

CREVAL S.P.A.

**GROUP REMUNERATION POLICIES
2018 REPORT ON REMUNERATION**

ORDINARY SHAREHOLDERS' MEETING OF 30 APRIL 2019

This is a translation into English of the original in Italian. The Italian text shall prevail over the English version

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Letter from the Chairman of the Remuneration Committee

Dear Shareholders,

In my role of Chairman of the Remuneration Committee, and on behalf of the Committee, I am pleased to introduce a summary of the Credito Valtellinese Banking Group's remuneration strategy for 2018. The internal functions of the Bank responsible for this have contributed to this document with great dedication and professionalism.

The recently appointed Remuneration Committee contributed actively and with the utmost commitment to the definition of a remuneration model based on the principles of fairness, competitiveness, attention to risk, prudence and sustainability, showing the utmost consideration for the best practices available on the market.

For the Bank and the Group, 2018 was the continuation of a process that had already begun in 2017 with the transformation into a joint-stock company and which focused on the implementation of the *RUN² - Restart Under New Normality* Business Plan, which was necessary to strengthen the capital and profitability levers.

In 2018, the Board of Directors defined and implemented part of the operational projects included in the above-mentioned business plan - with regard to capital strengthening and de-risking, in particular - with very challenging objectives that had a great impact on all aspects of the Group's activities, also with reference to remuneration policies. In 2019, a new business plan will be presented focused on the continuation of the relaunch of the Bank and the Group. Therefore, the remuneration policy will represent the fundamental tool for the implementation of company strategies in the long term, with a view to prudent risk management and capital solidity.

The following "2018 Report on Remuneration" was prepared mainly with the aim of consolidating and strengthening a dialogue, already initiated last year, with all stakeholders and in particular with you, the shareholders. This dialogue is also based on the definition of clear and effective remuneration policies in which the alignment between the interests of management and those of shareholders and all stakeholders is evident. The document that you will read in the following pages is strongly characterised by the approach of the new Remuneration Committee; in fact, it contains a series of new elements, in terms both of incentive schemes and of simplification and reporting clarity; these incentive systems will be related to the objectives of the new Business Plan, which the Board of Directors will approve by the end of the first half of the year.

Along with increasing attention to creating sustainable value over time, which takes into consideration risk elements in ordinary operations, there continues to be a strong focus on fully enhancing service quality of financial services offered to customers and to the territory in which our distribution network operates.

During 2018 and in recent months, there was a thorough examination of the adequacy of the remuneration system as a whole, taking into account, on the one hand, the need to both motivate, leverage and retain the individuals currently working, as well as attract new talent in professional categories that are more innovative and in developmental phase and, last but not least, find alignment our competitors' remuneration policies.

I would like to thank my colleagues on the Committee, Teresa Naddeo and Massimiliano Scrocchi, for their valuable, constructive and effective contributions over the last few months.

Dear Shareholders, thank you in advance for dedicating your attention to this Report.

Paola Bruno
Chairman of the Remuneration Committee

Regulatory framework of reference

Credito Valtellinese Banking Group is constantly engaged in updating remuneration and incentive policies and normal practices, complying with current regulations, as they may apply.

The current Credito Valtellinese Banking Group's document "*Group remuneration policies – 2018 Report on Remuneration*" also defines the remuneration and incentive policies and practices as described in reference context of the Bank of Italy's supervisory provisions, Circular no. 285 of 17 December 2013 ("*Supervisory Provisions for Banks*") as amended, which implements European Parliament's Directive 2013/36/EU ("CRD IV").

Remuneration and incentive policies and practices have therefore been set in compliance with the national and European Union regulations, among which the following are included, in particular:

- delegated Regulation of the European Commission no. 604 of 4 March 2014, which includes the technical standards for the "Material Risk Takers" ("MRT" or "Risk Takers");
- EU delegated Regulation no. 527/2014 relating to the required regulatory standards for the classes of instruments useful for variable remuneration;
- EU delegated Regulation no. 575/2013 relating to public information;
- articles 114-*bis* and 123-*ter* of Italian Legislative Decree no. 58/1998 (Consolidated Finance Act, TUF) and articles 84-*bis* and 84-*quater* of Consob Resolution no. 11971/99 as amended ("*Issuers' Regulation*");
- joint Bank of Italy - Consob communication of 29 January 2014 "*Implementation of ESMA guidelines relating to remuneration policies and practices (MiFID)*";
- Consob communication of 19 June 2014 relating to information available to the public on indemnities and benefits for Executives and General Managers;
- the amendment to joint Bank of Italy - Consob Regulation "*Remuneration systems for the managed savings sector*" of 27 April 2017 relating to the organisation and procedures for intermediaries offering investment financial or collective investment management services;
- the "*Guidance to banks on non-performing loans*" issued by the ECB in March 2017, which indicates the relevance of remuneration policies and the validation tools of the results in relation to defined objectives for NPLs;
- Code of Self-Discipline of Listed Companies, most recently updated in July 2018, which envisages the approval of a remuneration policy for directors and executives with strategic responsibilities.

The regulatory framework was further amended with the publication of EBA's "*Guidelines on sound remuneration policies under Articles 74(3) and 75(2) of Directive 2013/36/EU and disclosures under Article 450 of Regulation (EU) No. 575/2013*", formally in effect from 1 January 2017, to which Bank of Italy, as the competent authority, has decided to comply with where the national framework has not yet been implemented. In this regard, note the 25th update of the "*Supervisory Provisions for Banks*" of 23 October 2018, which produces a coordination between national and EU provisions. Moreover, it provides clarification on some principles and general criteria for the application of the regulations, on the identification of the risk takers and on the process of exclusion from this category.

With reference to the proportionality criterion contained in the above mentioned regulations, for the purposes of applying the rules on remuneration, it should be noted that Credito Valtellinese is considered a "large bank or bank with complex transactions" and therefore the stricter criteria envisaged by the provisions are to be applied to the risk takers, in particular as regards the definition of the "Material risk takers" (as per EBA regulations), as will be seen below.

In relation to the qualification of listed bank, Credito Valtellinese is considered a “large bank or bank with complex transactions”, pursuant to Bank of Italy Circular 285/2013 in that a bank with shares listed on a regulated market (Borsa Italiana). Moreover, Credito Valtellinese, being classified as “*less significant*” is subject to the supervision of the Bank of Italy.

This remuneration report consists of two sections as required by Article 123-ter of the Consolidated Law on Finance. Section I of the Report illustrates the procedures used for the preparation and adoption of the Remuneration Policy as well as the bodies and persons responsible for the correct implementation of this Policy. Section I also illustrates the remuneration policy adopted by the Company for the 2019 financial year, with a special attention to risk takers, corporate bodies and the Managing Director and General Manager.

The Remuneration Policy for 2019 was definitively approved by the Board of Directors of the Company on 12 March 2019, on proposal of the Remuneration Committee. Section I is then submitted to the vote of the Shareholders’ Meeting called to approve the 2018 financial statements.

Section II of the Report provides a representation, with reference to the 2018 financial year, of each of the items that make up the remuneration of the beneficiaries as well as the analytical illustration, in a specific table, of the fees paid to these beneficiaries, for any reason and in any form, by the Company or by companies controlled by it in 2018, in addition to fees not yet paid at the date of approval of the Report, but pertaining to the 2018 financial year.

Another table, pursuant to Article 84-bis, paragraph 5 of the Issuers’ Regulation, also contains data relating to financial instruments other than stock options, in implementation of the current Plans. Finally, a further table shows, pursuant to Article 84-quarter paragraph 4 of the Issuers’ Regulation, the shareholdings held in the Company or in companies controlled by it by the aforesaid parties (and by parties related to them).

Finally, note that the Remuneration Policy was also drawn up pursuant to and for the purposes of the Related Party Transaction Procedure adopted by the Company.

SECTION I

GENERAL CHARACTERISTICS OF THE REMUNERATION AND INCENTIVE POLICY

General Principles

Remuneration is one of the most important factors to motivate, selectively reward, attract and retain individuals with expertise and skills suited to the needs of the Company in the medium and long term.

In order to ensure the competitiveness and effectiveness of the remuneration policy as well as internal fairness and transparency, the fundamental elements of the Group's remuneration policy are represented by the principles of sustainable behaviour and performance:

- **Clear and transparent governance**, through effective organisational and corporate governance structures as well as clear and rigorous governance systems and rules.
- **Sustainable remuneration for sustainable performance**, maintaining consistency between remuneration and performance and between remuneration and creation of value as well as enhancing both the results actually obtained and the ways in which they are achieved.
- **Employee motivation and loyalty**, with a special attention to talents and resources considered strategic, to attract, motivate and retain the best resources capable of achieving the company's objectives in a sustainable manner.
- **Compliance with regulatory requirements and principles of good professional behaviour**, implementing a remuneration policy structured according to regulations and preventing or managing potential conflicts of interest between roles within the Group or towards our customers.
- **Continuous monitoring of market trends and practices** and awareness of national and international practices, in order to correctly define competitive salary levels, internal fairness and transparency.

The Governance Process: the actors involved in the preparation and approval of the remuneration policy as well as the actors responsible for its correct implementation

The Credito Valtellinese Group set up a solid governance process in order to regulate the definition, implementation and management of remuneration policies. This process envisages the involvement, at different levels and depending on their areas of competence, of multiple control bodies and company functions:

Corporate bodies:

- Shareholders' Meeting
- Board of Directors
- Remuneration Committee
- Risk Committee
- Board of Statutory Auditors

Company functions:

- Managing Director and General Manager
- Human Resources Department
- Planning and Controls Department
- Risks and Control Department

- **Investor and Media Relations Service**
- **Compliance Department**
- **Auditing Department**

Shareholders' Meeting

With regard to remuneration, the Shareholders' Meeting:

- determines the amount of remuneration to be paid to the Directors, in compliance with the relevant law and regulatory provisions, and to the Statutory Auditors;
- approves the remuneration policies for the bodies with supervision, management and control functions and for the personnel;
- approves remuneration plans based on financial instruments;
- approves the criteria for determining any amounts to be granted in the event of early termination of employment or early termination of office of all personnel, including the limits set for such amounts in terms of annual fixed remuneration and the maximum amount resulting from their application;
- endorses the criteria for determining any special remuneration and has the power to resolve, with the qualified majorities envisaged by the supervisory provisions in force, on a ratio of variable to fixed components of the individual remuneration of personnel that exceeds a ratio of 1:1 but in any case does not exceed the maximum established by those provisions.

With regard to the above-mentioned maximum limit to the ratio of variable to fixed components with reference to the risk takers, it is currently set at 1:1.

Board of Directors

With regard to remuneration issues, the Board of Directors, in compliance with its strategic supervision powers, is responsible for preparing the Group's Remuneration policies with the support of the Remuneration Committee and the competent Company functions.

As part of its remuneration activities, the Board of Directors is responsible for:

- determining, with the support of the Remuneration Committee, after consulting the Board of Statutory Auditors, the remuneration of Directors that carry out certain duties; General Managers; joint General Managers, Deputy General Managers and the like; the managers of the main business lines, company functions or geographical areas; those who report directly to the bodies with strategic supervision, management and control functions; the managers and the highest level personnel of the company control functions. In particular, it ensures that these systems are consistent with the Bank's overall choices in terms of risk taking, strategies, long-term objectives, corporate governance structure and internal controls;
- approving the process of identifying the risk takers by verifying their full compliance with the relevant regulatory provisions, and the list of roles included in this category as a result of the process itself, with the support of the Board of Statutory Auditors;
- approving the Group's remuneration policies, with a special reference to risk takers, to be submitted to the subsequent final approval of the Shareholders' Meeting;
- approving the incentive plans based on financial instruments to be submitted for subsequent final approval by the Shareholders' Meeting;
- checking the correct implementation of the Group's remuneration policies.

Remuneration Committee

It has a central role in the system of governance with regard to remuneration policies and practices. The Committee supports the Board of Directors in verifying the overall consistency, adequacy and concrete application of remuneration policies with respect to sound and prudent management and long-term strategies.

The Remuneration Committee is composed of three non-executive Directors, the majority of whom meet the independence requirements set out in Article 148, paragraph 3, of the Consolidated Finance Act. The Board of Directors appoints the three members and, among them, identifies the Chairman of the Board.

Specifically, the Remuneration Committee:

- has consultancy duties and makes proposals on the remuneration of personnel whose remuneration and incentive systems are decided by the Board of Directors (Directors carrying out certain duties or proxies, the General Manager and those carrying out equivalent functions) and of the heads of internal control functions in the Company;
- expresses its opinion, also making use of the information received from the competent company functions, on the results of the process of identifying the risk takers, including any exclusions;
- has consultancy duties pertaining to the determination of the criteria for remuneration of “risk takers”;
- directly supervises the correct application of the rules concerning the remuneration of managers of internal control functions, working closely with the control body;
- works with the other Board Committees, and specifically with the Risk Committee;
- ensures the involvement of the competent company functions in preparing and controlling the remuneration policies and practices;
- expresses its opinion, also making use of the information received from the competent company functions, on the achievement of performance targets to which the incentive plans are related and on the assessment of the other conditions set for the disbursement of the remuneration.

During 2018, 4 meetings of the Remuneration Committee of Credito Valtellinese were held, for the specific purpose of accurately performing its functions. The meetings took place on 1 March, 22 March, 5 June and 15 October. In the current year 2019, 6 further meetings of the Committee were held: on 15 January, 5 February, 19 February (continued on 21 February), 26 February and 6 March.

As in the last few years, in the year just ended, the Remuneration Committee in office until 12 October 2018 received support from SpencerStuart, a consulting firm with specific expertise on remuneration policies and models.

For the 2019 financial year, the Committee deemed it appropriate to appoint Mercer, a leading international consulting firm on Compensation, Health & Benefits of the Marsh & McLennan Companies Group.

Risk Committee

In performing its remuneration functions, the Risk Committee ascertains that the incentives underlying the remuneration and incentive system of the Bank and of the Group comply with the RAF without prejudice to the responsibilities of the Remuneration Committee, and in particular examines whether the incentives provided by the remuneration system take account of risks, capital and liquidity.

Board of Statutory Auditors

The Board of Statutory Auditors has the task of expressing a view on the remuneration of directors in specific roles; such views are also stated with regard to the remuneration of the Board of Directors. Furthermore, the Board also expresses its opinion on the remuneration of persons responsible and/or spokespersons for the control functions.

Company functions

The process of the Remuneration Policy is formulated by the Human Resources department with the involvement of the Risk Management department and is validated by the Compliance department for each aspect of direct concern before being submitted to the Remuneration Committee.

On this context, the **MD** and the **General Management** exercise powers of proposal, supervision and initiative and also constantly manage and monitor the progress of activities on the matter, to ensure the necessary consistency between the guidelines and the concrete management initiatives.

Specifically, the compliance policy adopted by Crevall Group attributes to the **Compliance Department** the duty of verifying the consistency of the remuneration systems with regulations, the Articles of Association and the code of conduct.

The **Auditing Department** carried out an annual audit of the methods used to ensure compliance of the remuneration practices with the reference regulations.

In addition to the functions already indicated, the **Risk and Control Department** is also involved in this process to ensure compliance of the remuneration policies with the Risk Appetite Framework (known as “RAF”) and with the governance and risk management policies. The contribution of the **Planning and Control Department** is not less important: it ensures that the remuneration policies are consistent with strategic and planning objectives and short and medium-long term budgets and with the level of capitalisation, profitability and liquidity of the Banks and the Group.

