

Information on plans for compensation based on financial instruments

2020

**Document Approved by the Board
of Directors in its meeting
of 12th March 2020**

**Pursuant to arts. 114 bis of the CFA/TUF
and 84 bis of the Consob Issuer's Regulation**

Banca IFIS S.p.A. - Registered office
in Via Terraglio 63 - 30174 Mestre, Venice
- Registration number in the Companies
Registered of Venice and Tax Code
02505630109 - VAT number 04570150278
REA (Administrative Economic Index) number:
VE - 247118 - Fully paid-up share capital
Euro 53,811,095 - Registry of Banks no. 5508
Parent Company of the Banca IFIS Banking
Group S.p.A, registered in the Banking Group
Registry - Member of the National Guarantee
Fund and the Interbank Deposit Protection
Fund, of the Italian Bank Association,
the Italian Association for Factoring,
Factor Chain International.



Definitions

Shareholders' Meeting	Ordinary shareholders' meeting of Banca IFIS
Shares	Ordinary shares in Banca IFIS, traded on the market regulated by the Italian Stock Exchange
Clawback	Contractual clause that requires beneficiaries to return part of or all of the variable remuneration if certain circumstances should occur
CONSOB	National Commission for Companies and the Stock Exchange
Recipients or Beneficiaries	Individuals who are entitled to payment of variable remuneration in accordance with what is defined in this document
Issuer or Bank or Parent Company	Banca IFIS S.p.A.
Key personnel	Group personnel whose professional activity has or may have a significant impact on the Group's risk profile
Vesting period	The period between the time when the right to participate in the Plan is assigned and the moment when this right matures
Retention period	Period in which the sale of shares is prohibited.
Malus	Mechanism that operates during the deferral period, before actual payment of the remuneration, as a result of which the variable remuneration matured can be reduced to zero in relation to the results
Issuer Regulations	Consob Regulations no. 11971/99 as amended and supplemented
Report	Remuneration report pursuant to Article 123-ter, Italian Consolidated Finance Act (TUF)
ICF (TUF)	Indicates Legislative Decree 58 of 24 February 1998
Up-front	Portion of variable remuneration that is paid without a deferral period

Introduction

In accordance with the requirements of Articles 114-bis, Italian Consolidated Finance Act (TUF) and 84-bis of the Issuer Regulations, and more specifically in accordance with Template 7 of Annex 3A of the Issuer Regulations regarding information that must be communicated to the market concerning the attribution of compensation plans based on financial instruments, the Bank has prepared this document to provide comprehensive information on the assessment of a portion of the variable component of remuneration for Banca IFIS S.p.A. Group's "Key Personnel", in view of the forthcoming Shareholders' Meeting convened to approve, among other things, a new incentive plan (2020 Plan) that is conditional on reaching specific performance targets set for the 2020 financial year.

The 2020 Plan, submitted by the Remuneration Committee to the Board of Directors and approved by the Board of Directors on 12th March 2020, is subject to the approval of the Ordinary Shareholders' Meeting convened for 19th April 2019.

This document also contains information regarding implementation of compensation plans currently in use that are based on financial instruments (the "2015 Plan", "2016 Plan", "2017 Plan", "2018 Plan" and "2019 Plan").

2020 PLAN

1 Recipients

1.1. The names of recipients who are the members of Board of Directors of the financial instrument issuer, of the companies controlling the issuer and those that are directly or indirectly controlled by the issuer.

The beneficiary included in the 2020 Plan who falls into the above categories is the Chief Executive Officer of the issuer, Luciano Colombini.

1.2. Categories of employees or contract workers who work for the issuer and for the issuer's controlling or subsidiary companies

Any additional, potential beneficiaries included in the 2020 Plan are identified among personnel who have a significant impact on Banca IFIS Group's risk profile (so-called "key personnel") In accordance with the conditions set out in the 2020 Plan, any further, potential beneficiaries of the 2020 Plan belong to the following categories:

- General Manager of Parent Company;
- Executives with strategic responsibility for key business units;
- Executives with strategic responsibilities for control functions;
- Other executives with strategic responsibilities;
- Heads of business units;
- Heads of key operating units.

