



BANCA IFIS

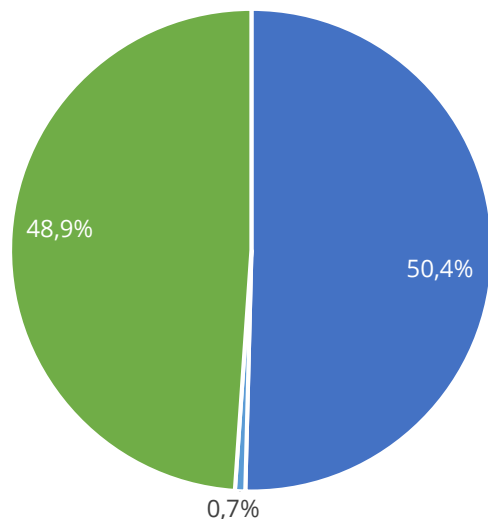


EXECUTIVE SUMMARY

Report on Corporate Governance and Shareholding Structure - 12th March 2020

www.bancaifis.it

Shareholder composition and characteristics as at 31.12.2019



■ La Scogliera S.p.A. ■ Treasury shares ■ Market

Restrictions on the transfer of securities

There are no restrictions on the transfer of shares, save the retention periods foreseen for the shares to be allocated as variable pay to the C.E.O., to the General Manager and to any other employees considered "Key Personnel".

Significant shareholdings

- The shareholding activity of La Scogliera S.p.A. is limited to holding the single significant shareholding represented by the control package of Banca IFIS S.p.A.
- Even though it is the majority shareholder, La Scogliera S.p.A. does not perform any management and administration activity regarding Banca IFIS S.p.A.;
- La Scogliera S.p.A.'s company purpose expressly excludes management and administration of the financial companies and banks in which it owns shareholdings.

Employee equity participation: mechanism for exercising voting rights

Any employees holding shares of the Company exercise their shareholder rights in the same way as other shareholders.

Restrictions on voting rights and shareholder agreements

The Company knows of no restrictions on voting rights or agreements between the Company's shareholders as defined by Article 122 of the TUF.

Change-of-control clauses and statutory provisions on takeover bids

Banca IFIS knows of no significant agreements between its shareholders that take effect, are modified or cease in the event of a change in control of its contracting company.

However, with regard to the constraints on transferring shares, it should be noted that:

- A) The agreements undertaken between Banca IFIS and Federfarma when the Bank purchased control of Credifarma S.p.A. state that the two shareholders cannot transfer, in whole or in part, the Credifarma shares they hold at any one time until the end of the 5th year following the agreement being stipulated; shares can be transferred from one of the Parties to one of its Subsidiary Companies;

Empowerment to increase share capital and authorisations to buy treasury shares

As at 31st December 2018, the Board was not empowered to increase share capital pursuant to Article 2443 of the (It.) Civil Code, or to issue equity financial instruments. The Ordinary Shareholders' Meeting of 19th April 2018 did not authorise the purchase and sale of treasury shares, pursuant to articles 2357 et seq. of the (It.) Civil Code or pursuant to Article 132 of (It.) Legislative Decree 58/98.

Structure of the share capital

53,811,095
ordinary shares

Listed (MTA)

Each ordinary
share grants the
right to one vote

BOARD OF DIRECTORS - Composition

	Role	List (M/m)	Function	RM&ICC	AC	RC
Sebastien Egon Fürstenberg	President	M	Non Executive			
Ernesto Fürstenberg Fassio	Vice-President	M	Non Executive			
Luciano Colombini	AD	M	Executive			
Alessandro Csillaghy de Pacser	Director	M	Non Executive			
Daniele Umberto Santosuosso	Director	M	Non Executive, Independent	P		
Simona Arduini	Director (LID)	M	Non Executive, Independent (LID)	M		P
Monica Billio	Director	M	Non Executive, Independent	M		
Antonella Malinconico	Director	M	Non Executive, Independent	M		
Roberto Diacetti	Director	m	Non Executive, Independent	M (since 19/9)	M	
Divo Gronchi	Director	M	Non Executive, Independent		P	
Beatrice Colleoni	Director	M	Non Executive, Independent		M	M
Luca Lo Giudice	Director	M	Non Executive			M

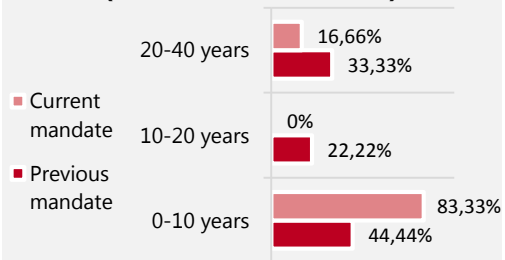
RM&ICC: Risk Management and Internal Control Committee;
 CN: Appointments Committee; CR: Remuneration Committee

