

BANCA IFIS

REPORT ON REMUNERATION

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

VALUE TO YOUR BUSINESS

**BANCA IFIS
GROUP**



Document approved by the Board of Directors in the meeting of March 2, 2017

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Banca IFIS S.p.A. - Registered office in Via Terraglio 63, 30174 Mestre, Venice - 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 - Registry of Banks no. 5508 - Parent Company of the Banca IFIS Banking Group S.p.A., enrolled in the registry 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,

Pursuant to art. 123 c 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 Report, Banca IFIS S.p.A.'s Board of Directors aims to comply with the above-mentioned law referred to in art. 123 c 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 light of the opportunity provided by Annex 3A, Scheme No. 7-b of the "Issuer's Regulations", to comply, in a single document, with the regulations referred to in art. 123 c of the Consolidated Finance Act and with the Bank of Italy's Supervisory Provisions on 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.

Detailed information is also supplied regarding what is contained in the "Information Document concerning remuneration plans based on financial instruments" (pursuant to article 114 b of the Consolidated Finance Act and article 84 b of Consob's Issuer Regulations). The Remuneration Report and the Information document relating to remuneration based on financial instruments are available on the website <http://www.bancaifis.it/Corporate-Governance/Shareholders-Meetings/>.

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, which can be found on the Bank's website <http://www.bancaifis.it/Corporate-Governance/Corporate-documents>.

INTRODUCTION

Applicable Provisions

The Remuneration Report (the “Report”) was prepared by Banca IFIS Group (the “Group”) in accordance with:

- article 123 c of the CFA, entitled “Remuneration Report”;
- article 114 b of TUF, entitled “disclosure of information to the market on awards of financial instruments to corporate officers, employees or contractors”;
- Consob Regulation no. 11971/1999 (Issuers' Regulations), with particular reference to articles 84 d, entitled “Remuneration Report”, and 84 b, entitled “Information on the allocation of securities to corporate officers, employees or contractors”, as well as to Annex 3A, Scheme no. 7 b “Remuneration Report” 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 considers European legislation regarding:

- delegated Regulation (EU) of 4th 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 26th June 2013 no. 575, regarding the provisions concerning the remuneration policy;
- Directive 2013/36/EU of 26th 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 b of the CFA.

Structuring of the Report

Based on the current provisions, formerly mentioned, this Report is divided into the following sections:

1. **Section I:** aimed at illustrating, for members of the Board of Directors, for the general managers and for managers with strategic responsibilities in addition to “Risk Takers” not included within the scope of article 123 c of the CFA, the Group's remuneration policy and the procedures used for the adoption and implementation of this policy. This section describes the policy provided for the year 2017;

2. **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 c 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 b of the Issuers' Regulations, the remunerations paid during the year 2016, in any capacity and in any form, by the company and by subsidiaries or affiliates. Further information requested pursuant to Article 450 of (EU) Regulation of 26th June 2013, n. 575 is then inserted in table format by Banca IFIS and the other companies of the Group.

Regarding 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 Parent Company's main bodies and personnel 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 and Management Control.

The role of personnel in this regard is described in the Articles of Association and/or in the corporate regulations as specified below.

1.1 Shareholders' Meeting

The Ordinary Shareholders' Meeting, in accordance with art. 10 of the Articles of Association, *“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 Board of Directors

The Board of Directors, according to the provisions of art. 14 of the Articles of Association, has exclusive jurisdiction over 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 Association, 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 Remuneration Committee

The Remuneration Committee is an internal committee within the Parent Company’s Board of Directors and provides support functions to the Board of Directors in defining the remuneration and incentive policies of the Group. Specifically, in accordance with the relevant Regulations, the Committee has the task of:

- *“advising and formulating proposals to the Parent Company’s Board of Directors 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 Parent Company’s Board of Directors 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 Parent Company’s Internal Audit Office, Human Resources Office, Strategic Planning Department, Risk Management Department and Compliance Department in the process of preparing and monitoring remuneration policies and practices of the Group;*
- *monitoring implementation of the decisions adopted by the Parent Company’s Board of Directors and those of the other Group companies regarding remuneration and 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 Parent Company’s Board of Directors regarding the criteria for attributing stock options or allocating shares to 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 President 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 Remuneration 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 22nd March 2016, the members of the Committee are:

- Francesca Maderna (non-executive and independent Director);
- Daniele Santosuosso (non-executive and independent Director);
- Riccardo Preve (non-executive and non-independent Director)¹.

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, including 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 members.

As established by the Regulations in force, the President 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 is 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 President of the Committee assesses, in relation to the matters to be discussed, the need to involve the Head of Risk Management to ensure that the incentive schemes are properly adjusted to take account of all the risks assumed by the 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

¹ This individual was nominated by the Board of Directors to replace the non-independent director, Andrea Martin.

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.

Committee Meetings

During 2016 the Committee met eleven times; one of which was a joint meeting with the Board of Statutory Auditors and the other two Governance Committees: the Appointments Committee and the Risk Management and Internal Control Committee (CCR). The meetings were preceded by discussion among the members and/or by prior individual examination of the documentation. The average duration of each meeting was approximately one hour. The Committee did not make use of the services of external consultants.

During 2016, two directors, Francesca Maderna and Daniele Santosuosso, attended all eleven meetings, whilst Riccardo Preve (who replaced Andrea Martin²) attended seven meetings.

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

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

- incentive schemes applied to various business units of the Bank and the Group;
- information on the remuneration of "key personnel";
- implementation of the remuneration policies approved by the Shareholders' Meeting and the review requirements;
- proposal on the fees assignable to directors and auditors;
- proposal on the remuneration of heads of internal control functions;
- a proposal for the appointment of the Financial Reporting Officer;
- a proposal to identify managers with strategic responsibilities;
- the process of self-evaluation of key personnel.

During 2016, it was not necessary to activate the specific financial resources available to the Committee for the performance of its duties.

In 2017 two meetings of the Committee have already been held regarding: incentive systems for 2016 and for 2017; 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:

² Andrea Martin, non-executive and non-independent Director, who stepped down from this role on 22/03/2016, attended four meetings.

- this Remuneration Report pursuant to art. 123 c of the Issuers' Regulations;
- the disclosure document in accordance with articles 114 b of the CFA and 84 b 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 Chief Executive Officer

The CEO, as defined pursuant to art. 15 of the Articles of Association, is responsible for implementing strategic direction and business management, and makes use of the General Directorate.

Regarding 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 on current and future professional/profile needs that are consistent with strategic choices.

1.5 General Manager

In light of art. 17 of the Articles of Association, 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 Control Functions

The control functions work together, each within their respective jurisdiction, to ensure the adequacy and compliance of the remuneration and incentive policies with prevailing legislation and their correct operation.

In particular:

- Compliance verifies, among other aspects, that the company remuneration system is consistent with the objectives of compliance with regulations, with the Articles of Association, as well as any ethical codes and/or other standards of conduct applicable to the Group so that the related legal and reputational risks are properly contained especially in relationships with customers;
- Internal Audit checks, at least annually, that remuneration practices comply with the approved policies and with the regulatory environment. The results and any anomalies identified are brought to the attention of the bodies and functions responsible for possible corrective measures and the evaluation of importance, with a view to prompt disclosure to the Bank of Italy. Every year, the results of the checks carried out are brought before the Shareholders' Meeting;

- 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 governance and risk management policies and considering 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, the General Manager and additional potential beneficiaries of remuneration based on financial instruments as well as for the verification of the conditions for their attribution.

1.7 Other structures involved

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

- Human Resources;
- Strategic Planning and Management Control.

To ensure the overall consistency of the policy of the entire Group, bearing in mind the characteristics of each subsidiary, the HR Department of each subsidiary is involved.

1.8 Independent experts that were involved in the preparation of the remuneration policy

No independent experts were involved in the preparation of the remuneration policy.

2. 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 considering the characteristics of the Group.

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

Banca IFIS Group's remuneration and incentive system is based 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 Group;
- attracting and retaining within the company employees with the professionalism and skills that are appropriate to the needs of the Group, particularly where these workers hold key roles within the organisation;
- promoting compliance with all 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.