The **Investor and Media relations Service**, as part of the process described, is responsible for maintaining relations with the main shareholders, including with regard to remuneration policies, and provides, once the report and related documents have been deposited, information and references useful for expressing its vote during the Shareholders’ Meeting.

Purposes of the Remuneration policy and professional roles to which it is applied

In formulating and implementing its remuneration policy, the Credito Valtellinese Banking Group aims to:

- direct its behaviour towards the Group’s industrial priorities;
- attract and retain highly qualified personnel and support people’s motivation, recognising merit and

enhancing professional development;

- develop and improve the quality of its services to its customers;
- support sound and prudent risk management;
- safeguard internal and external remuneration equity, also aiming at a balanced relationship between fixed and variable components, anticipating balanced and sustainable pay mix levels, confirming in any case the careful monitoring of personnel costs;
- support behaviour that is consistent with the Code of Ethics, regulations and provisions in force.

BENEFICIARIES OF THE REMUNERATION POLICY

Remuneration policies, differentiated by personnel categories, are structured to guarantee maximum effectiveness, compatibly with the type and objectives of the reference company function. In this context, the remuneration and incentive policies are aimed at the following beneficiaries:

- members of the Management Body (Board of Directors);
- Top management (General Manager and members of General Management);
- Risk Takers;
- Executives and middle managers included in control functions;
- other personnel (Executives, Middle Managers and Employees in the Professional Categories).

Risk Takers

The Creval Group developed an analysis process aimed at identifying the categories of individuals with significant impact on the Group's risk profile: the Risk Takers. The governance and organisational structure, the scope and complexity of the activities carried out are taken into consideration for the risk assessment to which the Group itself is or could be exposed.

In this regard, an accurate examination of its functional profiles is constantly carried out, leading to the definition of professional roles that present the identified characteristics, in order to implement any changes in professional content underlying the different positions, as well as following a change in the appointment to one of the mentioned positions.

This activity was particularly complex in 2018 due to the extraordinary operations involving the Group (merger of Credito Siciliano S.p.A. and Creval Sistemi e Servizi Soc. Cons. P.A., acquisition of the company Claris Factor S.p.A. (subsequently merged with Creval PiùFactor S.p.A.), sale of the majority of the share capital of Global Assicurazioni S.p.A. and Global Broker S.p.A.) and the turnover on some important roles determined by a significant number of employees accompanied to retirement through the segment Solidarity Fund.

To identify the Risk Takers, i.e. the personnel whose professional activity has or may have a relevant impact on the Group's risk profile, an analysis was carried out through the application, as anticipated, of regulatory technical standards relating to the qualitative and quantitative criteria indicated in *Regulatory Technical Standards for Identified Staff* (RTS), incorporating Directive 2013/36/EU.

The qualitative criteria are related to the positions held in the company organisation and are applied through an analytical evaluation of the roles aimed at identifying the relevant positions by virtue of the importance attached to the activities carried out and to the relevant responsibilities.

The quantitative criteria refer to the level of total remuneration received, examining in detail all the remuneration components.

The motivated and formalised results of the process are submitted for evaluation to the Remuneration Committee and therefore to the Board of Directors of the Parent.

At the end of the analysis, no. 56 resources fall within the scope of Risk Takers¹. The Risk Takers/Total Staff ratio of the Group is 1.52%. This last figure, which follows a partial review of the process of identifying the “risk takers”, is more in line with sector benchmarks.

A breakdown of the number of “risk takers” is shown in Section II of this document.

Identification of the “Risk Takers”	2018
Number of resources	56
- by qualitative criteria	56
- by quantitative criteria	11*
Incidence	
as a % of total workforce at year-end	1.52%

(*These resources are also included in the quality criteria)

The risk takers, as identified above, are subject to the strictest criteria and more detailed rules set out in the Provisions in relation to the variable component of remuneration.

Remuneration of Corporate bodies

The Remuneration of the corporate bodies is defined by the Shareholders’ Meeting that establishes the total amount of remuneration due to the Board of Directors and the members of the Board of Statutory Auditors, including the fixed component attributed to the Directors, as well as any attendance fees due to the Directors and the members of the established Board Committees.

Remuneration of the members of the Board of Directors

The remuneration of Directors is defined with the aim of rewarding the skills, experience and responsibilities entrusted to them as part of the task assigned to them. The remuneration of non-executive Directors is entirely fixed and it is equal to EUR 45,000 per year. For members of the Board of Directors with executive powers, an additional variable component of remuneration may be envisaged, i.e. linked to performance objectives. For the latter, the remuneration envisages the application of an incentive system that repeats the mechanisms envisaged for risk takers of the Parent.

For board offices that involve particular commitment and responsibility, according to the current provisions, specific benefits are granted referring to the following offices: Chairman, Deputy Chairman, Managing Director, Chairman and member of specific Board Committees.

In accordance with regulations, it was established that the remuneration of the Chairman does not exceed the fixed remuneration received by the top management of the body with management function (Managing Director, General Manager).

¹This perimeter will be subject to periodic reviews during the year, approved by the competent corporate bodies, on the proposal of the Group's Remuneration Committee.

Remuneration for attendance at Committee meetings

The directors who attend the Committees set up within the Board of Directors receive a fixed remuneration commensurate with the commitment required pursuant to Article 2389, paragraph 3, of the Italian Civil Code. This compensation represents a fixed element of remuneration.

Risk Committee²

Chairman: EUR 50,000

Member: EUR 30,000

Remuneration Committee

Chairman: EUR 15,000

Member: EUR 10,000

Appointment Committee

Chairman: EUR 15,000

Member: EUR 10,000

Related-Party Transactions Committee

Chairman: EUR 15,000

Member: EUR 10,000

Remuneration of the members of the Board of Statutory Auditors

The remuneration of the members of the Board of Statutory Auditors, including that of the Chairman, is determined by the Shareholders' Meeting at the time of appointment and for the entire duration of their office. By virtue of the role and responsibilities of this body, the members of the Board of Statutory Auditors are precluded from receiving variable remuneration.

The remuneration of the members of the Board of Statutory Auditors is defined as follows:

Chairman's fee: EUR 100,000

Member's fee: EUR 60,000

In favour of Directors, members of the Board of Statutory Auditors and Key Management Personnel or executives with special duties, a D&O insurance policy that insures against civil and financial liability is taken out.

REMUNERATION STRUCTURE

The Creval Group undertakes, as part of the Group's remuneration policy, to achieve a balanced composition of variable and fixed remuneration elements in order to promote merit and commitment to the achievement of corporate objectives.

The remuneration of employees is divided into two components: *fixed* and *variable remuneration*.

Fixed remuneration is the first component of remuneration and the most stable part of employee remuneration reflecting professional experience and organisational responsibilities. It is structured in

² The functions of Supervision and Control Body of the Bank pursuant to Article 6 of Italian Legislative Decree 231/2001 are assigned to a specific supervision and control committee that for 2018 was composed of the same Directors who are members of the Risk Committee as well as an external professional - expert in the field - with proven capacity and experience, appointed by the Board of Directors. The Board of Directors subsequently approved the amendment of the operation of this body and appointed - at the meeting of 6 February 2019 - the new members for a period coinciding with the mandate of the Board of Directors currently in office.

such a way as to allow the variable portion to significantly shrink or even be reduced to zero in relation to the results, adjusted for the actual risks incurred. The remuneration and incentive system takes into account the organisational weight of the positions held by employees with regard to the situation of the reference market and the available budget for the period. The relevance of the weight of fixed remuneration is included in the overall package so as to reduce the possibility of a behaviour excessively influenced by risk and focused on short term results.

In accordance with the indications in the EBA Guidelines, remuneration can be defined fixed when the following conditions, for example, are met: it is based on predetermined criteria, it is not discretionary and it reflects the level of professional experience and seniority of the resource; it is transparent in reference to the individual amount paid; it is permanent (or maintained over time for a specific role or a specific organisational responsibility) and not revocable (or maintained and modified only by way of national contract or other negotiations in accordance with national definition criteria); it cannot be reduced, suspended or cancelled unilaterally by the company/institution; it does not offer incentives for taking risks; it does not depend on performance.

The components of the fixed remuneration include any indemnities related to particular activities and functions performed and/or permanent, the remuneration (attendance fees) deriving from any offices held in corporate bodies.

In order to achieve greater loyalty, when certain conditions are met and on the basis of the assessments of the competent functions, agreements related to specific fixed remuneration or agreements to extend notice periods, non-competition agreements or minimum duration agreements are proposed.

With reference to fixed remuneration, the applicable remuneration for Group employees depends on collective labour agreements and supplementary company agreements.

For employees, the provisions of the national sector contract are applied (both for **executives** employed by credit, financial and instrumental companies and for **middle managers and professional categories** employed by credit, financial and instrumental companies) in force, supplemented by the Supplementary Company Agreement.

Specifically, insurance cover, the contribution to supplementary pension plans or forms of supplementary healthcare are managed uniformly, in respect of what is indicated in collective labour contracts and by collective agreements for the different categories of personnel.

The total fixed remuneration of executives, in addition to the annual gross remuneration on the basis of contractual determinations, also takes into consideration other benefits (including but not limited to): role indemnities, remuneration for the role of Director, supplementary corporate pensions, health care, corporate life and permanent invalidity and professional and extraprofessional accident policies and the possible allocation of a company car.

Variable remuneration is based on the measurement of results that can be evaluated qualitatively and/or quantitatively. The variable remuneration represents the part of the remuneration related to performance and is therefore aimed at recognising the results achieved, without prejudice to the requirements of the Group's capital and income sustainability and the risk correction.

The variable remuneration is divided into a short-term incentive system and a medium-long term incentive system.

The **Short-term incentive system (known as "BONUS POOL")** is essentially directed at the Group's Risk Takers and is built in harmony with the strategic guidelines (entry gate) so as to be sustainable in relation to the financial situation and the Group's RAF and with specific objective sheets for each beneficiary.

If the above requirements are met, the Bonus Pool is defined on an annual basis, calculated as a percentage of the Group's profitability, and an allocation is made as part of the budget process for the variable remuneration components.

The Bonus Pool may also be reduced to zero if the economic conditions envisaged by the individual systems are not met or in the case of loss-making financial statements or modified in the case of significant budget revisions during the year in question, as well as in the case of extraordinary or unforeseen events such as, for example, mergers, capital increases, extraordinary accounting normalisations.

The **Medium-long term incentive system (LTI)** is aimed at the Group's Top Management and at particularly talented resources to link their activities even more closely to the Shareholders' interests with regard to the creation of value and the achievement of the objectives of the medium to long-term company strategy.

The medium-long term incentive system envisages:

- allocation - subject to the achievement of specific performance indicators - of future incentives based on shares or other instruments that reflect share performance;
- a period of performance consistent with the Group's strategic objectives;
- performance conditions based on an all-embracing objective sheet that includes, for example, financial and sustainability indicators as well as an evaluation by the Board of Directors through clear and predetermined criteria. The entire decision-making process is properly explained and documented;
- long-term deferrals and the application of malus conditions that require the observance of minimum conditions of profitability, liquidity and capital;
- the application of a holding period at the end of the deferral period;
- incentives subject to claw-back conditions, as legally applicable.

It is further specified that participation to remuneration systems of the current year does not imply for any beneficiary the right to participate, also in the future, in other incentive schemes in the short, medium or long term.

With regard to the **ratio of variable to fixed components of remuneration**, the Bank complies with standard regulatory provisions.

In particular, the Group decided to comply with the limit of 1:1 for the ratio of variable to fixed components of remuneration for risk takers. For those employees in company functions with control tasks, pursuant to regulatory provisions, variable remuneration may not be more than 33% of fixed remuneration.

For all other personnel, the weight of the variable component of remuneration compared to the total fixed component is calculated in the context of the activity, the results achieved and strategic weight of the role to which the remuneration refers.

In accordance with supervisory provisions, the Bank set the level of variable remuneration at EUR 400,000 which is a particularly high amount for it. This amount is the lower of the two reference parameters³ identified by the regulations, rounded down to hundreds of thousands of euros.

³ The two benchmarks are 25% of the average total remuneration of Italian high earners according to the latest available EBA report, and 10 times the average total remuneration of the Bank's employees.

Severance pay

In general, no additional fees or individual discretionary pension benefits are envisaged for early termination of employment or early termination of office (Golden parachutes).

The legal and collective agreement criteria are mainly adopted (both for executives employed by credit, financial and instrumental companies and for middle managers and professional categories employed by credit, financial and instrumental companies) in force.

Additional and objectively motivated fees resolved by the Board of Directors, in the event of termination of the employment relationship on the initiative and/or in the interest of the Company in a unilateral or consensual manner are envisaged (for example, paid to avoid the risk of recourse to legal proceedings). Payments and indemnities under the law and collective agreements, such as the indemnity in lieu of notice or amounts determined by way of indemnity or compensation for damages, are not considered to be additional fees. In this respect, in the case of executives, the indemnity in lieu of notice and the supplemental indemnity can be paid.

Regardless of the classification, in any event, **the maximum indemnity cannot exceed gross annual salary for two years.**

For Risk Takers, the terms and timing of the severance pay and the fee possibly paid for any non-competition agreements at the time of termination of the employment relationship envisage the connection to *malus* conditions in case responsibilities are identified with intent and/or gross negligence and/or legally ascribable to the individual responsibility of the resource during their working time with the Company that may have become known after the termination of the employment relationship. The Bank and the Group's subsidiary Companies reserve the right to apply claw back clauses (obligation to return remuneration).

Measures to accompany retirement

Since 2012, the Group signed various agreements with Trade Unions to establish a voluntary Sector Solidarity Fund. The entry into the Solidarity Fund allowed the support to the actual retirement through the provision of extraordinary benefits until the right - as foreseen by the compulsory public pension scheme - to receive pension accrued.

The agreements signed in 2012, 2014, 2016 and, most recently, 2018 covered a total of around 700 resources. The last agreement of 16 April 2018 allowed the "early retirement" on a voluntary basis of 219 resources that would have accrued the pension requirements by 31 December 2024.

With the aforementioned trade union agreement of 2018, no provision has been made in favour of members as an incentive for leaving or for any other reason.

External contractors

As regards workers not employed by the Company, i.e. external contractors, the Bank has always limited the use of this type of professional, deeming them useful only for support to specific projects, within a limited time frame. The Group intends to apply this management approach to its business also in the future, in light of regulations on the matter.

Financial advisors, credit brokers and other professionals

The Credito Valtellinese Group does not use networks of internal or external financial advisors. However, on a personal basis, numerous employees are enrolled in the specific Registers of Financial Advisors set up on the basis of current regulations, but do not use this qualification in carrying out their

work. As part of ordinary commercial development and management, an extremely limited use is made of professionals and institutions that can be classified as credit brokers or other similar professionals.

Policy followed with regard to non-monetary benefits

The Managing Director/General Manager and Key Management Personnel are assigned non-monetary benefits defined in line with practice and in a manner consistent with the office and role held. Non-monetary benefits include the use of a company car, as well as life, accident and supplementary health policies.

Remuneration of the Managing Director and General Manager

The remuneration of the Managing Director and General Manager of Credito Valtellinese is composed of a fixed component and a variable component, defined in accordance with the limit on the ratio of variable to fixed remuneration approved by the Shareholders' Meeting and equal to 1:1.

The variable component is determined, on the basis of clear and measurable performance parameters, through a weighted assessment of two quantitative and qualitative areas, and therefore no discretionary bonuses are granted. This determination is made after making sure that the access conditions for all risk takers have been met. The areas of reference are:

- Economic and financial results and risk management area;
- "Qualitative" area of coverage of function objectives, planned project management and express managerial skills.

