



Banco di Desio e della Brianza SpA

**ANNUAL REPORT
ON THE
REMUNERATION POLICIES
OF THE BANCO DESIO GROUP
(B.o.D. 19 March 2015)**

BANCO DI DESIO E DELLA BRIANZA S.p.A.
Registered office Via Rovagnati, 1 – 20832 Desio (MB)
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Member of the Interbank Deposit Protection Fund
and the National Guarantee Fund
Registered on the Register of Banks at ABI Code no. 3440/5
Parent Company of the Banco di Desio e della Brianza Banking Group
Registered on the Register of Banking Groups at no. 3440/5

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Introduction

This Report has been prepared for the purposes of the Disclosure to the public in accordance with the Supervisory Provisions of the Bank of Italy in relation to remuneration and incentive policies and practices in banks and banking groups. Those Supervisory Provision were issued on 18/11/2014 with the publication of the 7th update of Circular 285 and Consob resolution no. 18049 dated 23 December 2011, which amended the Implementation Regulation of Italian Legislative Decree no. 58 dated 24 February 1998 concerning the regulation of issuers (in particular, see Art. 123-ter “Remuneration Report”). The Report also takes account of the provisions originating from the incorporation of the MiFID directive relating to the remuneration of the commercial network, aimed at ensuring compliance with rules of correctness and transparency in the conduct of investment services and the management of potential conflicts of interest.

The remuneration systems adopted by the Banco Desio Group (hereafter also the “Group”) are, in the interest of all stakeholders and in compliance with the indications of the Supervisory Body, in line with the long-term corporate strategy and objectives, linked to the corporate results appropriately adjusted to take account of all risks. Those systems are consistent with the levels of capital and liquidity needed to fund the activities undertaken and are designed to avoid any incentives that may give rise to conflicts of interest and lead to excessive risk taking.

The expansion of the perimeter of the Group, resulting from the aggregation of BPS, involved the need to review the way of adopting the Remuneration Policies and to update the contents of the incentive plan for Management of the Banco Desio Group in order to tailor the determination of Bonuses for identified staff of the subsidiary Companies to the results produced, appropriately adjusted to the risks accepted individually.

The publication of the 7th update of Circular 285 last 18/11/2014 did not, on the other hand, require any alteration of the principles of the incentive systems adopted by the Group as these, with the innovations made last year, are essentially in line with the new rules.

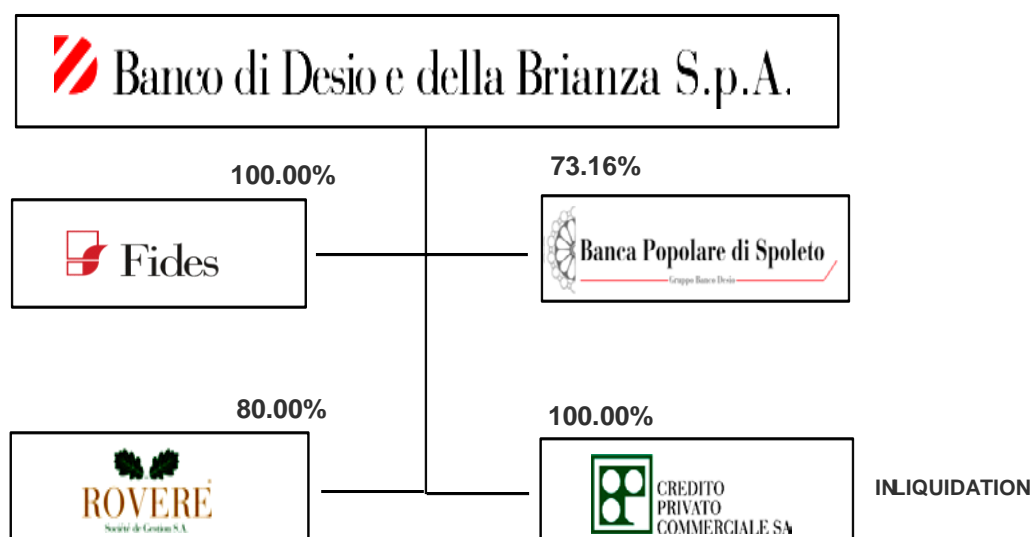
The Group, in view of its dimensional characteristics, with assets amounting to approximately 12.9 billion, as well as the risks and complexities of the activity aimed at the domestic retail sector and the ownership structure, is positioned, for the purposes of the 7th update of Circular no. 285, among the intermediate Banks. The Group therefore applies the full regulation, with proportionate methods and in line with its characteristics, in particular with reference to the

identified staff, as regards periods of deferral and retention and the use of instruments linked to shares.

The Group's Remuneration Policies contained in this document define the guidelines applicable to all companies falling within the scope of the Banking Group and provide detailed information for the company Banco di Desio e della Brianza SpA.

The Group's current structure is represented in the following table.

BANCO DESIO GROUP



SECTION I

1. Governance Model

1.1. The Company Officers of Banco di Desio e della Brianza SpA

On 29 April 2014, the ordinary Shareholders' Meeting of Banco di Desio e della Brianza SpA appointed, by the “list voting” procedure, the Board of Directors and the Board of Auditors. Those Directors and Auditors will remain in office until the date of the Shareholders' Meeting called to approve the financial statements at 31.12.2016.

Those bodies are made up as follows at 31 December 2014.

Director	Role	Roles covered in Committees			
		Executive Committee	Control and Risks Committee	Nomination and Remuneration Committee(*)	Committee for Transactions with Related Parties
Agostino Gavazzi	Chairman				
Stefano Lado	Vice Chairman	X			
Tommaso Cartone	Managing Director	X			
Egidio Gavazzi	Director	X			
Paolo Gavazzi	Director		X	X	Secretary
Tito Gavazzi	Director	X			
Graziella Bologna	Director	X			
Cristina Finocchi Mahne	Director (independent)		X		X
Gerolamo Pellicanò	Director (independent)		X	X	
Sandro Appetiti	Director (independent)				X
Zecchi Balsamo Gigliola (**)	Director (independent)			X	X

Auditor	Role
Eugenio Mascheroni (**)	Chairman
Rodolfo Anghileri	Statutory Auditor
Giulia Pusterla	Statutory Auditor
Elena Negonda	Alternate Auditor
Giovanni Cucchiani	Alternate Auditor
Paolo Pasqui (**)	Alternate Auditor

(*) from 10 February 2015 “split” into Nomination Committee and Remuneration Committee with the same members in compliance with Circular 285 of the Bank of Italy – 1st update.

(**) minority list

The managers with strategic responsibilities¹ of the Bank, at the closing date of the financial statements, are the following:

- the General Manager Mr Luciano Colombini;
- the “Business” Vice General Manager Mr Ippolito Fabris, appointed on 13 March 2014 commencing from 17 March 2014.

1.2. Bodies and persons involved in preparing and approving the Remuneration Policies

1.2.1 Senior Bodies

Parent Company

The Parent Company prepares the document on the Remuneration and Incentive Policies of the whole banking Group, ensures its overall coherence, provides the necessary guidelines for its implementation and verifies its correct application; the individual Group companies, if not listed, may not prepare their own separate document.

