

Information Document pertaining to compensation plan based on financial instruments.

2019

Pursuant to article
114 bis of the CFA
and article 84 bis of the
Consob Issuers'
Regulations

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 02992620274 - REA (Administrative Economic Index) number: VE - 0247118 - 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, enrolled in the registry of Banking Groups - Member of the Interbank Deposit Protection Fund, of the Italian Banking Association, of the Italian Factoring Association, of Factors Chain International. Member of the National Compensation Fund.

Document approved by the
Board of Directors in
the meeting of March 7th 2019

Definitions

Shareholders' Meeting	Banca IFIS's Ordinary Shareholders' Meeting
Shares	Ordinary shares in Banca IFIS, traded on the market regulated by the Italian Stock Exchange
Claw back	Contractual clause that requires beneficiaries to return part of or all of the variable remuneration if certain circumstances should occur
CONSOB	Commissione Nazionale per le Società e la Borsa [Public authority responsible for regulating Italian financial markets]
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)
TUF	Italian Legislative Decree no. 58 of 24th February 1998 [Italian Consolidated Finance Act]
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 (2019 Plan) that is conditional on reaching specific performance targets set for the 2019 financial year.

The 2019 Plan, submitted by the Remuneration Committee to the Board of Directors and approved by the Board of Directors on 7 March 2019, is subject to the approval of the Ordinary Shareholders' Meeting convened for 19th April 2019.

This document also contains information regarding the implementation of compensation plans currently in use that are based on financial instruments (the "2014 Plan", "2015 Plan", "2016 Plan", "2017 Plan" and "2018 Plan").

2019 PLAN

1 Recipients

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

The beneficiary included in the 2019 Plan who falls into the above categories is the Chief Executive Officer who will be appointed by the Shareholders' Meeting of 19 April 2019. Furthermore, among the beneficiaries included in the 2019 Plan who fall into the above categories is:

- Paolo Stocchi as the issuer's Chief Executive Officer of FBS S.p.A..

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

Any additional beneficiaries included in the 2019 Plan are identified among personnel who have a significant impact on Banca IFIS Group's risk profile ("key personnel").

In accordance with the conditions set out in the 2019 Plan, any further beneficiaries of the 2019 Plan belong to the following categories:

General Manager of Parent Company;

Executives with strategic responsibility for key business units;

Heads of business units;

Heads of risk management departments.

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 2019 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 2019 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 2019 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

There is one additional beneficiary of the 2019 Plan who falls under the category of executives with strategic responsibilities for a key business unit, other than the General Manager, who is already indicated in point 1.3.

b) of the aggregate indication of all the issuer's executives who have strategic responsibilities as regards "small" companies, pursuant to Article 3, paragraph 1, letter f), of Regulation no. 17221 of 12th March 2010

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 2019 Plan, please refer to Section I of the Remuneration Report approved for 2019.

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 Finance offices have been tasked with the administration and operational management of the 2019 Plan, for those aspects under their responsibility.

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.

3.3. Existing procedures to review the plans, including in relation to any variations in basic targets

No specific procedures are set out to review the 2019 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 2019 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 taking the average market price in the month preceding the determination of relevant variable remuneration as fair value. This calculation is to be made on the date of the Shareholders' Meeting convened to approve the financial statement. The number of shares is determined by rounding to the nearest integer.

Shares may also be assigned in relation to Long Term Incentives, as described in the approved Remuneration Report for 2019. In this case, the number of shares to be assigned will be determined by taking the average market price in the month prior to calculating the Long Term Incentive as being the share's fair value. The calculation is to be carried out on the date of the Shareholders' Meeting convened to approve the financial statement at the end of the relevant accrual period (three-year period 2019-2021). 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 concerning the directors involved

To determine the characteristics of the 2019 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 the approval of the plans to the Shareholders' Meeting and any proposals from the remuneration committee, where established

On 6th March 2019, the Remuneration Committee gave its favourable opinion on the Remuneration Report pursuant to Article 123-ter, Italian Consolidated Finance Act (TUF) and this document. Both documents were approved by the Board of Directors on 7th March 2019 in order to propose that the plans are approved at the Shareholders' Meeting on 19 April 2019.

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, where 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 on which the plans are based, 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 communication of any relevant information pursuant to Article 114, paragraph 1. For example, if this 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 2019 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. *Description of the ways in which compensation plans based on financial instrument are structured*

The 2019 Plan is based on the assignment of the Issuer's treasury shares.