1.3. The names of beneficiaries of the plan belonging to the following groups:

a) The issuer's General Managers

The issuer's General Manager, Alberto Staccione, is among the beneficiaries included in the 2020 Plan. No other individuals fall under this category.

b) Other executives with strategic responsibilities of the issuer, which is not a "small" issuer, pursuant to Article 3, paragraph 1, letter f), of Regulation no. 17221 of 12th March 2010, who, during the year, have received total remuneration (calculated by adding monetary remuneration and remuneration based on financial instruments) greater than the highest total remuneration paid to members of the Board of Directors or the management body, and to the issuer's General Managers

No individuals falling under this category are beneficiaries of the 2020 Plan.

c) Natural persons who control the issuer, who are employees or who work as contract workers for the issuer

No individuals falling under this category are beneficiaries of the 2020 Plan.

1.4. *Description and numerical indication, separated by category:*

a) of executives with strategic responsibilities other than those indicated in letter b) of paragraph 1.3.

The other potential beneficiaries of the 2020 Plan falling under the category of executives with strategic responsibilities, besides the General Manager already indicated in point 1.3, letter a) are 9 executives with strategic responsibilities¹.

b) in the case of the “small” companies, pursuant to article 3, paragraph 1, letter f), of Regulation no. 17221 of 12th March 2010, the indication in aggregated form of all executives with strategic responsibilities of the issuer of financial instruments.

Banca IFIS S.p.A. does not fall under the category of “small” companies.

c) of any other categories of employee or contract worker for whom different characteristics of the plan are envisaged (for example, executives, middle managers, office staff, etc.)

There are no further categories beyond those indicated above in point 1.2.

2 The reasons for adopting the plan

For detailed information regarding the reasons for adopting the 2020 Plan, please refer to Section I of the Remuneration Report approved for 2020.

3 Approval process and timescale for assigning the financial instruments

3.1. *Scope of the powers and functions that the Shareholders’ Meeting delegates to the Board of Directors in order to implement the plan.*

In accordance with the Articles of Association, the Ordinary Shareholders’ Meeting is responsible for approving compensation plans based on financial instruments, while the Board of Directors is responsible for reviewing these policies, at least annually, and ensuring that remuneration and incentive policies are implemented correctly.

3.2. *Names of the individuals tasked with administering the plan and their functions and responsibilities.*

The Human Resources and Central Finance Department offices have been tasked, for their respective responsibilities, with the administration and operational management of the 2020 Plan. Once the financial statement has been approved by the Shareholders’ Meeting, Risk Management, supporting the Remuneration Committee, collaborates with Management to determine the amount of variable remuneration to be paid to the Chief Executive Officer and the General Manager, as well as to any further beneficiaries of the plan, and to verify that the conditions established for assigning the variable remuneration have been met.

¹ They are also included in the categories listed in point 1.2 above

3.3. Any existing procedures to review the plans, including related to any variations to basic targets.

No specific procedures are set out to review the 2020 Plan.

3.4. Description of the methods used to determine the availability and assignment of financial instruments on which plans are based (e.g. free allocation of shares, increases in capital with exclusion of option rights, purchase and sale of treasury shares).

The 2020 Plan provides for the assignment of a number of treasury shares held by the Issuer. The number of shares to be assigned is calculated by considering the average share price for the three months before calculation of the variable pay for the period - which shall occur at the date of the Shareholders' Meeting convened for approval of the Financial Statements - as the fair value of the share. The number of shares is determined by rounding to the nearest integer.

3.5. Role played by each director in determining the characteristics of the above plans; potential conflicts of interest arising for the directors involved.

To determine the characteristics of the 2020 Plan, the Board of Directors was advised by the Remuneration Committee, which is made up of three non-executive Directors, the majority of whom are independent. Based on the current remuneration and incentive policies, it is envisaged that the remuneration provided for non-executive Directors is not tied to the Bank's economic results and that the Directors are not beneficiaries of share-based incentive plans, thus no conflicts of interest arose concerning the Directors involved. These situations do not meet those set out in the Remuneration Committee's internal rules and regulations, which state that no Director may take part in Committee meetings in which proposals submitted to the Board of Directors regarding their own remuneration are formulated.

3.6. Date of the decision taken by the competent body to propose approval of the plans to the Shareholders' Meeting and any proposals from the remuneration committee, if established.

On 12th March 2020, the Remuneration Committee expressed a favourable opinion on the Remuneration Report pursuant to art.123 ter of the CFA/TUF and this document. Both documents were approved by the Board of Directors on 12th March 2020, to propose approval of the plans to the Shareholders' Meeting of 23rd April 2020.

3.7. As per the requirements of Article 84-bis, paragraph 5, letter a), the date of the decision taken by the competent body to assign financial instruments and any proposals put forward to this body that were formulated by a Remuneration Committee, if established.

For details on information requested, see Chapter 5 and Table 1, attached to this document.