The correlation between the amount of variable remuneration actually paid and the medium and long term results is supported by envisaging the application of ex-post correction mechanisms over a multi-year time horizon and, in particular, is based on the verification that adequate levels of capital, liquidity and risk-adjusted profitability remain, as required by the regulations in force. The adoption of qualitative performance parameters guarantees the alignment of the remuneration system with the mission and values of the Group, supporting the orientation towards the construction of value in the long term. It is qualitatively assessed by the Board of Directors, with the abstention of the interested party, on the proposal of the Remuneration Committee against a hypothesis formulated by the Chairman of the Board of Directors. The remuneration package defined for the Managing Director is designed to ensure an adequate balance between fixed remuneration and variable remuneration and is tailored with the objective of guaranteeing a variable remuneration in proportion to the results achieved, in compliance with the limits (maximum cap) set by the incentive system.

VARIABLE REMUNERATION SYSTEMS FOR 2019

For 2019, the special attention on the objective incentive components based on performance, always in compliance with the risk parameters, is confirmed. The remuneration system envisaged last year underwent some significant changes in order to further simplify the short-term incentive model and to envisage indicators based also on the RAF (Risk Appetite Framework).

“2019 Bonus Pool” incentive system

The Group defined the structure of its incentive model for Risk Takers, adjusting its characteristics and technical protocols to the specifications of the national and international regulatory production and to the need to increase the Group’s performance, on the basis of the strategic objectives defined by the Board of Directors.

For 2019, the Group intends to activate a Bonus Pool incentive system with an architecture more in line with industry practices. The system was developed in accordance with the objectives defined in the planning and development processes of the Risk Appetite Framework (known as RAF). These objectives pursue a corporate growth strategy aimed at creating value over time in a context of prudent risk management and of capital and financial soundness of the Group.

The system envisages a remuneration method in cash and financial instruments, adopting time deferral mechanisms and *malus* and claw back clauses, in compliance with regulatory provisions.

The “2019 Bonus Pool” incentive scheme aims to achieve annual objectives and support the Group’s ability to generate value over time, rewarding, through a selective mechanism, appropriate actions and positive results.

The adoption of this instrument is aimed at translating the Group’s strategies into a set of objectives that can significantly influence the overall banking Group’s performance, taking careful account of company risks. The objectives are allocated annually by means of scorecards communicated to the individual beneficiaries.

The incentive system is based on a “**bonus pool**” that represents the maximum amount of bonuses payable, related to the achievement of results.

In order to ensure that variable remuneration is paid in a context of capital and financial adequacy, the activation of the system is subject to the achievement of certain levels of the following “gate” indicators, known as “**access gate**” or “**entry gate**”, which represent the verification of the quality of the income results achieved and of compliance with the risk limits set out in its Risk Appetite Framework (RAF).

The Entry Gates are:

- “phased in” CET 1 at least equal to the minimum RAF level;
- NSFR and LCR at least equal to the minimum RAF levels;
- Net Profit.

These Entry Gates must be jointly reached: reaching just only one Entry Gate does not activate the system. For the Control functions, only the first three Entry Gates are applied to free them, in accordance with the regulations, from income-related performance.

In order to ensure the consistency of the results with the Risk Appetite Framework, the Bonus Pool may be revised upwards or downwards on the basis of an assessment of the credit risk exposure profile measured through the weighted average of the indicators relating to the main areas of the RAF such as credit, liquidity and capitalisation (CRO dashboard). The multipliers for the adjustment of the Bonus Pool derive from this assessment. An increase of up to 20% of the Board of Directors' discretion is also allowed, on the basis of a specific resolution on the matter.

Once the achievement of the Entry gates has been verified and the Bonus Pool has been adjusted according to the CRO Dashboard and the decisions of the Board of Directors, the plan specifies that the individual bonus must be allocated to the beneficiary on the basis of the performance achieved in relation to the objectives included in the company scorecard.

The individual scorecard of objectives of the Managing Director and General Manager is based on 5 objectives (KPIs) that take into account the prevailing aspects of management, such as profitability, operational efficiency, risk, development and also consider qualitative components, such as the coverage of function objectives, the management of planned projects and express managerial skills.

The individual scorecards of the other "Risk Takers" not belonging to the control functions are based on a number of objectives (KPIs) ranging from a minimum of 5 to a maximum of 8, which consider the overall management of the Group (profitability, operating efficiency, riskiness) and the particular results of the individual "areas of responsibility" (functional or geographical). The qualitative objectives concern aspects such as the coverage of function objectives, the management of planned projects, express managerial skills, the results of checks carried out by the control functions, other objectives related to risks and compliance (e.g. credit quality, operational risks, application of MiFID principles, compliance with obligations under anti-money laundering regulations, other "compliance breaches"⁴).

The individual scorecards of the beneficiaries belonging to the "control functions" are based on a number of objectives (KPIs) ranging from a minimum of 5 to a maximum of 8, which are defined in order to guarantee their independence; as a result, in order to avoid conflicts of interest, indicators independent of the results of the areas subject to control are used; indicators linked to economic results are not used.

Within the overall amount of the Bonus Pool, the amount of the maximum individual variable bonus is equal for each Risk Taker to 100% of the fixed remuneration, with the exception of the control functions, for which it is equal to 33%, as per Supervisory Provisions.

With regard to the payment of the variable bonus, in accordance with the provisions of the regulations, the Bank divided the beneficiaries into two categories, according to the amount and the business function:

- a) for the Managing Director and General Manager, General Management and other managers of business areas and, in any case, all beneficiaries of a variable bonus amounting to at least EUR 400,000:
 - a. 5-year deferral and the percentage to be deferred is not less than 60%;
 - b. 40% in cash and 60% in financial instruments;
- b) for the others, the following applies:
 - a. 3-year deferral and the percentage to be deferred is not less than 40%;
 - b. 50% in cash and 50% in financial instruments.

⁴ In the most serious cases of infringement involving the start of disciplinary proceedings - without prejudice to the malus clauses described below - the application of the incentive system may be suspended.

For the 2019 Bonus Pool incentive scheme, the “virtual” financial instrument of Phantom Shares was introduced, i.e. virtual shares that grant the beneficiary the right to receive, at the conclusion of any deferral and/or retention period, an amount in cash corresponding to the countervalue of the share price, for each Phantom Share assigned, calculated as follows.

A retention period of one year is envisaged for all allocated Phantom Shares; for deferred Phantom Shares, the retention period begins when the deferred remuneration accrues.

At the assignment date, the number of Phantom Shares is determined using the following formula:

$$\text{no. of Phantom Shares} = \frac{\text{Variable remuneration amount}}{\text{Initial value of CREVAL share price}}$$

Upon disbursement of the bonus, the number of Phantom Shares assigned is multiplied by the final share price.

The values used are determined as follows:

- **initial value:** equal to the simple arithmetic average of the official prices of the Credito Valtellinese share reported in the four weeks before the date of the Shareholders’ meeting that approves the financial statements of the Bank for the year ended 31 December 2019, examines the consolidated financial statements and approves the allocation of these instruments;
- **final value:** equivalent to the simple arithmetic average of the official Credito Valtellinese share price posted in the four weeks prior to the date of the Shareholders’ Meeting that approves the financial statements of the year of the actual disbursement of the bonus (or the date on which, after the end of the vesting and retention period, the bonus is effectively paid to the beneficiary) and examines the relating consolidated financial statements.

The schemes of “Bonus Accrual” and “Bonus payment” relating to the “2019 Bonus Pool” are shown below:

1) Managing Director and General Manager, General Management and other managers of business areas and all beneficiaries of a variable bonus of the “2019 Bonus Pool” amounting to at least EUR 400,000.

ACCRUAL SCHEME	2020	2021	2022	2023	2024	2025
CASH (40%)	20%	10%				10%
FINANCIAL INSTRUMENTS (60%)	20%	10%	10%	10%	10%	
PAYMENT SCHEME	2020	2021	2022	2023	2024	2025
CASH (40%)	20%	10%				10%
FINANCIAL INSTRUMENTS (60%)		20%	10%	10%	10%	10%

2) All the other Risk Takers of a variable bonus of the “2019 Bonus Pool” not already included in the Category of Beneficiaries referred to in point 1).

ACCRUAL SCHEME	2020	2021	2022	2023
CASH (50%)	30%	10%		10%
FINANCIAL INSTRUMENTS (50%)	30%	10%	10%	
PAYMENT SCHEME	2020	2021	2022	2023
CASH (50%)	30%	10%		10%
FINANCIAL INSTRUMENTS (50%)		30%	10%	10%

The assignment and operation mechanisms of Phantom Shares are analytically described in the information document drawn up by the Bank pursuant to Article 114-*bis* of the Consolidated Finance Act and to Article 84-*bis* of the Issuers' Regulation.

For bonuses below EUR 10,000, a principle of proportionality is considered applicable for the simplification of payment mechanisms. Therefore, no deferral or allocation mechanism of virtual financial instruments is applied and the full amount is paid in cash and up-front.

The *malus* clauses

Once the right to disbursement from the incentive system has been acquired, the capital and economic requirements that represent the criteria for the disbursement of deferred portions will be evaluated every year, assessing general economic conditions and taking into account any changes to applicable regulations.

Therefore, the actual disbursement of the deferred variable component is subject to an *ex post* mechanism of correction or reduction to zero of the variable remuneration known as *malus*. This situation occurs in the case of:

- individual sanctionable behaviour (the same as those described for the Claw back clause);
- capital (CET1 Ratio) and liquidity (LCR and NSFR) indicators below the minimum thresholds set by the RAF; presence of loss.

The Claw Back clause

The Claw back clause, or the restitution of any form of variable remuneration that has already been paid (whether upfront or deferred, up to 100% of the amount attributed, depending on the severity), in the event that, within five years of the last payment, the employee adopted behaviour that:

- violated the obligations envisaged in Articles 26 and 53 of the Consolidated Banking Act, where applicable, or obligations related to remuneration and incentives, or finds himself/herself in circumstances expressly indicated in Bank of Italy's Circular no. 285;
- contributed, with intent or gross negligence, to significant financial losses, or his/her conduct resulted in a negative effect on the risk profile or other regulatory requirements;
- engaged in conduct and/or actions that significantly contributed to damage to the Bank's reputation or that resulted in sanctions from authorities;
- has been the subject of disciplinary initiatives envisaged for fraudulent behaviour or characterised by gross negligence.

The Claw back may also be activated following the termination of the employment relationship and/or end of the term of office, and is subject to legal, social security and tax considerations.

Procedures for any revision of the Plan

In case of extraordinary and unforeseeable corporate events during the course of the "2019 Bonus Pool" Plan - such as to entail a change in the Group's scope of consolidation (including but not limited to demergers, non-intra-group mergers, acquisitions and/or sales of equity investments and/or company branches), and likely to alter the Gate Indicators and/or Individual Objectives, the Board of Directors may consider making the necessary or appropriate changes to the "2019 Bonus Pool" Plan in order to eliminate the effects of these operations on the Gate Indicators and/or Individual Objectives.

“2019-2021 LTI” medium to long-term incentive system

The Shareholders’ Meeting of 27 April 2018 approved the first medium to long-term incentive system (2018-2020 LTI), in favour of a limited number of beneficiaries, with the aim of seeking the maximum strategic alignment of Top Management with the creation of value for shareholders in the medium to long-term, through the achievement of measurable objectives based on the 2018-2020 RUN² Business Plan.

The newly appointed Board of Directors, during the meeting at which the annual results for the 2018 financial year were approved (6 February 2019) announced the need to draw up a new three-year business plan by the end of the first half of 2019, the definition of which was entrusted to the Managing Director and General Manager, Luigi Lovaglio, who took office on 25 February.

Therefore, the Board of Directors resolved to replace the previous “2018-2020 LTI” System by approving the adoption of a new “2019-2021 LTI” Incentive system to take into account the objectives that will be defined in the new three-year business plan and a new and wider group of beneficiaries.

In addition to the Managing Director and General Manager and the members of Creval’s General Management, the beneficiaries of the LTI system include a limited number of managerial roles selected on the basis of position and/or responsibility and the impact of the activity on the business; it also includes some employees with high potential. Beneficiaries do not include control functions.

Likewise the “2019 Bonus Pool” system, the “2019-2021 LTI” system was also developed in accordance with the objectives defined in the planning and development processes of the Risk Appetite Framework (known as RAF). These objectives pursue a corporate growth strategy aimed at creating value over time in a context of prudent risk management and of capital and financial soundness of the Group.

The system envisages a remuneration method in financial instruments, adopting time deferral mechanisms and *malus* and claw back clauses, in compliance with regulatory provisions.

The objectives are common to all beneficiaries and defined in the new Business Plan.

The incentive system is based on an amount that represents the maximum amount of bonuses payable, related to the achievement of results.

In order to ensure that variable remuneration is paid in a context of capital and financial adequacy, as requested by the Regulator, the activation of the system is subject to the achievement of certain levels of the following “gate” indicators, known as “**access gate**” or “**entry gate**”, which represent the verification of the quality of the income results achieved and of consistency with the risk limits set out in its Risk Appetite Framework (RAF).

The Entry Gates are:

- “phased in” CET 1 at least equal to the minimum RAF level;
- NSFR and LCR at least equal to the minimum RAF levels;
- Net Profit.

The Entry Gates must be jointly reached: reaching just only one Entry Gate does not activate the system.

Once the achievement of these indicators (entry gates) has been verified, the plan specifies that the individual bonus must be allocated to the beneficiaries on the basis of the results of the **performance scorecard**.

The **performance scorecard** of the objectives is **unique for all beneficiaries** of the “2019-2021 LTI”; it is based on three objectives (KPIs) whose choice and percentage weight take into account the fundamental targets that will be defined in the new Business Plan (creation of value; efficiency;

riskiness).

In selecting the performance indicators, the Board of Directors preferred to approve the use of a limited number of “key indicators” with the precise intention of directing the activities of all beneficiaries clearly and immediately towards the fundamental targets of the new Plan, rather than resorting - as in the annual “2019 Bonus Pool” Plan - to a higher number of KPIs that would have allowed a wider coverage of management activities at the expense, however, of greater dispersion on the drivers of the Plan.

With regard to the payment of the “2019-2021 LTI” variable bonus, in accordance with the provisions of the regulations, the Bank divided the beneficiaries into two categories, according to the amount and the business function:

- a) for the MD/GM, General Management and other managers of business areas and, in any case, all beneficiaries of a variable bonus amounting to at least EUR 400,000:
 - a. 5-year deferral and the percentage to be deferred is not less than 60%;
- b) for the others, the following applies:
 - a. 3-year deferral and the percentage to be deferred is not less than 40%.

For both categories of beneficiaries, the 2019-2021 LTI bonus will be fully recognised in financial instruments.

For the 2019-2021 LTI incentive system, the “virtual” financial instrument of Phantom Shares was adopted, i.e. virtual shares that grant the beneficiary the right to receive, at the conclusion of any deferral and/or retention period, an amount in cash corresponding to the countervalue of the share price, for each Phantom Share assigned, calculated as follows.

A retention period of one year is envisaged for all allocated Phantom Shares; for the Phantom Shares relating to the deferred portion, the retention period begins when the deferred remuneration accrues.

At the assignment date, the number of Phantom Shares is determined using the following formula:

$$\text{no. of Phantom Shares} = \frac{\text{Variable remuneration amount}}{\text{Initial value of CREVAL share price}}$$

Upon disbursement of the bonus, the number of Phantom Shares assigned is multiplied by the final share price.