Ordinary Shareholders' Meeting of the Parent Company

In addition to establishing the fees of the Directors and Auditors in compliance with the Articles of Association, it approves the “Annual Report on the Remuneration Policies of the Banco Desio Group”, any plans based upon financial instruments and the criteria for determining any compensation to be paid in the event of early conclusion of the employment relationship or early termination from the role.

The Shareholders' Meeting is provided with adequate information on the implementation of the Remuneration Policies. The Shareholders' Meeting resolutions in that regard are made at the end of a process which - depending on the powers granted in that regard - involves, in addition to the Board of Directors, the Remuneration Committee, the Control and Risks Committee, the Board of Auditors, the Chairman, the Managing Director, the General Manager, the “Business” Vice General Manager, as well as some operational departments and internal control functions as defined below.

¹ In accordance with Annex 1 to Consob Regulation no. 17221 dated 12 March 2010.

Board of Directors of the Parent Company

It approves, at the suggestion of the Chairman, the “Annual Report on the Remuneration Policies of the Banco Desio Group” to be submitted to the Shareholders' Meeting and any updates and reviews of the Remuneration Policies.

It approves any regulations of plans based on financial instruments and resolves upon the respective assignments and powers (subject to verifying the conditions to which the same are subject).

It approves the criteria for determining any compensation to be paid in the event of early conclusion of the employment relationship or early termination from the role.

Based upon the processes developed individually by each “relevant business unit”, it resolves upon the staff to whom to apply the “more detailed rules”.

It resolves upon the economic-capital and risk objectives that form the reference for the incentive system of the Group companies and the Bonus Targets for the “identified staff” expressed in percentage terms of the fixed remuneration.

It resolves upon the assessment forms relating to the achievement of the qualitative targets assigned to the “identified staff” of the Parent Company (as defined below).

It declares when Group target gates have been passed and determines ex-post the amount of the bonus for Identified Staff of the Parent Company.

It resolves upon the guidelines for the payment of bonuses for the remaining staff of the Group Companies and the criteria for defining the maximum amounts of expenditure that may be allocated for that purpose.

It resolves upon the Group policy in relation to the maximum amounts of expenditure assigned to the General Managers of the Group companies within which to resolve upon payments to the staff referred to in paragraph 3.3 below.

The aforementioned resolutions are made subject to the opinion of the Remuneration Committee.

Managing Director of the Parent Company

He/she coordinates the operations of the company departments that report to him/her in accordance with the Corporate Organisation Chart.

He/she suggests to the Board of Directors possible updates and revisions of the Group's Remuneration Policies, the economic-capital and risk objectives that constitute the reference

for the incentive system of the companies and the Bonus Targets for the “identified staff” within the various Group companies.

He/she provides to the Group companies general instructions in relation to the Remuneration Policies.

He/she suggests to the board the qualitative adjustment criteria to apply to the Bonuses of the “identified staff” of the Parent Company.

General Manager of the Parent Company

He/she coordinates the operations of the company departments that report to him/her in accordance with the Corporate Organisation Chart.

He/she suggests to the Board of Directors the maximum expenditure for implementing the Remuneration Policies for the remaining staff of the Parent Company.

“Business” Vice General Management

In collaboration with the Resources Department, it prepares, following the guidelines implemented for the remaining staff in the annual report on the Remuneration Policies, the incentive system for the sales network.

It proceeds to disseminate the bonus system among the distribution network.

It provides to the Resources Department the quantitative elements to verify the achievement of the assigned targets.

It collaborates with the Departments of the Group companies and with the Resources Department to develop incentive systems for the sales network in line with the business model adopted by the Bank.

Subsidiaries

Ordinary Shareholders' Meetings of Subsidiaries (excluding those in liquidation)

They incorporate and approve, insofar as they are responsible, the Group's Remuneration Policies (taking account of the company peculiarities, as well as the respective national/sectoral legal systems) preparing, if listed, their own separate document.

The Shareholders' Meetings are provided with adequate information on the implementation of the Remuneration Policies.

Boards of Directors of the Subsidiaries (excluding those in liquidation)

They incorporate and approve, insofar as they are responsible, the resolutions of the Board of Directors of the Parent Company referred to above (taking account of the company peculiarities, as well as the respective national/sectoral legal systems).

They resolve upon the assessment forms relating to the achievement of the qualitative targets assigned to any non-senior “identified staff” within the Subsidiary.

They identify when Group target gates have been passed and, having verified that the individual gates have been passed, they determine ex-post the amount of the bonuses for the significant staff.

The aforementioned resolutions are made subject to the opinion of the Remuneration Committee.

1.2.2 I “Nomination” and “Remuneration” Committees

The Nomination and Remuneration Committee was “split” from 10 February 2015 into two separate Committees:

- a Nomination Committee (“N.C.”) with responsibility in relation to nominations
- a Remuneration Committee (“R.C.”) with responsibility in relation to remuneration

made up of the same members as the previous Nomination and Remuneration Committee and therefore of 3 Directors (all non-executive) of which 2 are Independent directors including the Chairman; the Managing Director may be invited to attend its meetings (except in the event of issues that relate to him/her).

1.2.2.1 Nomination Committee

That Committee is an advisory/proactive body with the following main duties:

- to advise the Board of Directors in relation to the size and composition of the same and to express recommendations on the professional figures whose presence within the Board is deemed necessary, also in coherence with the Supervisory Provisions in relation to corporate governance and on the following issues:
 - o maximum number of assignments as director or auditor that may be considered compatible with the effective conduct of the role of Director of the company, taking account of the participation of the directors on Committees and, to that end, identification of the general criteria differentiated on the basis of the commitment related to each role (of executive, non-executive or independent director), also in relation to the nature and dimensions of the companies in which the roles are held as well as their possible membership of the Group;
 - o assessment, on their merits, of any problematic circumstances for the purposes of prohibitions on competition laid down by the legal or regulatory provisions;
- to support the Board of Directors in any co-opting resolutions of Directors and in the nomination/revocation of other Bank Representatives, as well as the designation of Representatives of subsidiary companies and possibly of associated and/or invested companies of strategic relevance;
- to support the Board of Directors in self-assessment activities performed in compliance with the Supervisory Provisions on corporate governance as well as verification of the legal requirements in accordance with Art. 26 of the Consolidated Banking Law;
- to support the Board of Directors in assessments relating to the definition of succession plans of the senior positions of the executive body provided by the cited Supervisory Provisions;
- to support the Board of Directors in resolutions relating to the nomination and revocation of the heads of the internal control functions, liaising, to that end, with the Control and Risks Committee.

