
Information document on remuneration plans based on financial instruments

*(pursuant to article 114–bis of the CFA and article 84–bis
of the CONSOB Issuers’ Regulations)*

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Definitions

Meeting	Ordinary meeting of the Bank's shareholders
Shares	Bank's ordinary shares traded on the STAR segment of Borsa Italiana's equity market
Claw back	Clause that requires beneficiaries to return part or all of the variable pay upon the occurrence of specific events
Recipients or Beneficiaries	Persons who are to receive variable pay according to the contents of this document
Issuer or Bank	Banca IFIS S.p.A.
Risk-takers	Group personnel whose professional activity has or may have a significant impact on the Bank's risk profile, as defined within the Remuneration policies
Vesting period	Period that goes from the moment the right to participate in the Plan is granted to the moment said right is accrued
Retention period	Period during which a ban on the sale of shares is in force
Issuers' Regulations	Indicates CONSOB Regulations no. 11971/99 as subsequently amended and supplemented
Report	Report on Remuneration pursuant to article 123-ter of the CFA
CFA (Consolidated Finance Act)	Indicates Italian Legislative Decree no. 58 dated 24 th February 1998
Up-front	Portion of variable pay that is paid up-front, in other words with no deferral period

Introduction

In compliance with the prescriptions referred to in articles 114-bis of the CFA and 84-bis of the Issuers' Regulations, specifically in accordance with Scheme 7 of Annex 3A to said Regulations, on the subject of information that must be communicated to the market in connection with stock option plans, this document has been prepared with the aim of providing complete information concerning the value of the portion of variable pay of the remuneration paid to "risk-takers" employed by Gruppo Banca IFIS S.p.A. through a stock-option plan of Banca IFIS ordinary shares (the "Plan").

The Plan, submitted to the Board of Directors by the Appointment and Remuneration Committee and approved by said Board on 17th March 2014, will be submitted to the Ordinary Shareholders' Meeting for approval.

Certain information required by Scheme 7 of Annex 3A was not available at the time of approval of the proposal for the Shareholders' Meeting, and will therefore be provided within the times and according to the methods envisaged by Article 84-bis of the Issuers' Regulations.

In light of the definition contained in art. 84-*bis* of the Issuers' Regulations, please note that the Plan, with regards to its beneficiaries, features characteristics of "important plan".

The Information Document is made available to the public at the company's registered office, at the offices of Borsa Italiana S.p.A., and on the Bank's website.

1. Beneficiaries

1.1 Names of beneficiaries who are members of the Board of Directors of the Issuer of the financial instruments, of the companies controlling the issuer and its direct or indirect subsidiaries.

The beneficiaries of the Plan who fall within the categories described above are: Giovanni Bossi, in the capacity of member of the Issuers' Board of Directors, and Daniela Bonzanini, in the capacity of member of the board of the subsidiary Ifis Finance Sp. z o.o..

1.2 Categories of employees or associates of the Issuer of the financial instruments and of the companies controlling or controlled by the Issuer.

The potential beneficiaries of the Plan have been identified within the category of "risk-takers" of the Parent company Banca IFIS as well as of the subsidiary Ifis Finance Sp. z o.o., taking into account the regulations in force as of the drafting date of this Document; according to the self-evaluation carried out by the Bank, this category also includes the following figures:

- the General Manager;
- the heads of the main business areas, company functions or geographical areas, as well as those who report directly to bodies with a strategic supervision, management and control function;
- other persons that take on risks (either individually or collectively) in a significant manner.

In compliance with the indications contained in the Report, the heads of the control function, as defined by the applicable regulations, are excluded from incentive systems tied to economic results.