A base fixed remuneration is set out for each employee that reflects their professional experience and their role, the market value of the role and the collective bargaining agreement in force. This component is sufficient for a variable part not to be paid.

For key staff, it is further established that any interventions on the fixed component cannot exceed an increase of 20% compared to the previous year's gross annual salary. In view of the Parent Company's strategically important projects and/or extraordinary transactions, for key personnel playing a particularly important role in these initiatives the possibility exists to allow, for a certain period of time, as long as the person has the specific post and, in any case, for a maximum of 18 months, specific recognition. This allowance, which is configured as a predefined sum, not tied to performance, on proposal from the Chief Executive Officer must be approved by the Board of Directors, after approval of the Remuneration Committee, and subsequently communicated to the interested parties by individual letter.

2.1 Main changes compared to the previous financial year

The main changes are aimed at better aligning Remuneration and Incentive policies to the objectives of: compatibility with levels of capital and liquidity, financial stability, medium to long-term direction and compliance with regulations.

To this end, the conditions for access to the variable component (gate) applying to all staff were made explicit, considering indicators of profitability, liquidity and capital adequacy.

Against this background, the formulas for calculating the variable component for the CEO and Director General were consequently adjusted, increasing the share of net profit before non-computable taxes and excluding from this calculation any elements arising from extraordinary operations.

The materiality threshold laid down for implementing the rules on deferment and partial payment in shares was also reconsidered, lowering it to €70,000, as was the application of malus and claw back mechanisms.

To better align individual objectives to business results and value creation targets in the medium to long term, the possibility of a further Long Term Incentive has been defined for business units with a gross budget profit of more than €20 million in 2017.

Taking the Parent Company's strategically important projects and/or extraordinary operations into consideration, the potential for an allowance as a default sum, under specific conditions, has been set out for principal staff members who play a particularly important role in these initiatives, not linked to performance.

Finally, the methods of performance assessment were specified for principal staff responsible for corporate control functions, making it clear that any variable components may be proposed by the Remuneration Committee, in consultation with the Chief Executive Officer and the Director General, and the Board of Directors.

3. Recipients and contents of 2017 Policies

Recipients of Policies and identification of key personnel

Remuneration and incentive policies are defined for all Group personnel³, without prejudice to more detailed requirements for members of staff that have a substantial impact on the Group's risk profile (so-called key personnel). These individuals are regularly identified by the Parent Company in respect of all Group companies and considering the results of evaluations carried out by all individual Group companies affected, considering these criteria:

- qualitative and quantitative criteria, expressly defined by Delegated Regulation (EU) no. 604/2014;
- further criteria, established by the Parent Company to pay particular attention to the Bank of Italy's Supervisory Provisions to “the heads of major business lines, corporate functions or geographical areas; those who report directly to strategic supervision, management and control bodies; senior managers and senior staff of company control bodies”⁴ in addition to particular categories of staff such as “financial and insurance agents and financial advisors with external distribution networks”⁵.

From the staff-assessment process for Group key personnel, led by Human Resources with the support of Compliance and Risk Management to the extent applicable and approved by the Board of Directors on 2nd March 2017, 47 individuals fall within the category of Group key personnel, grouped into the following categories:

- | | |
|---|---|
| <input type="checkbox"/> President of the Board of Director | <input type="checkbox"/> Managers with strategic responsibilities of very important operating units |
| <input type="checkbox"/> Vice President | <input type="checkbox"/> Head of control functions |
| <input type="checkbox"/> Non-executive Directors | <input type="checkbox"/> Head of business units |
| <input type="checkbox"/> Chief Executive Officer | <input type="checkbox"/> Head of important operating units |
| <input type="checkbox"/> General Manager | <input type="checkbox"/> Head of risk management structures |
| <input type="checkbox"/> Managers with strategic responsibilities of control functions | <input type="checkbox"/> Head of service, consultancy and support structures |
| <input type="checkbox"/> Managers with strategic responsibilities of important business units | |

Managers with strategic responsibility within the parent company are all included as key personnel.

Group key personnel accounts for about 3.5% of the Group's workforce

Any key personal, identified on an individual basis by each subsidiary, and not considered as such by the Group, will follow the same rules set out in the remuneration and incentive policies according to the category to which they belong.

Conditions for access to the variable component (gate)

Access to the variable portion for all personnel shall be subject to:

³ This means members of strategic supervisory, management and control bodies, employees and contractors of the Parent Company and its subsidiaries.

⁴ See also Bank of Italy Circular 285, Part I, Heading IV, Chapter 2, Section II, paragraph 2.

⁵ See also Bank of Italy Circular 285, Part I, Heading IV, Chapter 2, Section IV.

- the Group's consolidated result before taxes relating to the year in question, exceeding €60m⁶;
- respect of the prevailing minimum regulatory limits of the Group's Liquidity Coverage Ratio (LCR) indicator, calculated as an average of the last twelve month-ends of the year in question;
- a Group Total Own Funds Ratio exceeding the Overall Capital Requirement communicated by the Supervisory Body under the “Decisions on capital” at the conclusion of the supervisory review process (SREP).

The absence of any one of these parameters will prevent payment of the variable component.

The variable component is also recognised under the condition that the beneficiary is still in post/an employee of the Group and not working a period of notice for resignation or dismissal, except for retirement or placement in the solidarity fund.

Payment of a variable component will also be suspended where the Bank has instigated disciplinary proceedings in progress for fraud or gross negligence or for acts that may lead to the individual's dismissal by just cause.

Directors' remuneration

Shareholders' Meeting of 22nd March 2016, 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 2016, 2017 and 2018, in addition to reimbursement of expenses incurred in their duties;
- resolved to give all Directors, except the President, Vice President and the CEO, a fee for each attendance of meetings of the Board of Directors;
- requested from the Board of Directors determination of additional remuneration for directors vested with special offices in accordance with Article 2389 of the Italian Civil Code for each of the years 2016, 2017 and 2018 also considering, where appropriate, company results, subject to an aggregate amount calculated per individual financial year, understood as inclusive of all fees awarded to members of the Board.

There are no incentive mechanisms for non-executive Directors, including the President.

For subsidiaries, their respective Shareholders' Meetings resolved that the members of the strategic supervisory bodies that play other roles within the Group as employees do not receive any compensation for their role on the Board of Directors. With reference to Interbanca, the Shareholders' Meeting voted to award its only independent Director, for the role of director, a fixed fee for each of the years 2017 and 2018.

Auditors' remuneration

Regarding the Board of Auditors, the Shareholders' Meeting of 22nd March 2016:

- agreed to pay the President and two Standing Auditors a fixed annual fee, as well as reimbursing expenses sustained in the performance of their duties;

⁶ Not to be included in calculations are elements deriving from extraordinary transactions such as: capital increases, company mergers, demergers, acquisitions or any other non-recurring transaction that the Board of Directors should decide on and deem suitable to modify the value of the indicator.

- agreed to pay to all the Standing Auditors a fee for every Board of Directors' meeting attended.

No incentive mechanisms are available for members of the Board of Auditors and there is no form of variable remuneration.

For subsidiaries, their respective Shareholders' Meetings voted to give the President and the two Standing Auditors a fixed annual fee, as well as reimbursement of expenses.

Parent Company's Chief Executive Officer and General Manager's remuneration

The CEO's remuneration 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 in question, for the part exceeding €60m⁷, which is correct, in turn, for the relationship between the Group final balance sheet RORAC⁸ (return on risk adjusted capital)⁹ and the Group's future RORAC¹⁰, in formula (A):

$$\text{Variabile} = 1.5 \% \times (\text{Pre} - \text{Tax Profit}_{\text{period}} - 60.000.000) \times \frac{\text{RORAC}_{\text{Final balance}}}{\text{RORAC}_{\text{Prospective}}} \quad (\text{A})$$

The incidence of the variable component to the fixed component may not exceed a maximum ratio 1:1.