1.2.2.2 Remuneration Committee

That Committee is an advisory/proactive body with the following main duties:

- to provide to the Board of Directors opinions or suggestions for the remuneration of the Managing Director and the other Directors invested with particular roles (including those possibly equipped with operational delegations);
- to provide to the Board of Directors opinions or suggestions for the allocation of the overall fee established by the Shareholders' Meeting for the other directors in line with the Articles of Association;
- at the indication of the Managing Director, to provide to the Board of Directors opinions or suggestions in relation to remuneration policies for other persons falling within the scope defined in the Single Text on the Remuneration and Incentive System;
- to assess periodically the adequacy, overall coherence and actual application of the aforementioned remuneration policies, using, in that regard, information provided by the Managing Director;
- to submit suggestions or express opinions to the Board of Directors on the fixing of performance targets related to the variable component of that remuneration; to monitor the application of the decisions adopted by the board itself, verifying, in particular, the actual achievement of the performance targets, as well as the existence of all conditions provided for the payment or accrual of the fees.

The above listed issues also include any stock option plans or allocation of shares.

In compliance with the Supervisory Provisions issued in that regard², the Committee also:

- directly oversees the correct application of the rules relating to the remuneration of the heads of the internal control functions, in close collaboration with the Board of Auditors;
- deals with preparing the documentation to be submitted to the Board for decisions relating to the Remuneration Policies;
- works with the Control and Risks Committee for remuneration aspects related to the risk policies;
- ensures the involvement of the relevant company departments in the process of preparing and controlling the Remuneration Policies;
- decides, also using information received from the relevant company departments, upon the achievement of the performance targets with which the incentive plans are linked and on ascertaining the other conditions in place for payment of the fees;

² Circular 285 of the Bank of Italy – 7th update.

- adequately reports on the activity performed by it to the Board and to the Shareholders' Meeting.

The Remuneration Committee, in addition, with assistance from the Resources Department, and, where necessary, external consultants, analyses and monitors the market practices and levels of remuneration, with particular reference to executive directors and to managers with strategic responsibilities.

The Committee may also use the support of internal departments, in relation to risk management, capital and liquidity.

1.2.2.3 Common Rules of Operation of Nomination Committee and Remuneration Committee

The Committee meets upon convocation by the Chairman or each time a request is made by at least two members jointly between them. In the absence of convocation, the Committee meetings are valid when all members are present.

In order for the decisions of the Committee to be valid, the presence of the majority of the members in office is required and the decisions are made by absolute majority of the votes of the members present. In the case of equal votes, the vote of the person chairing the meeting will prevail. Any Directors with an interest must refrain from participating in decisions of the Committee relating to them, just as they will leave the committee meetings when the consequent proposals are being made.

The decisions of the Committee are recorded by minutes transcribed in the book, to be signed by the Chairman and by the other members present or by a Secretary, if appointed. Those decisions are communicated, even orally during the next meeting, to the Board of Directors for the decisions under the remit of the latter.

1.2.3 The Operational Departments of the Parent Company involved in the process

The process of forming the Remuneration Policies involves the following structures.

Planning, Management Control and Investments Department

It determines the “gate” targets for activation of the incentive systems of the Group companies to be submitted to the respective Boards of Directors and verifies their

achievement. Having received approval, it proceeds to communicate those decisions to the Management bodies of the respective Group Companies, to the Administrative Department of the Parent Company and to the Manager responsible.

Legal and Corporate Affairs Department

It is involved in the process of preparing the Remuneration Policies with reference to aspects of corporate governance. It deals with finalising the documents to be submitted to the Board of Directors and to the Shareholders' Meeting, as well as the disclosure obligations to the public, in accordance with legal and regulatory provisions relating to those documents.

Administrative Department

On the instructions of the Resources Department of the Parent Company, it registers the actual provisioning to be entered in the financial statements of reference for the Group companies. It determines the adjusted earnings from current operations before tax and the adjusted earnings from current operations gross of budget taxes for each company and at consolidated level.

Resources Department

It defines and governs the process of formulating proposals concerning the Remuneration Policies for the various Group companies and it manages and guarantees their correct implementation.

It deals with updating and reviewing the Remuneration Policies. It coordinates the process of defining and managing the remuneration and incentive system and, as part of this, it contributes - in concert with the Departments of the individual Companies - to defining the bonus system for the remaining staff (sales network and headquarters).

It collects, for the Parent Company, the results achieved and the assessments made by the superiors for the purposes of determining and paying the bonuses, having verified compliance with the maximum amount payable for each beneficiary resource.

1.2.4 The Internal Control Functions

The process of forming the Remuneration Policies also involves the following Internal Control Functions.

Risk Management Department

It participates in the process of defining the Remuneration Policies in order to ensure the coherence of the same with the Group's risk strategy. The Department provides support in defining the target gate liquidity and capital parameters in line with the “Risk appetite and management of corporate risks policy” and verifies *ex post* compliance with the adopted levels. It performs similar functions as “outsourcer” of the Subsidiaries.

Compliance Department

It collaborates with the other departments involved in the process of defining the Group's Remuneration Policies and verifies *ex ante* that these comply, by their contents and processes, with the relevant regulatory context, the articles of association, along with any codes of ethics or other applicable standards of conduct. It performs similar functions as “outsourcer” of the Subsidiaries.

Internal Audit Department

It prepares annually a report on the controls performed in relation to the adequacy and regulation of the Remuneration Policies adopted and their correct functioning, making the relevant bodies and departments aware of the findings and any anomalies so that the corrective measures can be adopted. It performs similar functions as “outsourcer” of the Subsidiaries.

2. General Principles of the Remuneration Policies

In order to develop mechanisms of remuneration and incentives able to encourage the competitiveness of the Group in the medium to long-term, the Remuneration Policies are based upon the following principles:

- incentive measures and maintenance within the Group of persons with professionalisms and skills adequate to business requirements, in particular, of those who cover identified roles within the business organisation;
- alignment of the remuneration systems to company targets and values, to the long-term strategies and to policies of prudent risk management of companies belonging to the Group;
- incentives, of short and medium to long-term, aligned with the risks assumed and the capital required to cover the activities undertaken and structured in such a way as to avoid the onset of potential conflicts of interest.

Commencing from 1 May 2015, any fees received by employees of the Group for assignments accepted on behalf of the Company holding the employment relationship, at companies or entities belonging or external to the Group itself, will be entirely paid into the company holding the employment relationship.

3. Scope of Application

This document illustrates the Remuneration Policies with reference to the following categories of persons:

- Identified Staff;
- Remaining staff.

Described below is the process followed by the Banco Group to identify the “identified staff” based upon the regulatory technical standards, relating to qualitative and quantitative criteria suitable for identifying the categories of staff whose professional activities have a material impact on the risk profile of the institution, approved by the European Commission last 6 June and applied in accordance with the indications contained in the 7th update of Circular no. 285 issued by Bank of Italy last 18/11/2014.