1.3 Names of the persons benefiting from the plan and included in the following groups:

a) General managers of the Issuer of financial instruments

The General Manager Alberto Staccione is one of the beneficiaries of the Plan.

b) other executives with strategic responsibilities of the Issuer of financial instruments which are not of "small dimensions", pursuant to article 3, paragraph 1, letter f), of Regulation no. 17221 dated 12th March 2010, if the total remuneration they received during the period (obtained by adding up cash remuneration and remuneration based on financial instruments) is higher than the total highest remuneration paid to members of the Board of Directors, or to the Management Board and to the general managers of the Issuer of financial instruments.

The beneficiaries of this Plan do not include anyone falling within this category.

c) natural persons controlling the Issuer of shares, who are either employees or associates of the Issuer of shares.

The beneficiaries of this Plan do not include anyone falling within this category.

1.4 Description and numbers, classified by category:

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

There are no executives with strategic responsibilities other than the General Manager.

- b) for companies of “small dimensions”, pursuant to article 3, paragraph 1, letter f), of Regulation no. 17221 dated 12th March 2010, information by totals for all executives with strategic responsibilities of the Issuer of financial instruments

Banca IFIS S.p.A. does not fall within the category of “Companies of small dimensions”.

- c) of any other categories of employees or associates subject to different treatment under the Scheme (e.g., executives, cadres, office staff, etc.)

This category includes a total of 9 executives and 2 management cadres, who cover the following company positions: Head of the Corporate Affairs Function, Head of the Communication and Investor Relations Function, Head of the Commercial Area Italy, Head of the Customer Area, Head of the Debtors Areas, Head of Distressed Loans Area, Head of the NPL Area, Head of the International Area, Head of the Treasury Area, Head of the Pharma Business Unit, Head of the Organization and IT Systems Area.

2. Reasons for adopting the Plan

2.1. Objectives expected to be achieved through the Plan allocations

The entire remuneration policy of the Banca IFIS Banking Group is founded on a logic consistent with the strategies of sustainability, aimed at maintaining a connection between remuneration and the actual stability of the results and of the capitalization level.

The Group’s remuneration and incentive pay system is inspired on the following principles:

- making company performances consistent with the Group’s sustainable growth objectives;
- urging and acknowledging individual contributions, generating motivation in the persons involved;
- building loyalty in its employees, by tying them to the company also through medium/long-term systems;

- searching for the best possible alignment between the interests of the different stakeholders;
- focusing attention on risk mitigation policies;
- fostering respect for legality and discouraging any violation;
- avoiding situations with a conflict of interests.

2.1.1 Additional information on “significant” Plans

The Plan develops over a multi-year time horizon: this timeframe was considered suitable for the pursuit of the predefined objectives and, in particular, for focusing the beneficiaries’ attention on strategic success factors in the medium/long-term.

The time span was defined by deeming it necessary for encouraging the sustainability of performance, for ensuring economic-financial balance as well as for management motivation and loyalty-building purposes.

2.2. Key variables, also in the form of performance indicators considered for the purpose of the Plan allocations

The Plan envisages “access” mechanisms aimed at determining the triggering of the variable pay in the presence of capital solidity and profitability consistent with medium and long-term objectives. For “access” mechanisms concerning the C.E.O. and the General Manager as potential beneficiaries, please refer to paragraph 4.5.

In reference to the Heads of the main business areas, to the Heads of company functions and to the other employees of the Parent company, included, at the end of the self-evaluation process, in the “risk-takers” category and not belonging to the category of heads of internal control functions, access to the variable portion (to be paid after approval of the financial statements for the period following the one in question) is subject to the minimum limits indicated here below being exceeded:

- Group solvency ratio of at least 9%;
- Bank’s consolidated profit before income taxes for the period equal to at least 5% of the net consolidated book equity before the profit for the period.

Failure to meet even one of these parameters leads to the zeroing out of the variable pay, if applicable.

Without prejudice to the provisions of the Report on the subject of conditions, limits and methods for determining the variable component of the remuneration, the same rules for deferral and partial payment through the Banks’ treasury shares, referred to in paragraph 4.5, will be applied to these persons, in the event that the variable remuneration exceeds 33% of the General Manager’s G.A.S..