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 €60m¹¹, which is correct in turn for the ratio between the Group final balance sheet RORAC¹² (return on risk adjusted capital)¹³ and the Group prospective RORAC¹⁴, in formula (B):

$$\text{Variabile} = 0.75 \% \times (\text{Pre} - \text{Tax Profit}_{\text{period}} - 60.000.000) \times \frac{\text{RORAC}_{\text{Final balance}}}{\text{RORAC}_{\text{Prospective}}} \quad (\text{B})$$

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

⁷ Not to be included in calculations are elements deriving from extraordinary transactions such as: capital increases, company mergers, demergers, acquisitions or any other non-recurring transaction that the Board of Directors should decide on and deem suitable to modify the value of the indicator.

⁸ 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.

⁹ The reference period is the same as for the objective RORAC (*ex-ante measurement*).

¹⁰ Defined in the strategic plan with a 12-month horizon.

¹¹ Not to be included in calculations are elements deriving from extraordinary transactions such as: capital increases, company mergers, demergers, acquisitions or any other non-recurring transaction that the Board of Directors should decide on and deem suitable to modify the value of the indicator.

¹² 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.

¹³ The reference period is the same as for the objective RORAC (*ex-ante measurement*).

¹⁴ Defined in the strategic plan with a 12-month horizon.

Remuneration for Control Functions

The remuneration package for key personnel belonging to the control function (Risk Management, Compliance, Internal Audit, Anti Money Laundering, Human Resources and Statutory Reporting Manager) is structured with a prevailing fixed component and a variable part that is attributed annually based on quality and efficiency criteria.

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 Head of the Human Resources). Following definition, the Managing Director informs the Committee and the Board.

At least annually, the Remunerations Committee analyses the individual positions and, in consultation with the CEO and the General Manager, regarding the Heads of Control Functions, expresses its opinion and formulates proposals to the Board of Directors.

The variable component is subject to prior quality evaluation that can be expressed on a scale of five levels of judgment and includes information on the following objectives:

- managing assigned projects and quality of service provided;
- management and development of resources assigned;
- care and prevention of the risks inherent in their own areas of responsibility;
- management and coordination of assigned tasks.

Each grading equates to a percentage of variable component to be allocated according to the following scale:

Excellent	Good	Above average	Average	Inadequate
100% of premium	80% of premium	50% of premium	0%	0%

up to the maximum fixed/variable component ratio which, for the most outstanding business function staff, cannot exceed the ratio of 1:3.

Subject to the conditions of access to variable component (gate), depending on the goals of corporate sustainability, incentive mechanisms linked to the performance of both Banca IFIS and the Group are excluded from determining the remuneration of key personnel belonging to control functions.

Remuneration of other key personnel

The remuneration of the remaining key personnel consists of a comprehensive annual salary and a variable component defined in advance for each individual based on predefined criteria and based on three pillars:

- qualitative performance assessment carried out jointly by the CEO and the General Manager;
- reaching a determined level of corporate cost income;
- reaching specific economic, commercial and operating objectives and satisfying internal and external customers inclusive of corrective risk measures (MBO- Management by Objectives).

The limit on the ratio between the variable component and a fixed component of the previous year is defined, and the amount of maximum theoretical variable component is determined in the following table:

Structures	No. of Managers	Previous year % max Bonus on RAL	Senior Management Assessment	Cost income ratio	MBO
Managers with strategic responsibilities of very important operating units	1	60%	30%	20%	50%
Managers with strategic responsibilities of important business units	2	60%	20%	20%	60%
Business Units	12	80%	20%	20%	60%
Risk management unit	7	50%	30%	20%	50%
Important operating units	1	50%	40%	20%	40%
Service, consultancy and support structures	7	50%	50%	20%	30%

To implement the management process shown above, relevant corporate regulations were issued, aimed at management of the system structured as follows.

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

Subsequent interventions on fixed and/or variable remuneration are defined by the CEO under the criteria specified below.

At least on an annual basis, the CEO informs the Remuneration Committee on the decisions taken.

Structure of variable component structure for principal staff.

Since provision of a significant variable component was never envisaged, meaning a variable remuneration that exceeds the fixed salary, the percentage of deferred variable component is fixed at 40% for a period of 3 years.

The variable up-front remuneration is therefore payable upon approval of the financial statement for the year ended on 31st December of the previous year. 50% of this will be paid in Parent Company shares at the end of the three-year retention period¹⁵ to which the shares pertain, in line with strategic planning.

The variable remuneration, subject to a three-year vesting period following approval of the financial statement for the year ended on 31st December of the previous year, is determined on approval of those accounts.

¹⁵ Period during which there is a prohibition on the sale of shares.

50% of the variable remuneration subject to a vesting period will be paid in Parent Company shares at the end of the retention period¹⁶ of a year to which the shares pertain.

The remaining variable remuneration subject to a vesting period is subject to annual reassessment at the prevailing legal rate.

The number of shares to be assigned is determined by taking the average market price in the month preceding the determination of variable component as fair value, to be carried out on the date of the Shareholders' Meeting to approve the financial statement.

The number of shares is determined by rounding to the nearest integer.

In line with best market practices, it is appropriate to apply the same rules for deferment and partial payment in Bank treasury shares where the variable remuneration is equal to or greater than €70,000.

Malus condition

The deferred variable component is subject to the following malus mechanisms, which reduce until reset, ex-post, the amount previously determined, according to the criteria listed in the following table (C).

		Overall Total Capital Ratio¹⁷			
		<10.7%	10.7%< <11.5%	11.5%<12.5%	>12.5%
Group RORAC	≥ 15%	-100.0%	---	---	---
	10.5%< < 15%	-100.0%	-30.0%	-20.0%	-10.0%
	< 10.5%	-100.0%	-40.0%	-30.0%	-20.0%

(C)

The deferred variable component is also reset if the subject has determined or contests to determine:

- a significant budget reduction for the Group (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 CBA or of obligations regarding remuneration and incentive schemes;
- fraudulent behaviour or serious negligence to the detriment of the Group;

or also where:

- the Assembly has resolved the revocation of the post through just cause, that is, the Board of Directors has decided to withdraw from the working contract for just cause.

The above-mentioned criteria are audited in each of the three financial years¹⁸ following the determination of the variable component (accrual period) and are applied on occurrence of the above-mentioned conditions, taking into consideration the lower result recorded in the period of reference.

¹⁶ Period during which there is a prohibition on the sale of shares.

¹⁷ EU Regulation 575/2013 (CRR) and Directive 2013/36/EU (CRD IV).

¹⁸ A condition sufficient for application of the corrective mechanisms listed in the table is the occurrence of these same conditions in at least one of the three years of observation (accrual period).

Claw back

The Group reserves to take appropriate action for the return of the variable component recognised and/or paid to key personnel that exceeded the materiality threshold where the individual has determined or contests to determine:

- a significant annual loss for the Group¹⁹ (losses equal to or exceeding 5% of 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 CBA or of obligations regarding remuneration and incentive schemes;
- fraudulent behaviour or serious negligence to the detriment of the Group;

or also where a Group Total Own Funds Ratio²⁰ is lower than the Overall Capital Requirement communicated by the Supervisory Body under the “Decisions on capital” at the conclusion of the supervisory review process (SREP).

Also where these criteria have occurred in each of the three closed financial years²¹ (accrual period) following determination of the variable component applicable on occurrence of the above conditions.

Long Term Incentive

For Heads of business units with more than €20m gross profit in the financial year 2017, an incentive can be considered that rewards consistent excellent performance over time.

Essentially, if, during the three-year period 2017-2019 (accrual period), the average of the results achieved by business units is at least 90% of those budgeted²², as at formula (D):

$$\sum_{t=1}^{3 \text{ years}} \frac{1}{3} \frac{RORAC_{BU \text{ Final balance } t}}{RORAC_{BU \text{ Budget } t}} \geq 90\% \quad (D)$$

without prejudice to the yearly passing of the minimum threshold of 80% of budget objectives set out annually, the CEO, in conjunction with the General Manager, will give a qualitative assessment on the Manager's work, which, if positive, will give rise to the payment of an incentive, defined ex ante, not exceeding 60% of the Manager's gross annual salary for 2019, and still respecting the maximum ratio of 1:1 between fixed and variable components, whose value will be paid in Parent Company shares with one-year retention period.