The values used are determined as follows:

- **initial value** equal to the simple arithmetic average of the official prices of the Creval share reported in the four weeks before the date of the Shareholders’ Meeting to approve the “2019-2021 LTI” plan (30 April 2019);
- **final value**: equivalent to the simple arithmetic average of the official Creval share price posted in the four weeks prior to the date of the Shareholders’ Meeting that approves the financial statements of the year of the actual disbursement of the bonus (or the date on which, after the end of the vesting and retention period, the bonus is effectively paid to the beneficiary) and examines the relating consolidated financial statements.

The schemes of “Bonus Accrual” and “Bonus Payment” relating to the “2019-2021 LTI” are shown below:

- 1) Managing Director and General Manager, General Management and other managers of business areas and all beneficiaries of a “2019-2021 LTI” variable bonus amounting to at least EUR 400,000.

ACCRUAL SCHEME	2022	2023	2024	2025	2026	2027	2028
FINANCIAL INSTRUMENTS (100%)	40%	20%	10%	10%	10%	10%	
PAYMENT SCHEME	2022	2023	2024	2025	2026	2027	2028
FINANCIAL INSTRUMENTS (100%)		40%	20%	10%	10%	10%	10%

2) All the other Risk Takers of a “2019-2021 LTI” variable bonus not already included in the Category of Beneficiaries referred to in point 1).

ACCRUAL SCHEME	2022	2023	2024	2025	2026
FINANCIAL INSTRUMENTS (100%)	60%	20%	10%	10%	
PAYMENT SCHEME	2022	2023	2024	2025	2026
FINANCIAL INSTRUMENTS (100%)		60%	20%	10%	10%

The assignment and operation mechanisms of Phantom Shares are analytically described in the information document drawn up by the Bank pursuant to Article 114-*bis* of the Consolidated Finance Act and to Article 84-*bis* of the Issuers’ Regulation.

For bonuses below EUR 10,000, a principle of proportionality is considered applicable for the simplification of payment mechanisms. Therefore, no deferral or allocation mechanism of virtual financial instruments is applied and the full amount is paid in cash and up-front.

The *malus* clauses

Therefore, the actual disbursement of the deferred variable component is subject to an *ex post* mechanism of correction or reduction to zero of the variable remuneration known as *malus*.

This situation occurs in the case of:

- individual sanctionable behaviour (the same as those described for the Claw back clause);
- capital (CET1 Ratio) and liquidity (LCR and NSFR) indicators below the minimum thresholds set by the RAF; presence of loss.

The Claw Back clause

The Claw back clause, or the restitution of any form of variable remuneration that has already been paid (whether upfront or deferred, up to 100% of the amount attributed, depending on the severity), in the event that, within five years of the last payment, the employee adopted behaviour that:

- violated the obligations envisaged in Articles 26 and 53 of the Consolidated Banking Act, where applicable, or obligations related to remuneration and incentives and circumstances expressly indicated in Bank of Italy’s Circular no. 285;
- contributed, with intent or gross negligence, to significant financial losses, or his/her conduct resulted in a negative effect on the risk profile or other regulatory requirements;
- engaged in conduct and/or actions that significantly contributed to damage to the Bank’s reputation or that resulted in sanctions from authorities;
- has been the subject of disciplinary initiatives envisaged for fraudulent behaviour or characterised by gross negligence.

The Claw back may also be activated following the termination of the employment relationship and/or end of the term of office, and is subject to legal, social security and tax considerations.

Procedures for any revision of the Plan

In case of extraordinary and unforeseeable corporate events during the course of the new Business Plan - such as to entail a change in the Group's scope of consolidation (including but not limited to demergers, non-intragroup mergers, acquisitions and/or sales of equity investments and/or company branches), and likely to alter the Gate Indicators and the KPIs - the Board of Directors may consider making the necessary or appropriate changes to the "2019-2021 LTI Plan" in order to eliminate the effects of these operations on the Gate Indicators and KPIs

Moreover, in case of extraordinary and unforeseeable corporate events such as to result in the termination of the Business Plan before the end of the 2021 financial year, the Board of Directors will in any case evaluate and check the conditions of applicability of the "2021-2019 LTI Plan", using as target values indices that take into account the final objectives envisaged by the Business Plan.

SECTION II

2018 REMUNERATION SYSTEM: QUANTITATIVE INFORMATION

During 2018, the remuneration policy followed by the Bank and the Credito Valtellinese Group was organised based on the guidelines defined by the Group Remuneration Policy Document, as per that illustrated in Section I above.

Aggregate quantitative information

The tables below summarise the breakdown of Employees, at the level of the Credito Valtellinese Banking Group and the Parent Credito Valtellinese, into the categories provided for by contract, distributed by functional area of staff classification of Bank of Italy as at 31 December 2018 with reference to the workforce on record.

Note that in 2018 a number of corporate changes took place that should be considered when comparing with the 2017 figures in the tables below.

In particular, note that Credito Siciliano S.p.A. was merged into Credito Valtellinese S.p.A. and that Claris Factor S.p.A. joined the Group (later renamed Creval PiùFactor S.p.A.).

Functional area	CREDITO VALTELLINESE BANKING GROUP				OF WHICH: CREDITO VALTELLINESE			
	Executives	Middle Managers	Professional Categories	Total Resources	Executives	Middle Managers	Professional Categories	Total Resources
Management Body	2			2	2			2
Investment Banking	1	14	24	39	1	13	21	35
Retail Banking	20	1,111	1,795	2,926	19	1,108	1,775	2,902
Company functions	11	155	273	439	7	89	122	218
Company control functions	7	77	66	150	7	72	60	139
Other functions	1	19	102	122	1	18	98	117
TOTAL	42	1,376	2,260	3,678	37	1,300	2,076	3,413

The number of Group employees decreased by 116 during the year, also considering that 219 individuals enrolled in the sector Solidarity Fund (as from 1 July 2018).

The ratio of Executives to Total Staff of the Credito Valtellinese Banking Group showed the trend illustrated below over the years:

Ratio of executives to total staff	2014	2015	2016	2017	2018
Total (%)	1.37%	1.29%	1.34%	1.19%	1.14%

The total figure for the banking system indicates a 2.1% percentage of executives on total workforce⁵.

Fixed remuneration

The gross annual salary (RAL) for employees, which includes the fixed remuneration received including the contribution paid by the company to the supplementary pension plans and healthcare, gross of taxes and pension costs, is summarised in the table below.

The data shown refers to staff on the workforce as at 31 December 2018, net of terminations during the year.

Functional area	CREDITO VALTELLINESE BANKING GROUP	
	Fixed remuneration	
Management Body	1,074	1,074
Investment Banking	1,852	1,688
Retail Banking	141,606	139,607
Company functions	21,919	11,668
Company control functions	8,619	8,131
Other functions	5,135	4,948
TOTAL	180,205	167,116

In thousands of EUR

With regard to promotions and classifications pertaining to activities performed during 2018, decisions on merit-based increases involved approximately 166 resources at Group level (4.51% of staff). Most of these concern the resources of Credito Valtellinese.

The table below summarises the breakdown by functional area.

Functional area	CREDITO VALTELLINESE BANKING GROUP		OF WHICH: CREDITO VALTELLINESE	
	no. of merit-based increases	Total employees	no. of merit-based increases	Total employees
Management Body		2		2
Investment Banking		39		35
Retail Banking	147	2,926	147	2,902
Company functions	12	439	10	218
Company control functions	6	150	6	139
Other functions	1	122	1	117
TOTAL	166	3,678	164	3,413

Variable remuneration

The variable remuneration relating to the actions for 2018 has a trend strictly correlated with the operational performance of the Bank and the Group.

⁵ 2018 Report on the labour market in the financial industry, ABI, data collected as at 31/12/2017

The following is a summary of the amounts set aside for variable remuneration relating to the annual assessment of services reserved for all employees. These amounts do not include the “2018 MBO” bonuses for the “control functions”.

	CREDITO VALTELLINESE BANKING GROUP	OF WHICH: CREDITO VALTELLINESE
Functional area	Performance bonuses	Performance bonuses
Management Body	-	-
Investment Banking	20	20
Retail Banking	1,678	1,678
Company functions	123	123
Company control functions	77	77
Other functions	68	68
TOTAL (*)	1,966	1,966

(* average amounts in thousands of EUR defined for 2019 - pertaining to 2018)

During 2019, although the Incentive System for the sales network was formalised because the system’s access gates were not exceeded, no disbursement will be made for 2018.

The value of the company bonus to be paid to Middle Managers and the Professional Categories if the requirements set out by sector regulations are met, shall be subject to the specific contractual and negotiation provisions.

“2018 MBO” incentive system

For the year 2018 (with disbursement in 2019), with reference to the “2018 MBO” incentive plan, since the envisaged system access gates have not been exceeded, no remuneration component linked to this incentive system will be paid, with the exception of the control functions, for which a bonus amount was recognised, according to the envisaged mechanisms with reference to the shares disbursed in financial instruments and the methods of deferral.

These amounts are shown in aggregate form in the table relating to the “Risk Takers” below.

The Board of Directors, at its meeting of 12 March 2019, verified the achievement of results and the related allocation of variable bonuses linked to the “2018 MBO” system.

“2018-2020 LTI” incentive system

In the light of the prospects for 2019, on 6 February last, the recently appointed Board of Directors, in approving the preliminary consolidated results for 2018, decided to start preparing a new three-year Business Plan that will be communicated to the market by the end of the first half of 2019.

As a result, the previous 2018-2020 *RUN² - Restart under new normality* Business Plan is no longer valid before the end of the 2020 financial year and the three-year 2018-2020 LTI Incentive Plan - as reported in the “2017 Report on Remuneration” and in the “Information Document drawn up pursuant to Article 114-bis of the Consolidated Finance Act and to Article 84-bis of the Issuers’ Regulation called 2018-2020 LTI”, medium to long-term variable incentive plan, based on the allocation of Phantom shares” - remains valid only to the extent of one third of the total for each of the entire intermediate years (2018).

Any right to the allocation of the pro-rata bonus was subject to the achievement - also in the annual time period - of the indicator (“**Gate indicator**”) linked to the performance of the Creval Share compared to the stock index of the banking sector (Ftse Italia All Share bank index - supersector). The Gate Indicator was deemed to have been exceeded if the performance of the Share increased by 0.05 (5%) was at least

equal to that of the index.

The Board of Directors, at its meeting of 12 March 2019, verified the failure to meet the above condition and the related decision not to allocate the 2018-2020 LTI pro-rata variable bonuses.

Total remuneration

As shown in the table below, the 2018 remuneration, in terms of the percentage of the variable component compared to the fixed component, confirmed a trend consistent with the uncertainty in the reference scenario at both system and Group level.

Functional area	CREDITO VALTELLINESE BANKING GROUP						OF WHICH: CREDITO VALTELLINESE					
	2017 Variable (*)	2017 Fixed	2017 V/F %	2018 Variable (**)	2018 Fixed	2018 V/F %	2017 Variable (*)	2017 Fixed	2017 V/F %	2018 Variable (**)	2018 Fixed	2018 V/F %
Management Body	-	2,273	0.00%	-	1,074	0.00%	-	2,067	0.00%	-	1,074	0.00%
Investment Banking	3	2,054	0.15%	20	1,852	1.08%	3	1,588	0.19%	20	1,688	1.18%
Retail Banking	1,720	147,831	1.16%	1,678	141,606	1.18%	1,711	114,305	1.50%	1,678	139,607	1.20%
Company functions	55	23,081	0.24%	123	21,919	0.56%	46	9,501	0.48%	123	11,668	1.05%
Company control functions	23	8,432	0.27%	77	8,619	0.89%	22	7,347	0.30%	77	8,131	0.95%
Other functions	14	5,599	0.25%	68	5,135	1.32%	14	4,176	0.34%	68	4,948	1.37%
TOTAL	1,815	189,270	0.96%	1,966	180,205	1.09%	1,796	138,984	1.29%	1,966	167,116	1.18%

In thousands of EUR

(*) Final amounts of variable remuneration for the year

(**) Forecasted amounts of variable remuneration; does not include the portions relating to "2018 MBO"

The ratio of the trend in variable remuneration to fixed remuneration over the last few years is shown below.

Variable/Fixed ratio	YEAR				
	2014	2015	2016	2017	2018
Credito Valtellinese Group	0.77%	4.89%	0.58%	0.96%	1.09%
Credito Valtellinese	0.68%	4.75%	0.53%	1.29%	1.18%

(*) Figure planned for the year

Aggregate quantitative information on the remuneration of Risk Takers

With regard to employees that are classified as Risk Takers, identified at the end of 2018, the remuneration actions pertaining to the year at the level of the Credito Valtellinese Banking Group and the operational workforce of Credito Valtellinese are summarised below.

1. Fixed and variable component of remuneration and number of beneficiaries

Functional area	CREDITO VALTELLINESE BANKING GROUP				OF WHICH: CREDITO VALTELLINESE			
	no. of Risk Takers	fixed amount (*)	variable amount (**)	no. of variable amount beneficiaries	no. of Risk Takers	fixed amount (*)	variable amount (**)	no. of variable amount beneficiaries
Management Body	3	1,579,771			3	1,579,771		
Investment Banking	1	142,903			1	142,903		
Retail Banking	32	4,677,366			32	4,677,366		
Company functions	16	2,477,475			16	2,477,475		
Company control functions	9	1,301,213	13,441	6	9	1,301,213	13,441	6
Other functions	1	171,805			1	171,805		
TOTAL	62	10,350,533	13,441	6	62	10,350,533	13,441	6

(*) Amounts referring to operational staff at 31 December 2018 including 6 Risk Takers who left their position during 2018.

(**) Total amounts relating to up front cash and financial instruments. Deferred portions amount to EUR 8,960.

In the Credito Valtellinese Group, average fixed remuneration of Risk Takers in service at the end of 2018, including contributions paid to welfare and healthcare funds, amounted to approximately EUR 161,500.

2. Amounts of deferred remuneration, distinguishing between portions previously agreed upon and those not agreed upon

For 2018, the MBO incentive system for Risk Takers was not applied, with the exception of the control functions. For most of the Risk Takers, there will be no remuneration effects either for the financial year of reference or for the following years.

Whereas, for the control functions, the deferred portions of the 2018 MBO incentive system will remain in place; there are no deferred portions from previous years.

3. Deferred remuneration and benefits paid during 2018

During 2018, no deferred remuneration was paid relating to previous incentive systems.

4. Termination of employment relationships with General Management representatives during 2018

During the 2018 financial year, the employment contract of Saverio Continella, a member of the General Management, was terminated. With reference to the first part of 2019, Mauro Selvetti ceased to hold the office of Managing Director and General Manager, for which appropriate information was provided to the press and to the competent authorities. With regard to the agreements reached, the Bank will pay to Mauro Selvetti, in addition to the amounts already accrued by way of fixed remuneration, severance indemnity accruals and fees, the following:

- with reference to the termination of his executive position and his resignation as a director, the total gross sum of EUR 1,700,000, including notice;
- with reference to the six-month non-competition commitment, the gross amount of EUR 300,000.

The Related-Party Transactions Committee and the Remuneration Committee, each in relation to those matters falling within their competence, expressed a positive opinion with regard to the terms and conditions identified for the definition of relations with Mauro Selvetti.

In-depth quantitative information

The tables below examine the remuneration of members of the Board of Directors, the Board of Statutory Auditors, the General Manager and other Key Management Personnel.