The “risk-takers” performance indicators are evaluated ex-post and compared by Top Management and the Appointment and Remuneration Committee.

2.2.1 More detailed information

Please refer to the descriptions and contents of Section 4.

2.3. Elements for the determination of the amount of the remuneration based on financial instruments, i.e. the criteria for its determination

Please refer to the descriptions and contents of Section 4.

2.3.1 More detailed information

The entity of the remuneration set by the Plan was determined on the basis of:

- (i) regulatory provisions in force;
- (ii) remuneration policies adopted by the Group;
- (iii) position covered by each Plan beneficiary.

More detailed information can be found in Section 4.

2.4. Rationale behind the decisions to allocate employee incentive plans based on financial instruments not issued by the issuer of financial instruments, such as financial instruments issued by subsidiaries, parent companies or third-party companies that do not belong to the group; if said instruments are not traded on regulated markets, information on the criteria used to determine the value attributed to them

Not applicable.

2.5. Assessment on significant tax and accounting implications that had an impact on the development of the Plan

The Plan Structure was not influenced by applicable tax regulations or by implications of an accounting nature.

2.6. Potential support to the Plan by the special employee fund for motivating the involvement of the latter in companies, as referred to in art. 4, paragraph 112, of Italian Law no. 350 dated 24th December 2003.

Not applicable.

3. Approval process and timeframe for the assignment of instruments

3.1 Scope of powers and functions delegated by the Shareholders' Meeting to the Board of Directors for the purpose of implementing the Plan

On 5th March 2014, the Appointment and Remuneration Committee expressed its favourable opinion on the Remuneration Report pursuant to art. 123-ter of the CFA. The Report was approved by the Board of Directors on 6th March 2014.

On 12th March, the Appointment and Remuneration Committee expressed its favourable opinion on this document, which was approved by the Board of Directors on 17th March 2014.

On an annual basis, the Board of Directors adopts and reviews the remuneration policy, including for the purpose of financial reporting and formulating proposals to the Shareholders' Meeting.

During the preliminary phase, the Board is assisted by the Appointment and Remuneration Committee, whose duty is to ensure the involvement of company functions in the processing and control of remuneration policies and practices.

Moreover, the activities exclusively reserved to the Board of Directors also include resolutions on the evaluation of the consistency of the remuneration and incentive pay system with the Bank's long-term strategies, ensuring that the system is such as to avoid an increase in company risks.

3.2 Details of the persons appointed to manage the Plan, their function and scope of activity

The Human Resource Area and the Administration and General Affair Area are responsible for managing the Plan, insofar as the matters that pertain to each areas.

Furthermore, Bank of Italy's Supervisory provisions also entrust the Appointment and Remuneration Committee with the task of overseeing the application of rules pertaining to the remuneration of the heads of internal control functions, in close liaison with the body exercising the control function, as well as expressing an opinion, also by availing itself of information received from the pertinent company functions, on the achievement of performance objectives to which the incentive plans are tied and on the verification of all other conditions necessary for payment of the remuneration.

3.3 Procedures that may be put in place to revise the Plan, also in relation to potential changes of the basic objectives

There are no specific procedures for revision of the Plan.

3.4 Description of the methods used to determine the availability and assignment of the financial instruments on which the plans are based (for example: free allocation of shares, capital increase excluding the pre-emption right, purchase and sale of treasury shares)

The mechanism entails the assignment of a number of the Issuer's treasury shares equal to the maximum equivalent value of the sums to be paid. The shares will be assigned to the beneficiaries upon occurrence of the conditions necessary for their assignment (grant date), with the retention period indicated in paragraph 4.5. In any event, the number of shares is calculated by taking, as the fair value of the share, the average of the share market price from 1st until 30th April of the assignment and payment year.