3.8. The market price, recorded on the above dates, for the financial instruments that the plans are based on, if traded on regulated markets.

For details on information requested, see Chapter 5 and Table 1, attached to this document.

3.9. For plans based on financial instruments traded on regulated markets, the terms and methods with which the issuer, when determining the timescale for assigning the instruments under the plan, takes into account a possible timing coincidence between:

- i) the assignment of instruments and any decisions taken on the matter by the Remuneration Committee; and*
- ii) the circulation of any important information pursuant to art. 114, paragraph 1; for example, if that information:*
 - a. is not already in the public domain and is likely to have a positive impact on the market price, or*
 - b. is already in the public domain and is likely to have a negative impact on the market price*

The timescale for assigning shares is established as part of the Remuneration and Incentive Policies authorised in advance every year, and in a manner that is neutral as regards possible events that could affect the market value of the Parent Company's shares. When implementing the 2020 Plan, information will be given to the market, where provided for by legislation and regulations in force.

4 Characteristics of the assigned instruments

4.1. The description of the ways in which compensation plans based on financial instruments are structured.

The 2020 Plan is based on the assignment of the Issuer's treasury shares.

4.2. Indication of the actual plan implementation period, specifying any other cycles involved.

The actual implementation period of the 2020 Plan starts in 2021 (this being the period in which the results of the 2020 financial year are measured) and finishes in 2024 (last assignment period). The deferred component is subject to a retention period of one additional year.

4.3. The end of the plan.

The 2020 Plan, linked to the results for the period from 1st January 2020 to 31st December 2020, will end during the 2025 financial year with the end of the retention period provided for the deferred variable component.

4.4. The maximum number of financial instruments, also as options, assigned in each tax year to the individuals identified or the categories specified.

At present, it is not possible to indicate the number of shares that will be assigned under the 2020 Plan, insofar as the precise number is conditional on set performance targets being reached and is connected to the share's market price trend. This information will be provided in the times and by the methods set out in current legislation and regulatory provisions.

4.5. The methods and clauses for implementing the plan, specifying whether the actual assignment of financial instruments is subject to the occurrence of certain conditions or achieving certain results, including performance; description of those conditions and results.

Implementation of the 2020 Plan is dependent upon the following access conditions (gates).

For all Personnel, access to the variable part is subject to meeting levels set by the following indicators recorded at the year end date:

- considering a correct profitability measurement for the risk, such as the RORAC (return on risk-adjusted capital) established as the ratio between Net Profit and Capital absorbed by first pillar risks (i.e. 8% Risk Weighted Asset (RWA) of Pillar 1), the [RORAC/RORAC*] indicator, where RORAC* is the RORAC resulting from the perspective objective set in the last business plan approved by the Board of Directors, must not be lower than 80%. This indicator enables weighting profits for the underlying risks in terms of regulatory capital absorbed.
- related to the tolerance level, greater than the regulatory minimum (satisfied by the “capacity”) equal to 100%, of the Group’s short term liquidity indicator -Liquidity Coverage Ratio (LCR), recorded quarterly in the year of reference. The tolerance level is established every year in the Banca IFIS Group’s Risk Appetite Framework (RAF) at consolidated level, in accordance with prudential supervisory regulations in force.
- related to the tolerance level, greater than the regulatory minimum equal to 100%, for the Group’s medium-long term liquidity indicator- Net Stable Funding Ratio (NSFR). The tolerance level is established every year in the Banca IFIS Group’s Risk Appetite Framework (RAF) at consolidated level, in accordance with prudential supervisory regulations in force.
- The consolidated Total Own Funds Ratio greater than the tolerance level set in the RAF in force, therefore, greater than the Overall Capital Requirement communicated by the Supervisory Body as part of the “Decisions on capital” at the conclusion of the supervisory review process (SREP).
- NPL gross ratio and NPL net ratio lower than the alarm level set for the 2020 RAF. These indicators are calculated excluding the IFIS NPL segment and their calculation will be reviewed implementing the new default definition set from 31.12.2020.

Not achieving more than one of the aforementioned parameters in two different areas, excluding the capital solvency one (i.e. consolidated Total Own Funds Ratio) and not complying with the regulatory minimums, which must be complied with all the time, will block payment of the variable component.

The variable component is also awarded as long as the beneficiary is still in office/employed by the Group and not in his/her notice period for voluntary resignation or dismissal, at the time of payment, except for retirements and the natural expiration of director mandates. Payment of a variable component will also be suspended in case of ongoing disciplinary proceedings for fraud or gross negligence against the Bank or for behaviour that may lead to the individual’s dismissal by just cause.