TABLE 1: Remuneration paid to members of the Administrative and Control Bodies, General Managers and other Key Management Personnel of listed companies

(A)	(B)	(C)	(D)	1	2	3		4	5	6	7	8
Surname and name	Office	Period in which the office was held	Term of office	Fixed comp.	Comp. for participating in committees	Non-equity variable comp.		Non-monetary benefits	Other comp.	Total	Fair Value of equity comp.	Employee termination benefits
						Bonuses and other incentives	Profit-sharing (*)					
FIORDI MIRO	Chairman	01/01/2018 - 12/10/2018	12/10/2018									
(I) Comp. in the company preparing the financial statements				514,880.14	2,250.00	-	-	13,408.68	-	530,538.82	-	-
(II) Comp. from subsidiaries and associates				-	-	-	-	-	-	-	-	-
(III) Total				514,880.14	2,250.00	-	-	13,408.68	-	530,538.82	-	-
COLOMBO MICHELE	Deputy Chairman	01/01/2018 - 12/10/2018	12/10/2018									
(I) Comp. in the company preparing the financial statements				117,410.96	3,000.00	-	-	8,580.84	-	128,991.80	-	-
(II) Comp. from subsidiaries and associates				-	-	-	-	-	-	-	-	-
(III) Total				117,410.96	3,000.00	-	-	8,580.84	-	128,991.80	-	-
BECCALLI ELENA	Director	01/01/2018 - 31/12/2018	approval of 2020 Financial Statements									
(I) Comp. in the company preparing the financial statements				60,000.00	61,250.00	-	-	7,531.44	-	128,781.44	-	-
(II) Comp. from subsidiaries and associates				-	-	-	-	-	-	-	-	-
(III) Total				60,000.00	61,250.00	-	-	7,531.44	-	128,781.44	-	-
BORRONI MARIAROSA	Director	01/01/2018 - 12/10/2018	12/10/2018									
(I) Comp. in the company preparing the financial statements				47,136.99	3,000.00	-	-	7,531.44	-	57,668.43	-	-
(II) Comp. from subsidiaries and associates				-	-	-	-	-	-	-	-	-
(III) Total				47,136.99	3,000.00	-	-	7,531.44	-	57,668.43	-	-
BRUNO TOLOMEI FRIGERIO ISABELLA	Director	01/01/2018 - 14/05/2018	14/05/2018									
(I) Comp. in the company preparing the financial statements				19,520.55	-	-	-	7,531.44	-	27,051.99	-	-
(II) Comp. from subsidiaries and associates				-	-	-	-	-	-	-	-	-
(III) Total				19,520.55	-	-	-	7,531.44	-	27,051.99	-	-
COGLIATI GABRIELE	Director	01/01/2018 - 12/10/2018	12/10/2018									
(I) Comp. in the company preparing the financial statements				45,636.99	3,000.00	-	-	7,531.44	-	56,168.43	-	-
(II) Comp. from subsidiaries and associates				27,100.00	-	-	-	-	-	27,100.00	-	-
(III) Total				72,736.99	3,000.00	-	-	7,531.44	-	83,268.43	-	-
DE CENSI GIOVANNI	Director	01/01/2018 - 12/10/2018	12/10/2018									
(I) Comp. in the company preparing the financial statements				47,136.99	3,000.00	-	-	15,896.44	-	66,033.43	-	-
(II) Comp. from subsidiaries and associates				-	-	-	-	-	-	-	-	-
(III) Total				47,136.99	3,000.00	-	-	15,896.44	-	66,033.43	-	-
FERRARI FLAVIO	Director	01/01/2018 - 12/10/2018	12/10/2018									
(I) Comp. in the company preparing the financial statements				45,636.99	-	-	-	7,531.44	-	53,168.43	-	-
(II) Comp. from subsidiaries and associates				-	-	-	-	-	-	-	-	-
(III) Total				45,636.99	-	-	-	7,531.44	-	53,168.43	-	-
GALBIATI MARIA ELENA	Director	01/01/2018 - 12/10/2018	12/10/2018									
(I) Comp. in the company preparing the financial statements				46,386.99	3,000.00	-	-	7,531.44	-	56,918.43	-	-
(II) Comp. from subsidiaries and associates				-	-	-	-	-	-	-	-	-
(III) Total				46,386.99	3,000.00	-	-	7,531.44	-	56,918.43	-	-
GIUDICI PAOLO STEFANO	Director	01/01/2018 - 12/10/2018	12/10/2018									
(I) Comp. in the company preparing the financial statements				47,136.99	45,482.88	-	-	7,531.44	-	100,151.31	-	-
(II) Comp. from subsidiaries and associates				-	-	-	-	-	-	-	-	-
(III) Total				47,136.99	45,482.88	-	-	7,531.44	-	100,151.31	-	-

(*) No profit-sharing is envisaged from members of the administrative and control bodies, general managers or other key management personnel

TABLE 1: Remuneration paid to members of the Administrative and Control Bodies, General Managers and other Key Management Personnel of listed companies

(A)	(B)	(C)	(D)	1	2	3		4	5	6	7	8
Surname and name	Office	Period in which the office was held	Term of office	Fixed comp.	Comp. for participating in committees	Non-equity variable comp.		Non-monetary benefits	Other comp.	Total	Fair Value of equity comp.	Employee termination benefits
						Bonuses and other incentives	Profit-sharing (*)					
GRITTI GIONNI	Director	01/01/2018 - 12/10/2018	12/10/2018									
(I) Comp. in the company preparing the financial statements				45,636.99	3,000.00	-	-	7,531.44	-	56,168.43	-	-
(II) Comp. from subsidiaries and associates				-	-	-	-	-	-	-	-	-
(III) Total				45,636.99	3,000.00	-	-	7,531.44	-	56,168.43	-	-
MARTINELLI LIVIA	Director	01/01/2018 - 12/10/2018	12/10/2018									
(I) Comp. in the company preparing the financial statements				47,136.99	3,000.00	-	-	-	-	50,136.99	-	-
(II) Comp. from subsidiaries and associates				14,089.04	-	-	-	7,531.44	-	21,620.48	-	-
(III) Total				61,226.03	3,000.00	-	-	7,531.44	-	71,757.47	-	-
MEVIO TIZIANA	Director	01/01/2018 - 12/10/2018	12/10/2018									
(I) Comp. in the company preparing the financial statements				46,386.99	2,250.00	-	-	7,531.44	-	56,168.43	-	-
(II) Comp. from subsidiaries and associates				-	-	-	-	-	-	-	-	-
(III) Total				46,386.99	2,250.00	-	-	7,531.44	-	56,168.43	-	-
SCARALLO PAOLO	Director	01/01/2018 - 12/10/2018	12/10/2018									
(I) Comp. in the company preparing the financial statements				47,136.99	-	-	-	-	-	47,136.99	-	-
(II) Comp. from subsidiaries and associates				133,952.05	-	-	-	7,531.44	-	141,483.49	-	-
(III) Total				181,089.04	-	-	-	7,531.44	-	188,620.48	-	-
SCIUME' ALBERTO	Director	01/01/2018 - 12/10/2018	12/10/2018									
(I) Comp. in the company preparing the financial statements				46,386.99	42,924.66	-	-	7,531.44	-	96,843.09	-	-
(II) Comp. from subsidiaries and associates				38,684.93	-	-	-	-	-	38,684.93	-	-
(III) Total				85,071.92	42,924.66	-	-	7,531.44	-	135,528.02	-	-
GARAVAGLIA ANGELO	Chairman of the Board of Statutory Auditors	01/01/2018 - 31/12/2018	approval of 2018 Financial Statements									
(I) Comp. in the company preparing the financial statements				114,250.00	17,250.00	-	-	7,531.44	-	139,031.44	-	-
(II) Comp. from subsidiaries and associates				-	-	-	-	-	-	-	-	-
(III) Total				114,250.00	17,250.00	-	-	7,531.44	-	139,031.44	-	-
FRANCESCHI LUCA FRANCESCO	Standing Auditor	01/01/2018 - 31/12/2018	approval of 2018 Financial Statements									
(I) Comp. in the company preparing the financial statements				75,000.00	3,000.00	-	-	7,531.44	-	85,531.44	-	-
(II) Comp. from subsidiaries and associates				-	-	-	-	-	-	-	-	-
(III) Total				75,000.00	3,000.00	-	-	7,531.44	-	85,531.44	-	-
PEDRANZINI GIULIANA	Standing Auditor	01/01/2018 - 31/12/2018	approval of 2018 Financial Statements									
(I) Comp. in the company preparing the financial statements				75,000.00	3,000.00	-	-	7,531.44	-	85,531.44	-	-
(II) Comp. from subsidiaries and associates				-	-	-	-	-	-	-	-	-
(III) Total				75,000.00	3,000.00	-	-	7,531.44	-	85,531.44	-	-
DELLA CAGNOLETTA EDOARDO	Substitute Auditor	01/01/2018 - 31/12/2018	approval of 2018 Financial Statements									
(I) Comp. in the company preparing the financial statements				-	-	-	-	-	-	0.00	-	-
(II) Comp. from subsidiaries and associates				32,276.03	1,000.00	-	-	7,531.44	-	40,807.47	-	-
(III) Total				32,276.03	1,000.00	-	-	7,531.44	-	40,807.47	-	-
SANGIORGIO GIORGIO	Substitute Auditor	01/01/2018 - 31/12/2018	approval of 2018 Financial Statements									
(I) Comp. in the company preparing the financial statements				-	-	-	-	7,531.44	-	7,531.44	-	-
(II) Comp. from subsidiaries and associates				-	-	-	-	-	-	-	-	-
(III) Total				-	-	-	-	7,531.44	-	7,531.44	-	-

(*) No profit-sharing is envisaged from members of the administrative and control bodies, general managers or other key management personnel

TABLE 1: Remuneration paid to members of the Administrative and Control Bodies, General Managers and other Key Management Personnel of listed companies

(A)	(B)	(C)	(D)	1	2	3		4	5	6	7	8
Surname and name	Office	Period in which the office was held	Term of office	Fixed comp.	Comp. for participating in committees	Non-equity variable comp.		Non-monetary benefits	Other comp.	Total	Fair Value of equity comp.	Employee termination benefits
						Bonuses and other incentives	Profit-sharing (*)					
SELVETTI MAURO	General Manager since 01/07/2018 and Managing Director (Director since 5/06/2018)	01/01/2018 - 31/12/2018	approval of 2020 Financial Statements**									
(I) Comp. in the company preparing the financial statements				788,139.00	-	-	-	52,680.53	-	840,819.53	-	-
(II) Comp. from subsidiaries and associates				-	-	-	-	-	-	-	-	-
(III) Total				788,139.00	-	-	-	52,680.53	-	840,819.53	-	-
COLLI UMBERTO	Substitute Deputy General	01/01/2018 - 31/12/2018										
(I) Comp. in the company preparing the financial statements				359,039.46	-	-	-	34,989.82	-	394,029.28	-	-
(II) Comp. from subsidiaries and associates				41,135.62	-	-	-	-	-	41,135.62	-	-
(III) Total				400,175.08	-	-	-	34,989.82	-	435,164.90	-	-
CONTINELLA SAVERIO	Deputy General Manager	01/01/2018 - 30/11/2018										
(I) Comp. in the company preparing the financial statements				424,473.43	-	-	-	21,899.45	-	446,372.88	-	-
(II) Comp. from subsidiaries and associates				13,542.47	-	-	-	-	-	13,542.47	-	-
(III) Total				438,015.90	-	-	-	21,899.45	-	459,915.35	-	-
PELLEGATTA VITTORIO	Deputy General Manager	01/01/2018 - 31/12/2018										
(I) Comp. in the company preparing the financial statements				325,184.77	-	-	-	22,879.05	-	348,063.82	-	-
(II) Comp. from subsidiaries and associates				6,019.18	-	-	-	-	-	6,019.18	-	-
(III) Total				331,203.95	-	-	-	22,879.05	-	354,083.00	-	-
ROCCA ENZO	Vice Direttore Generale	01/01/2018 - 31/12/2018										
(I) Comp. in the company preparing the financial statements				223,260.16	-	-	-	20,355.99	-	243,616.15	-	-
(II) Comp. from subsidiaries and associates				-	-	-	-	-	-	-	-	-
(III) Total				223,260.16	-	-	-	20,355.99	-	243,616.15	-	-
COLOMBO UGO	Chief Financial Officer (CFO)	01/01/2018 - 31/12/2018										
(I) Compensi nella società che redige il bilancio				207,918.85	-	-	-	11,688.38	-	219,607.23	-	-
(II) Compensi da controllate e collegate				9,926.76	-	-	-	-	-	9,926.76	-	-
(III) Totale				217,845.61	-	-	-	11,688.38	-	229,533.99	-	-
TARRICONE ROBERTO	Chief Commercial Officer (CCO)	01/01/2018 - 31/12/2018										
(I) Comp. in the company preparing the financial statements				205,707.85	-	-	-	12,124.22	-	217,832.07	-	-
(II) Comp. from subsidiaries and associates				12,742.18	-	-	-	-	-	12,742.18	-	-
(III) Total				218,450.03	-	-	-	12,124.22	-	230,574.25	-	-
SALIS FABIO	Chief Risk Officer (CRO)	01/01/2018 - 31/12/2018										
(I) Comp. in the company preparing the financial statements				251,722.01	-	-	-	13,618.44	-	265,340.45	-	-
(II) Comp. from subsidiaries and associates				-	-	-	-	-	-	-	-	-
(III) Total				251,722.01	-	-	-	13,618.44	-	265,340.45	-	-

(*) No profit-sharing is envisaged from members of the administrative and control bodies, general managers or other key management personnel

(**) Termination of office in 2019

TABLE 1: Remuneration paid to members of the Administrative and Control Bodies, General Managers and other Key Management Personnel of listed companies