3.5 Role played by each director in determining the features of the Plans; situations of conflicts of interest for the directors involved

When proceeding to identify the elements of the Plan, the Board of Directors availed itself of the opinion of the Appointment and Remuneration Committee.

3.6 Date of the decision taken by the body responsible for proposing the approval of the Plans to the Shareholders' Meeting and the proposal to the aforesaid body by the remuneration committee, if appointed

On 5th March 2014, the Appointment and Remuneration Committee expressed its favourable opinion on the Remuneration Report pursuant to art. 123-ter of the CFA. The Report was approved by the Board of Directors 6th March 2014.

On 12th March, the Appointment and Remuneration Committee expressed its favourable opinion on this document, which was approved by the Board of Directors on 17th March 2014.

3.7 For the purposes of the requirements of article 84-bis, paragraph 5, letter a), the date of the decision taken by the body responsible for assigning the instruments and the proposal to the aforementioned body submitted by the remuneration committee, if appointed

The conditions do not exist for identifying the requested information. This information will be provided, within the times and according to the methods indicated in Article 84-bis of the Issuers' Regulations.

3.8 The market price, recorded on the aforementioned dates, for the financial instruments on which the plans are based, if traded on regulated markets

The conditions do not exist for identifying the requested information. This information will be provided, within the times and according to the methods indicated in Article 84-bis of the Issuers' Regulations.

3.9 In case of plans based on financial instruments traded on regulated markets, what are the terms and procedures adopted by the Issuer in determining the timeframe for the assignment of the financial instruments in order to take account of coincidences in the timing of:

- i) the aforementioned assignment or any related decisions taken by the Remuneration Committee, and
- ii) the disclosure of any relevant information pursuant to article 114, paragraph 1; for example, when said information is:
 - a. not already public and capable of positively affecting the market prices, or
 - b. already published and capable of negatively affecting the market prices.

The timeframe for assignment of the shares is determined as part of the remuneration policies resolved annually beforehand and in a neutral manner with respect to possible events suited to affecting the market value of the Bank's shares. During the Plan execution phase, information will be provided to the market, where required by regulatory and normative provisions in force from time to time.

4. Characteristics of the instruments

4.1 Description of the structure of the remuneration plans based on financial instruments

The Plan provides for the assignment of the Issuer's shares.

4.2 Actual Plan implementation period, also with reference to any different cycles envisaged

The actual Plan implementation period is included between 2015 (period related to the measurement of results for the 2014 financial period) and 2018 (last assignment period). Besides, the deferred component is subject to an additional retention period of one year.

During the course of the first four-month period of 2015, in conjunction with the drafting of the ICAAP report, the conditions for distribution of the variable component of the remuneration for the beneficiaries referred to in item 4.5 will be verified.

4.3 End of the Plan

The Plan associated with the results pertaining to the period from 1st January 2014 to 31st December 2014 will end during the course of the 2019 period, with the end of the retention period.

4.4 Maximum number of financial instruments, including in the form of options, assigned during each financial year in relation to the persons identified by name and to the indicated categories

At present, it is not possible to determine the number of shares that will be assigned under the Plan, since their precise amount is subject to the achievement of the identified objectives and to the purchase price of the same shares.

4.5 Implementation methods and clauses for the Plan, specifying whether the actual assignment of the instruments is subject to the occurrence of specific conditions or to the achievement of determined results, including performance-related ones; a description of said conditions and results

As part of the remuneration policies for 2014 contained in the Report, the variable portion of the remuneration to be paid to the C.E.O. is established as being equal to 1.5% of the Bank's consolidated result, before taxes for the period only, for the portion in excess of € 40 million, with the relevant payment conditional upon the fact that, as of 31st December of the reference year, the "total capital" be greater than the "total internal capital" indicated in the "ICAAP Report" to be forwarded on an annual basis to Bank of Italy. In any event, the ratio of variable component over the fixed component cannot exceed 1:1.