In addition, in view of the importance assumed by Managers with strategic responsibilities for the Group's medium to long term goals, for these individuals (excluding the General Manager, department heads and other executives with strategic responsibilities already subject to Long Term Incentive covered by other performance criteria) a performance incentive is set out for an average three-year performance during 2017-2019 (accrual period) higher than expected (MBO) and with

¹⁹ Elements that derive from extraordinary transactions will be disregarded, such as capital gains, corporate mergers, demergers, acquisitions or any other non-recurring operation that the Board of Directors may decide on and that is likely to change the value of the indicator.

²⁰ EU Regulation no. 575/2013 (CRR) and Directive 2013/36/EU (CRD IV).

²¹ A condition sufficient for application of the corrective mechanisms listed in the table is the occurrence of one of these conditions in at least one of the three years of observation (accrual period).

²² Based on the latest approved strategic plan and with 12-month timeframes.

Total Shareholder Return exceeding 20% (average share price in December 2019 compared to the average share price in December 2016).

In such a case, the CEO, in conjunction with the General Manager, will give a qualitative assessment on the Manager's work, which, if positive, will give rise to the payment of an incentive, defined ex ante, not exceeding 60% of the Manager's gross annual salary for 2019, and still respecting the maximum ratio of 1:1 between fixed and variable component, whose value will be paid in Parent Company shares with one-year retention period.

The number of shares to be assigned will be determined by taking the average market price in the month preceding the determination of Long Term Incentive as fair value, to be carried out on the date of the Shareholders' Meeting to approve the financial statement at the end of the relevant accrual period.

The number of shares is determined by rounding to the nearest integer.

Any recognition of this incentive, depending on the structure already outlined, itself aimed at ensuring a medium to long-term orientation, will not be subject to the rules for deferment, partial payment in shares and retention.

The incentives previously set out will also be recognised under the condition that the beneficiary is still in post/an employee of the Group and not working a period of notice for resignation or dismissal, except for retirement or placement in the solidarity fund.

Ban on hedging strategies

It is strictly forbidden for individual employees to execute hedging strategies on remuneration or on other aspects that may alter or affect the alignment effects on business risk inherent in the remuneration mechanisms envisaged.

Remuneration of agents in financial activities

Within the category of employees not subject to employment contracts, particular importance is attached to Financial Agents. The group uses an external distribution network for recovery, both in and out of Court, of distressed loans and, following the recent acquisition of the ex GE Capital Interbanca Group, a network of agents for promoting leasing products.

The remuneration of individuals involved in the recovery of distressed loans, both in and out of Court, is contractually defined comprising a non-recurring component determined ex ante with an incentivising value, and a recurring component.

Furthermore, in accordance with the Bank of Italy's Supervisory Provisions:

- the aggregate amount of the “non-recurring” component awarded to agents is linked (the so-called Bonus Pool) to 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 for each individual based on indicators deemed relevant for both the correctness of assigned tasks and for regulatory compliance and for respecting the behavioural principles defined by the Bank, particularly with customers; to contain 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.

The Parent Company aligns remuneration for financial agents involved in promoting leasing products, respecting the principles and reasoning described above. Where necessary, the Parent Company's objective is to encourage appropriate compliance action.

Other types of employees

For remaining employees, during the annual assessment provided for by the Collective Labour Agreement, the CEO and/or the Directorate General may provide one-off payments up to a maximum of three months. This premium, except where set out by the access conditions (gate) set out above, are aimed at rewarding excellent performance and/or particular or evident quality.

In the absence of a supplementary company agreement, the Parent Company's Board of Directors can decide on payment of "corporate award" applicable to its 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.

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 contents of the consultancy activity, 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.

4. 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 (for all full- and part-time employees with an employment contract and with some exceptions attributable to contractual situations previously acquired);
- occupational and non-occupational accident policy for all employees;
- life policies (applicable only to Parent Company executives and to all employees of subsidiaries);
- permanent disability policy (applicable to all employees of subsidiaries);
- ticket restaurant (for all employees, varying from €5.29 to €7.40);
- company cars (for some individuals based on prevailing internal policies);

- corporate contributions to supplementary pension provision (for all permanent employees, with percentages varying from 1.5% to 4% of gross annual salary and/or based on salaries for post-employment benefit purposes (subject to certain contractual situations previously acquired));

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

The above benefits, where applicable for all employees, are not considered discretionary.

5. Payment provided in case of cessation from the assignment or termination of the employment relationship

As a general rule, the Group's companies 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 (Golden Parachutes), (including cases of early termination of employment or due to its non-renewal) without prejudice, in any case, to the obligations of the law and/or of the Collective Labour Agreement.

The following are not considered parachutes: payments and disbursements due under law and by collective agreement or based on transactions carried out under and within the limits of these institutions and to avoid the risk of objectively justified judgement.

In the event that these "parachutes" are approved, they are subject to the claw back conditions cited above to occur in each of the three closed financial years²³ following the (*accrual period*) and applied on occurrence of the conditions mentioned above.

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.

6. Implementation of Policies in subsidiaries

This document regarding the implementation of the compensation and incentive policies, drawn up by the Parent Company applies to all subsidiaries, therefore they are not required to draft their own documents

Each subsidiary company, in line with the directions as supplied by the Parent Company, submits this document or an extract from it to its own strategic supervisory body. This body is responsible for its proper implementation in the subsidiary and will ensure that this remuneration and incentive policy is adequately documented and accessible within the corporate structure;

In applying regulatory provisions, Interbanca will also submit to its Shareholders' Meeting: the remuneration plans based on financial instruments (e.g. stock options) and the criteria for determining the compensation to be granted in the event of early termination of the employment relationship or early termination of office including the limits established in that compensation in terms of annuities of fixed remuneration and the maximum amount that results from their application.

²³ A condition sufficient for application of the corrective mechanisms listed in the table is the occurrence of one of these conditions in at least one of the three years of observation (*accrual period*).

SECTION II

1. Part One

1.1 Entries that compose the remuneration

Regarding the directors, statutory auditors, members of the Risk Management Committee, Assignment Committee, Remuneration Committee and Supervisory Board, the following details are provided on the items included in remuneration and that, for the financial year 2016, are summarised in the following Table 1.

In the “fixed remuneration” column the following are illustrated, according to a competence criteria and, where necessary, reporting the amount at its effective date

- in the relevant section the compensation set out for the post of director is €25,000 for each member of the Board of Directors, €105,000 for the President of the Board of Statutory Auditors, €70,000 for the effective auditors, in accordance with the resolution adopted by the Shareholders' Meeting of 22nd March 2016;
- in the relevant section, the total amount of attendance allowances paid to directors and auditors, according to the rules established by the Shareholders' Meeting of 22nd March 2016, for participation in subsequent meetings of the Board of Directors during 2016;
- in the relevant section “lump sum expenses” the amount possibly invoiced in the form of a flat-rate sum of the costs incurred due to their appointment as directors and statutory auditors;
- in the relevant section, the *fees for certain posts* approved by the Board of Directors pursuant to former art. 2389 of the Italian Civil Code due to the President, Vice President and CEO;
- finally, in the section “fixed remuneration from the work of employees”, the annual remuneration for the General Manager and other employees who, during the financial year, have held, even for a fraction of the year, the position of director with strategic responsibility, is indicated, shown gross of social security and tax deductions borne by the employee, excluding the required collective social security charges paid by the company and the severance pay provision.