3.1 Identification process of “identified staff”

The identification process of staff to whom to apply the more detailed rules was conducted individually by each company indicated as a relevant company unit under the supervision and with the coordination of the Resources Department of the Parent Company. The Board of Directors of the Parent Company, at the meeting on 24 February, acknowledged the process performed which led to identifying **at Group level** the following positions:

Identified Staff positions	no.	of which recipients of the incentive system
Directors	27	1
GM, VGM	5	5
Other Risk Takers	13	13
Staff belonging to the control departments	10	10
Total Identified Staff	55	29

With specific reference to **Banco di Desio SpA**, there are the following identified staff:

Role	Recipient of incentive system	Population of incentive system
BOD Chairman	NO	
BOD Vice Chairman	NO	
Man. Director	YES	Senior role
Director	NO	
Director	NO	
Director	NO	
Director	NO	
Director	NO	
Director	NO	
Director	NO	
General Manager	YES	Senior role
“Business” Vice Gen. Man.	YES	Senior role
Head of Leg. and Cor. Dept.	YES	Risk Taker
Head of External Relations Dept.	YES	Risk Taker
Head of Wealth Management Dept.	YES	Risk Taker
Head of Plan. and Mgmt Cont. Dept.	YES	Risk Taker
Head of Finance Dept.	YES	Risk Taker
Head of Organis. and Real Estate Dept.	YES	Risk Taker
Head of Risks Perf. Contr. Area	YES	Risk Taker
Head of Credits Dept.	YES	Risk Taker
Head of Credits Area	YES	Risk Taker
Head of Resources Dept.	YES	Control Function
Head of Risk Management Dept.	YES	Control Function
Head of Internal Audit Dept.	YES	Control Function
Manager Responsible	YES	Control Function
Head of Compliance Dept.	YES	Control Function
Head of Anti-Money Laundering	YES	Control Function
Head of Internal Auditing Dept.	YES	Control Function

3.2 Remuneration Policies for Identified Staff

Members of the Board of Directors

In the current composition of the Board of Directors of Banco di Desio e della Brianza SpA it is possible to identify the following:

- as Executive Directors, the Managing Director Tommaso Cartone along with the Vice Chairman Stefano Lado, the Directors Egidio Gavazzi, Tito Gavazzi and Graziella Bologna; the latter are considered executive by virtue of belonging to the Executive Committee (taking account of the activity of that Executive Committee in terms of frequency of meetings and extent of responsibilities);
- as non-Executive Directors, the Chairman Agostino Gavazzi, the Directors Paolo Gavazzi, Cristina Finocchi Mahne, Gerolamo Pellicanò, Sandro Appetiti and Gigliola Zecchi Balsamo.

The Shareholders' Meeting established at 750,000 Euros the gross annual fee due to the entire Board of Directors of Banco Desio, excluding the Chairman, the Vice Chairman and the Managing Director, broken down as follows:

- 70,000 Euros to each Director;
- 30,000 Euros to each member of the Executive Committee;
- 10,000 Euros to each member of the Control and Risks Committee;
- 10,000 Euros to each member of the Nomination and Remuneration Committee ("split" into two Committees from 10 February 2015 involving a division into 5,000 Euros to each of the members of the two Committees);
- 10,000 Euros to each member of the Committee for Transactions with Related Parties.

The all-inclusive fees of the Chairman, Vice Chairman and Managing Director amount respectively to:

- 660,000 Euros to the Chairman
- 250,000 Euros to the Vice Chairman
- 700,000 Euros to the Managing Director.

Only the Managing Director is involved in the Group's incentive system while for the other Executive Directors, in view of the low remuneration received for participating in the Executive Committee (30,000 Euros per annum), there is no provision for variable fees.

For the non-Executive Directors and for the members of the Board of Auditors there is no provision for variable fees.

The members of the Board of Directors and the members of the Executive Committee are, in addition, entitled to the reimbursement of costs incurred for reasons of their office, as well as the payment of attendance fees, the amount of which is determined by the ordinary Shareholders' Meeting.

The fees of the Chairman, the Vice Chairman/Chairmen and the Managing Director, as well as any additional fees in favour of other Directors with operational delegations, are determined by the Board of Directors, having heard the opinion of the Board of Auditors.

Chairman

The Chairman's remuneration package is determined in a unitary amount for all roles performed in the Parent Company (including special roles covered in the Board of Directors).

Vice Chairman

The Vice Chairman's remuneration package consists of:

- Fee determined in a unitary amount for all roles performed in the Parent Company (including special roles covered in the Board of Directors and participation on Committees internal to the same)
- Fees linked to roles covered in subsidiary and/or associated companies

Managing Director

The Managing Director's remuneration package consists of:

- Fee determined contractually in a unitary amount for all roles performed in the Parent Company (including special roles covered in the Board of Directors, operational delegations and participation on Committees internal to the Board itself)
- Short and medium-term variable remuneration (Incentive plan for Management of the Banco Desio Group)
- Benefits

General Manager

The General Manager's remuneration package consists of:

- Gross Annual Remuneration
- Short and medium-term variable remuneration (Incentive plan for Management of the Banco Desio Group)

The fees linked to roles covered in subsidiary and/or associated companies are entirely paid into the Bank commencing from 1 May 2015 also in compliance with the industry's "best practices".

- Benefits

Managers with strategic responsibilities

The remuneration package of Managers with strategic responsibilities consists of:

- Gross Annual Remuneration
- Short and medium-term variable remuneration (Incentive plan for Management of the Banco Desio Group).
- Benefits

The fees linked to roles covered in subsidiary and/or associated companies are entirely paid into the Bank commencing from 1 May 2015 also in compliance with the industry's "best practices".

Other Identified Staff

The remuneration package of other identified staff consists of:

- Gross Annual Remuneration
- Short and medium-term variable remuneration (Incentive plan for Management of the Banco Desio Group).
- Benefits

The fees linked to roles covered in subsidiary and/or associated companies are entirely paid into the Bank commencing from 1 May 2015 also in compliance with the industry's "best practices".

3.2.1 Structure and Components of the Pay-Mix

The main elements constituting the remuneration package of the Group's "identified staff", as defined in paragraph 3.1 above, are:

- **Fixed annual remuneration**

That component reflects and is commensurate to the technical, professional and managerial skills of the employee and/or collaborator. It is constantly monitored and verified with respect to the market context, taking into consideration the level of experience and professional skills required for each position;

- **Variable remuneration**

That component rewards the annual “performances” in relation to assigned targets and results achieved and it is determined based upon parameters that include the presence of risk weighting systems, the adequacy of liquidity levels and the link to actual and lasting results. The variable component is paid partly in the year after that on which the “performance” is measured and partly in deferred form up until the third year from that in which it accrued, subject to the occurrence of additional conditions, in order to reward the creation of value in a medium to long-term perspective and to align the interests of management with those of the shareholders.

The Bank establishes *ex-ante* the limits to the incidence of the variable part on the fixed element for the various categories of beneficiaries as summarised in the following table:

Directors with executive roles, General managers, Vice General managers (where appointed)	90%
Other Risk Takers	60%
Heads of control departments	25%

The limits adopted by the Bank comply with the incidence ceilings of the variable component on the fixed element established by existing regulations (100% for risk takers and one-third for control departments).

- **Benefits**

To complete the remuneration offer, employees are offered a package of additional benefits, such as, by way of example, a supplementary pension plan, supplementary forms of insurance and medical cover, as well as the granting of special favourable conditions as regards services provided by the Bank; a company car is allocated to the most senior management profiles.