It is, however, explicit that, in line with best market practice, the rules for deferment and partial payment in the Parent Company’s treasury shares are applied if the variable component of remuneration is greater than €70,000.

Notwithstanding what is set out above, potential beneficiaries of the 2020 Plan mentioned, with the exception of the Chief Executive Officer and the General Manager, are also subject to assessment with regard to meeting the assigned targets, as described in detail in the Remuneration Report approved for 2020, concerning assigned targets for the year.

The actual assignment of instruments, with regard to the variable component, is also subject to malus/claw back mechanisms that may reduce, or even cancel, ex-ante and/or ex-post, the previously determined amount, in accordance with the criteria set out in the following table:

		Consolidated Total Own Funds ratio ²			
		<=12.50%	12.50%< <=13.00%	13.00%< =13.50%	>13.50%
RORAC of the Group	≥ 15%	-100.0%	---	---	---
	10.5%< < 15%	-100.0%	-30.0%	-20.0%	-10.0%
	< 10.5%	-100.0%	-40.0%	-30.0%	-20.0%

Notwithstanding what is set out in the reference national collective bargaining agreement regarding the rights and obligations of employees and in the Disciplinary Code and Code of Ethics in force, the variable component will also be cancelled if the individual has caused or is involved in causing:

- violations of the obligations imposed under article 26, or when the subject is an affected party, of article 53, paragraphs 4 et seq., of the Italian Consolidated Banking Law (TUB/CBA) or of the obligations regarding remuneration and incentive schemes;
- behaviour contrary to legislation, regulatory provisions, the Articles of Association or any Code of Ethics or Code of Conduct applicable to the Bank, which results in a significant loss for the Group³ or its customers⁴.
- further behaviour contrary to legislation, regulatory provisions, the Articles of Association or any Code of Ethics or Code of Conduct applicable to the Bank in any cases set out by it;
- fraudulent behaviour or serious negligence causing damage to the Group;

or, also, if:

- the consolidated Total Own⁵Funds Ratio is greater than the Overall Capital Requirement communicated by the Supervisory Body as part of the “Decisions on capital” at the conclusion of the periodical prudential supervisory review process (SREP).
- the Shareholders’ Meeting has decided to revoke an office for just cause, or the Board of Directors has decided to terminate an employment contract for just cause.

The above criteria are checked in each of the three financial years⁶ closed following calculation of the variable component (accrual period) and applied when the above-mentioned conditions occur, taking the worst result recorded in the reference period into consideration.

The ex post correction mechanisms cannot lead to an increase in the initially recognized variable remuneration or to the variable remuneration previously reduced or made null following the application of malus.

Notwithstanding what is set out in the reference national collective bargaining agreement on the rights and obligations of employees and by the Disciplinary Code and by the Code of Ethics in force, the Group reserves the right to take appropriate action for the return of the variable component recognised and/or paid to personnel where the individual has caused or is involved in causing:

² EU Regulation 575/2013 (CRR) and Directive 2013/36/EU (CRD IV).

³ Loss equal to or exceeding 5% of equity.

⁴ The Parent Company identifies as a "significant loss" for customers any loss deriving from deviant or non-compliant behaviour with respect to the legal, regulatory, statutory or ethical standards applicable to the Group. In particular, reference is made to cases of internal fraud, complaints accepted due to incorrect behaviour, intentional failure to comply with the delegation system, if these cases have effects on customers. It is understood that in case of the occurrence of these events, all the investigations required by the disciplinary procedures provided for by the law and by the National Collective Labour Contract of reference applicable to these cases will be carried out and, should the conditions be satisfied, the more appropriate disciplinary measures will be applied depending on the severity found and the extent of the loss suffered..

⁵ EU Regulation 575/2013 (CRR) and Directive 2013/36/EU (CRD IV).

⁶ If these conditions are met in at least one of the three years observed (accrual period), the corrective mechanisms will be applied.

- violations of the obligations imposed under article 26, or when the subject is an affected party, of article 53, paragraphs 4 et seq., of the Italian Consolidated Banking Law (TUB/CBA) or of the obligations regarding remuneration and incentive schemes;
- behaviour contrary to legislation, regulatory provisions, the Articles of Association or any Code of Ethics or Code of Conduct applicable to the Bank, which results in a significant loss for the Group⁷ or its customers⁸.
- further behaviour contrary to legislation, regulatory provisions, the Articles of Association or any Code of Ethics or Code of Conduct applicable to the Bank in any cases set out by it;
- fraudulent behaviour or serious negligence causing damage to the Group;

or if the consolidated Total Own Funds Ratio⁹ is lower than the Overall Capital Requirement communicated by the Supervisory Body as part of the “Decisions on capital” at the conclusion of the periodical prudential review process (SREP).