The portion of the C.E.O.'s deferred variable pay is subject to a three-year deferral, and it is not paid if:

- for one of the three periods that closed after the determination of the variable component, the bank's consolidated result, before the taxes for the period only, is negative;
- for one of the three periods that closed after the determination of the variable component, the "total capital" is lower than the "total internal capital" in the "ICAAP report" to be submitted every year to Bank of Italy;
- during the reference three-year period, the General Manager has voluntarily resigned from office or the Shareholders' Meeting has resolved on his revocation for just cause.

The variable portion of the remuneration will therefore be assigned upon the occurrence of the conditions necessary for its assignment (grant date).

The up-front variable remuneration is assigned and paid after approval of the financial statements and of the ICAAP Report for the period ending on 31st December of the previous year. Fifty percent of said variable remuneration is paid in Bank shares subject to a two-year retention period. The up-front variable remuneration is subject to claw-back in case the right to receive the variable portion of the remuneration is not accrued during the year following the assignment.

The variable remuneration subject to a time deferral (vesting period) is revised annually at the legal rate in force from time to time. It is assigned and paid after the three-year deferral period has elapsed from approval of the financial statements and of the ICAAP Report for the period in reference and upon the occurrence of the required conditions. Fifty percent of said remuneration is paid in Bank shares subject to a one-year retention period.

A variable remuneration that exceeds 50% of the fixed salary is considered a particularly high amount; in that case, the percentage to be deferred, already usually set at 40% of the variable portion, will be increased to 60%.

For the General Manager, the variable portion of the remuneration is equal to 0.75% of the Bank's consolidated result, before taxes for the period only, for the portion in excess of € 40 million, with the relevant payment conditional upon the fact that, as of 31st December of the reference year, the "total capital" be greater than the "total internal capital" indicated in the "ICAAP Report" to be forwarded on an annual basis to Bank of Italy. In any event, the variable component cannot exceed 60% of the G.A.S. (Gross Annual Salary).

The portion of the General Manager's deferred variable pay is subject to a three-year deferral, and it is not paid if:

- for one of the three periods that closed after the determination of the variable component, the bank's consolidated result, before the taxes for the period only, is negative;
- in for one of the three periods that closed after the determination of the variable component, the "total capital" is lower than the "total internal capital" in the "ICAAP report" to be submitted every year to Bank of Italy;
- during the reference three-year period, the General Manager has voluntarily resigned from office or the Shareholders' Meeting has resolved on his revocation for just cause.

The variable portion of the remuneration will therefore be assigned upon the occurrence of the conditions necessary for its assignment (grant date).

The up-front variable remuneration is assigned and paid after approval of the financial statements and of the ICAAP Report for the period ending on 31st December of the previous year. Fifty percent of said variable remuneration is paid in Bank shares subject to a two-year retention period. The up-front variable remuneration is subject to claw-back in case the right to receive the variable portion of the remuneration is not accrued during the year following the assignment.

The variable remuneration subject to a time deferral (vesting period) is revised annually at the legal rate in force from time to time. It is assigned and paid after the three-year deferral period has elapsed from approval of the financial statements and of the ICAAP Report for the period in reference and upon the occurrence of the required conditions. Fifty percent of said remuneration is paid in Bank shares subject to a one-year retention period.

A variable remuneration that exceeds 50% of the fixed salary is considered a particularly high amount; in that case, the percentage to be deferred, already usually set at 40% of the variable portion, will be increased to 60%.

4.6 Indication of any restrictions on the availability of the shares or the instruments arising from exercise of the options, with particular reference to the periods in which their subsequent transfer to the company or to third parties is allowed or prohibited.

Please refer to the item above.

4.7 Description of any termination conditions for the assignments under the Plans should the beneficiaries carry out hedging transactions that neutralize any restrictions on the sale of the financial instruments assigned, also in the form of options, or of the financial instruments resulting from the exercise of those options

The Plan contains no termination conditions of the kind described above.