E: Executive; N.E.: Non Executive

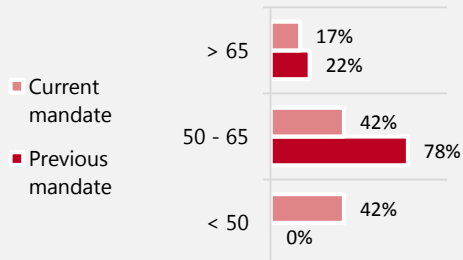
POSTS HELD BY THE MEMBERS OF THE BOARD OF DIRECTORS IN OTHER COMPANIES

	Group Offices		COMPANY POSTS RELEVANT FOR THE PURPOSES OF THE REGULATION ON LIMITS ON THE NUMBER OF POSTS HELD BY THE DIRECTORS						COMPANY POSTS NOT RELEVANT FOR THE PURPOSES OF THE REGULATION ON LIMITS ON THE NUMBER OF POSTS HELD BY THE DIRECTORS		TOTAL
			Companies listed in regulated markets, also abroad		Financial, banking, insurance corporations		Companies of relevant size		E	N.E.	
	E	N.E.	E	N.E.	E	N.E.	E	N.E.			
Sebastien Egon Fürstenberg									1	2	3
Ernesto Fürstenberg Fassio		1							1		2
Luciano Colombini	2										2
Alessandro Csillaghy de Pacser	1										1
Daniele Umberto Santosuosso							1			1	2
Simona Arduini										7	7
Monica Billio											0
Antonella Malinconico		1									1
Roberto Diacetti		1									1
Divo Gronchi		1									1
Beatrice Colleoni		1							1	1	2
Luca Lo Giudice		1								5	6

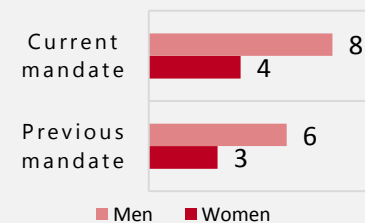
Seniority in terms of office (% of the total number)



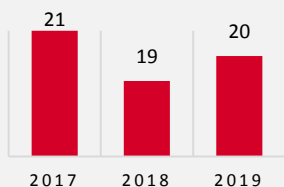
Age groups



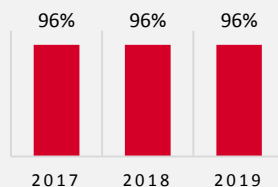
Composition by gender



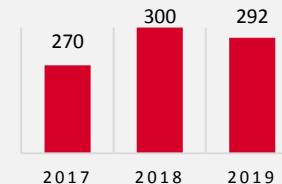
Number of meetings



Participation



Average duration of meetings (min)



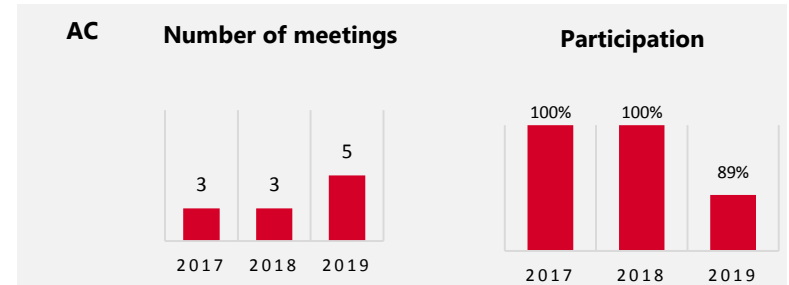
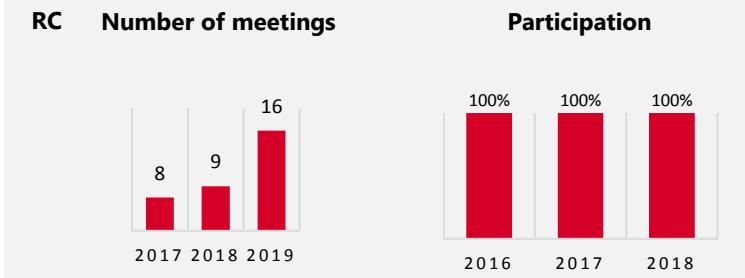
Evolution compared to the previous mandate

	Previous mandate	Current Mandate
Number of Directors	9	12
Directors elected by the minority	1	1
Women members of the BoD	33%	33%
% of independent directors	44%	44%
Average age of directors	58	55
Status of the President	Non Executive	Non Executive
Existence of Lead Independent Director	Yes	Yes

Board Evaluation process

Implementation of the process	YES
Evaluation entity	Head of Legal Department
Self-evaluation modality	Questionnaire compilation

APPOINTMENTS COMMITTEE, REMUNERATION COMMITTEE REMUNERATION POLICIES



Focus Policy Indicators 2020

New

Gate's Indicators

- RORAC/RORAC prospective objective industrial plan (latest available) => 80%
- tolerance threshold of the Group LCR indicator
- tolerance threshold of the Group NSFR indicator
- Ratio of Total Own Funds > Overall Capital Requirement

New

Parent Company CEO and GM performance criteria

- RORAC/RORAC deriving from the prospective objective industrial plan min. 80% max. 100%.
- Bonus target 60% of fixed retribution