Those criteria are also checked in each of the three financial years¹⁰ closed after calculation of the variable component (accrual period) and are applied when the above conditions are met, except for key personnel for whom that audit must be carried out in each of the following five financial years closed.

The ex post correction mechanisms cannot lead to an increase in the initially recognized variable remuneration or to the variable remuneration previously reduced or made null following the application of malus.

4.6. *Indication of any restrictions on the availability of the assigned financial instruments, or on the instruments arising from options being exercised, with particular reference to the deadlines by which the subsequent transfer to the Company itself or to third parties is allowed or forbidden.*

The structure of the variable component of remuneration must be compatible with the risk analysis undertaken by the Banking Group and, to be sustainable, it must be compatible with the levels of capital and liquidity in the medium- and long-term.

The regulations contained in Circular 285 on remuneration introduce, related to the balancing of the deferred component of variable remuneration, the concept of “particularly high variable remuneration amount”¹¹ with which, at least for the top management figures, (i) duration of the deferral period is not less than 5 years, (ii) more than 50% of the deferred part is made up of financial instruments and iii) the percentage to be deferred is not less than 60%.

In compliance with the aforementioned legislation, the particularly high variable remuneration amount with reference to the Group was identified as € 337,530.80 (equal to 25% of the average total remuneration of Italian high earners, as shown in the most recent report published by the EBA).

The Banca IFIS Group is included, on the basis of the size of its assets, of the structure, of the risk and complexity of the activity carried out, in the definition of intermediate-sized banks. This classification requires the application of the regulations only to the key

⁷ Loss equal to or exceeding 5% of net equity, to be calculated net of elements resulting from extraordinary transactions such as: increases in capital, company mergers, de-mergers, acquisitions or any other non-recurring transaction that the Board should deliberate and able to modify the indicator value.

⁸ See note 4.

⁹ EU Regulation 575/2013 (CRR) and Directive 2013/36/EU (CRD IV).

¹⁰ If these conditions are met in at least one of the three years observed (accrual period), the corrective mechanisms will be applied.

¹¹ Particularly high variable remuneration amount means the lowest between: (i) the 25% of the average total remuneration of Italian high earners, as reported in the most recent report published by EBA; (ii) 10 times the total average remuneration of bank personnel.

personnel, at the same time allowing the application of percentages, deferral and retention periods at least equal to half of those indicated for larger banks and growing according to the characteristics of the banking group .

Given the above, the Banca IFIS Group maintains a variable remuneration structure which is stricter than the minimum regulatory limit set for intermediate banks. Among other things, the deferred portion, the deferral period and the balancing portion of the variable remuneration for persons with variable remuneration of a particularly high amount to those already envisaged were aligned with what is set for the other subjects included amongst key personnel.

The variable component may not exceed a 1:1 ratio compared to the fixed component and is determined when the financial statement to 31 December of the previous year is approved.

A) The portion of variable compensation to be deferred is 40% and is paid as follows:

- 50% in Banca IFIS S.p.A. shares to be allocated after the three-year vesting period¹² expires and which will be exercisable at the end of the further one-year retention period¹³ affecting the shares;
- the remaining 50% of deferred variable remuneration will instead be paid in cash at the end of the three-year period and is subject to annual revaluation at the current legal rate.

B) The variable component of remuneration not subject to deferral (the remaining 60% - up front) will instead be paid:

- 50% in cash;
- the remaining 50% in Parent Company shares which will be exercisable at the end of the three-year retention period¹⁴ affecting them, in line with the strategic planning horizon.

The number of shares to be assigned is calculated by considering the average share price for the three months before calculation of the variable pay for the period - occurring at the date of the Shareholders' Meeting convened to approve the Financial Statements - as the fair value of the share. The number of shares is determined by rounding to the nearest integer.

4.7. The description of any decisive actions related to assigning plans if recipients perform hedging transactions enabling them to neutralise any prohibitions to sell the financial instruments, even as options, or the financial instruments resulting from exercising those options.

The 2020 Plan does not include any termination clauses as described above. Individual employees are strictly forbidden to carry out hedging or insurance strategies on remuneration or on other aspects that may alter or influence the effects of business risk alignment inherent in the remuneration mechanisms applied.