3.2.2 The variable remuneration of identified staff: the remuneration plan for Management of the Banco Desio Group

The system, subordinate in its activation to achievement by the Group of certain consolidated goals (“gate” targets of liquidity, capital and profitability), weighs up the bonuses in line with the percentages of achievement of the targets ratio between the target Net Income and Allocated Risk Capital³ (RORAC) and develops largely in a deferred manner along a medium-term timeframe. That mechanism ensures that the incentive system for identified staff is consistent with the business results, appropriately adjusted to take account of all risks assumed in a long-term perspective.

Correlation between risks and remuneration

The variable component of the remuneration is benchmarked to performance indicators measured net of the risks in a long-term perspective (known as *ex ante risk adjustment*) and it takes account of the level of capital resources and liquidity required to cover the activities undertaken. In addition, the incentive system for management of the Group involves the accrual and quantification of the bonus, along with the verification for payment of the deferred shares, being linked to the achievement of the target RORAC. The use of the cited parameter, consistent with the measurements used for management purposes by the risk management department, assessed at consolidated level and, for the subsidiary companies, also at individual level, further strengthens the correlation between results, risks assumed and remuneration.

Gate targets

The Board of Directors of the Parent Company, on the suggestion of the Managing Director, subject to the opinion of the Remuneration Committee, establishes the “gate” targets (Group gates) of liquidity, capital and profitability to access the Bonuses in accordance with the principles described below:

- **Liquidity target**: amount of adequate liquidity reserves in relation to the risk tolerance threshold: **Liquidity reserve \geq Euros 900 m**

The adequacy gate of the liquidity reserve is fixed in relation to the liquidity risk tolerance threshold defined, in criteria and content, by the “Risk appetite and management of business risks policy”, as maximum exposure to risk deemed

³ “Allocated risk capital” means “total internal capital to cover 1st and 2nd pillar risks” calculated in accordance with the methodologies and criteria developed in the ICAAP document.

sustainable in a normal context as a going concern over a timeframe of 3 months supplemented by stress scenarios in a timeframe of 1 month;

- **Capital target:** total internal capital required to cover the first and second pillar prudential requirements: **Own Funds / RWA⁴ considered for 1st and 2nd pillar risks $\geq 10.5\%$**
- **Profitability target:** Adjusted current income of the Group gross of taxes:
Adjusted consolidated income of the current operations gross of taxes⁵ $\geq 75\%$
Adjusted profit of current operations gross of taxes of the consolidated budget.

For staff belonging to the control departments identified at the Parent Company, in order to further separate their bonuses from the economic/financial variables, **the gate indicator of profitability** is represented by the **consolidated adjusted profit of current operations gross of tax profit**.

For staff belonging to the control departments identified at the subsidiaries, the opening of the profitability gate is subject to the simultaneous occurrence of the following two conditions: **consolidated adjusted profit of current operations gross of tax profit** and **individual adjusted profit of current operations gross of tax profit**.

The failure to achieve even just one of the targets precludes the activation of the incentive system for the year of accrual.

⁴**Risk Weighted Assets** determined as follows: **Total absorbed equity of 1st and 2nd pillar / 8%**

⁵**Profit (loss) of current operations gross of taxes** – item 280 in the consolidated financial statements

(-) Profits (losses) from disposal (sub-item of item 240. Profit (losses) of investments)	(A)	
(-) Net result of the valuation at fair value of the tangible and intangible assets (item 250)	(B)	
(-) Profit (loss) from disposal of investments (item 270)	(C)	
(-) Profits from disposal/buy-back of outstanding securities (item 100. Financial liabilities - sub-item 3)	(D)	
(-) Net result of financial assets/liabilities valued at fair value (item 110)	(E)	
<hr style="border-top: 1px solid black;"/>		
(=) Consolidated adjusted profit (loss) of current operations gross of taxes		

(A) Neutralisation of the result of operations of disposal of investments that relate purely to the strategic decision-making sphere of the individual Group companies (Board of Directors)

(B) Neutralisation of the positive or negative impact deriving from non-instrumental investments, therefore not correlated or marginally correlated with the most typical operations

(C) Neutralisation of the result deriving from the disposal of non-instrumental tangible or intangible assets, therefore (as in the previous case) not correlated or marginally correlated with the most typical operations.

(D) Neutralisation of profits of extraordinary nature deriving from the *buy-back* of debt securities issued itself

(E) Neutralisation of capital gains/losses deriving from the valuation at fair value of financial assets and liabilities

Definition of targets and incentives

The Board of Directors of the Parent Company, subject to the opinion of the Remuneration Committee, approves annually:

- the ratio between the Consolidated Net Profit and Allocated Risk Capital (RORAC) target;
- the ratio between the Individual Net Profit and Allocated Risk Capital (individual RORAC) target for the individual subsidiary companies;
- the individual profitability target of subsidiary companies in terms of ratio between individual adjusted profit of current operations gross of taxes $\geq 75\%$ adjusted profit of current operations gross of taxes of the individual budget
- the Bonus Targets expressed in percentage terms of the fixed remuneration associated to the difference levels of achievement of the RORAC (consolidated and/or individual) target for each category of resources within the maximum limits of incidence of the variable component on the fixed element defined for the individual categories set out in paragraph 3.2.1 in the following table;

	Directors with executive roles, General managers, Vice General managers (where appointed)	Other Risk Takers
<i>RORAC consolidated final balance < 80% RORAC of the consolidated Budget</i>	<i>No bonus</i>	<i>No bonus</i>
<i>80% ≤ RORAC consolidated final balance <100% of the RORAC of the consolidated Budget</i>	25% RAL	15 % RAL
<i>100% ≤ RORAC consolidated final balance <120% of the RORAC of the consolidated Budget</i>	40 % RAL	25 % RAL
<i>RORAC consolidated final balance ≥120% of the RORAC of the consolidated Budget</i>	50 % RAL	35 % RAL

The Bonus Targets, expressed in percentage terms of the fixed remuneration, and their association with the various levels of achievement of the target RORAC for each category of resources, are resolved upon year on year by the BOD.

- the assessment forms for the heads of the main company departments of the Parent Company
 - Risk Takers and Heads of the control departments - relating to the achievement of the

qualitative targets identified based upon the mission and the functions attributed to each position by the corporate organisation chart;

The Board of Directors of the Subsidiary companies, subject to the opinion of the Remuneration Committee, if established, incorporates and approves:

- the Group's gate targets;
- the ratio between the Consolidated Net Profit and the Allocated Risk Capital (consolidated RORAC) target;
- the ratio between the Individual Net Profit and the Allocated Risk Capital (individual RORAC) target;
- the individual profitability target of the subsidiary companies in terms of ratio between individual adjusted profit of current operations gross of taxes $\geq 75\%$ adjusted profit of current operations gross of taxes of the individual budget;
- the Bonus Targets expressed in percentage terms of the fixed remuneration associated with the various levels of achievement of the individual RORAC target for each category of resources.
- the assessment forms for the heads of the main company departments of the Parent Company - Risk Takers and Heads of the control departments - relating to the achievement of the qualitative targets identified on the basis of the mission and the functions attributed to each position by the corporate organisation chart;

Calculation of the Bonus value

Having achieved the Group's gate targets, the determination of the actual Bonus to be paid to the **“non-control” beneficiary resources identified at the Parent Company** is done by applying the bonus target provided in relation to the ratio between the consolidated final balance RORAC and the target final balance RORAC.

