- incentive schemes of the Sales Network;
- information on the remuneration of "key personnel";
- implementation of the remuneration policies approved by the Shareholders' Meeting and the review requirements;
- proposal on the remuneration of heads of internal control functions;
- a proposal for the appointment of the Responsible Officer;
- a proposal to identify managers with strategic responsibilities;
- the process of self-evaluation of key personnel.

During 2015, it was not necessary to activate the specific financial resources available to the Committee for the performance of its duties.

In 2016 a meeting of the Committee has already been held on: incentive systems for 2015 and for 2016; updating of the self-evaluation process of key personnel and the remuneration of key personnel and heads of internal control functions.

Meetings of the Committee have already been scheduled relating to:

- this report on remuneration pursuant to art. 123 *ter* of the Issuers' Regulations;

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<sup>1</sup> Sebastien Egon Fürstenberg, a member of the Remuneration Committee for three meetings, attended one meeting.

- the disclosure document in accordance with articles 114 *bis* of the CFA and 84 *bis* of the Issuers' Regulations;
- the verifications of the *Internal Audit* Function concerning the compliance of remuneration practices with policies and with the regulatory environment.

## 1.4 Role of the Chief Executive Officer;

The CEO, as defined pursuant to art. 15 of the Articles of Incorporation, is responsible for implementing the strategic addresses and business management, who acts also making use of the General Directorate.

With regard to personnel management, the CEO is responsible for:

- defining and ensuring the implementation of the group process for the management of employees;
- approving the Personnel budget, in line with the organisational structure approved by the Board of Directors; in this area the CEO ensures that measurements are conducted that are not only current but also prospective on the need for profiles/professionalism consistent with the strategic choices.

## 1.5 Role of the General Manager

In light of art. 17 of the Articles of Incorporation, the General Manager oversees implementation of the directives of management of the CEO and assists the latter in the execution of the resolutions of the Board of Directors.

The General Manager therefore also has the task of making recommendations to the CEO on the contents of the process for the management of employees.

## 1.6 Role of the Control Functions.

The control functions work together, each within their respective powers, to ensure the adequacy and compliance of the remuneration and incentive policies with legislation from time to time in force and their correct operation.

In particular

- Compliance verifies, among other aspects, that the company remuneration system is consistent with the objectives of compliance with the rules, with the Articles of Incorporation and with any ethical codes and/or other *standards* of conduct applicable to the bank so that the related legal and reputational risks are properly contained especially in relationships with customers;
- Internal Audit checks, at least annually, the compliance of the remuneration practices with the approved policies and with the regulatory environment. The evidence found and the anomalies identified are brought to the attention of the bodies and functions relevant to the adoption of possible corrective measures and the evaluation of relevance to the timely disclosure to the Bank of Italy. The results of the checks carried out are also brought to the knowledge of the Shareholders' Meeting annually.

- Risk Management works with the Remuneration Committee to ensure that the forms of incentive remuneration are consistent with the risk appetite (for example with the *Risk Appetite Framework*) and with the policies of government and risk management and taking into account the level of capital and liquidity necessary to carry out the planned activities. It also supports Administration in determining, after the approval of the financial statements by the Shareholders' Meeting, the amount of variable remuneration attributable to the CEO and to the General Manager as well as for the verification of the conditions for assigning of the same.

## 1.7 Other structures involved

The main functions of the Parent Company involved in the preparation and implementation of the remuneration policy are:

- Human Resources;
- Strategic Planning.

## 1.8 Independent experts that have intervened in the preparation of the remuneration policy

No independent experts intervened in the preparation of the remuneration policy.

## 1.9 Principles and purposes of the remuneration and incentive policies

This Report aims to regulate the remuneration and incentive policies followed by the banking Group in accordance with current legislation and taking into account the characteristics of the Group.

The remuneration and incentive policies are defined by the banking Group in accordance with the corporate objectives and values, with the long-term strategies and with the policies of prudent risk management of the Bank, in line with what is defined in the provisions on the prudential control process.

The system of remuneration and incentives of the Banca IFIS banking Group is based in particular on the following principles:

- promoting sound and effective risk management, not encouraging risk-taking that exceeds the level of tolerated risk;
- fostering competitiveness and good governance of the Bank;
- attracting and retaining within the company employees with the professionalism and skills that are appropriate to the needs of the Bank, particularly where these workers hold key roles within the organisation;
- promoting compliance with all the laws and regulations, as well as transparency and fairness in dealings with customers, discouraging any infringement and/or unfair business practice;
- bringing coherence to the *performance* of the company with the objectives of sustainable growth of the Group;
- seeking the best alignment between the interests of different *stakeholders*;

- focusing attention on the policies to reduce risk;
- avoiding altering or undermining the risk alignment effects embedded in the remuneration mechanisms;
- avoiding creating a situation of conflict of interest.

The banking Group requires its employees not to use personal hedging strategies or insurance on remuneration or on other aspects that may alter or undermine the risk alignment effects embedded in the remuneration mechanisms applied to them.

## 1.10 Main changes compared to the previous financial year

The major changes from the previous year are due to certain changes in the organisational structure of the banking Group, as well as within the new "key personnel" perimeter together with the identification of managers with strategic responsibilities. In particular, the changes concern certain members of key personnel, for whom the criteria for the composition of the variable remuneration have been defined in more detail that also take into account an MBO (*Management By Objectives*) system and the *Cost Income Ratio trend*.

## 2. Recipients of the Policies

### *Key personnel*

The beneficiaries of the Policies are those persons who, according to the results of the self-assessment process conducted by the Board of Directors on 19 January 2016, constitute "key personnel" (PPR). Included in this group are 42 persons who fall within the following categories:

- |  |  |
|--|--|
| ○ Chairman of the Board of Directors                                   | ○ Managers with strategic responsibilities of very important operating units |
| ○ Deputy Chairman  | ○ Managers of control functions  |
| ○ Non-executive directors  | ○ Managers of business units   |
| ○ Chief Executive Officer  | ○ Managers of important operating units                                      |
| ○ General Manager  | ○ Managers of risk management structures                                     |
| ○ Managers with strategic responsibilities of control functions        | ○ Managers of service, consultancy and support structures                    |
| ○ Managers with strategic responsibilities of important business units |  |

While taking into account the marginal sizes of the subsidiary and the low level of impact on the overall risk of the Group, included in the group of key personnel are both the Directors of IFIS Finance Sp. z o.o, who do not receive fees from the Subsidiary. In general terms it is in any case expected that any fees due for administrative or control tasks carried out by employees of the Parent Company are paid to the same.