In particular, to ensure that its key personnel are not remunerated or do not receive payments or other benefits via methods that are contrary to the supervisory provisions regarding remuneration and incentive policies and practices, the Parent Company prepares specific individual agreements through which beneficiaries agree:

¹² Period after which the shares may be assigned

¹³ Period in which the sale of shares is forbidden

¹⁴ See note 8

- not to use personal hedging strategies and/or take out insurance on remuneration or undertake any other initiative that may alter and/or affect and/or influence the effects of business risk alignment inherent in the remuneration mechanisms;
- communicate the existence or opening of custodial and administration accounts with other intermediaries¹⁵ and information regarding transactions carried out each time.

The types of financial transaction and financial investment carried out by key personnel that could impact the risk alignment mechanisms and, more generally, could prevent the bank from following the supervisory provisions regarding remuneration and incentive policies and practices are only those transactions and investments in financial instruments issued by the bank including derivatives that are underpinned by these instruments.

4.8. Description of the effects resulting from termination of an employment contract.

Access to the variable component is also recognised as long as the beneficiary is still in office/employed by the Group and not in his/her notice period for voluntary resignation or dismissal, at the time of payment, except for retirements and the natural expiration of the chief executive officer mandate.

The variable component would also be cancelled if the Shareholders' Meeting has passed a resolution regarding the revocation of a post for just cause or the Board of Directors has passed a resolution to terminate an employment contract for just cause.

4.9. Indication of any other possible causes for cancelling the plans.

There are no additional cancellation clauses in the 2020 Plan other than those already set out in the above paragraphs.

4.10. Motives related to any "repurchase" foreseen by the company of the financial instruments in the plans, ordered pursuant to article 2357 et seq. Italian Civil Code; repurchase beneficiaries indicate whether it is only intended for certain employee categories; the effects of employment termination on that repurchase.

The bank does not intend to repurchase shares covered by the 2020 Plan.

4.11. Any loans or other concessions intended to be granted to purchase shares pursuant to art. 2358, Italian Civil Code.

Pursuant to Article 2358, Italian Civil Code, no loans or other concessions are to be granted to purchase shares covered by the 2020 Plan.

4.12. Indication of the costs expected for the company on the related assignment date, to be calculated based on the terms and conditions already defined, by total amount and related to each plan instrument.

At present, it is not possible to quantify exactly the expected costs, insofar as the calculation is conditional upon the occurrence of certain conditions and set performance targets being reached.

4.13. Indication of any dilutive effects on capital caused by compensation plans.

¹⁵ At present, internal custodial and administration accounts cannot be opened

The share component of variable remuneration, paid with the Parent Company's treasury shares, will not result in any significant dilutive effects on the Parent Company's capital.

4.14. Any limits set for exercising voting rights and for assigning ownership rights.

Ownership and full availability of shares will be assigned to beneficiaries at the end of the retention period, except where the malus and claw-back mechanisms set out above and detailed in the Remuneration Report approved for 2020 are applied.

4.15. If the shares are not traded on regulated markets, all information needed for a full assessment of their actual value.

This condition does not apply insofar as Banca IFIS S.p.A. shares are traded on regulated markets.

5 Update on the status of implementation of current Plans

2015 Plan

In relation to the 2015 Plan, approved by the Board of Directors on 18th February 2015 and by the Ordinary Shareholders' Meeting on 8th April 2015, the Bank prepared a document that provides complete information about the valuation of a portion of the variable component of remuneration for Banca IFIS S.p.A. Group's "key personnel", through a programme of assigning ordinary shares in Banca IFIS. That document is available at www.bancaifis.it under "Corporate Governance", "Shareholders' Meeting" for 2015.

Following approval of the financial statement, and since the conditions for assigning variable remuneration were applicable, the beneficiaries of the Plan (the Chief Executive Officer and the General Manager) were identified, for whom the Company recorded total payments (cash + shares) of € 834,146.00, of which: (i) € 250,233.49 gross, equal to a total of 9,295 shares, as up front variable remuneration; (ii) € 166,829.20 gross as deferred variable remuneration which, plus revaluation for € 1,317.15, amounts to 10,968 shares

The up-front variable remuneration was paid by means of shares in 2019 after the three year retention period had been completed. During 2019, no malus conditions were found to affect the deferred variable remuneration. So it was assigned in financial year 2019 with the retention period ending in financial year 2020.