In the Fees for Participation in Committees column, the fees, possibly related to the effective date of appointment, assigned to other directors vested with special offices and established by the Board of Directors of 22nd March 2016 are listed in the following amounts:

- the President of the Risk Management and Internal Control Committee, a fixed annual compensation for the post equal to €75,000;
- for the other members of Risk Management and Internal Control Committee, an annual fixed fee for this office of €45,000;
- for members of the Remuneration Committee, an annual fixed fee for this post in the amount of €5,000;
- for the members of Appointments Committee, an annual fixed fee for this office of €5,000;
- for the President of the Supervisory Body pursuant to Legislative Decree 231/2001, a fixed annual fee for that office equal to €25,000;

- for the other directors who make up the Supervisory Body pursuant to Legislative Decree 231/2001, a fixed annual remuneration for this post equal to €10,000.

The variable portion of the CEO's and General Manager's remuneration acquired in relation to the profit for the year 2016 is indicated in the section "participations in profit" of the "variable non-equity remuneration" column and payment is conditional upon verification of compliance with the conditions established in the remuneration policy.

Any bonuses and other incentives earned, for the work in 2016, by directors with strategic responsibilities are shown in the section "bonuses and other incentives" of the "variable non-equity remuneration" column. In that section, the "corporate award" for the General Manager and for other directors with strategic responsibility is also indicated. This award was established by the collective labour agreement in force and approved by the Board of Directors in favour of employees at the meeting of 28th November 2016, despite the absence of supplementary company agreement.

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

- health policy (for all full- and part-time employees with an employment contract and with some exceptions attributable to contractual situations previously acquired);
- occupational and non-occupational accident policy for all employees;
- life policies (applicable only to Parent Company executives and to all employees of subsidiaries);
- permanent disability policy (applicable to all employees of subsidiaries);
- luncheon vouchers (for all employees, varying from €5.29 to €7.40);
- company cars (for some individuals based on prevailing internal policies);
- corporate contributions to supplementary pension provision (for all permanent employees, with percentages varying from 1.5% to 4% of gross annual salary and /or based on salaries for post-employment benefit purposes (subject to certain contractual situations previously acquired);
- attribution of service accommodation (for 13 staff over the financial year).

For the Managers with strategic responsibility identified for 2016 (5 managers as of 31/12/2016), the information is provided in aggregate form with an indication of the number of persons to which it refers (this involves 6 managers who, during the year, have held this position, even for part of the year).

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

Consistent with the report provided to the Shareholders' Meeting of 22nd March 2016 regarding 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 > 2016) together with the minutes of the Shareholders' Meeting of 22nd March 2016, pursuant to article 125 d of the Consolidated Finance Act), we provide - in addition to what is already stated in other parts of this Report - some further concise information on the implementation, in 2016, of the policies approved one year ago.

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

The average ratio between the variable proficiency component for 2016, for managers who received it, and fixed remuneration for 2016 amounted to 27.99%.

Middle Management and Professional Areas that hold commercial roles

The average ratio between variable component and fixed remuneration for 2016 was 19.39%.

Other Middle Management and Professional Areas

For 2016, bonuses were paid equal to 7.58% of the workforce with an average amount equal to 7.87% of Gross Annual Salary.

Other information

For completeness of information and regarding the entire company workforce, the following is also pointed out:

- salary increases were given to 6.16% of the company workforce with an average increase in Gross Annual Salary of 13.87%;
- promotions (increase in rank) were given to 19.88% of the company workforce;
- in 2016, the Gross Annual Salary underwent a gross increase (inclusive of inflation rate and contractual increases) of 3.24%;
- at the end of 2016 there was a project collaboration relationship;
- during 2016, a further 5 stability agreements were formalised with employees that hold commercial roles (the total number of stability agreements as of 31/12/2016 is now 18).

Group Companies

(a) IFIS FINANCE Sp. z o.o.

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

1. The mandate of the directors was carried out:
 - ✓ by a manager of the Parent Company free of charge and thus without the need to repay the emoluments for appointments held by employees of the Parent Company;
 - ✓ by the Vice President of the Parent Company who has carried out the mandate free of charge.
2. a company bonus equal to one month's salary, paid with December 2016 salary, linked to the working period in the year, was paid to the staff in post as at 31/12/2016, whose employment relationship would continue into 2017 and with at least three months' company seniority;
3. four individuals were paid a variable component according to a model like that used by the Parent Company for the commercial network incentive system;
4. the total amount of remuneration attributed to staff at 31/12/2016 (no. 12 persons) amounted to €304,128.

b. INTERBANCA S.p.A. and ITS SUBSIDIARIES TO 31/12/2016 (IFIS LEASING, IFIS FACTORING, IFIS RENTAL SERVICES)

Introduction

The remuneration policy (also “Compensation Policy”) adopted by the Shareholders' Meeting on 29 April 2016, was defined and implemented by the previous General Electric management until November 30, 2016, at which date GE Capital Interbanca Group was acquired by the Banca IFIS Banking Group.

This final report, therefore, with particular reference to the quantitative data in it, will take account of the change in ownership and the consequent changes in the corporate structure from that date.

Implementation of 2016 remuneration policies for Material Risk Takers

1. Material Risk Takers and the consequences related to transition to new ownership.

There were 26 Material Risk Takers (that is, the key personnel, also “MRT”) in 2016 including the members of the Board of Directors whose mandate ceased on 30th November 2016.

It should be noted that the Chief Risk Officer, Chief Compliance Officer, the Factoring Managing Director, the Chief Operations Officer and the Chief Financial Officer (the latter was not a Bank employee but a separate officer from a GE company based abroad) also left on the same day the Bank passed to new ownership.

The HR Director and the General Manager ceased their employment relationship with the Bank on 31st December 2016.

The Internal Audit Leader's powers were revoked on entry into new ownership.

The Factoring Credit Leader resigned during the year and was not replaced, as the powers of this post were transferred to the Parent Company's Chief Risk Officer, already included as MRT.

The Pricing Leader, also resigned during the year, and was replaced by the Pricing Manager.

2. Implementation of Role Based Allowances for MRT Control Function Managers were part of the Executive Band.

For the financial year 2016, two MRT, Control Functions managers who were classified as Executive Band (under previous General Electric management structure), the Chief Risk Officer and the Human Resources Director, were given the Role Based Allowance or role allowance.

Both MRT voluntarily ended their employment relationship with the Bank on 30/11/2016 and 31/12/2016 respectively.

3. Retention plans

Confirmation of the retention bonus for 2016, already introduced in 2015, with the aim of retaining key resources during the sale process ended only at 30th November 2016.

The variable remuneration (retention bonuses included) for MRT who were not Managers of Control Functions in post at the time of its payment, was paid in respect of the limit of 1:2 between fixed and variable remuneration components as required by the prevailing Compensation Policy.

Aggregated data on fixed salary, variable remuneration and on retention regarding the financial year 2016 are presented in “Other tables” in the second part of this report.

4. Severance Packages (Annex C to the Compensation Policy 2016)

In view of the acquisition of the GE Capital Interbanca Group by the Banca IFIS Banking Group and of the new corporate structure, 6 MRT employment relationships were resolved voluntarily

(including the General Manager and Chief Executive Officer) as of 30th November 2016 and 31st December 2016.

In line with the provisions of Appendix C to the Compensation Policy of the then GE Capital 2016 Interbanca S.p.A., specifically approved by the Shareholders' Meeting of 29th April 2016, all amounts individually paid were defined within the salary provided for in the CCNL [National Collective Labour Agreement] for executives of credit, financial and instrumental businesses and are subject to the claw back clause for a period of 5 years after termination of employment.

Please note that these sums were not subject to deferment because, as well as being defined within the scope of the contract, they were paid with a view to avoiding litigation.

Remuneration Committee meetings

In 2016, the Committee met seven times. The average duration of a meeting was around an hour. The Committee did not make use of the services of external consultants.

The Committee consisted of the President of the Board of Directors, Ugo Draetta, and two independent directors, Mario Garraffo and Marco Giorgino.

The Director, Mario Garraffo, participated in 5 of the seven meetings and Director, Marco Giorgino, in six.

The role of Secretary was carried out by the HR Director, Adriana Paolone.

During 2016, it was not necessary to make specific financial resources available to the Committee for the performance of its duties.

The above-mentioned Remuneration Committee ceased with the takeover by Banca IFIS on 30th November 2016.