### *Remuneration of Directors*

The Shareholders' Meeting of 30 April 2013, regarding the Board of Directors currently in office:

- resolved to attribute to the individual members, for the position of director, a fixed fee for each of the years 2013, 2014 and 2015, in addition to reimbursement of expenses incurred by reason of their office;
- resolved to give all Directors, except the Chairman, Deputy Chairman and the CEO, a fee for each attendance of meetings of the Board of Directors;
- requested from the Board of Directors determination of additional remunerations of directors vested with special offices in accordance with art. 2389 of the Italian Civil Code for each of the years 2013, 2014 and 2015 also regarding, where appropriate, company results, subject to an aggregate amount calculated per individual exercise, understood as inclusive of all fees awarded to members of the Board.

The shareholders are asked to appoint the Board of Directors for the three-year period 2016-2018 and to also determine its remuneration.

### **Chief Executive Officer**

The remuneration of the CEO involves, in addition to a fixed recurring fee, a variable part equal to 1.5% (*percentage*) of the Bank's consolidated result before taxes relating only to the year, for the part exceeding Euro 40 million, which is correct, in turn, for the relationship between the Group final balance sheet RORAC<sup>2</sup> (return on risk adjusted capital)<sup>3</sup> and the Group prospective RORAC<sup>4</sup>, in formula:

$$\text{Variable} = [1.5\% * (\text{Pre - Tax Profit}_{\text{period}} - 40,000,000)] * \left( \frac{\text{RORAC}_{\text{Final balance}}}{\text{RORAC}_{\text{Prospective}}} \right) \quad (\text{A})$$

In any case the incidence of the variable component on the fixed component is identified according to the maximum ratio 1:1.

Where the variable remuneration amount is not particularly high<sup>5</sup>, the percentage of the variable part to be deferred is fixed at 40% for a period of 3 years.

The deferred variable remuneration share of the Chief Executive Officer is subject to the following mechanisms of *malus*, which should reduce to zero, *ex-post* the so-called *percentage* applied in the formula (A) according to the criteria shown in the following table. These criteria occurred in each of the three financial years<sup>6</sup> that closed after determination of the variable component (*accrual period*).

<sup>2</sup> Indicator calculated as the ratio between Net Profit for the period and Capital Absorbed for the first pillar risks. Elements that derive from extraordinary operations are not considered in the calculation such as capital increases, corporate mergers, demergers, acquisitions or in any case other non-recurring operations that the Board of Directors should deliberate and which are suitable to alter the value of the indicator.

<sup>3</sup> The reference period is the same as for the objective RORAC (*ex-ante measurement*).

<sup>4</sup> Defined in the industrial plan with a 12-month horizon.

<sup>5</sup> The Bank considers amounts of variable remuneration that exceed the fixed fee as being particularly high.

<sup>6</sup> A condition sufficient for the application of corrective factors provided in the table is the occurrence of these conditions in at least one of the three years of observation (*accrual period*).

		<b>Total Solvency ratio</b>			
		10.5%	10.5% < < 11.5%	11.5% < < 12.5%	12.5%
<b>RORAC</b>	≥ 15%	-100.0%	---	---	---
	10% < < 15%	-100.0%	-30.0%	-20.0%	-10.0%
	< 10%	-100.0%	-40.0%	-30.0%	-20.0%

Also the variable remuneration share of the Chief Executive Officer is subject to *claw back*, with reference to the recognised and/or paid part, if the same has determined or led to determining of:

- a significant budget reduction for the Bank (losses equal to or exceeding 5% of the net assets);
- violations of the obligations imposed under article 26 or, when the subject is an interested party, of article 53, paragraphs 4 et seq., of the TUB or of obligations regarding remuneration and incentive schemes
- behaviour involving fraud or gross negligence of the Bank.

Furthermore, the mechanism of *claw back* is applied even if the Ratio of Total Funds available<sup>7</sup> is less than the regulatory threshold from time to time in force.

The variable component will not be paid if, during the period of deferment, the Shareholders' Meeting has approved the termination for just cause from the employment contract.

These policies occurred in each of the three years (*accrual period*) closed after determination of the variable component and applied upon occurrence of the above conditions.

*Up-front* variable remuneration is calculated following approval of the financial statements for the year ended on 31 December of the previous year. 50% of that will be paid in shares of the Bank at the end of the retention period<sup>8</sup> of three years to which shares are subjected, in line with the strategic planning horizon.

The variable remuneration subject to temporary deferral (*vesting* period) is calculated following approval of the financial statements for the year ended on 31 December of the previous year and will be paid upon elapse of the three-year deferral period following approval of the financial statements for the reference year. 50% of the variable remuneration subject to temporary deferral will be paid in shares of the Bank at the end of the retention period<sup>9</sup> of one year to which they are subjected. The remaining share of the variable remuneration subject to temporary deferral is annually reassessed at the statutory rate from time to time in force.

The number of shares to be allocated is calculated by taking as the fair value of the share the stock price average of the month preceding the determination of the relevant variable remuneration, the latter to be established at the date of the Shareholders' Meeting approving the financial statements. The number of shares is determined by rounding to the nearest integer.

<sup>7</sup> Regulation (EU) no. 575/2013 (CRR) and Directive 2013/36/EU (CRD IV)

<sup>8</sup> Period during which there is a prohibition on the sale of shares

<sup>9</sup> Period during which there is a prohibition on the sale of shares



## General Manager

The General Manager's remuneration consists of a comprehensive annual salary (RAL) and a variable remuneration equal to 0.75% (the so-called percentage) of the Bank's consolidated result gross only of the taxes pertaining to the financial year, for the part exceeding 40 million euro, which is correct in turn for the ratio between the Group final balance sheet RORAC<sup>10</sup> (return on risk adjusted capital)<sup>11</sup> and the Group prospective RORAC<sup>12</sup>, in formula:

$$\text{Variabile} = [0.75\% * (\text{Utile Ante Imposte}_{\text{periodo}} - 40.000.000)] * \left( \frac{\text{RORAC}_{\text{Final balance}}}{\text{RORAC}_{\text{Prospective}}} \right) \quad (\text{B})$$

In any case, the incidence of the variable component may not exceed 60% of the RAL

Where the variable remuneration is not particularly significant<sup>13</sup>, the percentage of the variable portion to be deferred is set at 40% for a period of 3 years.