4.8 Description of the effects of the termination of the employment relationship

The remuneration policies require that the portion of deferred variable pay of the C.E.O. and of the General Manager be not paid out if, among other things, during the three-year deferral period:

- the C.E.O. voluntarily refuses the office or the Shareholders' Meeting adopts a resolution to revoke it for just cause,
- the General Manager voluntarily resigns (except in case of a request for access to pension benefits) or the Board of Directors adopts a resolution to cancel the employment contract for just cause.

The variable component of the remuneration owed to risk-takers other than the C.E.O. and the General Manager and not included in the category of heads of internal control functions will be subjected to the same rules of deferral and partial payment with the Bank's treasury shares if the variable pay exceeds an amount greater than 33% of the General Manager's G.A.S..

4.9 Indication of any other reasons for cancelling the Plans

There are no additional cancellation clauses of the Plan other than the ones described in the previous paragraphs.

4.10 Reasons for the provision of the possible "buy-back" by the company of the financial instruments involved in the Plans, as provided by the provisions of article 2357 and following of the Italian Civil Code; the beneficiaries of the buy-back, specifying whether it only applies to specific categories of employees; the effects of the termination of the employment relationship on the buy-back

The Plan does not provide for the buy-back by Banca IFIS of the shares assigned under the Plan.

4.11 Any loans or facilities to be granted for the purchase of the shares pursuant to article 2358 of the Italian Civil Code

The Plan does not provide for the purchase of the shares concerned by the Plan.

4.12 Indication of the estimates of the expected liability for the company as of the assignment date, as determinable on the basis of the terms and conditions already defined, by total amount and for each instrument of the Plan

At the moment it is not possible to quantify the exact amount of the expected liability, as it is subject to the occurrence of specific conditions and to the achievement of the identified objectives, and it is associated with the market performance of the share.

4.13 Indication of any dilution effect on the share capital resulting from the Plans

Since the share component of the variable pay is paid out through the use of the Bank's treasury shares, the Plan will have no substantial dilution effect on the Bank's share capital.

4.14 Any restrictions set for the exercise of voting rights and for the assignment of property rights

No limits have been set with regard to this.

4.15 In the event that the shares are not traded on regulated markets, any other information needed to properly determine the value attributable to said shares.

The required conditions do not exist as the shares of Banca IFIS S.p.A. are traded on the STAR segment managed by Borsa Italiana S.p.A..

The tables required by Resolution no. 18049 and pertaining to Scheme7 of Annex 3A require:

- as for Box 1 Section 1, that information refer to plans in the course of validity approved on the basis of resolutions adopted by previous Shareholders' Meetings;
- as for Box 1 Section 2, that the information refer to newly granted instruments on the basis of a decision by the Board of Directors for proposal to the Shareholders' Meeting or the pertinent body for implementation of the resolution adopted by the Shareholders' Meeting;
- as for Box 2 Sections 1 and 2, that the information refer to stock options.

As the conditions do not exists for determining the value of all the relevant items, please find below the table pertaining to Box 1 Section 2 containing information available at the present time.

Name and surname or category	Position (to be listed only for persons named individually)	BOX 1						
		Financial instruments other than stock options						
		<u>Section 2</u>						
		Newly granted instruments on the basis of a decision by the Board of Directors for proposal to the Shareholders' meeting or the pertinent body for implementation of the resolution adopted by the Shareholders' Meeting						
		Date of the Shareholders' resolution	Type of financial instrument	Number of granted financial instruments	Date of grant	Purchase price of the instruments, if applicable	Market price as of the grant date	Vesting period
Giovanni Bossi	C.E.O	17 th April 2014	Shares	Not available	Not available	Not available	Not available	Not available
Alberto Staccione	General Manager	17 th April 2014	Shares	Not available	Not available	Not available	Not available	Not available