(A)	(B)	(C)	(D)	1	2	3		4	5	6	7	8
Surname and name	Office	Period in which the office was held	Term of office	Fixed comp.	Comp. for participating in committees	Non-equity variable comp.		Non-monetary benefits	Other comp.	Total	Fair Value of equity comp.	Employee termination benefits
						Bonuses and other incentives	Profit-sharing (*)					
LOVAGLIO LUIGI	Chairman since 15/10/2018 (Director since 12/10/2018)	12/10/2018-31/12/2018	approval of 2020 Financial Statements									
(I) Comp. in the company preparing the financial statements				141,205.48	-	-	-	-	-	141,205.48	-	-
(II) Comp. from subsidiaries and associates				-	-	-	-	-	-	-	-	-
(III) Total				141,205.48	-	-	-	0.00	-	141,205.48	-	-
TROTTER ALESSANDRO	Substitute Deputy Chairman since 15/10/2018 (Director since 12/10/2018)	12/10/2018-31/12/2018	approval of 2020 Financial Statements									
(I) Comp. in the company preparing the financial statements				32,219.18	-	-	-	-	-	32,219.18	-	-
(II) Comp. from subsidiaries and associates				-	-	-	-	-	-	-	-	-
(III) Total				32,219.18	-	-	-	0.00	-	32,219.18	-	-
CASELLI STEFANO	Deputy Chairman from 15/10/2018 (Director from 12/10/2018)	12/10/2018-31/12/2018	approval of 2020 Financial Statements									
(I) Comp. in the company preparing the financial statements				22,921.23	-	-	-	-	-	22,921.23	-	-
(II) Comp. from subsidiaries and associates				-	-	-	-	-	-	-	-	-
(III) Total				22,921.23	-	-	-	0.00	-	22,921.23	-	-
AMIDANI ALIBERTI LIVIA	Director	12/10/2018-31/12/2018	approval of 2020 Financial Statements									
(I) Comp. in the company preparing the financial statements				12,986.30	2,954.30	-	-	-	-	15,940.60	-	-
(II) Comp. from subsidiaries and associates				-	-	-	-	-	-	0.00	-	-
(III) Total				12,986.30	2,954.30	-	-	0.00	-	15,940.60	-	-
BRUNO PAOLA	Director	12/10/2018-31/12/2018	approval of 2020 Financial Statements									
(I) Comp. in the company preparing the financial statements				12,919.35	5,510.75	-	-	-	-	18,430.10	-	-
(II) Comp. from subsidiaries and associates				-	-	-	-	-	-	0.00	-	-
(III) Total				12,919.35	5,510.75	-	-	0.00	-	18,430.10	-	-
CROSARA CARLO	Director	12/10/2018-31/12/2018	approval of 2020 Financial Statements									
(I) Comp. in the company preparing the financial statements				12,986.30	8,660.96	-	-	-	-	21,647.26	-	-
(II) Comp. from subsidiaries and associates				-	-	-	-	-	-	-	-	-
(III) Total				12,986.30	8,660.96	-	-	0.00	-	21,647.26	-	-
DORO ANNA	Director	12/10/2018-31/12/2018	approval of 2020 Financial Statements									
(I) Comp. in the company preparing the financial statements				12,986.30	2,136.99	-	-	-	-	15,123.29	-	-
(II) Comp. from subsidiaries and associates				-	-	-	-	-	-	-	-	-
(III) Total				12,986.30	2,136.99	-	-	0.00	-	15,123.29	-	-
GALMARINI FAUSTO	Director	12/10/2018-31/12/2018	approval of 2020 Financial Statements									
(I) Comp. in the company preparing the financial statements				12,986.30	8,660.96	-	-	-	-	21,647.26	-	-
(II) Comp. from subsidiaries and associates				-	-	-	-	-	-	-	-	-
(III) Total				12,986.30	8,660.96	-	-	0.00	-	21,647.26	-	-
GATTESCHI SERENA	Director	12/10/2018-31/12/2018	approval of 2020 Financial Statements									
(I) Comp. in the company preparing the financial statements				12,986.30	2,886.99	-	-	-	-	15,873.29	-	-
(II) Comp. from subsidiaries and associates				-	-	-	-	-	-	-	-	-
(III) Total				12,986.30	2,886.99	-	-	0.00	-	15,873.29	-	-
GATTI STEFANO	Director	12/10/2018-31/12/2018	approval of 2020 Financial Statements									
(I) Comp. in the company preparing the financial statements				12,986.30	3,955.48	-	-	-	-	16,941.78	-	-
(II) Comp. from subsidiaries and associates				-	-	-	-	-	-	-	-	-
(III) Total				12,986.30	3,955.48	-	-	0.00	-	16,941.78	-	-
MASSIMILLA MASSIMO	Director	12/10/2018-31/12/2018	approval of 2020 Financial Statements									
(I) Comp. in the company preparing the financial statements				12,986.30	-	-	-	-	-	12,986.30	-	-
(II) Comp. from subsidiaries and associates				-	-	-	-	-	-	-	-	-
(III) Total				12,986.30	0.00	-	-	0.00	-	12,986.30	-	-

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TABLE 1: Remuneration paid to members of the Administrative and Control Bodies, General Managers and other Key Management Personnel of listed companies

(A)	(B)	(C)	(D)	1	2	3		4	5	6	7	8
Surname and name	Office	Period in which the office was held	Term of office	Fixed comp.	Comp. for participating in committees	Non-equity variable comp.		Non-monetary benefits	Other comp.	Total	Fair Value of equity comp.	Employee termination benefits
						Bonuses and other incentives	Profit-sharing (*)					
NADDEO TERESA	Director	12/10/2018-31/12/2018	approval of 2020 Financial Statements									
(I) Comp. in the company preparing the financial statements				12,986.30	5,342.47	-	-	-	-	18,328.77	-	-
(II) Comp. from subsidiaries and associates				-	-	-	-	-	-	-	-	-
(III) Total				12,986.30	5,342.47	-	-	0.00	-	18,328.77	-	-
SCROCCHI MASSIMILIANO	Director	12/10/2018-31/12/2018	approval of 2020 Financial Statements									
(I) Comp. in the company preparing the financial statements				12,986.30	2,136.99	-	-	-	-	15,123.29	-	-
(II) Comp. from subsidiaries and associates				-	-	-	-	-	-	-	-	-
(III) Total				12,986.30	2,136.99	-	-	0.00	-	15,123.29	-	-

(*) No profit-sharing is envisaged from members of the administrative and control bodies, general managers or other key management personnel

TABLE 1 - Breakdown of fixed compensation

Name		Breakdown of compensation	Total fixed compensation
FIORDI MIRO	Chairman		514,880.14
	Payments for the year resolved by Shareholder's Meeting	35,136.99	
	Attendance fees	15 11,250.00	
	Reimbursement of lump-sum expenses	-	
COLOMBO MICHELE	Pursuant to art. 2389 of the Italian Civil Code	468,493.15	
	Deputy Chairman		117,410.96
	Payments for the year resolved by Shareholder's Meeting	35,136.99	
	Attendance fees	16 12,000.00	
BECCALLI ELENA	Reimbursement of lump-sum expenses	-	
	Pursuant to art. 2389 of the Italian Civil Code	70,273.97	
	Director		60,000.00
	Payments for the year resolved by Shareholder's Meeting	45,000.00	
BORRONI MARIAROSA	Attendance fees	20 15,000.00	
	Reimbursement of lump-sum expenses	-	
	Pursuant to art. 2389 of the Italian Civil Code	-	
	Director		47,136.99
BRUNO TOLOMEI FRIGERIO ISABELLA	Payments for the year resolved by Shareholder's Meeting	35,136.99	
	Attendance fees	16 12,000.00	
	Reimbursement of lump-sum expenses	-	
	Pursuant to art. 2389 of the Italian Civil Code	-	
BRUNO TOLOMEI FRIGERIO ISABELLA	Director		19,520.55
	Payments for the year resolved by Shareholder's Meeting	16,520.55	
	Attendance fees	4 3,000.00	
	Reimbursement of lump-sum expenses	-	
COGLIATI GABRIELE	Pursuant to art. 2389 of the Italian Civil Code	-	
	Director		45,636.99
	Payments for the year resolved by Shareholder's Meeting	35,136.99	
	Attendance fees	14 10,500.00	
DE CENSI GIOVANNI	Reimbursement of lump-sum expenses	-	
	Pursuant to art. 2389 of the Italian Civil Code	-	
	Director		47,136.99
	Payments for the year resolved by Shareholder's Meeting	35,136.99	
FERRARI FLAVIO	Attendance fees	16 12,000.00	
	Reimbursement of lump-sum expenses	-	
	Pursuant to art. 2389 of the Italian Civil Code	-	
	Director		45,636.99
FERRARI FLAVIO	Payments for the year resolved by Shareholder's Meeting	35,136.99	
	Attendance fees	14 10,500.00	
	Reimbursement of lump-sum expenses	-	
	Pursuant to art. 2389 of the Italian Civil Code	-	
GALBIATI MARIA ELENA	Director		46,386.99
	Payments for the year resolved by Shareholder's Meeting	35,136.99	
	Attendance fees	15 11,250.00	
	Reimbursement of lump-sum expenses	-	
GIUDICI PAOLO STEFANO	Pursuant to art. 2389 of the Italian Civil Code	-	
	Director		47,136.99
	Payments for the year resolved by Shareholder's Meeting	35,136.99	
	Attendance fees	16 12,000.00	
GRITTI GIONNI	Reimbursement of lump-sum expenses	-	
	Pursuant to art. 2389 of the Italian Civil Code	-	
	Director		45,636.99
	Payments for the year resolved by Shareholder's Meeting	35,136.99	
MARTINELLI LIVIA	Attendance fees	14 10,500.00	
	Reimbursement of lump-sum expenses	-	
	Pursuant to art. 2389 of the Italian Civil Code	-	
	Director		47,136.99
MARTINELLI LIVIA	Payments for the year resolved by Shareholder's Meeting	35,136.99	
	Attendance fees	16 12,000.00	
	Reimbursement of lump-sum expenses	-	
	Pursuant to art. 2389 of the Italian Civil Code	-	

TABLE 1 - Breakdown of fixed compensation

Name		Breakdown of compensation	Total fixed compensation
MEVIO TIZIANA	Director		46,386.99
	Payments for the year resolved by Shareholder's Meeting		35,136.99
	Attendance fees	15	11,250.00
	Reimbursement of lump-sum expenses		-
SCARALLO PAOLO	Director		47,136.99
	Payments for the year resolved by Shareholder's Meeting		35,136.99
	Attendance fees	16	12,000.00
	Reimbursement of lump-sum expenses		-
SCIUME' ALBERTO	Director		46,386.99
	Payments for the year resolved by Shareholder's Meeting		35,136.99
	Attendance fees	15	11,250.00
	Reimbursement of lump-sum expenses		-
GARAVAGLIA ANGELO	Chairman of the Board of Statutory Auditors		114,250.00
	Payments for the year resolved by Shareholder's Meeting		100,000.00
	Attendance fees	19	14,250.00
	Reimbursement of lump-sum expenses		-
FRANCESCHI LUCA FRANCESCO	Standing Auditor		75,000.00
	Payments for the year resolved by Shareholder's Meeting		60,000.00
	Attendance fees	20	15,000.00
	Reimbursement of lump-sum expenses		-
PEDRANZINI GIULIANA	Standing Auditor		75,000.00
	Payments for the year resolved by Shareholder's Meeting		60,000.00
	Attendance fees	20	15,000.00
	Reimbursement of lump-sum expenses		-
DELLA CAGNOLETTA EDOARDO	Substitute Auditor		0.00
	Payments for the year resolved by Shareholder's Meeting		-
SANGIORGIO GIORGIO	Substitute Auditor		0.00
	Payments for the year resolved by Shareholder's Meeting		-
SELVETTI MAURO	General Manager since 01/07/2018 and Managing Director (Director since 5/06/2018)		788,139.00
	Employee remuneration		711,837.63
	Pursuant to art. 2389 of the Italian Civil Code		50,410.96
	Payments for the year resolved by Shareholder's Meeting		25,890.41
COLLI UMBERTO	Substitute Deputy General Manager		359,039.46
	Employee remuneration		359,039.46
CONTINELLA SAVERIO	Deputy General Manager		424,473.43
	Employee remuneration		424,473.43
PELLEGATTA VITTORIO	Deputy General Manager		325,184.77
	Employee remuneration		325,184.77
ROCCA ENZO	Deputy General Manager		223,260.16
	Employee remuneration		223,260.16
COLOMBO UGO	Chief Financial Officer (CFO)		207,918.85
	Employee remuneration		207,918.85
TARRICONE ROBERTO	Chief Commercial Officer (CCO)		205,707.85
	Employee remuneration		205,707.85
SALIS FABIO	Chief Risk Officer (CRO)		251,722.01
	Employee remuneration		251,722.01

TABLE 1 - Breakdown of fixed compensation

Name		Breakdown of compensation	Total fixed compensation
LOVAGLIO LUIGI	Chairman since 15/10/2018 (Director since 12/10/2018)		141,205.48
	Payments for the year resolved by Shareholder's Meeting	9,986.30	
	Attendance fees	4 3,000.00	
	Reimbursement of lump-sum expenses		
	Pursuant to art. 2389 of the Italian Civil Code	128,219.18	
TROTTER ALESSANDRO	Substitute Deputy Chairman since 15/10/2018 (Director since 12/10/2018)		32,219.18
	Payments for the year resolved by Shareholder's Meeting	9,986.30	
	Attendance fees	4 3,000.00	
	Reimbursement of lump-sum expenses	-	
	Pursuant to art. 2389 of the Italian Civil Code	19,232.88	
CASELLI STEFANO	Deputy Chairman from 15/10/2018 (Director from 12/10/2018)		22,921.23
	Payments for the year resolved by Shareholder's Meeting	9,986.30	
	Attendance fees	3 2,250.00	
	Reimbursement of lump-sum expenses	-	
	Pursuant to art. 2389 of the Italian Civil Code	10,684.93	
AMIDANI ALIBERTI LIVIA	Director		12,986.30
	Payments for the year resolved by Shareholder's Meeting	9,986.30	
	Attendance fees	4 3,000.00	
	Reimbursement of lump-sum expenses	-	
	Pursuant to art. 2389 of the Italian Civil Code		
BRUNO PAOLA	Director		12,919.35
	Payments for the year resolved by Shareholder's Meeting	9,919.35	
	Attendance fees	4 3,000.00	
	Reimbursement of lump-sum expenses		
	Pursuant to art. 2389 of the Italian Civil Code		
CROSARA CARLO	Director		12,986.30
	Payments for the year resolved by Shareholder's Meeting	9,986.30	
	Attendance fees	4 3,000.00	
	Reimbursement of lump-sum expenses	-	
	Pursuant to art. 2389 of the Italian Civil Code		
DORO ANNA	Director		12,986.30
	Payments for the year resolved by Shareholder's Meeting	9,986.30	
	Attendance fees	4 3,000.00	
	Reimbursement of lump-sum expenses	-	
	Pursuant to art. 2389 of the Italian Civil Code		
GALMARINI FAUSTO	Director		12,986.30
	Payments for the year resolved by Shareholder's Meeting	9,986.30	
	Attendance fees	4 3,000.00	
	Reimbursement of lump-sum expenses	-	
	Pursuant to art. 2389 of the Italian Civil Code		
GATTESCHI SERENA	Director		12,986.30
	Payments for the year resolved by Shareholder's Meeting	9,986.30	
	Attendance fees	4 3,000.00	
	Reimbursement of lump-sum expenses	-	
	Pursuant to art. 2389 of the Italian Civil Code		
GATTI STEFANO	Director		12,986.30
	Payments for the year resolved by Shareholder's Meeting	9,986.30	
	Attendance fees	4 3,000.00	
	Reimbursement of lump-sum expenses	-	
	Pursuant to art. 2389 of the Italian Civil Code		
MASSIMILLA MASSIMO	Director		12,986.30
	Payments for the year resolved by Shareholder's Meeting	9,986.30	
	Attendance fees	4 3,000.00	
	Reimbursement of lump-sum expenses	-	
	Pursuant to art. 2389 of the Italian Civil Code		
NADDEO TERESA	Director		12,986.30
	Payments for the year resolved by Shareholder's Meeting	9,986.30	
	Attendance fees	4 3,000.00	
	Reimbursement of lump-sum expenses	-	
	Pursuant to art. 2389 of the Italian Civil Code		
SCROCCHI MASSIMILIANO	Director		12,986.30
	Payments for the year resolved by Shareholder's Meeting	9,986.30	
	Attendance fees	4 3,000.00	
	Reimbursement of lump-sum expenses	-	
	Pursuant to art. 2389 of the Italian Civil Code		

TABLE 1 - Breakdown of fixed compensation - Subsidiaries and associated companies