The share of deferred variable remuneration of the General Manager is subject to the following mechanisms of malus, which must be reduced to zero, ex-post the so-called percentage applied in the formula (B) according to the criteria listed in the following table. These criteria occurred in each of the three financial years<sup>14</sup> that closed after determination of the variable component (*accrual period*).

		Total Solvency ratio			
		10.5%	10.5% < < 11.5%	11.5% < 12.5%	12.5%
RORAC	≥ 15%	-100.0%	---	---	---
	10% < < 15%	-100.0%	-30.0%	-20.0%	-10.0%
	< 10%	-100.0%	-40.0%	-30.0%	-20.0%

Furthermore, the share of variable remuneration of the General Manager is subject to claw back, with reference to the part recognised and/or paid, if the same has determined or led to determining of:

- a significant budget reduction for the Bank (losses equal to or exceeding 5% of the net assets);
- violations of the obligations imposed under article 26, or when the subject is an interested party, of article 53, paragraphs 4 et seq., of the TUB or of obligations regarding remuneration and incentive schemes;
- behaviour involving fraud or gross negligence of the Bank.

Furthermore, the mechanism of *claw back* is applied even if the Ratio of Total Funds available<sup>15</sup> is less than the regulatory threshold from time to time in force.

<sup>10</sup> Indicator calculated as the ratio between Net Profit for the period and Capital Absorbed for the first pillar risks. Are not considered in the calculation elements that derive from extraordinary operations such as capital increases, corporate mergers, demergers, acquisitions or in any case other non-recurring operations that the Board of Directors should deliberate and suitable to alter the value of the indicator.

<sup>11</sup> The reference period is the same as for the objective RORAC (*ex-ante measurement*).

<sup>12</sup> Defined in the industrial plan with a 12-month horizon.

<sup>13</sup> The Bank considers amounts of variable remuneration that exceed the fixed fee as being particularly high.

<sup>14</sup> A condition sufficient for the application of corrective factors provided in the table is the occurrence of these conditions in at least one of the three years of observation (*accrual period*).

<sup>15</sup> Regulation (EU) no. 575/2013 (CRR) and Directive 2013/36/EU (CRD IV)

The variable component will not be paid if during the period of deferment, the Board of Directors has approved the termination for just cause from the employment contract.

These policies occurred in each of the three years (*accrual period*) closed after determination of the variable component and applied upon occurrence of the above conditions.

*Up-front* variable remuneration is calculated following approval of the financial statements for the year ended on 31 December of the previous year. 50% of that will be paid in shares of the Bank at the end of the retention period<sup>16</sup> of three years to which shares are subjected, in line with the strategic planning horizon.

The variable remuneration subject to temporary deferral (*vesting period*) is calculated following approval of the financial statements for the year ended on 31 December of the previous year and will be paid upon elapse of the three-year deferral period following approval of the financial statements for the reference year. 50% of the variable remuneration subject to temporary deferral will be paid in shares of the Bank at the end of the retention period<sup>17</sup> of one year to which they are subjected. The remaining share of the variable remuneration subject to temporary deferral is annually reassessed at the statutory rate from time to time in force.

The number of shares to be allocated is calculated by taking as the fair value of the share the stock price average of the month preceding the determination of the relevant variable remuneration, the latter to be established at the date of the Shareholders' Meeting approving the financial statements. The number of shares is determined by rounding to the nearest integer.

### **Control Functions**

The remuneration package of key personnel belonging to the control function (Risk Manager, the head of Monitoring and Control of Financial Information - Responsible Officer, the head of Internal Audit, the head of Compliance, the head of Anti-Money Laundering, the head of Human Resources) is structured with a prevailing fixed component and a small variable part that is attributed annually based on quality and efficiency criteria. Their variable remuneration involves a maximum of 33% of the fixed component decided annually by the Board of Directors, following a favourable opinion of the Remuneration Committee.

During recruitment, without prejudice to the consultative and proposal role of the Remuneration Committee, determination of remuneration is attributable to:

- the Board of Directors for the key personnel of the control functions that work for it or for the Chief Executive Officer. For operational fluidity requirements, the Board of Directors, at the phase of analysis of the possible candidates, in consultation with the Remuneration Committee, can delegate to the CEO definition of the negotiation, indicating the reference parameters. After formalisation, the Managing Director informs the Committee and the Board;
- of the CEOs for the remaining most important personnel of the audit department (currently the Manager of the Human Resources area). Following definition, the Managing Director informs the Committee and the Board.

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<sup>16</sup> Period during which there is a prohibition on the sale of shares

<sup>17</sup> Period during which there is a prohibition on the sale of shares

In determining the compensation are in any case excluded incentive scheme mechanisms linked to the financial performance both of Banca IFIS and of the Group as a whole. The managers of the audit departments are therefore excluded from any stock option plans.

At least annually the Remunerations Committee analyses the individual positions and in consultation with the CEO and the General Manager with reference to the Managers of the Departments in staff to the same:

- expresses its opinion and formulates proposals to the CEO regarding the key personnel of the audit departments.
- expresses its opinion and formulates proposals to the CEO regarding the most important personnel of other internal audit departments. Information is provided to the Board of Directors of any decisions taken.

During evaluation, are taken into consideration the level of risk protection, any problems that have arisen in that regard, the individual salary situation in recent years and any additional element in this context considered useful for the overall assessment.

### *Other key personnel*

The remaining key personnel belong to the following categories:

- Managers with strategic responsibilities of very important operating units;
- Managers with strategic responsibilities of important business units;
- Managers of business units;
- Managers of risk management structures;
- Managers of important operating units;
- Managers of service, consultancy and support structures;

For all persons who hold the positions listed above any fixed remuneration measures cannot exceed an increase of 20% compared to the previous year's gross annual salary.