Quantitative data relating to 2016 remuneration policies.

For details of quantitative data, please refer to "Other tables" (in the second part of this report).

We should start by saying that implementation of the incentivising remuneration work is expected in April 2017.

Consequently, aggregate quantitative data reported in the corresponding table entries are shown based on the assessments made to date, and the provisions made.

Finally, for 2016, in consideration of the sale, deferment of the variable part of remuneration will be made only in "cash".

The total expected variable remuneration outlay is financially viable if we consider the individual regulatory capital of Interbanca S.p.A. (formerly GE Capital Interbanca S.p.A. and Parent Company of the former GE Capital Interbanca Banking Group S.p.A.) at 31st December 2016 equal to €865 million and the CET1 ratio of 37.4%.

Deferred amounts will still be subject to a sustainability check and to malus and/or claw back provisions.

Compensation for members of the Board of Directors and Auditors

There are no fees for members of General Electric's Board of Directors, although the variable portion of their pay is tied to the results of the GE Capital Interbanca Banking Group.

The total fees for Interbanca S.p.A.'s two independent directors amounts to €165,000.00 (including remuneration for Committee assignments within the Board of Directors) and the remuneration of the President of the Board of Directors amounted to €82,500.00 (including remuneration for Committee assignments within the Board of Directors).

It should be noted that remuneration for 2016, was calculated from January to November 2016.

For 2016, there are no fees for Board members who have been mandated by the new owner. This also applies for Board members of Interbanca S.p.A.'s subsidiaries as at 31st December 2016 who, as employees of GE and, from 30th November 2016, employees of Banca IFIS S.p.A., have not drawn any remuneration.

The total 2016 remuneration for the Board of Statutory Auditors is equal to €222,500.00, of which €11,667.00 is for Auditors entering post from 1st December 2016. Regarding remuneration for the Auditors of subsidiaries of Interbanca S.p.A., as at 31st December 2016, there is a total amount for the three companies of €256,916.67, of which €17,500.00 for the Auditors entering in post from 1st December 2016.

All the above amounts, which do not include other expenses (VAT, Lawyers Provident Fund), are in line with what was approved by the relevant Shareholders' Meetings.

2. Part two: remuneration paid in 2016

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)

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					
Sebastien Egon Fürstenberg	Chairman	from 1/1/2016 to 31/12/2016	Approval of the financial statements to 31/12/18													
Remuneration at Banca IFIS S.p.A.				25	-		650							675	n.a.	-
Remuneration from Banca IFIS S.p.A. subsidiaries														-	n.a.	-
Total				25	-	-	650	-	-	-	-	-	-	675	n.a.	-
Alessandro Csillaghy De Pacser	Deputy Chairman	from 1/1/2016 to 31/12/2016	Approval of the financial statements to 31/12/18													
Remuneration at Banca IFIS S.p.A.				25	-		500							525	n.a.	-
Remuneration from Banca IFIS S.p.A. subsidiaries														-	n.a.	-
Total				25	-	-	500	-	-	-	-	-	-	525	n.a.	-
Giovanni Bossi	CEO	from 1/1/2016 to 31/12/2016	Approval of the financial statements to 31/12/18													
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				25	-	-	650	-	-	-	650	-	-	1.325	n.a.	-

Name and Surname	Appointment	Period during which the position was held	Position end date	Fixed remuneration					Non-equity variable 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	Remuneration for participation in committees	Bonuses and other incentives	Profit sharing				Non-monetary benefits
Giuseppe Benini	Board Director	from 1/1/2016 to 31/12/2016	Approval of the financial statements to 31/12/18	25	26	9							60		
	President Risk Management & Internal Control Committee	from 1/1/2016 to 31/12/2016	Approval of the financial statements to 31/12/18						68				68		
	President Nominations Committee	from 1/1/2016 to 31/12/2016	Approval of the financial statements to 31/12/18						4				4		
	Member of Supervisory Body	from 1/1/2016 to 31/12/2016	Approval of the financial statements to 31/12/18	13									13		
Remuneration at Banca IFIS S.p.A.				38	26	9	-	-	72	-	-	-	146	n.a.	-
Remuneration from Banca IFIS S.p.A. subsidiaries													-	n.a.	-
Total				38	26	9	-	-	72	-	-	-	146	n.a.	-
Francesca Maderna	Board Director	from 1/1/2016 to 31/12/2016	Approval of the financial statements to 31/12/18	25	25	9							59		
	Member of Risk Management & Internal Control Committee	from 1/1/2016 to 31/12/2016	Approval of the financial statements to 31/12/18						42				42		
	President Remuneration Committee	from 1/1/2016 to 31/12/2016	Approval of the financial statements to 31/12/18						4				4		
Remuneration at Banca IFIS S.p.A.				25	25	9	-	-	46	-	-	-	104	n.a.	-
Remuneration from Banca IFIS S.p.A. subsidiaries													-	n.a.	-
Total				25	25	9	-	-	46	-	-	-	104	n.a.	-
Antonella Malinconico	Board Director	from 22/3/2016 to 31/12/2016	Approval of the financial statements to 31/12/18	19	19	8							46		
	Member of Risk Management & Internal Control Committee	from 22/3/2016 to 31/12/2016	Approval of the financial statements to 31/12/18						35				35		
Remuneration at Banca IFIS S.p.A.				19	19	8	-	-	35	-	-	-	81	n.a.	-
Remuneration from Banca IFIS S.p.A. subsidiaries													-	n.a.	-
Total				19	19	8	-	-	35	-	-	-	81	n.a.	-
Riccardo Preve	Board Director	from 1/1/2016 to 31/12/2016	Approval of the financial statements to 31/12/18	25	24	14							64		
	Member of Nominations Committee	from 1/1/2016 to 31/12/2016	Approval of the financial statements to 31/12/18						4				4		
	Member of Remuneration Committee	from 22/3/2016 to 31/12/2016	Approval of the financial statements to 31/12/18						4				4		
Remuneration at Banca IFIS S.p.A.				25	24	14	-	-	8	-	-	-	71	n.a.	-
Remuneration from Banca IFIS S.p.A. subsidiaries													-	n.a.	-
Total				25	24	14	-	-	8	-	-	-	71	n.a.	-
Marina Salamon	Board Director	from 1/1/2016 to 31/12/2016	Approval of the financial statements to 31/12/16										-		
Remuneration at Banca IFIS S.p.A.				25	23	1	-	-	-	-	-	-	49	n.a.	-
Remuneration from Banca IFIS S.p.A. subsidiaries													-	n.a.	-
Total				25	23	1	-	-	-	-	-	-	49	n.a.	-
Daniele Santosuosso	Board Director	from 1/1/2016 to 31/12/2016	Approval of the financial statements to 31/12/18	25	25								50		
	Member of Risk Management & Internal Control Committee	from 1/1/2016 to 31/12/2016	Approval of the financial statements to 31/12/18						42				42		
	Member of Nominations Committee	from 1/1/2016 to 31/12/2016	Approval of the financial statements to 31/12/18						4				4		
	Member of Remuneration Committee	from 1/1/2016 to 31/12/2016	Approval of the financial statements to 31/12/18						4				4		
	Member of Supervisory Body	from 1/1/2016 to 31/12/2016	Approval of the financial statements to 31/12/18	10									10		
Remuneration at Banca IFIS S.p.A.				35	25	-	-	-	49	-	-	-	109	n.a.	-
Remuneration from Banca IFIS S.p.A. subsidiaries													-	n.a.	-
Total				35	25	-	-	-	49	-	-	-	109	n.a.	-