Name	Company		Period	End of term office	Compensation	Total fixed compensation
COGLIATI GABRIELE	Creval Sistemi e Servizi	Deputy Chairman	1/01/2018-31/12/2018	31/12/2018		27,100.00
		Payments for the year resolved by Shareholder's Meeting			5,500.00	
		Attendance fees			1,600.00	
		Reimbursement of lump-sum expenses Pursuant to art. 2389 of the Italian Civil Code			20,000.00	
SCARALLO PAOLO	Credito Siciliano	Chairman	1/01/2018-24/06/2018	24/06/2018		133,952.05
		Payments for the year resolved by Shareholder's Meeting			9,589.04	
		Attendance fees			4,500.00	
		Reimbursement of lump-sum expenses Pursuant to art. 2389 of the Italian Civil Code			119,863.01	
SCIUME' ALBERTO	Global Assicurazioni	Chairman	01/01/2018-19/12/2018	19/12/2018		38,684.93
		Payments for the year resolved by Shareholder's Meeting			4,835.62	
		Attendance fees				
		Reimbursement of lump-sum expenses Pursuant to art. 2389 of the Italian Civil Code			33,849.31	
DELLA CAGNOLETTA EDOARDO	Credito Siciliano	Chairman of the Board of the Statutory Auditors	1/01/2018-24/06/2018	24/06/2018		23,678.08
		Payments for the year resolved by Shareholder's Meeting			19,178.08	
		Attendance fees			4,500.00	
		Reimbursement of lump-sum expenses Pursuant to art. 2389 of the Italian Civil Code				
	Creval PiùFactor	Standing Auditors	1/01/2018-31/12/2018	31/12/2018		5,000.00
		Payments for the year resolved by Shareholder's Meeting			5,000.00	
		Attendance fees				
		Reimbursement of lump-sum expenses Pursuant to art. 2389 of the Italian Civil Code				
	Clariss Factor	Standing Auditors since 29/06/2018	29/06/2018-31/12/2018	31/12/2018		3,597.95
		Payments for the year resolved by Shareholder's Meeting			2,547.95	
		Attendance fees			1,050.00	
		Reimbursement of lump-sum expenses Pursuant to art. 2389 of the Italian Civil Code				
MARTINELLI LIVIA	Credito Siciliano	Director	1/01/2018-24/06/2018	24/06/2018		14,089.04
		Payments for the year resolved by Shareholder's Meeting			9,589.04	
		Attendance fees			4,500.00	
		Reimbursement of lump-sum expenses Pursuant to art. 2389 of the Italian Civil Code				
COLLI UMBERTO	Global Assistance	Director	1/01/2018-20/12/2018	20/12/2018		5,000.00
		Payments for the year resolved by Shareholder's Meeting			5,000.00	
		Attendance fees				
		Reimbursement of lump-sum expenses Pursuant to art. 2389 of the Italian Civil Code				
	Creval Sistemi e Servizi	Managing Director	1/01/2018-31/12/2018	31/12/2018		35,500.00
		Payments for the year resolved by Shareholder's Meeting			5,500.00	
		Attendance fees				
		Reimbursement of lump-sum expenses Pursuant to art. 2389 of the Italian Civil Code			30,000.00	
	Clariss Factor	Director since 7/09/2018	7/09/2018-31/12/2018	31/12/2018		635.62
		Payments for the year resolved by Shareholder's Meeting			635.62	
		Attendance fees				
		Reimbursement of lump-sum expenses Pursuant to art. 2389 of the Italian Civil Code				
CONTINELLA SAVERIO	Credito Siciliano	Managing Director	01/01/2018-24/06/2018	24/06/2018		9,589.04
		Payments for the year resolved by Shareholder's Meeting			9,589.04	
		Attendance fees				
		Reimbursement of lump-sum expenses Pursuant to art. 2389 of the Italian Civil Code				
	Creval PiùFactor	Director	1/01/2018-30/11/2018	30/11/2018		1,830.14
		Payments for the year resolved by Shareholder's Meeting			1,830.14	
		Attendance fees				
		Reimbursement of lump-sum expenses Pursuant to art. 2389 of the Italian Civil Code				
	Clariss Factor	Chairman since 29/06/2018	29/06/2018-30/11/2018	30/11/2018		2,123.29
		Payments for the year resolved by Shareholder's Meeting			849.32	
		Attendance fees				
		Reimbursement of lump-sum expenses				

TABLE 1 - Breakdown of fixed compensation - Subsidiaries and associated companies

Name	Company		Period	End of term office	Compensation	Total fixed compensation
PELEGATTA VITTORIO	Creval PiùFactor	Chairman	01/01/2018-31/12/2018	31/12/2018		5,000.00
		Payments for the year resolved by Shareholder's Meeting			2,000.00	
			Attendance fees			
			Reimbursement of lump-sum expenses			
			Pursuant to art. 2389 of the Italian Civil Code			3,000.00
	Clariss Factor	Director since 29/06/2018	29/06/2018-31/12/2018	31/12/2018		1,019.18
		Payments for the year resolved by Shareholder's Meeting			1,019.18	
			Attendance fees			
			Reimbursement of lump-sum expenses			
			Pursuant to art. 2389 of the Italian Civil Code			
COLOMBO UGO	Global Assicurazioni	Director	1/01/2018-19/12/2018	19/12/2018		4,835.62
		Payments for the year resolved by Shareholder's Meeting			4,835.62	
			Attendance fees			
			Reimbursement of lump-sum expenses			
			Pursuant to art. 2389 of the Italian Civil Code			
	Global Broker	Director	1/01/2018-20/12/2018	20/12/2018		4,861.00
		Payments for the year resolved by Shareholder's Meeting			4,861.00	
			Attendance fees			
			Reimbursement of lump-sum expenses			
			Pursuant to art. 2389 of the Italian Civil Code			
	Clariss Factor	Director since 29/06/2018	29/06/2018-9/08/2018	09/08/2018		230.14
		Payments for the year resolved by Shareholder's Meeting			230.14	
			Attendance fees			
			Reimbursement of lump-sum expenses			
			Pursuant to art. 2389 of the Italian Civil Code			
TARRICONE ROBERTO	Global Broker	Deputy Chairman	01/01/2018-20/12/2018	20/12/2018		9,723.00
		Payments for the year resolved by Shareholder's Meeting			4,861.00	
			Attendance fees			
			Reimbursement of lump-sum expenses			
			Pursuant to art. 2389 of the Italian Civil Code			4,862.00
	Creval PiùFactor	Chief Executive Officer	01/01/2018-31/12/2018	31/12/2018		2,000.00
		Payments for the year resolved by Shareholder's Meeting			2,000.00	
			Attendance fees			
			Reimbursement of lump-sum expenses			
			Pursuant to art. 2389 of the Italian Civil Code			
	Clariss Factor	Director	29/06/2018-31/12/2018	31/12/2018		1,019.18
		Payments for the year resolved by Shareholder's Meeting			1,019.18	
			Attendance fees			
			Reimbursement of lump-sum expenses			
			Pursuant to art. 2389 of the Italian Civil Code			

COMPENSATION FOR COMMITTEE WORK - 2018

Surname and name	Office	Executive Committee	Risk Committee	Supervision and internal control committee pursuant to Italian Law no. 231/2001 - Creval	Supervision and internal control committee pursuant to Italian Law no. 231/2001 - Instrumental	Appointment Committee	Remuneration Committee	Related Pary Committee	Comp. for attending committees
FIORDI MIRO	Chairman	2,250.00							2,250.00
COLOMBO MICHELE	Deputy Chairman	3,000.00							3,000.00
BECCALLI ELENA	Director		61,250.00						61,250.00
BORRONI MARIAROSA	Director					1,500.00	1,500.00		3,000.00
COGLIATI GABRIELE	Director	3,000.00							3,000.00
DE CENSI GIOVANNI	Director	3,000.00							3,000.00
GALBIATI MARIA ELENA	Director					1,500.00	1,500.00		3,000.00
GIUDICI PAOLO STEFANO	Director		34,674.66	10,058.22				750.00	45,482.88
GRITTI GIONNI	Director	3,000.00							3,000.00
MARTINELLI LIVIA	Director	3,000.00							3,000.00
MEVIO TIZIANA	Director					1,500.00		750.00	2,250.00
SCIUME' ALBERTO	Director		33,924.66	2,250.00	4,500.00		1,500.00	750.00	42,924.66
GARAVAGLIA ANGELO	Chairman of the Board of Statutory Auditors	3,000.00	11,250.00		2,250.00			750.00	17,250.00
FRANCESCHI LUCA FRANCESCO	Standing Auditor	3,000.00							3,000.00
PEDRANZINI GIULIANA	Standing Auditor	3,000.00							3,000.00
LOVAGLIO LUIGI	Chairman since 15/10/2018 (Director since 12/10/2018)								0.00
TROTTER ALESSANDRO	Substitute Deputy Chairman since 15/10/2018 (Director since 12/10/2018)								0.00
CASELLI STEFANO	Deputy Chairman from 15/10/2018 (Director from 12/10/2018)								0.00
AMIDANI ALIBERTI LIVIA	Director							2,954.30	2,954.30
BRUNO PAOLA	Director					2,204.30	3,306.45		5,510.75
CROSARA CARLO	Director		8,660.96						8,660.96
DORO ANNA	Director					2,136.99			2,136.99
GALMARINI FAUSTO	Director		8,660.96						8,660.96
GATTESCHI SERENA	Director							2,886.99	2,886.99
GATTI STEFANO	Director							3,955.48	3,955.48
MASSIMILLA MASSIMO	Director								0.00
NADDEO TERESA	Director					3,205.48	2,136.99		5,342.47
SCROCCHI MASSIMILIANO	Director						2,136.99		2,136.99

COMPENSATION FOR COMMITTEE WORK - 2018, SUBSIDIARIES AND ASSOCIATES

Surname and name	Office	Company	Executive Committee	Internal Control Committee	Related Party Committee	Supervision and control committee pursuant to Italian Law no. 231/2001 and Instrumental	Comp. for attending committees
DELLA CAGNOLETTA EDOARDO	Chairman of the Board of the Statutory Auditors	Credito Siciliano			1,000.00		1,000.00

SCHEME No. 7 TER - TABLE 1: Investments of members of the Administrative and Control Bodies and General Managers (*)

Surname and name	Credito Valtellinese Office	Investee Company	number of shares held at 31/12/2017	number of shares purchased before consolidation	number of shares sold before consolidation	number of shares purchased 2018 before consolidation (8/01/2018)	No. of shares assigned 2018 for consolidation (8/01/2018)	No. Shares assigned by the capital increase	number of shares purchased after consolidation	number of shares sold after consolidation	number of shares held at 31/12/2018
FIORDI MIRO	Chairman of the Board of Directors- term of office 12/10/2018	Credito Valtellinese S.p.A.	121,072			121,072	12,106	7,638,886			7,650,992
COLOMBO MICHELE	Deputy Chairman - term of office 12/10/2018	Credito Valtellinese S.p.A.	142,900			142,900	14,290		10,000	15,710	24,290
BECCALLI ELENA	Director	Credito Valtellinese S.p.A.	2,979			2,979	297	187,407			187,704
BORRONI MARIAROSA	Director - term of office 12/10/2018	Credito Valtellinese S.p.A.	7,000			7,000	700	315,500	3,800		320,000
BRUNO TOLOMEI FRIGERIO ISABELLA	Director - term of office 14/05/2018	Credito Valtellinese S.p.A.	46			46	4				-
COGLIATI GABRIELE	Director - term of office 12/10/2018	Credito Valtellinese S.p.A.	70,000			70,000	7,000	631,000		638,000	638,000
DE CENSI GIOVANNI	Director - term of office 12/10/2018	Credito Valtellinese S.p.A.	196,600			196,600	19,660				19,660
FERRARI FLAVIO	Director - term of office 12/10/2018	Credito Valtellinese S.p.A.	4,600			4,600	460	290,260			290,720
GALBIATI MARIA ELENA	Director - term of office 12/10/2018	Credito Valtellinese S.p.A.	671			671	67	42,277			42,344
GIUDICI PAOLO STEFANO	Director - term of office 12/10/2018	Credito Valtellinese S.p.A.	5,000			5,000	500	246,090	3,520	50,000	200,110
GRITTI GIONNI	Director - term of office 12/10/2018	Credito Valtellinese S.p.A.	1,095			1,095	109	68,779			68,888
MARTINELLI LIVIA	Director - term of office 12/10/2018	Credito Valtellinese S.p.A.	26,270			26,270	2,627		50,000	52,627	52,627
MEVIO TIZIANA	Director - term of office 12/10/2018	Credito Valtellinese S.p.A.	100			100	10	6,310			6,320
SCARALLO PAOLO	Director - term of office 12/10/2018	Credito Valtellinese S.p.A.	5,033			5,010	503	20,823			21,326
SCIUME' ALBERTO	Director - term of office 12/10/2018	Credito Valtellinese S.p.A.	460			460	46	29,026	70,000		99,072
GARAVAGLIA ANGELO	Chairman of the Board of Statutory Auditors	Credito Valtellinese S.p.A.	45,646			45,646	4,564	292,784	105,690		403,038
FRANCESCHI LUCA FRANCESCO	Standing Auditor	Credito Valtellinese S.p.A.	20			20	2	1,262			1,264
PEDRANZINI GIULIANA	Standing Auditor	Credito Valtellinese S.p.A.	3,616			3,616	361	71,934			72,295
DELLA CAGNOLETTA EDOARDO	Substitute Auditor	Credito Valtellinese S.p.A.	1,737			1,737	173				173
SANGIORGIO GIORGIO	Substitute Auditor	Credito Valtellinese S.p.A.	-			-	-				-
LOVAGLIO LUIGI	Chairman since 15/10/2018 (Director since 12/10/2018)	Credito Valtellinese S.p.A.	-			-	-	-	-	-	-
TROTTER ALESSANDRO	Substitute Deputy Chairman since 15/10/2018 (Director since 12/10/2018)	Credito Valtellinese S.p.A.	-			-	-	-	1,000		1,000
CASELLI STEFANO	Deputy Chairman since 15/10/2018 (Director since 12/10/2018)	Credito Valtellinese S.p.A.	-			-	-	-			-
AMIDANI ALIBERTI LIVIA	Director since 12/10/2018	Credito Valtellinese S.p.A.	-			-	-	-			-
BRUNO PAOLA	Director since 12/10/2018	Credito Valtellinese S.p.A.	-			-	-	-			-
CROSARA CARLO	Director since 12/10/2018	Credito Valtellinese S.p.A.	-			-	-	-			-
DORO ANNA	Director since 12/10/2018	Credito Valtellinese S.p.A.	-			-	-	-			-
GALMARINI FAUSTO	Director since 12/10/2018	Credito Valtellinese S.p.A.	-			-	-	-			-
GATTESCHI SERENA	Director since 12/10/2018	Credito Valtellinese S.p.A.	-			-	-	-			-
GATTI STEFANO	Director since 12/10/2018	Credito Valtellinese S.p.A.	-			-	-	-			-
MASSIMILLA MASSIMO	Director since 12/10/2018	Credito Valtellinese S.p.A.	-			-	-	-	1,380,000		1,380,000
NADDEO TERESA	Director since 12/10/2018	Credito Valtellinese S.p.A.	-			-	-	-			-
SCROCCHI MASSIMILIANO	Director since 12/10/2018	Credito Valtellinese S.p.A.	-			-	-	-	925,500		925,500
SELVETTI MAURO	General Manager since 01/07/2018 and Managing Director (Director since 5/06/2018)	Credito Valtellinese S.p.A.	20,000		6	19,994	1,999	1,272,727			1,274,726

(*) The table shows the investments held in the company and in the subsidiaries by members of the administrative and control bodies and by general managers and other key management personnel, as well as by their non-legally separated spouses and minor children, directly or through subsidiaries, trust and companies or nominees.

NB In view of the resolution passed by the Extraordinary Shareholders' Meeting held on 19/12/2017 shares were consolidated in the ratio of 1 new ordinary action for every 10 existing ordinary shares.