Access to the variable part is subject to exceeding of the minimum limits specified below for the following quantitative parameters:

- Group solvency ratio not less than 10.5%;
- Group consolidated profit gross only of the taxes pertaining to the financial year not less than 8% of the consolidated equity before profit for the year.

Therefore, failure to achieve one of the parameters will result in resetting of any variable remuneration.

Variable remuneration is also defined pre-emptively for each individual based on predefined criteria and on three pillars:

- the qualitative assessment of performance by Senior Management;
- reaching of a certain level of corporate cost/income;
- reaching of specific economic, commercial, operational objectives and of internal and external customer satisfaction targets, including corrective measures for the risk (the so-called MBO – management by objectives).

Having defined the maximum amount of the *bonus*, it is distributed as follows

Structures	No. of Managers	Senior Management Assessment	Cost income ratio	MBO	Previous year % max Bonus on RAL
Managers with strategic responsibilities of very important operating units	1	30%	20%	50%	60%
Managers with strategic responsibilities of important business units	2	20%	20%	60%	60%
Business Units	10	20%	20%	60%	80%
Risk management unit	5	30%	20%	50%	50%
Managers of important operating units	2	40%	20%	40%	50%
Managers of service, consultancy and support structures	6	50%	20%	30%	50%

In order to implement the management process shown above, relevant corporate regulations were issued, aimed at management of the system structured as follows. In line with best market practices, it is appropriate to apply the same rules for deferment and partial payment in treasury shares of the bank where the variable remuneration is equal to or greater than Euro 80,000.

The Remuneration Committee has a consultative role in determining the remuneration criteria that are subject to examination by the Board of Directors annually.

During recruitment, the remuneration of this staff is defined by the CEO who undertakes to inform the Committee at the first possible meeting.

Subsequent interventions on fixed and/or variable remuneration are defined by the CEO and by the General Manager under the criteria specified below. At least on an annual basis the CEO informs the Remuneration Committee on the decisions taken.

### **Long Term Incentive**

The identification of Managers with strategic responsibilities stresses the importance of certain professional figures in relation to the Bank's medium- to long-term objectives. For this reason, for these persons, excluding those in charge of controls functions and the General Manager, an incentive scheme will be set up that rewards excellent *performance* consistency over time.

In essence, given average *performance* in the three-year period 2016-2018 (*accrual period*) that is higher than defined expectations (MBO) and with an overall return for shareholders that is greater than 20% (average share price in December 2018 compared to the average share price in December 2015) Senior Management will express a qualitative assessment on the work of the manager which, if positive, will result in the payment of an incentive not to exceed 60% of the annual gross salary for the year 2018, when the equivalent amount will be paid in Bank shares with a one year *retention*. The same rules of deferral and partial payment in treasury shares of the Bank are applied where the variable remuneration to be paid is greater than 80,000 Euro.

### ***Individual contracts and payment provided in the event of termination of the employment/administration relationship***

The Bank has not entered into agreements with directors that provide compensation in the event of resignation or dismissal/termination without just cause or if their employment ceases as a result of a takeover bid (art. 123 bis, paragraph 1, letter i) of the Consolidated Finance Act). Currently there is no compensation in the event of termination from office or termination of employment for Managers with strategic responsibilities.

As a general rule, the company does not enter into agreements that govern ex-ante the possible early termination of the relationship upon the initiative of the Company or of the individual, (including cases of early termination of the relationship of directors or due to its non-renewal) without prejudice, in any case, to the obligations of the law and/or of the Collective Labour Agreement.

Within the Banca IFIS Banking Group there is no compensation for early termination of the employment of directors or owing to its non-renewal.

### ***The remuneration of non-employee collaborators***

The Group may also use non-employee collaborators whose relationships can largely be grouped into two contractual forms:

- consultancy contracts;
- project contracts.

For consultancy contracts appointments can be awarded ad personam with the content of the activity of consultancy, the fee (or the criteria for determining the same) and its method of payment. Project contracts may be concluded with persons to whom is entrusted, without any bond of subordination, the task of realising certain specific projects with definition of the contents, the results expected and the implementation time.

The remuneration for these types of contract is determined in close connection with the profit derived from the work of those offering their services considering the professionalism of staff, the complexity of the service and the market rates of reference.

### ***Agents in financial activities***

Within the category of employees not related to the employment relationship, particular importance is attached to the Financial Agents involved in consultancy and management activities for the restructuring and recovery of receivables for the NPL Business Unit. The seventh amendment of Circular no. 285 of 17 December 2013 - «Supervisory Provisions for banks» of 20 November 2014 on remuneration and incentive policies and practices also involves the applicability of those Regulations to the agents involved in financial activities.

The adjustment of the remuneration criteria for Financial Agents took place during the year 2015. Particularly in the contractual documentation that governs the relationship with Financial Agents:

- "non-recurring" remuneration was determined *ex ante*;
- the aggregate amount of the "non-recurring" component awarded to agents was linked (the so-called *Bonus Pool*) upon the occurrence of the Bank's liquidity and financial circumstances identified annually in the remuneration report (*gate*);
- criteria were identified for the *ex post* correction of "non-recurring" remuneration that is based on indicators anchored to full compliance with the requirements imposed on the

agents that were deemed relevant for both the correctness of assigned tasks and for regulatory compliance and for respecting of the behavioural principles defined by the Bank. These correction criteria were in fact identified to promote integrity of members and to link in with the legal and reputational risks that the Bank may suffer, as well as to promote regulatory compliance and to ensure the protection and loyalty of clients.

### **Other types of employees**

On the occasion of the annual assessment provided for by the Collective Labour Agreement, the CEO and/or the Executive Board may provide one-off payments up to a maximum of three months, except as indicated above for the most important personnel.

In addition the Board of Directors, even in the absence of a corporate integrative negotiation, can decide on payment of "corporate award" established by the Collective Labour Agreement applicable to all the employees, determining its measure and criteria.