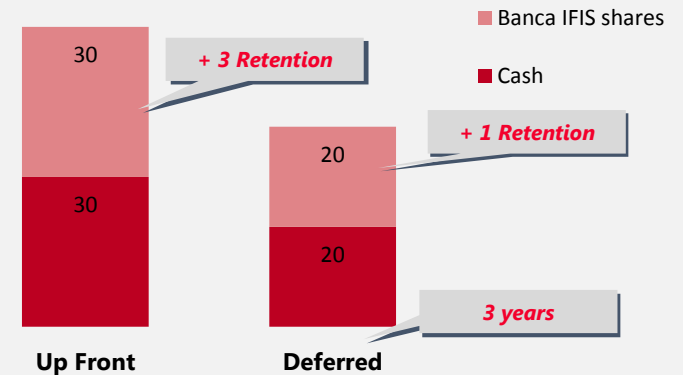
New

LTI indicators (three-year forecast)

Long Term Incentive not present

	2019	2020	New
Hedging strategy ban	✓	✓	Implementation of the provisions banning hedging strategies as per Circular 285/2013, 25th update
Policy governing the process for individuating Key Personnel	✓	✓	Drawn up and inserted as an integral part of the Remuneration Report, under Appendix 1 thereof.
Role Base Allowance	✓	✓	The maximum duration for payment of RBS reduced from 18 months to 12 months, possibly renewable
Sums issued for severance pay	Absent	✓	Please see a new paragraph of the Report that regulates the same subject for non-Key Personnel.
Provisions on transparency of the banking and financial transactions and services of the Bank of Italy: identification of key personnel	Absent	✓	Pursuant to the Provisions on transparency, the company should identify the personnel which "offers products to clients, interacting therewith, as well as the person to whom such personnel reports hierarchically", for the application of remuneration policies.
Obligation to inform the RC for the recognition of stability pacts or non-competition agreements in favour of Key Personnel	Absent	✓	This provision also aims to scrutinise and duly justify the recognition of remuneration on the aforementioned grounds.

MRT Variable Component Structure



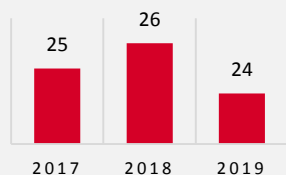
Malus conditions verified in the 3 financial years following calculation of the variable component
Claw back conditions verified in the 3 financial years following calculation of the variable component, with the exception of Key Personnel for which such verification must be carried out in each of the 5 closed years that ensue

	2019	2020
MRT	60	63
Materiality threshold	70K	70K

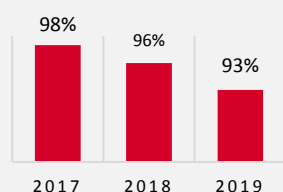
RISK MANAGEMENT AND INTERNAL CONTROL COMMITTEE, BOARD OF STATUTORY AUDITORS, TAXONOMY OF RISKS

RISK MANAGEMENT AND INTERNAL CONTROL COMMITTEE

Number of meetings

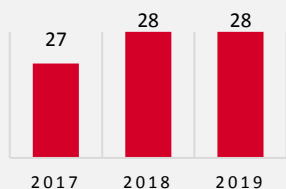


Participation

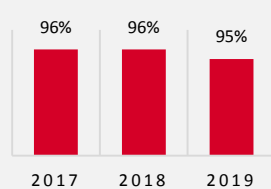


BOARD OF STATUTORY AUDITORS

Number of meetings



Participation



	Indip	Role	Other roles
Giacomo Bugna	X	President	5
Franco Olivetti	X	Standing Auditor	4
Marinella Monterumisi	X	Standing Auditor	13
Giuseppina Manzo	X	Alternate Auditor	n.a.
Alessandro Carducci Artensio	X	Alternate Auditor	n.a.

MAIN RISKS AND POTENTIAL RELEVANCE

The Bank prepared a document called "The taxonomy of risks", which describes the logic followed when defining the taxonomy of current and/or potential risks to which the Group may be exposed, in order to achieve strategic objectives. The definition of risk taxonomy integrates with the phase stage of identification of risks to which the Group is or could be exposed, contained in the ICAAP process, and the quantitative and qualitative parameters used in the definition of the Risk Appetite Framework; furthermore, it is the framework on which all other risk measurement/evaluation and monitoring activities are based. The summary of the significance of the risks identified within the Group is shown below.

Potential relevance LOW

- Investments
- Financial leverage
- Market
- Credit Value Adjustment
- Settlement and delivery
- Country
- Transfer
- Counterpart
- Sovereign
- Residual
- Securitisation

Potential relevance AVERAGE

- Concentration
- Rate
- Share of tied assets
- Strategic
- Reputational

Potential relevance HIGH

- Credit
- Model
- Operating
- Liquidity

MAIN ELEMENTS

Is there a Risk Management Office?	YES
Is there a Chief Risk Officer foreseen?	YES
Is there an integrated version of corporate risk management?	YES
If so, is this vision shared with the corporate bodies?	YES
Are there Succession Plans?	NO
Preparation of specific Compliance programmes (Anti-Trust, Anti-Corruption, Whistleblowing, etc.)	Organisational Model ((It.) Legislative Decree 231/2001) Code of Ethics Whistleblowing