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					
Giacomo Bugna	Chairman of the Board of Statutory Auditors	from 1/1/2016 to 31/12/2016	Approval of the financial statements to 31/12/18													
Remuneration at Banca IFIS S.p.A.				99	21	8								127	n.a.	-
Remuneration from (direct and indirect) Subsidiaries of Banca IFIS S.p.A. (period 01/12/2016 to 31/12/18)				13		1								13	n.a.	-
Total				111	21	9	-	-	-	-	-	-	-	141	n.a.	-
Giovanna Ciriotto	Standing statutory auditor	from 1/1/2016 to 31/12/2016	Approval of the financial statements to 31/12/18													
Remuneration at Banca IFIS S.p.A.				66	19									84	n.a.	-
Remuneration from (direct and indirect) Subsidiaries of Banca IFIS S.p.A. (period 01/12/2016 to 31/12/18)				8										8	n.a.	-
Total				74	19	-	-	-	-	-	-	-	-	92	n.a.	-
Piera Vitali	Standing statutory auditor	from 1/1/2016 to 31/12/2016	Approval of the financial statements to 31/12/18													
Remuneration at Banca IFIS S.p.A.				-										-	n.a.	-
Remuneration from (direct and indirect) Subsidiaries of Banca IFIS S.p.A.				8										8	n.a.	-
Total				3										8	n.a.	-
Massimo Miani	Standing statutory auditor	from 22/3/2016 to 31/12/2016	Approval of the financial statements to 31/12/18													
Remuneration at Banca IFIS S.p.A.				54	14									68	n.a.	-
Remuneration from Banca IFIS S.p.A. subsidiaries				-										-	n.a.	-
Total				54	14	-	-	-	-	-	-	-	-	68	n.a.	-
Andrea Martin	President of Supervisory Body	from 1/1/2016 to 21/03/2016	Approval of the financial statements to 31/12/18	25										25		
	Director	from 1/1/2016 to 22/03/2016	Approval of the financial statements to 31/12/15	6	6									12		
	Member of Risk Management & Internal Control Committee	from 1/1/2016 to 22/03/2016	Approval of the financial statements to 31/12/15							7				7		
	Member of Remuneration Committee	from 1/1/2016 to 22/03/2016	Approval of the financial statements to 31/12/15													
Remuneration at Banca IFIS S.p.A.				31	6	-	-	-		7	-	-	-	44	n.a.	-
Remuneration from Banca IFIS S.p.A. subsidiaries				-										-	n.a.	-
Total				31	6	-	-	-		7	-	-	-	44	n.a.	-
Mauro Rovida	Standing statutory auditor until 21/03/2016	from 1/1/2016 to 21/03/2016	Approval of the financial statements to 31/12/15													
Remuneration at Banca IFIS S.p.A.				11	4									15	n.a.	-
Remuneration from Banca IFIS S.p.A. subsidiaries				-										-	n.a.	-
Total				11	4	-	-	-	-	-	-	-	-	15	n.a.	-
Alberto Staccione	General Manager	from 1/1/2016 to 31/12/2016	n.a.													
Remuneration at Banca IFIS S.p.A.								308		26	185	17		536	n.a.	-
Remuneration from Banca IFIS S.p.A. subsidiaries														-	n.a.	-
Total				-	-	-	-	308	-	26	185	17	-	536	n.a.	-
Other executives with strategic responsibilities (five people at 31/12/2016)																
Remuneration at Banca IFIS S.p.A.								646		318		20		984	-	151
Remuneration from Banca IFIS S.p.A. subsidiaries														-	n.a.	-
Total				-	-	-	-	646	-	318	-	20	-	984	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 b, 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 Group.

TABLE 3A

TABLE 3A Incentive plans based on financial instruments other than stock options for members of the Board, for general managers and for the other executives with strategic responsibilities

(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)	(11)	(12)
Surname and First Name	Appointment	Plan	Number and type of financial	Vesting period	Number and type of financial	Fair value at allocation date	Vesting period	Date of allocation	Market price upon allocation	Number and type of financial	Number and type of financial instruments	Value on the maturation date	Fair value
Bossi Giovanni	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	*4517	3	-	-	-	-	-	-	7.243	194.990,98	26,92
		2016 Plan Resolution of 22/03/2016									**	**	**
Remuneration from Banca IFIS S.p.A. subsidiaries		2014 Plan	-	-	-	-	-	-	-	-	-	-	-
		2015 Plan	-	-	-	-	-	-	-	-	-	-	-
		2016 Plan	-	-	-	-	-	-	-	-	-	-	-
Total			15.181								13.938	324.982,30	
Staccione Alberto	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	*1280	3	-	-	-	-	-	-	2.052	55.242,51	26,92
		2016 Plan Resolution of 22/03/2016									**	**	**
Remuneration from Banca IFIS S.p.A. subsidiaries		2014 Plan	-	-	-	-	-	-	-	-	-	-	-
		2015 Plan	-	-	-	-	-	-	-	-	-	-	-
		2016 Plan	-	-	-	-	-	-	-	-	-	-	-
Total			4.301								3.949	92.075,00	

(*) The number of shares is determined by the market price on the date of assignment. Said number will be recalculated at the moment of payment.

(**) The data of assignable shares with reference to the incentive attributed regarding the year 2016 results will be available following the resolutions of the Ordinary Shareholders' Meeting convened on 21/04/2017

TABLE 3B
TABLE 3B Monetary incentive plans for members of the Board, for general managers and for other executives with strategic responsibilities

(A) Surname and First Name	(B) Appointment	(1) Plan	(2) Annual bonus			(3) Bonus of previous years			(4) Other bonuses
			(A)	(B)	(C)	(A)	(B)	(C)	
			Payable/paid	Deferred	Period of deferral	No longer payable	Payable/paid	Deferred again	
Bossi Giovanni	CEO								
Remuneration at Banca IFIS S.p.A.		2013-2014-2015 Plans	-	-	-	-	260.000	650.000	-
		2016 Plan Resolution of 22/03/2016	390.000	260.000	3	-	-	-	-
Remuneration from Banca IFIS S.p.A. subsidiaries		2015 Plan	-	-	-	-	-	-	-
		2016 Plan	-	-	-	-	-	-	-
Total			390.000	260.000	3	-	260.000	650.000	-
Staccione Alberto	General Manager								
Remuneration at Banca IFIS S.p.A.		2013-2014-2015 Plans	-	-	-	-	73.658	184.145	-
		2016 Plan Resolution of 22/03/2016	111.023	74.016	3	-	-	-	-
Remuneration from Banca IFIS S.p.A. subsidiaries		2015 Plan	-	-	-	-	-	-	-
		2016 Plan	-	-	-	-	-	-	-
Total			111.023	74.016	3	-	73.658	184.145	-

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

Surname and first name	Appointment	Investee company	Number of shares owned at the end of the previous year	Number of shares purchased	Number of shares sold	Number of shares owned at the end of the current year
Fürstenberg Sebastien Egon (including shares held indirectly through La Scogliera S.p.A.)	President	Banca IFIS S.p.A.	26,974,036	52,811	0	27,026,847
Csillaghy Alessandro	Vice President	---	---	---	---	---
Bossi Giovanni	Chief Executive Officer	Banca IFIS S.p.A.	1,845,343	7,243	0	1,852,586
Benini Giuseppe	Director	---	---	---	---	---
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.	1,250,168	2,000	- 10,000	1,242,168
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	President - Board of Statutory Auditors	---	---	---	---	---
Ciriotta Giovanna	Standing statutory auditor	---	---	---	---	---
Rovida Mauro	Standing statutory auditor	---	---	---	---	---
Staccione Alberto	General Manager	Banca IFIS S.p.A.	141,897	2,052	0	143,949

** 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

Number of managers with strategic responsibilities	Investee company	Number of shares owned at the end of the previous year	Number of shares purchased	Number of shares sold	Number of shares owned at the end of the current year
5	Banca IFIS S.p.A.	---	---	---	---

Other tables

AGGREGATE QUANTITATIVE INFORMATION FOR BANCA IFIS S.p.A. BUSINESS LINE			
BUSINESS LINES	NUMBER	GROSS ANNUAL SALARY	GROSS VARIABLE ANNUAL SALARY
B.U. Credi Impresa Futuro + B.U. Internazionale	324	11.187.795,07	1.809.049,27
B.U. Pharmacies	11	660.098,46	51.201,66
B.U. NPL	120	3.328.958,46	502.738,65
B.U. PHARMA	11	588.738,84	76.941,65
B.U. Retail	21	471.072,18	39.774,90
BU Tax Credits	25	1.026.012,65	269.810,40
General Directorate - Control Functions	48	2.040.456,58	341.025,39
General Directorate - Staff and support structures	328	10.748.558,13	1.303.835,50
TOTAL	888	30.051.690,37	4.394.377,42