The variable remuneration system for the sales network is defined by the CEO and communicated to the Board of Directors.

## **3. Non-monetary benefits**

The Company organs and employees may enjoy certain benefits, having different gradation in relation to the corporate role and/or to the service reasons, with reference to: health policy, occupational and non-occupational accident policy, company car and service accommodation.

The attribution is summarised as follows:

- health policy, in accordance with the Collective Labour Agreement, to all employees and, in relation to contractual situations acquired previously, to the professional areas that were employees of Fast Finance and Toscana Finanza at the time of incorporation of these companies;
- occupational and non-occupational accident policy for all employees;
- corporate contributions to supplementary pension provision to the extent of 2.5% of the RAL for managers and administrative staff and 1.5% for professional areas (subject to certain contractual situations previously acquired);
- company car for certain corporate leaders, for all executives and for all staff that hold commercial roles and certain administrative staff who do not hold commercial roles.
- the assignment of a Smartphone is provided on loan to all employees.

The allocation of service accommodation is limited to only a few cases.

IFIS Finance employees can qualify for certain *benefits*, with different gradation in connection with the business role and/or service reasons, related to the award of: health policy, business phone and company car.

## **4. Performance goals under which the variable components are allocated**

For the description of the *performance* objectives according to which the variable components of remuneration are assigned, reference is made to the criteria defined for the determination of the

variable remuneration of the CEO, of the General Manager, of other key personnel and the mechanisms that combine the trend of the variable remuneration with the variation of the results achieved.

## **5. The evaluation criteria underpinning the allocation of shares, options and other financial instruments or other variable components of remuneration**

See *"Information document on remuneration plans based on financial instruments"*

## **6. Consistency of the remuneration policy with pursuit of the long-term interests and risk management policy**

For the evaluation of the consistency of the remuneration policy with pursuit of the long-term interests of the Banca IFIS Banking Group and with general government risk policy, refer to the previous parts of this report. In this context, of relevance is:

- the deferral period for payment of the variable component of the remuneration of the CEO and of the Managing Director, under the conditions of malus and claw back identified;
- exclusion of the audit departments from any stock option plans ;
- the task of the Remuneration Committee to ensure the involvement of the various company departments, in particular with regard to the functions of audit, and to evaluate at least annually the adequacy, the overall coherence and the concrete application of the Group's remuneration policy approved by the Shareholders' Meeting.

## **7. Vesting period, deferred payment systems, ex post correction mechanisms**

See *"Information document on remuneration plans based on financial instruments"*

## **8. Provision for maintenance in the portfolio of the financial instruments**

Reference should be made to the *"Information document on remuneration plans based on financial instruments"*.

## **9. Payment provided in case of cessation from the assignment or termination of the employment relationship**

In the event of termination of the relationship, no additional payments are intended for directors and managers with strategic responsibilities, with respect to the provisions of law. The only payment provided is the severance pay for employees.

## **10. Insurance, social security or retirement benefits, other than those required**

As reported in chapter 5 on "non-monetary benefits", all employees are recipients of health policy, in accordance with the Collective Labour Agreement. In addition, some of these, in relation to contractual situations previously acquired, are recipients of marginal discretionary pension benefits.

## **11. Criteria used for selection of the companies that are used as a reference for definition of the remuneration policies**

For definition of the remuneration policy of the Banca IFIS Banking Group, the remuneration policies of other companies were not used as a reference.



## SECTION II

### 1. Part One

#### 1.1 Entries that compose the remuneration

With regard to the directors and statutory auditors, the following details are provided on the items that compose the remuneration and that, for the financial year 2015, are summarised in the following Table 1.

In the "fixed remuneration" column are illustrated:

- in the relevant section the appointment allowance is € 25,000 for each member of the Board of Directors, in accordance with the resolution adopted by the Shareholders' Meeting of 30th April 2013 on the occasion of the appointment;
- in the relevant section the total amount of attendance allowances paid to directors, according to the rules established by the Shareholders' Meeting of 30 April 2013, for participation in subsequent meetings of the Board of Directors during 2015;
- in the sub column "lump sum expenses" the amount possibly invoiced in the form of a flat-rate sum of the costs incurred by reason of their appointment as directors and statutory auditors;
- in the relevant section the fees for particular appointments approved by the Board of Directors pursuant to former art. 2389 of the Italian Civil Code to the Chairman, Vice Chairman and CEO;
- finally, in the sub column "fixed remuneration from the work of employees" are indicated, for the General Manager and for the other employees who fall within the "key personnel" category, the annual remuneration before the social security and tax deductions borne by the employee, excluding the collective social security charges paid by the company and the severance pay provision.

The variable portion of the remuneration of the CEO and General Manager acquired in relation to the profit for the year 2015 is indicated in the section "participations in profit" of the "not equity variable remuneration" column and payment is conditional upon verification of the compliance with the conditions established in the remuneration policy.

Any bonuses earned, for the work in 2015, by other employees falling within the definition of "key personnel" are shown in the section "bonuses and other incentives" of the "not equity variable remuneration" column. In that section is also indicated for the General Manager and for other employees, the "corporate award" established by the collective labour agreement in force and approved by the Board of Directors in favour of employees at the meeting of 15 December 2015, despite the absence of corporate integrative negotiation.

The column "remuneration for participation in committees" shows the remuneration established by the Shareholders' Meeting of 30 April 2013 for each of the members of the Risk Control Committee at the rate of 30,000 euro and the fee of 45,000 euro established for the Chairman of the Committee.

For Directors that are part of the Supervisory Body *pursuant to Legislative Decree no. 231/2001* an annual fixed fee is shown for that position equal to 25,000 euros.

The "non-monetary benefits" column shows the value of the following fringe benefits, generally according to a criterion of tax liability:

- health policy (recognised to all employees);
- occupational and non-occupational accident policy (for all employees);
- luncheon vouchers (recognised to all employees of the Bank);
- company car (for all managers, all staff that hold commercial roles and for some administrative staff who do not hold commercial roles);
- contributions to supplementary pensions paid by the Bank to the extent of 2.5% of the RAL (recognised to Managers and Administrative Staff and 1.5% of the RAL for employees engaged in Professional Areas who chose to participate and pay the minimum fee of 1% of the contribution into one of the two pension funds to which the Bank is affiliated) and 4% of the RAL for employees with a professional-oriented apprenticeship contract registered for a supplementary pension fund.