As regards the determination of the Bonus for **identified staff not belonging to the control departments identified at the subsidiary companies**, the payment of the Bonus is subject to achieving at least 80% of the consolidated RORAC target and exceeding 75% of the individual adjusted profit of current operations gross of taxes of the Budget. For risk takers other than the Directors with executive roles, General Managers, Vice General Managers, the

payment of the bonus is also subject to obtaining a judgment *in line with expectations* relating to the achievement of the qualitative targets contained in the individual assessment forms compiled by the Resources Department based upon the periodic indications acknowledged by General Management and by the Managing Director. Having passed these additional gates, the bonus is defined in connection with the achievement of the individual RORAC target.

The determination of the actual Bonus to be paid to the **heads of the control departments** is made by applying to the Bonus Target, expressed in percentage terms of the fixed remuneration resolved by the BoD for the financial year in question, the correction (0%-125%) calculated on the basis of the score achieved from the assessment forms of the assigned qualitative targets compiled by the Resources Department based upon the periodic indications acknowledged by the Managing Director and the General Manager.

Payment of Bonuses

The Board of Directors resolves upon the bonuses calculated in accordance with the methods described above and adjusted in line with the findings of the individual assessment forms compiled by the Resources Department based upon the periodic indications acknowledged by General Management and by the Managing Director. The payment of the bonuses occurs by the methods expressed below:

Risk Takers:

System of deferral of Bonuses accrued in financial year “t”

- 40% of the Bonus in financial year “t+1” paid by the month after the date of approval of the Consolidated Financial Statements of financial year “t”;
- 30% in financial year “t+2”, having verified the liquidity and capital gates of financial year “t+1” and having verified that the consolidated RORAC of financial year “t+1” was at least 80% of the consolidated RORAC of financial year “t”, paid by the month after the date of approval of the financial statements of financial year “t+1”;
- 30% in financial year “t+3”, having verified the liquidity and capital gates of financial year “t+2” and having verified that the consolidated RORAC of financial year “t+2” was at least 80% of the consolidated RORAC of financial year “t+1”, paid by the month after the date of approval of the financial statements of financial year “t+2”;

The sums deferred to financial year “t+2” and “t+3” are adjusted for the price variation of the BDB ordinary shares between financial year “t+1” and the payment date, with a corridor of +/- 20%.

The amount of the deferred bonus may therefore increase or reduce, up to a maximum of +/- 20%, based upon the stock exchange performance of the ordinary share of Banco Desio in the timeframe between the accrual of the bonus and the deferral time.

The price reference, for the purposes of this Incentive Plan for Banco Desio Management, is constituted, for each financial year, by the average of the Stock Exchange price of the

ordinary share of Banco Desio e della Brianza Spa of the 30 days prior to the date of approval of the financial statements of the previous financial year.

T	t+1	t+2	t+3
Year of economic accrual of the bonus	<p>40%</p> <p><u>Payment of the bonus</u></p>	<p>30%</p> <p><u>Subject to verification of gates for financial year t+1:</u> -Capital -Liquidity Consolidated RORAC t+1 ≥ 80% of t consolidated RORAC</p> <p><u>Payment of bonus</u> <i>Adjusted for variation of the share price between t+1 and t+2 with a corridor of +/- 20%.</i></p>	<p>30%</p> <p><u>Subject to verification of gates for financial year t+2:</u> - Capital -Liquidity Consolidated RORAC t+2 ≥ 80% of t+1 consolidated RORAC</p> <p><u>Payment of bonus</u> <i>Adjusted for variation of the share price between t+1 and t+3 with a corridor of +/- 20%</i></p>

For identified staff at the subsidiaries, the payment of the deferred portions is subject to verification of the following conditions:

- 30% in financial year “t+2”: having verified the liquidity and capital gates of financial year “t+1”, that the consolidated RORAC of financial year “t+1” is at least 80% of the consolidated RORAC of financial year “t” and that the individual RORAC of financial year “t+1” is at least 80% of the individual RORAC of financial year “t”,
- 30% in financial year “t+3”: having verified the liquidity and capital gates of financial year “t+2”, that the consolidated RORAC of financial year “t+2” is at least 80% of the consolidated RORAC of financial year “t+1” and that the individual RORAC of financial year “t+2” is at least 80% of the individual RORAC of financial year “t+1”;

Where the BPS ordinary shares are re-admitted to listing on a regulated market, for identified staff at Banca Popolare di Spoleto, the portions of the deferred bonus will be adjusted, by the methods described above, with reference to the BPS shares rather than the Banco Desio SpA shares.

Control Departments:

System of deferral of Bonuses accrued in financial year “t”

- 40% of the Bonus in financial year “t+1”, paid by the month after the date of approval of the Consolidated Financial Statements of financial year “t”;
- 30% in financial year “t+2”, having verified the liquidity and capital gates of financial year “t+1” and having verified that the consolidated adjusted profit of current operations gross of taxes of financial year ”t+1” is not negative, paid by the month after the date of approval of the financial statements of financial year “t+1”;
- 30% in financial year “t+3”, having verified the liquidity and capital gates of financial year “t+2 and having verified that the consolidated adjusted profit of current operations gross of taxes of financial year”t+2” is not negative, paid by the month after the date of approval of the financial statements of financial year “t+2”;

t	t+1	t+2	t+3
Year of economic accrual of bonus	40% Payment of bonus	30% <u>Subject to verification of gates for financial year t+1:</u> -Capital -Liquidity Consolidated adjusted profit of current operations gross of taxes of financial year t+1	30% <u>Subject to verification of gates for financial year t+2:</u> -Capital -Liquidity Consolidated adjusted profit of current operations gross of taxes of financial year t+2

For staff belonging to the control departments identified at the subsidiaries, the payment of the deferred bonus is subject to the occurrence of the following conditions:

- 30% in financial year “t+2”: having verified the liquidity and capital gates of financial year “t+1”, that the consolidated adjusted profit of current operations gross of taxes of financial year ”t+1” is not negative, and that the individual adjusted profit of current operations gross of taxes of financial year ”t+1” is not negative”,
- 30% in financial year “t+3”: having verified the liquidity and capital gates of financial year “t+2”, that the consolidated adjusted profit of current operations gross of taxes of financial

year "t+2" is not negative, and that the individual adjusted profit of current operations gross of taxes of financial year "t+2" is not negative";

3.2.3 Remuneration of Identified Staff for the year 2014

Incentive plan for Banco Desio Group management

The verification of the final balance data expressed by the Group in the financial year 2014 has highlighted the achievement of the "gate" targets of liquidity, capital and profitability to which the activation of the incentive system for Banco Desio Group management was subject.