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

The actual implementation period of the 2019 Plan starts in 2020 (this being the period in which the results of the 2019 financial year are measured) and finishes in 2023 (last assignment period). The deferred component is subject to a retention period of one additional year.

4.3. *The terms of the plan*

The 2019 Plan, linked to the results for the period from 1st January 2019 and 31st December 2019, will end during the 2024 financial year with the end of the retention period provided for the deferred variable component.

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

At present, it is not possible to indicate the number of shares that will be assigned under the 2019 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 the achieving of certain results, including performance results. Description of these conditions and results*

Implementation of the 2019 Plan is dependent upon the following access (gate) conditions:

- the Group's consolidated result before taxes for the financial year in question, greater than €80m¹;

¹ Elements resulting from extraordinary transactions are to be disregarded from calculations, such as: increases in capital, corporate mergers, splits, acquisitions or any other non-recurring transaction that the Board of Directors may decide on and that is likely to change the value of the indicator.

- compliance with the minimum regulatory limit in force for the Group’s Liquidity Coverage Ratio (LCR) indicator, identified on a quarterly basis in the reference year;
- compliance with the minimum regulatory limit in force for the Group’s Net Stable Funding Ratio, identified quarterly in the reference year;
- a Consolidated Total Own Funds Ratio 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), which is carried out on a regular basis.

If any one of these targets is not met, the variable component will not be paid.

The variable component will also be recognised provided that the beneficiary is still in post/employed by the Group and is not serving a period of notice for resignation or termination, at the moment of payment. An exception to this would be made for entering retirement. 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 2019 Plan, 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 2019 concerning assigned targets for the year, as well as for Long Term Incentive plans.

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:

		<u>Consolidated Total Own Funds Ratio²</u>			
		<u><=12,50%</u>	<u>12,50% < <=13,00%</u>	<u>13,00% < =13,50%</u>	<u>>13,50%</u>
<u>Group RORAC</u>	<u>≥ 15%</u>	<u>-100,0%</u>	<u>---</u>	<u>---</u>	<u>---</u>
	<u>10,5% < < 15%</u>	<u>-100,0%</u>	<u>-30,0%</u>	<u>-20,0%</u>	<u>-10,0%</u>
	<u>< 10,5%</u>	<u>-100,0%</u>	<u>-40,0%</u>	<u>-30,0%</u>	<u>-20,0%</u>

(C)

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 variable component will also be cancelled if the individual has caused or is involved in causing:

² Regolamento UE n. 575/2013 (CRR) e Direttiva 2013/36/UE (CRD IV).

- violations of the obligations imposed under Article 26 or, when the individual is an affected party, of Article 53, paragraphs 4 et seq., of the Italian Consolidated Banking Law (TUB) 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 Own Funds Ratio⁵ is lower 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), which is carried out on a regular basis;
- 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.

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.

The above criteria are audited in each of the three closed financial years⁶ following the determination of the variable component (accrual period) and are applied if the above conditions are met, taking into consideration the worst result recorded in the reference period.

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:

- violations of the obligations imposed under Article 26 or, when the individual is an affected party, of Article 53, paragraphs 4 et seq., of the Italian Consolidated Banking Law (TUB) 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;

³ Loss equal to or exceeding 5% of net equity

⁴ The Parent Company identifies as a "significant loss" for customers, any loss deriving from deviant or non-compliant behavior 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 unfair behavior, intentional failure to comply with the delegation system, if these cases have effects on customers. It is understood that in the event of the occurrence of these events, all the investigations required by the disciplinary procedures provided by the law and by the National Collective Labor Contract of reference applicable to these cases will be carried out and, should the conditions be satisfied, the more appropriate disciplinary will be applied measures depending on the severity found and the entity of the loss suffered.

⁵ EU Regulation no. 575/2013 (CRR) and Directive 2013/36/EU (CRD IV).

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

⁷ Loss equal or exceeding 5% of net equity, to be calculated net of elements deriving from extraordinary operations such as: capital increases, company mergers, demergers, acquisitions or any other non-recurring transaction that the Board of Directors should deliberate and appropriate change the value of the indicator.

⁸ See note 4.

- 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 where a 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 supervisory review process (SREP), which is carried out on a regular basis.

The ex post correction mechanisms cannot lead to an increase in the initially recognized variable remuneration or to the variable remuneration previously reduced or zeroed following the application of claw back.