The insurance policy against civil liability of corporate leaders, approved by the Shareholders' Meeting, is not included in this column as, from investigations carried out, it is not a fringe benefit.

For the "key personnel" identified for 2015, the information is provided in aggregate form with an indication of the number of persons to which it refers (this involves 25 employees, of whom 19 are officers and 6 are administrative staff members).

## 1.2 Further information on the consistency of fees with the remuneration policy

In a logic of consistency with reporting provided to the Shareholders' Meeting of 8 April 2015 in relation to implementation of the remuneration policies approved the previous year (the relevant documentation is available on the website of the Bank in the section "Corporate governance" (> path > Shareholders' Meeting > 2015) together with the minutes of the Shareholders' Meeting of 8 April 2015, pursuant to article 125 quater of the Consolidated Finance Act) are provided - in addition to what is already stated in other parts of this Report - some further synthetic information on the implementation, in 2015, of the policies approved one year ago.

### ***Executives (not included in the definition of managers with strategic responsibilities)***

The average ratio between the variable component of reference of 2015 for managers who received it and fixed remuneration for 2015 amounted to 27.92%.

In the second half of 2015 financial instruments (n. 4127 Banca IFIS shares) have been used in handling the severance package of a terminated Executive.

### ***Administrative Staff and Professional Areas that hold commercial roles***

The average ratio between variable component and fixed remuneration for the 2015 was 16.53%.

### ***Other Administrative Staff and Professional Areas***

For the year 2015 bonuses were paid equal to 8.74% of the corporate population with an average amount equal to 8.23% of the RAL (Gross Annual Remuneration).

### **Other information**

For completeness of information and with reference to the entire corporate population, the following is also pointed out:

- salary increases were 5.51% of the corporate population with an average increase of RAL of 12.70%;
- promotions (increase in rank) concerned 20.34% of the corporate population;
- in 2015, the RAL underwent a gross increase (inclusive of inflation rate and contractual increases) of 2.03%;
- at the end of 2015 there was a project collaboration relationship;
- in 2015 no.14 stability agreements were formalised with employees that hold commercial roles.

### **Average salaries by qualification and business lines**

The following table shows the levels of Annual Gross Wage (RAL) and Annual Global Remuneration (RGA) - composed of the RAL, the variable retribution and the annual corporate award - for grading, calculated over the entire corporate population.

Furthermore, in order to fulfil the reporting requirements under the Supervisory Provisions for banks - Circular 285 of 17th December 2013 – on "remuneration and incentive policies and practices", evidence is provided of aggregate quantitative information on remuneration, broken down by lines of activity.

Grading	No.	Gross Annual Salary Average €	Annual Variable Salary Average Gross €
Management	26	123,349	32,431
Administrative Staff 4° - 3°	55	70,377	10,943
Administrative Staff 2° - 1°	102	46,562	7,193
3° Area	366	29,843	3,911

The Annual Gross Remuneration (RAL) levels, taking into account the positions held, do not evidence any major changes compared to those of the Italian banking system (source ABI).

Lines of activity	Total remuneration
B.U. Tax Credits	1,164,484
B.U. International	516,118
B.U. Credi Impresa Futuro	10,056,679
B.U. Non Performing Loans	2,656,312
B.U. Pharma	590,506
B.U. Pharmacies	563,825
General Management	12,233,596
<b>TOTAL</b>	<b>27,781,521</b>

### **Group Company**

The emoluments paid to directors and employees of the Polish subsidiary IFIS Finance Sp. z o.o. are a result consistent with the logic of remuneration and incentive scheme of the Group. In particular

- The mandate of the directors was carried out:
  - ✓ by a manager of the Parent Company free of charge and thus without the need for repayment of the emoluments for appointments held by employees of the Parent Company;
  - ✓ by the Deputy Chairman of the Parent Company that has carried out the mandate free of charge.
- to the staff in force on the date of 31/12/2015, whose employment relationship would be continuing into the year 2016 and with the exception of the resources that received a professional assessment that was insufficient, a company bonus equal to one month, related to the period of the year was paid with the salary of the month of December 2015 ;
- six resources were paid a variable component according to a model similar to that used at the Parent Company for the incentive system of the commercial network.
- the total amount of remuneration attributed to staff at 31/12/2015 (no. 13 persons) amounted to € 312.272.

## 2. Part two: remuneration paid in 2015

*Table 1: remuneration paid to members of the administration and audit bodies, to the general managers and to the other executives with strategic responsibilities (figures in thousands of euro)*

First name and surname	Appointment	Period during which the position was held	Position end date	Fixed remuneration					Remuneration for participation in committees	Non equity variable remuneration		Non-monetary benefits	Other remuneration	Total	Fair value of equity remuneration	Appointment severance pay or employment termination fee
				Appointment allowances approved by the Shareholders' Meeting	Attendance tokens	Lump-sum expense reimbursement	Remuneration for special duties pursuant to art. 2389 of the Italian Civil Code	Employee fixed remuneration		Bonuses and other incentives	Profit sharing					
Sebastian Egon Fürstenberg	Chairman	from 1/1/2015 to 31/12/2015	Approval of the financial statements to 31/12/2015													
Remuneration at Banca IFIS S.p.A.				25	-		675							700	n.a.	-
Remuneration from Banca IFIS S.p.A. subsidiaries														-	n.a.	-
Total														700	n.a.	-
Alessandro Csillaghy	Deputy Chairman	from 1/1/2015 to 31/12/2015	Approval of the financial statements to 31/12/2015													
Remuneration at Banca IFIS S.p.A.				25	-		450							475	n.a.	-
Remuneration from Banca IFIS S.p.A. subsidiaries														-	n.a.	-
Total														475	n.a.	-
Giovanni Bossi	CEO	from 1/1/2015 to 31/12/2015	Approval of the financial statements to 31/12/2015													
Remuneration at Banca IFIS S.p.A.				25	-		650			650				1.325	n.a.	-
Remuneration from Banca IFIS S.p.A. subsidiaries														-	n.a.	-
Total														1.325	n.a.	-