Based upon the consolidated RORAC, the bonuses for identified staff not belonging to the control departments were determined on the basis of the targets provided for the various categories of resources where the ratio between the final balance and the budget was positioned at a level above 120%.

The individual results of the Subsidiary Companies Fides and Banco Desio Lazio (referring to data of the merger financial statements at 30/9/2014) were positioned at adequate levels to allow for the activation of the incentive system also for staff identified therein.

2011-2013 Stock Grant Plan

With reference to the 2011-2013 Stock Grant Plan, with the data of the Consolidated Financial Statements of the 2014 financial year, a verification of the conditions for the actual allocation of the stock relating to the 2nd cycle of allocation linked to the 2012-2014 three year period of performance. In the 2012-2014 three year period of performance, despite having positively achieved the three year gate targets for liquidity and capital, the ratio between the accumulated Consolidated Adjusted Profit and the respective Budget was positioned below the minimum level required by the regulation for the granting of stock. With all the rights relating to the cited 2nd cycle having been forfeited, it must now be ascertained if the conditions are in place for the granting of the stock relating to the 3rd and final cycle of allocation linked to the 2013-2015 performance period.

The detailed quantitative representation is set out in the tables below:

Remuneration of Identified Staff year 2014

Category	no. resources	Fixed remuneration	variable cash remuneration	Stock Grant(1)	Variable cash remuneration and Stock Grant
MD	1	666,664	333,332	23,561	356,893
GM + VGM	3	980,637	490,319	-	490,319
Risk Takers	6	981,000	343,350	17,081	360,431
Dir., GM, VGM					
Sub. Companies	3	504,500	176,575	6,479	183,054
Control Departments	6	780,000	140,025	5,301	145,326
Total	19	3,912,801	1,483,601	52,422	1,536,023

For resources who have provided their activity at multiple companies of the Group, the total remuneration received in the year has been shown.

(1) The Stock Grants are valued at fair value upon allocation as provided by the Plan regulation, or at cost at the time of allocation, where, for the latter, the allocation is not guaranteed for the beneficiary as it is subject to achieving the targets of the relevant Cycle.

Deferral of cash component

Category	Deferred variable remuneration accrued in financial year 2014	Deferred variable remuneration accrued in previous financial years	Deferred variable remuneration to be verified in subsequent financial years
MD	199,999	-	-
GM + VGM	294,191	-	-
Risk Takers	206,010	-	-
Control Departments	84,015	-	-
Dir., GM, VGM			
Sub. Companies	105,945	-	-
Total	890,160	-	-

Pay mix

Categories	Fixed remuneration (cash)	Non-deferred variable remuneration	Deferred variable remuneration	Deferred variable remuneration (Stock-Grant)	Incidence of variable remuneration on fixed
MD	65.13%	13.03%	19.54%	2.30%	53.53%
GM + VGM	66.67%	13.33%	20.00%	0.00%	50.00%
Risk Takers	73.13%	10.24%	15.36%	1.27%	36.74%
Dir. with delegations and GM Sub. Comp.	73.38%	10.27%	15.41%	0.94%	36.28%
Control Departments	84.29%	6.05%	9.08%	0.57%	18.63%

In the financial year 2014, only one resource received total remuneration exceeding one million Euros.

To accompany the above “ex post” information on the implementation of the Remuneration Policies, we note the following:

i. the Nomination and Remuneration Committee, during 2014, met 7 times, mainly discussing issues relating to the implementation and adjustment of the Remuneration Policies described in the Report in question and opinions were also issued in relation to proposals concerning the company officers within the Group;

ii. the Internal Audit Department conducted an audit in relation to the Remuneration and Incentive Policies adopted in 2014 and in relation to the policies applied with respect to the results of the 2013 financial year.

The Remuneration and Incentive Policies adopted were found to be in line with the regulatory requirements of the Bank of Italy (7th update of Circ. 285) in terms of risk assessment, identification of identified staff, introduction of malus mechanisms and limits to the incidence of variable remuneration depending on the categories of beneficiaries. Based upon the checks conducted, the bonuses paid to staff with reference to the 2013 financial year fall within the parameters defined by the Group's incentive policies.

The detailed outcomes of the checks conducted have been brought to the attention of the relevant Bodies and Departments;

iii. the Compliance Department believes that this Report is coherent with the objectives of compliance with the Supervisory Provisions of the Bank of Italy in that regard and with the articles of association.

iiii. the Risk Management Department has participated in the process of defining the Remuneration Policies. The gate parameters of liquidity and capital were identified in line with the Group's risk strategy defined in the “Risk appetite and management of corporate risks policy”. The ex post verification of compliance of the levels adopted for the year 2014 gave a positive result.

3.3 The Remuneration Policies for remaining staff

The elements constituting the remuneration package for remaining staff are the following:

- Fixed annual remuneration: in line with the professional positioning and actual experience, seniority and expertise of the employee, constantly monitored and verified with respect to the market context, taking into consideration the level of experience and professional expertise required for each position;
- Variable remuneration: constituted by the Company Bonus provided by the National Collective Labour Agreement (Art. 43 12/2007) and linked to the economic performance of the Company and by a Monetary Incentive Component, which rewards the annual “performances” in relation to the assigned targets and the results achieved. The amount of the Monetary Incentive Component intended for the remaining staff may not however, individually, exceed 20% of the gross annual remuneration;
- Benefits: to complete the remuneration offer, employees are offered a package of additional benefits, such as, by way of example, a supplementary pension plan, supplementary forms of insurance, health cover and discounts on banking products of the Group.

It is also possible to provide for certain professional figures “*retention*” policies that may be expressed by way of non-competition agreements (known as “NCA”), stability pacts and agreements for extending the prior notice period, with payment of a specific fee.

3.3.1. The Variable Component of the Remuneration Package

In the Group's Remuneration Policies, the variable component of the remuneration is a performance incentive tool.

The monetary incentive system provided for specific categories of personnel (network and head office) is developed in respect of a set of guidelines consistent with the general principles on which the Group's remuneration policies are based. In particular, that system:

1. respects the objectives and company values, the long-term strategies and the policies of prudent risk management of the bank. The variable component of the remuneration of network staff does not involve, in fact, the receipt of incentives that may prejudice

the provision of investment services in respect of the interests of customers or that place the interests of the Group above those of customers;

2. is based upon a methodology of determination of bonuses linked to the achievement of pre-determined targets, assigned through an explicit and shared process;
3. takes into consideration, as regards the remaining staff of the Parent Company, the annual performance of the Group by way of a mechanism that links the amount of maximum expenditure to target levels of consolidated adjusted profit of current operations gross of taxes, fixed year on year by the Board of Directors. For staff of Subsidiaries, the maximum expenditure is determined for each company, in respect of the guidelines laid down for the Group, in relation to target levels of individual adjusted profit of current operations gross of taxes.

