

Annual report on the correct
functioning of our violation
reporting (Whistleblowing)
system

Year 2020

Premise

As is known, Banca Ifis, as the Parent Company and in accordance with the law, with the regulatory provisions and with industry best practices, has defined its internal system aimed at allowing the Group's staff members, to report either acts or facts that may constitute a violation of the rules governing activities being carried out and / or even irregularities of a management nature, while ensuring the confidentiality of the reporting party's personal data and of the alleged responsible party for the violation.

This report has been prepared by the Internal Audit Manager of Banca Ifis in his capacity as head of internal systems for reporting violations, in application of the provisions of the Bank of Italy's provisions, contained in Circular 285/2013 "Supervisory provisions for Banks", where it is indicated that: "In compliance with the provisions of the regulations on the protection of personal data, the manager of the internal reporting systems draws up an annual report on the proper functioning of the internal reporting systems, containing aggregate information on the results of the activity carried out following the reports following the reports received, that it is approved by the corporate bodies and made available to the bank's staff. "

Operational Outline of the whistleblowing reporting system

The reporting system is regulated by the "Group Policy for the management of reports of violations (whistleblowing)", published on the company portal (IFIS4YOU). Said Policy governs, in particular, the reporting methods and channels and the procedure that is established when a report is made. In January 2021, the Policy was also updated with the aim of incorporating the guidelines issued with the 34th update of Circular no. 285 of the Bank of Italy. The key updates concern the following:

- Updated scope of company application of the Policy;
- Strengthening of the obligation to ensure confidentiality of information and of the name of the reporting party;
- Introduction of the terms for the cancellation of reports;
- Establishment of a reports register.

Personnel can alternatively use one of the following reporting options:

1. e-mail service (signalingviolation@bancaifis.it) dedicated to receiving violation reports. This e-mail address is accessed only by the Internal Audit Manager of Banca Ifis;
2. Postal service (or internal mail). Reports must be sent in a sealed envelope with the wording "STRICTLY CONFIDENTIAL" and must be addressed to the Head of Internal Audit of Banca Ifis;

3. Specific application for whistleblowing accessible both from the company portal (IFIS4YOU) and from the institutional website (www.bancaifis.it). Management of this application is reserved to the Banca Ifis' Internal Audit Manager;
4. Delivery in person by the reporting party to the Banca Ifis' Internal Audit Manager.

During 2020, no problems were found regarding the correct functioning of the internal reporting systems and recent checks on the availability of the e-mail service and application whistleblowing were successful. It should be noted that during the year the system of reporting of violations was reinforced with the following measures:

- Actions aimed at increasing awareness / training on Whistleblowing issues in favor of the network agents; in particular, Compliance has integrated the material used for the training sessions provided to Agents 115 Tulps, establishing, likewise, an extension of the same training activities to the network of agents in financial activity, starting from 2021 (4 slides and 3 multiple choice questions planned).
- Updating of the web platform and the activation of new IT monitoring mechanisms; in particular, both the Linux Ubuntu operating system and the Globaleaks application have been updated to the latest version available (4.0.32). Whistleblowing server monitoring has been configured with the centralized tool used in the Bank (Zabbix) and Information Security has activated a second monitoring tool external service (UpTime).

Finally, it should be noted that as of February 2021 the Farbanca¹ violation reporting system has been centralized in the Parent Company.

Reports received - year 2020

Number of reports received, divided by admissible and inadmissible:

Reports Received	Admissible	Inadmissible
0	0	0

Number of reports broken down by company and by level of severity:

¹ Company attributable to the Banca Ifis Group and included within the perimeter of the Group Policy for the management of violations reporting, effective as of December 9th, 2020.

Company	High	Medium	Low
Banca Ifis	0	0	0
Capitalfin	0	0	0
Credifarma	0	0	0
Ifis Finance Sp Zoo	0	0	0
Ifis Npl Servicing	0	0	0
Ifis Npl	0	0	0
Farbanca	0	0	0
Ifis Rental Service	0	0	0

Given the absence of reports, no action was deemed necessary.

Angelo Ferracchiati

Manager of Internal Reporting Systems

Banca Ifis S.p.A.