AGGREGATE QUANTITATIVE INFORMATION PER BUSINESS LINE IN SUBSIDIARY COMPANIES (INTERBANCA, IFIS LEASING, IFIS FACTORING, IFIS RENTAL SERVICES)			
BUSINESS LINES	Number	GROSS ANNUAL SALARY	GROSS VARIABLE ANNUAL SALARY
General Directorate - Staff and support structures to 31/12/2016	242	11.328.690,45	1.042.969,11
General Directorate - Control Functions to 31/12/2016	28	1.798.716,08	347.350,21
IFIS Factoring Retail Banking/Factoring to 31/12/2016	35	1.738.985,60	242.097,34
B.U. Interbanca - Commercial Lending to 31/12/2016	14	976.292,71	152.654,11
B.U. Interbanca - Finance structured to 31/12/2016	9	630.547,00	325.549,21
B.U. Interbanca - Workout & Recovery to 31/12/2016	18	1.106.360,15	297.371,77
IFIS Leasing - Auto Leasing to 31/12/2016	100	4.315.596,00	630.732,00
IFIS Rental Services - Equipment Leasing Finance to 31/12/2016	29	1.148.654,91	242.700,25
TOTALS	475	23.043.842,90	3.281.424,00

AGGREGATE QUANTITATIVE INFORMATION DISTRIBUTED BETWEEN THE VARIOUS CATEGORIES OF "KEY PERSONNEL"					
SUBSIDIARY COMPANIES (INTERBANCA, IFIS LEASING, IFIS FACTORING, IFIS RENTAL SERVICES)	No.	Payment at the start of employment	No.	Severance package	Severance payments (excluding Pension Fund reserves)
President of the Board of Directors	0	0	0	0	0
Vice President	0	0	0	0	0
Non-Executive Directors	0	0	0	0	0
CEO and General Manager	1	0	1	2.685.779,00	506.160,85
Material Risk Takers	5	0	5	4.388.853,86	56.919,58
Total	6	0	6	7.074.632,86	563.080,43

AGGREGATE QUANTITATIVE INFORMATION DISTRIBUTED BETWEEN THE VARIOUS CATEGORIES OF "KEY PERSONNEL"							
SUBSIDIARY COMPANIES (INTERBANCA, IFIS LEASING, IFIS FACTORING, IFIS RENTAL SERVICES)	N.	Deferred from previous years and paid in this financial year in cash	N.	Deferred from previous years and paid in this financial year in shares	N.	Deferred from previous years and withdrawn	Existing non-attributed, deferred remuneration
President of the Board of Directors to 30/11/2016	1	-	-	-	-	-	-
Non-Executive Directors to 30/11/2016	2	-	-	-	-	-	-
GE Board of Directors to 30/11/2016	4	-	-	-	-	-	-
CEO and General Manager to 30/11/2016	1	74.157,00	1	-	-	-	249.880,00
President of the Board of Directors from 01/12/2016 (Banca IFIS Group)	1	-	-	-	-	-	-
CEO from 01/12/2016 (Banca IFIS Group)	1	-	-	-	-	-	-
Banca IFIS Parent Company Board of Directors from 01/12/2016	4	-	-	-	-	-	-
Material Risk Takers 30/11/2016 (excluding the General Manager)	18	32.394,00	4	98.681,45	-	-	139.876,00
Material Risk Takers 31/12/2016 (excluding the General Manager)	13	6.151,00	2	37.976,94	-	-	38.222,00
Material Risk Takers - Business Unit Heads to 31/12/2016	4	6.151,00	1	304,30	-	-	24.762,00

BANCA IFIS SPA	
Total remuneration in excess of € 1 million	N.
€1 million - 1.5 million	1
€1.5 - 2 million	
€2 - 2.5 million	
€2.5 - 3 million	
€3 - 3.5 million	
€3.5 - 4 million	
€4 - 4.5 million	

SUBSIDIARY COMPANIES (INTERBANCA, IFIS LEASING, IFIS FACTORING, IFIS RENTAL SERVICES)	
Total remuneration in excess of € 1 million	N.
€1 million - 1.5 million	3
€1.5 - 2 million	
€2 - 2.5 million	
€2.5 - 3 million	
€3 - 3.5 million	1
€3.5 - 4 million	
€4 - 4.5 million	

AGGREGATE QUANTITATIVE INFORMATION REPRESENTING "KEY PERSONNEL" (ONLY EMPLOYEES) OF BANCA IFIS GROUP (SELF-EVALUATION CARRIED OUT FEBRUARY 2017)								
Banca IFIS Group	No.	FIXED	VARIABLE	% AVERAGE VARIABLE ON FIXED	Cash up front	Equity up front	Cash deferred	Equity deferred
KEY PERSONNEL	37	4.265.882,27	1.421.444,88	33,23%	1.276.639,58	-	144.805,30	-

AGGREGATE QUANTITATIVE INFORMATION DISTRIBUTED BETWEEN THE VARIOUS CATEGORIES OF "MOST IMPORTANT PERSONS OF THE SUBSIDIARY COMPANIES (INTERBANCA, IFIS LEASING, IFIS FACTORING, IFIS RENTAL SERVICES)														
SUBSIDIARY COMPANIES (INTERBANCA, IFIS LEASING, IFIS FACTORING, IFIS RENTAL SERVICES)	No.	FIXED	VARIABLE	% INDIVIDUAL MAXIMUM VARIABLE	% VARIABLE ON FIXED	Variable pay 2016								
						Bonus Performance 2016				Retention 2016				
						Cash up front	Equity up front	Cash deferred	Equity deferred	Retention program value	Cash up front	Equity up front	Cash deferred July 2017	Equity deferred
President of the Board of Directors to 30/11/2016 (including governance committee roles)	1	82.500,00	0	0	0	0	0	0	0	0	0	0	0	0
Non-Executive Directors to 30/11/2016 (including governance committee roles)	2	165.000,00	0	0	0	0	0	0	0	0	0	0	0	0
GE Board of Directors to 30/11/2016	4	0	0	0	0	0	0	0	0	0	0	0	0	0
CEO or Director General	1	490.620,00	0	0	0	0	0	0	0	0	0	0	0	0
Material Risk Takers to 30/11/2016 (excluding Managing Director and Members of the Board of Directors)	18	2.705.454,06	647.167,20	81%	24%	165.523,99	n.a.	144.805,93	0	336.837,28	286.449,96	0	27.499,43	0
Material Risk Takers - Governance department heads to 30/11/2016	6	836.632,03	89.757,00	20%	11%	48.891,00	n.a.	0	0	40.866,00	26.414,00	0	0	0
President of the Board of Directors from 01/12/2016 (Banca IFIS Group)	1	0	0	0	0	0	0	0	0	0	0	0	0	0
CEO from 01/12/2016 (Banca IFIS Group)	1	0	0	0	0	0	0	0	0	0	0	0	0	0
Members of the Board of Directors employed by Parent Company Banca IFIS from 01/12/2016	4	0	0	0	0	0	0	0	0	0	0	0	0	0
Material Risk Takers to 31/12/2016 (excluding the General Manager and Members of the Board of Directors)	13	1.517.001,65	647.167,20	81%	43%	165.523,99	0	144.805,93	0	336.837,28	286.449,96	0	27.499,43	0
Material Risk Takers - Governance department heads to 31/12/2016	4	458.090,00	89.757,00	20%	20%	48.891,00	0	0,00	0	40.866,00	26.414,00	0	0	0
Material Risk Takers - Business Unit heads to 31/12/2016	4	568.216,35	336.656,70	77%	59%	52.470,39	0	100.996,13	0	183.190,88	147.254,96	0	27.499,43	0