2016 Plan

In relation to the 2016 Plan, approved by the Board of Directors on 2nd February 2016 and by the Ordinary Shareholders' Meeting on 22nd March 2016, the Bank prepared a document that provides complete information about the valuation of a portion of the variable component of remuneration for Banca IFIS S.p.A. Group's "key personnel", through a programme of assigning ordinary shares in Banca IFIS. That document is available at www.bancaifis.it under "Corporate Governance", "Shareholders' Meeting" for 2016.

Following approval of the financial statement, and since the conditions for assigning variable remuneration occurred, the beneficiaries of the Plan (the Chief Executive Officer and the General

Manager) were identified, for whom the Company recorded total payments (cash + shares) of EUR 835,038.93.

This amount is to be delivered as follows:

- up-front variable remuneration of a total of 6,891 shares with an equivalent gross matured value of € 250,511.00
- deferred variable remuneration of a total of 4,594 shares with an equivalent gross matured value of € 167,008.00

The shares relating to up-front variable remuneration will be made available at the end of the three-year retention period and are subject to a claw-back mechanism which is itself the subject of audits carried out in each of the five financial years closed following calculation of the variable component.

The shares relating to the deferred variable remuneration will be made available at the end of the three-year vesting period and a further one year retention period; they are also subject to malus mechanisms which are audited in each of the three financial years closed following calculation of the variable component.

During 2019, no claw-back conditions were met for full recovery of up-front variable remuneration, and no malus conditions were applied to the deferred variable remuneration.

2017 Plan

In relation to the 2017 Plan, approved by the Board of Directors on 2nd March 2017 and by the Ordinary Shareholders' Meeting on 21st April 2017, the Bank prepared a document that provides complete information about the valuation of a portion of the variable component of remuneration for Banca IFIS S.p.A. Group's "key personnel", through a programme of assigning ordinary shares in Banca IFIS. That document is available at www.bancaifis.it under "Corporate Governance", "Shareholders' Meeting" for 2017.

Following approval of the financial statement, and since the conditions for assigning variable remuneration occurred, the beneficiaries of the Plan (the Chief Executive Officer and the General Manager) were identified, for whom the Company recorded total payments (cash + shares) of EUR 835,038.00.

This amount is to be delivered as follows:

- up-front variable remuneration of a total of 7,694 shares with an equivalent gross matured value of EUR 250,511.00
- deferred variable remuneration of a total of 5,130 shares with an equivalent gross matured value of EUR 167,008.00

The shares relating to up-front variable remuneration will be made available at the end of the three-year retention period and are subject to a claw-back mechanism which is itself the subject of audits carried out in each of the five financial years closed following calculation of the variable component.

The shares relating to the deferred variable remuneration will be made available at the end of the three-year vesting period and a further one year retention period; they are also subject to malus mechanisms which are audited in each of the three financial years closed following calculation of the variable component.

During 2019, no claw-back conditions were met for full recovery of up-front variable remuneration, and no malus conditions were applied to the deferred variable remuneration.

2018 Plan

In relation to the 2018 Plan, approved by the Board of Directors on 6th March 2018 and by the Ordinary Shareholders' Meeting on 19th April 2018, the Bank prepared a document that provides complete information about the valuation of a portion of the variable component of remuneration for Banca IFIS S.p.A. Group's "key personnel", through a programme of assigning ordinary shares in Banca IFIS. That document is available at www.bancaifis.it under "Corporate Governance", "Shareholders' Meeting" for 2018.

Following approval of the financial statement, and since the conditions for assigning variable remuneration occurred, the beneficiaries of the Plan (the Chief Executive Officer and the General Manager) were identified, for whom the Company recorded total payments (cash + shares) of EUR 835,038.

This amount is to be delivered as follows:

- up-front variable remuneration of a total of 16,341 shares with an equivalent gross matured value of EUR 250,511
- deferred variable remuneration of a total of 10,984 shares with an equivalent gross matured value of EUR 167,008

The shares relating to up-front variable remuneration will be made available at the end of the three-year retention period and are subject to a claw-back mechanism which is itself the subject of audits carried out in each of the five financial years closed following calculation of the variable component.

Audits on the conditions under which correction mechanisms (claw back on the up-front portion of variable remuneration and malus on the deferred portion of variable remuneration) will be carried out during the first half of 2020.

2019 Plan

In relation to the 2019 Plan, approved by the Board of Directors on 7th March 2019 and by the Ordinary Shareholders' Meeting on 19th April 2019, the Bank prepared a document that provides complete information on the valuation of a portion of the variable component of remuneration for Banca IFIS S.p.A. Group's "key personnel", through a programme assigning ordinary shares in Banca IFIS. That document is available at www.bancaifis.it under "Corporate Governance", "Shareholders' Meeting" for 2019.