First name and surname	Appointment	Period during which the position was held	Position end date	Fixed remuneration					Remuneration for participation in committees	Non equity variable remuneration		Non-monetary benefits	Other remuneration	Total	Fair value of equity remuneration	Appointment severance pay or employment termination fee	
				Appointment allowances approved by the Shareholders' Meeting	Attendance tokens	Lump-sum expense reimbursement	Remuneration for special duties pursuant to art. 2389 of the Italian Civil Code	Employee fixed remuneration		Bonuses and other incentives	Profit sharing						
Giuseppe Benini	Board Director	from 1/1/2015 to 31/12/2015	Approval of the financial statements to 31/12/2015														
Remuneration at Banca IFIS S.p.A.				25	23				70						118	n.a.	-
Remuneration from Banca IFIS S.p.A. subsidiaries															-	n.a.	-
Total															118	n.a.	-
Francesca Maderna	Board Director	from 1/1/2015 to 31/12/2015	Approval of the financial statements to 31/12/2015														
Remuneration at Banca IFIS S.p.A.				25	22				30						77	n.a.	-
Remuneration from Banca IFIS S.p.A. subsidiaries															-	n.a.	-
Total															77	n.a.	-
Andrea Marin	Board Director	from 1/1/2015 to 31/12/2015	Approval of the financial statements to 31/12/2015														
Remuneration at Banca IFIS S.p.A.				25	24				55						104	n.a.	-
Remuneration from Banca IFIS S.p.A. subsidiaries															-	n.a.	-
Total															104	n.a.	-
Riccardo Preve	Board Director	from 1/1/2015 to 31/12/2015	Approval of the financial statements to 31/12/2015														
Remuneration at Banca IFIS S.p.A.				25	23										48	n.a.	-
Remuneration from Banca IFIS S.p.A. subsidiaries															-	n.a.	-
Total															48	n.a.	-
Marina Salamon	Board Director	from 1/1/2015 to 31/12/2015	Approval of the financial statements to 31/12/2015														
Remuneration at Banca IFIS S.p.A.				25	18										43	n.a.	-
Remuneration from Banca IFIS S.p.A. subsidiaries															-	n.a.	-
Total															43	-	-

First name and surname	Appointment	Period during which the position was held	Position end date	Fixed remuneration					Remuneration for participation in committees	Non equity variable remuneration		Non-monetary benefits	Other remuneration	Total	Fair value of equity remuneration	Appointment severance pay or employment termination fee
				Appointment allowances approved by the Shareholders' Meeting	Attendance tokens	Lump-sum expense reimbursement	Remuneration for special duties pursuant to art. 2389 of the Italian Civil Code	Employee fixed remuneration		Bonuses and other incentives	Profit sharing					
Daniele Santosuosso	Board Director	from 1/1/2015 to 31/12/2015	Approval of the financial statements to 31/12/2015													
Remuneration at Banca IFIS S.p.A.				25	22				55					102	n.a.	-
Remuneration from Banca IFIS S.p.A. subsidiaries														-	n.a.	-
Total														102	n.a.	-
Giacomo Bugna	Chairman of the Board of Statutory Auditors	from 1/1/2015 to 31/12/2015	Approval of the financial statements to 31/12/2015													
Remuneration at Banca IFIS S.p.A.				75	19									94	n.a.	-
Remuneration from Banca IFIS S.p.A. subsidiaries														-	n.a.	-
Total														94	n.a.	-
Giovanna Ciriotti	Standing statutory auditor	from 1/1/2015 to 31/12/2015	Approval of the financial statements to 31/12/2015													
Remuneration at Banca IFIS S.p.A.				50	19									69	n.a.	-
Remuneration from Banca IFIS S.p.A. subsidiaries														-	n.a.	-
Total														69	n.a.	-
Mauro Rovida	Chairman of the Board of Statutory Auditors until 30/04/2013 (then Standing Statutory Auditor)	from 1/1/2015 to 31/12/2015	Approval of the financial statements to 31/12/2015													
Remuneration at Banca IFIS S.p.A.				50	15									65	n.a.	-
Remuneration from Banca IFIS S.p.A. subsidiaries														-	n.a.	-
Total														65	n.a.	-

First name and surname	Appointment	Period during which the position was held	Position end date	Fixed remuneration					Remuneration for participation in committees	Non equity variable remuneration		Non-monetary benefits	Other remuneration	Total	Fair value of equity remuneration	Appointment severance pay or employment termination fee
				Appointment allowances approved by the Shareholders' Meeting	Attendance tokens	Lump-sum expense reimbursement	Remuneration for special duties pursuant to art. 2389 of the Italian Civil Code	Employee fixed remuneration		Bonuses and other incentives	Profit sharing					
Alberto Staccione	General Manager	from 1/1/2015 to 31/12/2015	n.a.													
Remuneration at Banca IFIS S.p.A.								307		24	184	24		539	n.a.	-
Remuneration from Banca IFIS S.p.A. subsidiaries														-	n.a.	-
Total														539	n.a.	-
Other administrative staff with strategic responsibility (one person in 2015)														-		
Remuneration at Banca IFIS S.p.A.								35		5				40	n.a.	151
Remuneration from Banca IFIS S.p.A. subsidiaries														-	n.a.	-
Total														40	n.a.	151
"Key" personnel in accordance with the supervisory provisions of the Bank of Italy (data refers to 25 persons in force at 31 December 2015)																
Remuneration at Banca IFIS S.p.A.								2.403		746		228		3.377	-	-
Remuneration from Banca IFIS S.p.A. subsidiaries														-	n.a.	-
Total														3.377	n.a.	-



*Other tables: monetary incentive plans for members of the administration and audit bodies, to the general managers and to the other executives with strategic responsibilities*

From the tables set out in Annex 3A, Scheme No. 7 bis, of the "Issuers' Regulations", the tables 3A and 3B that are shown below with data from participation in the profit expected for the Managing Director and the General Manager are currently applicable to the Banca IFIS Banking Group.