The above criteria are audited in each of the three closed financial years¹⁰ following the determination of the variable component (accrual period) and are applied if the above conditions are met, except for key personnel, for whom the audit must be carried out in each of the following five closed financial years.

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, for it to be sustainable, it must be compatible with capital and liquidity levels in the medium- and long-term.

It should be noted that the regulations contained in the 25th update of Circular no. 285 on remuneration introduced some changes, among others, in relation to the balancing of the deferred component of variable remuneration, defining the concept of a particularly high variable remuneration amount¹¹ in the presence of which, at least for the top figures, (i) the duration of the deferral period is not less than 5 years, (ii) more than 50% of the deferred portion is composed 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 of the Group was identified in € 433,680 (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 attributable, on the basis of the size of the assets, of the structure, risk and complexity of the activity carried out, to the definition of intermediate-sized Banks. This classification requires the application of the regulations only to the most important 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 considered it necessary to maintain the conditions of the previous Remuneration Report, which prescribe a structure of variable remuneration, which is stricter than the minimum regulatory limit set for intermediate banks. Among other things, it was decided to align 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 with regard to all the 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 31st December of the previous year is approved.

⁹ EU Regulation no. 575/2013 (CRR) and Directive 2013/36/EU (CRD IV).

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

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

- A) The portion of variable compensation to be deferred is 40% and is paid as follows:
- 50% in Banca IFIS S.p.A. shares, which will be allocated after the three-year vesting period¹² expires and will be exercisable at the end of a 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 shares in the Parent Company, 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 taking the average market price in the month preceding the determination of variable component as the share's fair value. The variable component is calculated on the date of the Shareholders' Meeting convened to approve the financial statement. The number of shares is determined by rounding to the nearest integer.

4.7. Description of any termination clauses applicable to the assignment of the plans in the event that the beneficiaries carry out hedging transactions that allow them to neutralise any prohibitions on the sale of assigned financial instruments, including in the form of options, or of financial instruments received after exercising these options

The 2019 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:

- 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;
- to notify the Bank of 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.

¹² Period after which shares may be assigned.

¹³ Period in which the sale of shares is prohibited.

¹⁴ See note 8.

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

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

The variable component will be accessed provided that the beneficiary is still in post/employed by the Group and is not serving a period of notice for resignation or termination, at the moment of payment. An exception to this would be made for entering retirement.

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 other possible causes for cancelling the plans

There are no additional cancellation clauses in the 2019 Plan other than those already set out in the above paragraphs.

4.10. Reasons regarding any provision for the company to "repurchase" the financial instruments referred to in the plans that are included pursuant to Article 2357 et seq., Italian Civil Code. Indication of the beneficiaries of repurchase, specifying whether repurchase only applies to special categories of employee. Effects of termination of an employment contract on this repurchase

The bank does not intend to repurchase shares covered by the 2019 Plan.

4.11. Any loans or other concessions which are intended to be granted for the purchase of shares pursuant to Article 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 2019 Plan.

4.12. Indications of the expected costs for the company on the date of the related assignment, calculated on the basis of the terms and conditions already defined, by total amount and in relation to each instrument in the plan

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

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 out for exercising voting rights and 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 2019 are applied.

4.15. In the event that shares are not traded on a regulated market, all necessary information regarding a full assessment of their actual value

This 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

2014 Plan

In relation to the 2014 Plan, approved by the Board of Directors on 17th March 2014 and by the Ordinary Shareholders' Meeting on 17th April 2014, 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. This document is available at www.bancaifis.it under "Corporate Governance", "Shareholder' Meeting" for 2014.

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 of EUR 834,146.00, of which: (i) EUR 166,823.82 gross, equal to a total of 8,592 shares for up-front variable remuneration; (ii) EUR 250,243.80 gross, in shares to be determined in accordance with what is set out in the Plan in question.

During 2018, no malus conditions were applied to the deferred variable remuneration prior to payment of both the cash portion and the share portion.

The one-year retention period relating to the exercising of shares will end in the year 2019, after which the shares will be made available to beneficiaries.

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. This 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 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 834,146.00, of which: (i) EUR 250,233.49 gross, equal to a total of 9,295 shares for up-front variable remuneration; (ii) EUR 166,829.20 gross, in shares to be determined in accordance with what is set out in the Plan in question.