Please note that on the date this document was drafted, the official elements needed to check conditions for distributing the variable remuneration component related to the 2019 Plan were not yet available and will be known following approval of the financial statements by the ordinary Shareholders' Meeting. Therefore, information regarding the status of implementation of the 2019 Plan will be made available within the timescales and under the methods provided for by current legislation and regulatory provisions.

TABLE 1

PLANS FOR COMPENSATION BASED ON FINANCIAL INSTRUMENTS								
Table 1 of template 78 of Appendix 3A of Regulation 11971/1999								
Name and surname or category	Role (to be indicated only for subjects named)	FRAME 1						
		Financial instruments that are not stock options (8)						
		Section 1 Instruments related to plans, still valid, approved based on previous shareholders' meeting resolutions						
		Date of the shareholders' meeting resolution	Type of financial instrument (12)	Number of financial instruments	Assignment date (10)	Any instrument purchase price	Market price at the time of assignment	Vesting period (14)
Giovanni Bossi	Chief Executive Officer Banca IFIS S.p.A with office ending on 19/04/2019	08/04/2015	Banca IFIS shares (Up Front)	7243	22/03/2016	26.9213	28.78	-
		08/04/2015	Banca IFIS shares (deferred)	8547	23/03/2016	15.33063	28.78	3
Notes								
Alberto Staccione	General Manager Banca IFIS S.p.A	08/04/2015	Banca IFIS Shares (Up Front)	2052	22/03/2016	26.9213	28.78	-
		08/04/2015	Banca IFIS Shares (deferred)	2421	23/03/2016	15.33063	28.78	3
Notes								
Giovanni Bossi	Chief Executive Officer Banca IFIS S.p.A with office ending on 19/04/2019	22/03/2016	Banca IFIS shares (Up Front)	5364	24/04/2017	36.35335	36.35335	-
		22/03/2016	Banca IFIS shares (deferred)	3576	24/04/2017	36.35335	36.35335	3
Notes								
Alberto Staccione	General Manager Banca IFIS S.p.A	22/03/2016	Banca IFIS Shares (Up Front)	1527	24/04/2017	36.35335	36.35335	-
		22/03/2016	Banca IFIS Shares (deferred)	1018	24/04/2017	36.35335	36.35335	3
Notes								
Giovanni Bossi	Chief Executive Officer Banca IFIS S.p.A with office ending on 19/04/2019	21/04/2017	Banca IFIS shares (Up Front)	5989	23/04/2018	32.55873	32.55873	-
		21/04/2017	Banca IFIS shares (deferred)	3993	23/04/2018	32.55873	32.55873	3
Notes								
Alberto Staccione	General Manager Banca IFIS S.p.A	21/04/2017	Banca IFIS Shares (Up Front)	1705	23/04/2018	32.55873	32.55873	-
		21/04/2017	Banca IFIS Shares (deferred)	1137	23/04/2018	32.55873	32.55873	3
Notes								
Giovanni Bossi	Chief Executive Officer Banca IFIS S.p.A with office ending on 19/04/2019	19/04/2018	Banca IFIS shares (Up Front)	12720	29/04/2019	15.33063	15.33063	-
		19/04/2018	Banca IFIS Shares (deferred)	8480	29/04/2019	15.33063	15.33063	3
Notes								
Alberto Staccione	General Manager Banca IFIS S.p.A	19/04/2018	Banca IFIS Shares (Up Front)	3621	29/04/2019	15.33063	15.33063	-
		19/04/2018	Banca IFIS Shares (deferred)	2414	29/04/2019	15.33063	15.33063	3
Notes								
(..) Luciano Colombini	Chief Executive Officer Banca IFIS S.p.A since 19/04/2019	19/04/2019	Banca IFIS Shares (Up Front)	*				
		19/04/2019	Banca IFIS Shares (deferred)	*				
Notes								
(5) Alberto Staccione	General Manager Banca IFIS S.p.A	19/04/2019	Banca IFIS Shares (Up Front)	*				
		19/04/2019	Banca IFIS Shares (deferred)	*				
Notes								
(5) Paolo Strocchi	Chief Executive Officer Banca FBS SpA with office ending on 29/11/2019	19/04/2019	Banca IFIS shares (Up Front)	*				
		19/04/2019	Banca IFIS shares (deferred)	*				
Notes								

(*) The data of shares assignable with reference to the bonus attributed for the results of financial year 2019 will be available downstream of the resolution of the ordinary Shareholders' Meeting called for 23rd April 2020