SCHEME No. 7 TER - TABLE 2: Investments of other key management personnel (*)

Surname and name	Credito Valtellinese Office	Investee Company	number of shares held at 31/12/2017	number of shares purchased before consolidation	number of shares sold before consolidation	number of shares purchased 2018 before consolidation (8/01/2018)	No. of shares assigned 2018 for consolidation (8/01/2018)	No. Shares assigned by the capital increase	number of shares purchased after consolidation	number of shares sold after consolidation	number of shares held at 31/12/2018
COLLI UMBERTO	Substitute Deputy General Manager	Credito Valtellinese S.p.A.	40,160			40,160	4,015	196,872			200,887
CONTINELLA SAVERIO	Deputy General Manager - term of office 30/11/2018	Credito Valtellinese S.p.A.	5,130			5,130	514	324,334			324,848
PELLEGATTA VITTORIO	Deputy General Manager	Credito Valtellinese S.p.A.	5,739			5,739	573	361,563			362,136
ROCCA ENZO	Deputy General Manager	Credito Valtellinese S.p.A.	3,434			3,434	342	50,480		2	50,820
COLOMBO UGO	Chief Financial Officer (CFO)	Credito Valtellinese S.p.A.	3,131			3,131	311	206,968			207,279
TARRICONE ROBERTO	Chief Commercial Officer (CCO)	Credito Valtellinese S.p.A.	5,057			5,057	505	315,500	9,995		326,000
SALIS FABIO	Chief Risk Officer (CRO)	Credito Valtellinese S.p.A.	-								-

(*) The table shows the investments held in the company and in the subsidiaries by members of the administrative and control bodies and by general managers and other key management personnel, as well as by their non-legally separated spouses and minor children, directly or through subsidiaries, trust and companies or nominees.

NB In view of the resolution passed by the Extraordinary Shareholders' Meeting held on 19/12/2017 shares were consolidated in the ratio of 1 new ordinary action for every 10 existing ordinary shares.

SCHEME No. 7 TER - TABLE 3A: Incentive plans based on financial instruments different from stock options in favour of members of the Administrative Body, General Managers and other Key Management Personnel

A	B	1	financial instruments allocated during the previous years not vested during the present one		financial instruments allocated during the year					financial instruments vested during the year and not allocated	financial instruments vested during the year and allocated		financial instruments referring to the year
			2	3	4	5	6	7	8		9	10	
Surname and name	Office	Plan	number and type of financial instruments	Vesting period	number and type of financial instruments	Fair value at the allocation date	Vesting period	Allocation date	market value at the allocation date	number and type of financial instruments	number and type of financial instruments	value at the accrual date	fair value
SELVETTI MAURO	General Manager since 01/07/2018 and Managing Director (Director since 5/06/2018)	2016 Plan	not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned
(I) Comp. in the company preparing the financial statements		2017 Plan* 8/4/2017 Shareholders' Meeting resolution	-	-	-	-	-	-	-	-	-	-	-
(II) Comp. from subsidiaries and associates		2018 Plan** 27/4/2018 Shareholders' Meeting Resolution	-	-	-	-	-	-	-	-	-	-	-
(III) Total		not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned
COLLI UMBERTO	Substitute Deputy General Manager	2016 Plan	not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned
(I) Comp. in the company preparing the financial statements		2017 Plan* 8/4/2017 Shareholders' Meeting resolution	-	-	-	-	-	-	-	-	-	-	-
(II) Comp. from subsidiaries and associates		2018 Plan** 27/4/2018 Shareholders' Meeting Resolution	-	-	-	-	-	-	-	-	-	-	-
(III) Total		not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned
CONTINELLA SAVERIO	Deputy General Manager	2016 Plan	not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned
(I) Comp. in the company preparing the financial statements		2017 Plan* 8/4/2017 Shareholders' Meeting resolution	-	-	-	-	-	-	-	-	-	-	-
(II) Comp. from subsidiaries and associates		2018 Plan** 27/4/2018 Shareholders' Meeting Resolution	-	-	-	-	-	-	-	-	-	-	-
(III) Total		not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned
PELLEGATTA VITTORIO	Deputy General Manager	2016 Plan	not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned
(I) Comp. in the company preparing the financial statements		2017 Plan* 8/4/2017 Shareholders' Meeting resolution	-	-	-	-	-	-	-	-	-	-	-
(II) Comp. from subsidiaries and associates		2018 Plan** 27/4/2018 Shareholders' Meeting Resolution	-	-	-	-	-	-	-	-	-	-	-
(III) Total		not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned
ROCCA ENZO	Deputy General Manager	2016 Plan	not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned
(I) Comp. in the company preparing the financial statements		2017 Plan* 8/4/2017 Shareholders' Meeting resolution	-	-	-	-	-	-	-	-	-	-	-
(II) Comp. from subsidiaries and associates		2018 Plan** 27/4/2018 Shareholders' Meeting Resolution	-	-	-	-	-	-	-	-	-	-	-
(III) Total		not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned
COLOMBO UGO	Chief Financial Officer	2016 Plan	not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned
(I) Comp. in the company preparing the financial statements		2017 Plan* 8/4/2017 Shareholders' Meeting resolution	-	-	-	-	-	-	-	-	-	-	-
(II) Comp. from subsidiaries and associates		2018 Plan** 27/4/2018 Shareholders' Meeting Resolution	-	-	-	-	-	-	-	-	-	-	-
(III) Total		not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned
TARRICONE ROBERTO	Chief Commercial Officer	2016 Plan	not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned
(I) Comp. in the company preparing the financial statements		2017 Plan* 8/4/2017 Shareholders' Meeting resolution	-	-	-	-	-	-	-	-	-	-	-
(II) Comp. from subsidiaries and associates		2018 Plan** 27/4/2018 Shareholders' Meeting Resolution	-	-	-	-	-	-	-	-	-	-	-
(III) Total		not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned
SALIS FABIO	Chief Risk Officer	2016 Plan	not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned
(I) Comp. in the company preparing the financial statements		2017 Plan* 8/4/2017 Shareholders' Meeting resolution	-	-	-	-	-	-	-	-	-	-	-
(II) Comp. from subsidiaries and associates		2018 Plan** 27/4/2018 Shareholders' Meeting Resolution	-	-	-	-	-	-	-	-	-	-	-
(III) Total		not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned

(*) The 2017 Plan (2017 MBO), since the envisaged system access gates have not been exceeded, was not applied

(* *) The 2018 Plan (2018 MBO), since the envisaged system access gates have not been exceeded, was not applied with the exception of the control function. The 2018-2020 LTI Plan is no longer valid; there are no deferred portions for the next year

SCHEME No. 7 TER - TABLE 3B: Monetary incentive plans in favour of member of the Administrative Body, General Managers and other Key Management Personnel

A	B	1	2			3			4
			Bonus of the year			Bonus for previous years			
			A	B	C	A	B	C	
Disburseable/Disbursed	Deferred	Deferral period	No longer disburseable	Disburseable/Disbursed	Still deferred	Other bonuses			
SELVETTI MAURO	General Manager since 01/07/2018 and Managing Director (Director since 5/06/2018)	2016 Plan	not planned	not planned	not planned	not planned	not planned	not planned	not planned
(I) Comp. in the company preparing the financial statements		2017 Plan* 8/4/2017 Shareholders' Meeting resolution	-	-	-	-	-	-	-
(II) Comp. from subsidiaries and associates		2018 Plan** 27/4/2018 Shareholders' Meeting Resolution	-	-	-	-	-	-	-
(III) Total		not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned
COLLI UMBERTO	Substitute Deputy General Manager	2016 Plan	not planned	not planned	not planned	not planned	not planned	not planned	not planned
(I) Comp. in the company preparing the financial statements		2017 Plan* 8/4/2017 Shareholders' Meeting resolution	-	-	-	-	-	-	-
(II) Comp. from subsidiaries and associates		2018 Plan** 27/4/2018 Shareholders' Meeting Resolution	-	-	-	-	-	-	-
(III) Total		not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned
CONTINELLA SAVERIO	Deputy General Manager	2016 Plan	not planned	not planned	not planned	not planned	not planned	not planned	not planned
(I) Comp. in the company preparing the financial statements		2017 Plan* 8/4/2017 Shareholders' Meeting resolution	-	-	-	-	-	-	-
(II) Comp. from subsidiaries and associates		2018 Plan** 27/4/2018 Shareholders' Meeting Resolution	-	-	-	-	-	-	-
(III) Total		not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned
PELLEGATTA VITTORIO	Deputy General Manager	2016 Plan	not planned	not planned	not planned	not planned	not planned	not planned	not planned
(I) Comp. in the company preparing the financial statements		2017 Plan* 8/4/2017 Shareholders' Meeting resolution	-	-	-	-	-	-	-
(II) Comp. from subsidiaries and associates		2018 Plan** 27/4/2018 Shareholders' Meeting Resolution	-	-	-	-	-	-	-
(III) Total		not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned
ROCCA ENZO	Deputy General Manager	2016 Plan	not planned	not planned	not planned	not planned	not planned	not planned	not planned
(I) Comp. in the company preparing the financial statements		2017 Plan* 8/4/2017 Shareholders' Meeting resolution	-	-	-	-	-	-	-
(II) Comp. from subsidiaries and associates		2018 Plan** 27/4/2018 Shareholders' Meeting Resolution	-	-	-	-	-	-	-
(III) Total		not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned
COLOMBO UGO	Chief Financial Officer	2016 Plan	not planned	not planned	not planned	not planned	not planned	not planned	not planned
(I) Comp. in the company preparing the financial statements		2017 Plan* 8/4/2017 Shareholders' Meeting resolution	-	-	-	-	-	-	-
(II) Comp. from subsidiaries and associates		2018 Plan** 27/4/2018 Shareholders' Meeting Resolution	-	-	-	-	-	-	-
(III) Total		not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned
TARRICONE ROBERTO	Chief Commercial Officer	2016 Plan	not planned	not planned	not planned	not planned	not planned	not planned	not planned
(I) Comp. in the company preparing the financial statements		2017 Plan* 8/4/2017 Shareholders' Meeting resolution	-	-	-	-	-	-	-
(II) Comp. from subsidiaries and associates		2018 Plan** 27/4/2018 Shareholders' Meeting Resolution	-	-	-	-	-	-	-
(III) Total		not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned
SALIS FABIO	Chief Risk Officer	2016 Plan	not planned	not planned	not planned	not planned	not planned	not planned	not planned
(I) Comp. in the company preparing the financial statements		2017 Plan* 8/4/2017 Shareholders' Meeting resolution	-	-	-	-	-	-	-
(II) Comp. from subsidiaries and associates		2018 Plan** 27/4/2018 Shareholders' Meeting Resolution	-	-	-	-	-	-	-
(III) Total		not planned	not planned	not planned	not planned	not planned	not planned	not planned	not planned

(*) The 2017 Plan (2017 MBO), since the envisaged system access gates have not been exceeded, was not applied

(**) The 2018 Plan (2018 MBO), since the envisaged system access gates have not been exceeded, was not applied with the exception of the control function. The 2018-2020 LTI Plan is no longer valid; there are no deferred portions for the next years.

Glossary

Shareholders' Meeting	The Ordinary Shareholders' Meeting of Credito Valtellinese S.p.A.
Shares	The ordinary shares of Credito Valtellinese S.p.A.
Beneficiaries	The Managing Director and General Manager of Creval and the other Risk Takers of the Group beneficiaries of the "2019 Bonus Pool" Plan; as well as Group key employees and high-potential employees, beneficiaries of the "2019-2021 LTI" Plan (some of them in common with the beneficiaries of the "2019 Bonus Pool" Plan).
Categories of Beneficiaries	The categories of employees of the Group identified for the purposes of the "2019 Bonus Pool" Plan and "2019-2021 LTI Plan".
Claw back	Mechanism requiring the return of an already received Individual Bonus amount in case of fraudulent or severely wrongful conduct of the Beneficiary.
Remuneration Committee	The Committee set up within the Board of Directors of the Bank based on articles 4 and 6 of the Code of Self-Discipline, aligned with Bank of Italy Circular no. 285 of 17 December 2013 as updated. It is composed of three members appointed by the Board of Directors and chosen from among the Non-Executive Directors, with a majority of Independent Directors.
Board of Directors	Board of Directors of Credito Valtellinese S.p.A.
Creval or the Bank	Credito Valtellinese S.p.A., with registered offices in Piazza Quadrivio 8, Sondrio, Italy, Tax code and Sondrio Company Registration No. 00043260140, Register of Banks No. 489, as well as Register of Banking Groups No. 5216.7.
CRO Dashboard	The table prepared by the CRO (Chief Risk Officer), which checks the consistency of the results with the Risk Appetite Framework; based on this table, the Bonus Pool can be revised upwards or downwards
Creval Group or Group	The banking group entered in the special list maintained by the Bank of Italy with code no. 5216.7 and consisting of Creval, together with the subsidiary companies.
Gate indicators	Conditions without which the Beneficiaries do not have the right to receive the Individual Bonus.
Malus	Clause that envisages the reduction, up to the complete cancellation, of the Individual Bonus in the event of certain conditions.
Electronic Stock Market (MTA)	Electronic Stock Market organised and operated by Borsa Italiana S.p.A. where the Shares are traded.
Individual Objectives	Quantitative and qualitative individual objectives as KPIs (Key Performance Indicators) included in a formalised objective sheet (Scorecard), used for determining the Individual Bonus.
Retention Period	The period between the allocation date of the Phantom Shares and their payment date.

Phantom Share	A unit representing the value of a share that is converted into a cash bonus according to its price on a certain date.
2019 Bonus Pool Plan	The short-term incentive plan called “2019 Bonus Pool incentive plan, based on the allocation of Phantom Shares” details of which are contained in the Information Document prepared pursuant to Article 144-bis of Italian Legislative Decree 58 of 24 February 1998 and Article 84-bis of Consob Regulation no. 11971 of 14 May 1999.
2019-2021 LTI Plan	The medium to long-term incentive plan called “2019-2021 LTI medium to long term incentive plan, based on the allocation of Phantom Shares” details of which are contained in the Information Document prepared pursuant to Article 144-bis of Italian Legislative Decree 58 of 24 February 1998 and Article 84-bis of Consob Regulation no. 11971 of 14 May 1999.
Overall Bonus	The theoretical amount of the incentive to be paid to all Beneficiaries.
Individual Bonus	The amount of the incentive to be paid to each Beneficiary.
First Payment and Allocation Date	The date of payment of the cash portion and of allocation of the Phantom Shares of the Upfront Portion of the Individual Bonus.
Deferred Portion	The portion of the Individual Bonus to be allocated on the Subsequent Payment and Allocation Dates.
Up-front Portion	The portion of the Individual Bonus to be allocated on the First Payment and Assignment Date.
RAF or Risk Appetite Framework	The reference framework for determining a bank’s propensity to risk, as defined in the Bank of Italy’s Supervisory Provisions.
RAL (gross annual remuneration)	The fixed component of remuneration, represented by the base salary, rises due to seniority, any amounts <i>ad personam</i> and allowances, expressed on an annual basis, gross of taxes and social security contributions.
Risk Takers	Personnel identified by professional role covered and level of remuneration earned pursuant to Delegated Regulation (EU) No. 604/2014.
Scorecard	The document summarising the individual objectives (KPIs) assigned to the Beneficiaries.
Subsequent Payment and Allocation Dates	The dates of payment of the cash portion and of allocation of the Phantom Shares of the Deferred Portion of the Individual Bonus.
Incentive System	Variable remuneration instrument that subjects the payment of an individual bonus to a specific beneficiary to the achievement of performance thresholds.
Performance evaluation	Company process of appraising individual behaviour and results, generally on an annual basis.