The up-front variable remuneration was paid by means of shares with a retention period of three years. During 2018, 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.

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. This 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 EUR 250,511.00

deferred variable remuneration of a total of 4,594 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 three closed financial years following the determination of the variable component.

The shares relating to deferred variable remuneration will be made available at the end of the three-year vesting period and a further one-year retention period. This portion of variable remuneration is subject to a malus mechanism, which is itself the subject of audits carried out in each of the three closed financial years following the determination of the variable component.

During 2018, 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. This 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 three closed financial years following the determination of the variable component.

The shares relating to deferred variable remuneration will be made available at the end of the three-year vesting period and a further one-year retention period. This portion of variable remuneration is subject to a malus mechanism, which is itself the subject of audits carried out in each of the three closed financial years following the determination of the variable component.

Checks 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 2019.

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. This document is available at www.bancaifis.it under "Corporate Governance", "Shareholders' Meeting" for 2017.

It should be noted that, as of the date this document was prepared, the official elements used to check the conditions under which the variable component of remuneration under the 2018 Plan is to be paid are not available. They will be made available once the financial statements are approved by the Ordinary Shareholders' Meeting. Therefore, information regarding the status of implementation of the 2018 Plan will be made available within the timescales and under the methods provided for by current legislation and regulatory provisions.

TABLE 1
REMUNERATION PLANS BASED ON FINANCIAL INSTRUMENTS

Table no. 1 of Template 78, Annex 3A, Regulation no. 11971/1999

Name and surname or category	Post (to be indicated only for individuals whose names are listed)	CLASSIFICATION 1						
		Financial instruments other than stock options (8)						
		Section 1 Instruments relating to plans, currently valid, approved on the basis of previous Shareholders' Meeting resolutions						
		Date of the Shareholders' Meeting resolution	Type of financial instrument (12)	Number of financial instruments	Date of assignment (10)	Price paid if instruments are purchased	Market price at assignment	Vesting period (14)
(2) Giovanni Bossi	Chief Executive Officer	17/04/2014	Banca IFIS shares (Up-front)	6695	04/05/2015	19,41618	18,2864	-
		17/04/2014	Banca IFIS shares (Deferred)	*10664	04/05/2015	19,41618	18,2864	3
Notes								
(3) Alberto Staccione	General Manager	17/04/2014	Banca IFIS shares (Up-front)	1897	04/05/2015	19,41618	18,2864	-
		17/04/2014	Banca IFIS shares (Deferred)	*3021	04/05/2015	19,41618	18,2864	3
Notes								
(4) Giovanni Bossi	Chief Executive Officer	08/04/2015	Banca IFIS shares (Up-front)	7243	22/03/2016	26,9213	28,78	-
		08/04/2015	Banca IFIS shares (Deferred)	*4517	23/03/2016	26,9213	28,78	3
Notes								
(5) Alberto Staccione	General Manager	08/04/2015	Banca IFIS shares (Up-front)	2052	22/03/2016	26,9213	28,78	-
		08/04/2015	Banca IFIS shares (Deferred)	*1280	23/03/2016	26,9213	28,78	3
Notes								
(4) Giovanni Bossi	Chief Executive Officer	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								

Name and surname or category	Post (to be indicated only for individuals whose names are listed)	CLASSIFICATION 1						
		Financial instruments other than stock options (8)						
		Section 1 Instruments relating to plans, currently valid, approved on the basis of previous Shareholders' Meeting resolutions						
		Date of the Shareholders' Meeting resolution	Type of financial instrument (12)	Number of financial instruments	Date of assignment (10)	Price paid if instruments are purchased	Market price at assignment	Vesting period (14)

(5) Alberto Staccione	General Manager	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

(4) Giovanni Bossi	Chief Executive Officer	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

(5) Alberto Staccione	General Manager	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

(4) Giovanni Bossi	Chief Executive Officer	06/03/2018	Banca IFIS shares (Up-front)	**				
		06/03/2018	Banca IFIS shares (Deferred)	**				

Notes

(5) Alberto Staccione	General Manager	06/03/2018	Banca IFIS shares (Up-front)	**				
		06/03/2018	Banca IFIS shares (Deferred)	**				

Notes

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

(**) The data regarding assignable shares in relation to the incentive attributed concerning the results for the 2018 financial year will be available following the resolutions of the Ordinary Shareholders' Meeting convened for 19th April 2019