**TABLE 3A**

(A)	(B)	(1)	Financial instruments allocated in previous years non vested during the year		Financial instruments allocated during the year					Financial instruments vested during the year and not allocated	Financial instruments vested during the year that can be allocated		Financial instruments relating to the year
			(2)	(3)	(4)	(5)	(6)	(7)	(8)		(9)	(10)	
Surname and First Name	Appointment	Plan	Number and type of financial instruments	Vesting period	Number and type of financial instruments	Fair value at allocation date	Vesting period	Date of allocation	Market price upon allocation	Number and type of financial instruments	Number and type of financial instruments	Value on the maturation date	Fair value
<b>Bossi Giovanni</b>	CEO												
Remuneration at Banca IFIS S.p.A.		2014 Plan Resolution of 17/04/2014	10664*	3	-	-	-	-	-	-	6.695	129.991,33	19,42
		2015 Plan Resolution of 08/04/2015	-	-	-	-	-	-	-	-	**	**	**
Remuneration from Banca IFIS S.p.A. subsidiaries		2014 Plan	-	-	-	-	-	-	-	-	-	-	-
		2015 Plan	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>			<b>10664*</b>	<b>3</b>	-	-	-	-	-	-	<b>6.695</b>	<b>129.991,33</b>	<b>19,42</b>
<b>Staccione Alberto</b>	General Manager												
Remuneration at Banca IFIS S.p.A.		2014 Plan Resolution of 17/04/2014	3021*	3	-	-	-	-	-	-	1.897	36.832,49	19,42
		2015 Plan Resolution of 08/04/2015	-	-	-	-	-	-	-	-	**	**	**
Remuneration from Banca IFIS S.p.A. subsidiaries		2014 Plan	-	-	-	-	-	-	-	-	-	-	-
		2015 Plan	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>			<b>3021*</b>	<b>3</b>	-	-	-	-	-	-	<b>1.897</b>	<b>36.832,49</b>	<b>19,42</b>

(\*) The number of shares is calculated at market price on the allocation date. This number will be recalculated at the moment of payment.

(\*\*) The data of assignable shares with reference to the incentive attributed regarding the year 2015 results will be available following the resolutions of the Ordinary Shareholders' Meeting convened on 22 March 2016

**TABLE 3B**

(A) Surname and First Name	(B) Appointment	(1) Plan	(2)			(3)			(4) Other bonuses
			Annual bonus			Bonus of previous years			
			(A) Payable/paid	(B) Deferred	(C) Period of deferral	(A) No longer payable	(B) Payable/paid	(C) Deferred again	
<b>Bossi Giovanni</b>	CEO								
Remuneration at Banca IFIS S.p.A.		2012-2013-2014 plans	-	-	-	-	151.640	650.000	-
		2015 Plan Resolution of 08/04/2015	390.000	260.000	3	-	-	-	-
Remuneration from Banca IFIS S.p.A. subsidiaries		2014 Plan	-	-	-	-	-	-	-
		2015 Plan	-	-	-	-	-	-	-
<b>Total</b>			<b>390.000</b>	<b>260.000</b>	<b>3</b>	<b>-</b>	<b>151.640</b>	<b>650.000</b>	<b>-</b>
<b>Staccione Alberto</b>	General Manager								
Remuneration at Banca IFIS S.p.A.		2012-2013-2014 plans	-	-	-	-	73.301	184.146	-
		2015 Plan Resolution of 08/04/2015	110.488	73.658	3	-	-	-	-
Remuneration from Banca IFIS S.p.A. subsidiaries		2014 Plan	-	-	-	-	-	-	-
		2015 Plan	-	-	-	-	-	-	-
<b>Total</b>			<b>110.488</b>	<b>73.658</b>	<b>3</b>	<b>-</b>	<b>73.301</b>	<b>184.146</b>	<b>-</b>

***Scheme relating to the shareholdings of directors, statutory auditors, of the general manager and of the other managers with strategic responsibilities***

***Table 1: shareholdings of members of the organs of administration and audit and of the general managers***

<b>Surname and first name</b>	<b>Appointment</b>	<b>Investee company</b>	<b>Number of shares owned at the end of the previous year</b>	<b>Number of shares purchased</b>	<b>Number of shares sold</b>	<b>Number of shares owned at the end of the current year</b>
Fürstenberg Sagar Egon (including shares held indirectly through La Scogliera S.p.A.)	Chairman	Banca IFIS S.p.A.	28,332,154	0	-1,358,118	26,974,036
Csillaghy Alessandro	Deputy Chairman	Banca IFIS S.p.A.	0	2,000	-2,000	0
Bossi Giovanni	Chief Executive Officer	Banca IFIS S.p.A.	1,838,648	6,695*	0	1,845,343
Benini Giuseppe	Director	Banca IFIS S.p.A.	0	1,242	-1,242	0
Maderna Francesca	Director	Banca IFIS S.p.A.	1,070,422	0	0	1,070,422
Martin Andrea	Director	---	---	---	---	---
Preve Riccardo (including shares held indirectly through Preve Costruzioni S.p.A.)	Director	Banca IFIS S.p.A.	1,249,001	1,167	0	1,250,168
Salamon Marina (held indirectly through Alchimia S.p.A.)	Director	Banca IFIS S.p.A.	1,076,247	0	0	1,076,247
Santosuosso Daniele	Director	---	---	---	---	---
Bugna Giacomo	Chairman - Board of Statutory Auditors	---	---	---	---	---
Ciriotta Giovanna	Standing statutory auditor	---	---	---	---	---
Rovida Mauro	Standing statutory auditor	---	---	---	---	---
Staccione Alberto	General Manager	Banca IFIS S.p.A.	140,000	1,897*	0	141,897

*\* the assigning of Banca IFIS treasury shares as part of the variable remuneration in pursuance of the remuneration and incentive policies approved by the Shareholders' Meeting*

*Table 2: shareholdings of other managers with strategic responsibilities*

<b>Number of managers with strategic responsibilities</b>	<b>Investee company</b>	<b>Number of shares owned at the end of the previous year</b>	<b>Number of shares purchased</b>	<b>Number of shares sold</b>	<b>Number of shares owned at the end of the current year</b>
1	Banca IFIS S.p.A.	1,000		-1,000	0