That mechanism involves the zeroing of the *bonus pool* in the case of unsatisfactory results and in the case of negative results;

4. subjects the payment of bonuses to the presence of two access conditions (known as “gate” targets) which reflect the level of capital resources and liquidity of the Group in order to make the monetary incentive system sustainable with respect to the Group's financial situation. In particular, those “gate” targets, which reflect those provided for “identified staff”, are the following:

- **liquidity gate**: the gate of adequacy of the **liquidity reserve** is fixed in relation to the liquidity risk tolerance threshold defined, in criteria and content, by the “Risk appetite and management of business risks policy”, as maximum exposure to the risk deemed sustainable in a context of the normal progress of the business (*going concern*) over a timeframe of 3 months supplemented by stress scenarios in a timeframe of 1 month;
- **capital gate**: the “core tier 1” index previously used is replaced by the relationship between **Own Funds and RWA considering the 1st and 2nd pillar risks** in order to take account also of prudential second pillar requirements.

There is no provision for incentive systems based only on commercial targets.

On the occasion of behaviours of excellence, extraordinary events and special projects, the General Manager has the right to grant one-off bonuses to “remaining staff” even in supplementation of the bonuses provided by the incentive system.

The total amount of the bonuses paid to the individual resource in the circumstances described above may not, in any case, exceed 20% of the gross annual remuneration.

The General Manager is also entitled to resolve upon severance incentives, constituting payments in addition to the staff severance pay, even outside of structured plans.

The maximum expenditure granted to the General Manager has been resolved for the year 2015 at the amount of 1% of the cost of personnel provided in the budget.

Where staff are recruited from other companies, the General Manager is entitled to resolve upon so-called *entry bonuses* which, agreed and formalised in the letter of recruitment in order to improve the attractiveness of the Company's proposal, may be paid in the first year of service.

3.3.2 Staff of Banks Network of the Group

The incentive systems provided for network staff of the Banks of the Group meet the dual objective of aligning the performances of the network to the Group's strategic objectives and motivating resources to achieve and maintain excellent performance levels of the activities.

The bonuses of Network Staff are never linked to the offer of financial products falling within the scope of application of the MiFID Directive or policies that condition the obtaining of financing, so as to avoid incorrect commercial practices.

The network staff is made up of the following professional figures:

- Area Managers;
- Branch Managers and Officers;
- Private Bankers;
- Other Network Staff.

Area Managers

The bonus system for Area Managers involves the assignment of specific targets in order to measure the performance of the Area in relation to a score calculated on the basis of achievement of the assigned budgets for macro aggregates, of which the Income Statement

target, the quality of credit and respect of internal and external regulations are of particular importance. The bonus accrued, having achieved the minimum profit level, is correlated to the score achieved.

Branch Managers and Officers

The bonus system for Branch Managers and Officers involves the assignment of specific targets in order to measure the performance of the Branch in relation to a score calculated on the basis of achievement of the assigned budgets for macro aggregates, of which the Income Statement target, the quality of credit and respect of internal and external regulations are of particular importance. The bonus accrued, having achieved the minimum profit level, is correlated to the score achieved.

Private Bankers

The bonus system for Private Bankers involves the assignment of specific targets in order to measure the performance implemented based upon the achievement of the assigned budgets for macro aggregates, given the due respect of internal and external regulations.

Other Network Staff

The attribution of the Monetary Incentive Component to Other Network Staff has as its main objective the attribution of bonuses strictly commensurate to the increase, achieved by the individual peripheral units, of activities deriving from the acquisition of new markets and/or higher market shares, in coherence with the Group strategies and it is activated upon achieving the assigned targets. The amount of the bonus accrued is determined in accordance with meritocratic criteria which must respect the principle of proportionality in relation to commercial development, safeguarding of risks and adherence to the performance assessment system.

3.3.3 Staff of the Banks Office of the Group

The Office Staff is constituted by management and clerical staff of the Head Office excluding the “identified staff”. For Office Staff the methodology of determining bonuses is linked to the achievement of general targets and is aimed at recognising individual performances. As part of the maximum expenditure established for the bonus system for remaining staff (bonus pool), a maximum amount of expenditure available to the Departments, Areas and Head Office is defined annually, for the payment of bonuses to staff of the individual structures. The subdivision of that maximum expenditure is determined on the basis of many factors related to the achievement of individual and team results and the achievement of particular targets assigned during the year which constitute the basis for formulating the proposals under the remit of each Office/Area/Department Manager in favour of his/her collaborators. The bonus proposals, coherent with the outcome of the individual performance assessment process, are subsequently submitted for approval by the Resources Department.

3.3.4 Financial Advisors

The remuneration of Financial Advisors is regulated in accordance with the regulations provided by the agency contract and is essentially of variable nature.

The remuneration of advisors may be constituted by three components:

- Commissions, based upon rates differentiated by role (junior, basic, senior advisor and area manager), commensurate to the commission returns of the managed portfolio;
- Commissions, differentiated by role (junior, basic, senior advisor and area manager), against activity of reporting of banking products and services.
- Commissions related to an incentive system (usually of annual duration) linked to the maintenance and development of the collection relating to the advisor. The actual payment is subject to the verification by the Bank of the correctness of the relationships with customers and the respect of internal and external regulations.

3.3.5 Fides Spa Staff

Fides Spa has adopted, commencing from the financial year 2015, a variable incentive system for the remaining staff using a methodology of determining bonuses connected to the achievement of general targets and aimed at recognising individual performances. As part of the maximum expenditure established for the incentive system for remaining staff (bonus pool) the accrual of bonuses for the individual resources is determined on the basis of a number of factors related to the achievement of individual and team results and the achievement of particular targets assigned during the year.

3.4 Implementation of remuneration policies for remaining personnel for the year 2014

With reference to the financial year 2014, the “gate” targets of capital adequacy and liquidity have been achieved. The maximum expenditure determined as a percentage based upon the consolidated adjusted profit of current operations gross of taxes amounts to Euros 1,360,000. Within that cited maximum expenditure, bonuses are currently being defined for the individual beneficiaries, in scrupulous respect of the individual limit to the incidence of variable remuneration on fixed remuneration of 20%.

4. Compensation in the event of resignation or termination of the relationship and individual pension benefits

In accordance with the provisions of Article 21 of the Articles of Association, the Shareholders' Meeting resolves upon the following criteria for determining the compensation to be paid in the case of early conclusion of the employment relationship or early termination from the role:

- the limit to the compensation is established at 2 years of fixed remuneration. For staff recruited on a subordinate employment contract, any definition of compensation for termination of the employment relationship determined within the limits cited above is understood to replace the application of what is provided in that regard by the National Collective Labour Agreement;
- the total sum paid to an individual resource may not in any case exceed the limit of 1.5 million Euros;
- only for Identified Staff, the sum agreed for the early conclusion of the employment relationship or early termination from the role will be paid by the methods provided for variable remuneration of risk taker staff (deferral, correlation to performance of the stock, malus, claw back). For identified staff recruited on a subordinate employment contract, the payment methods provided for the variable remuneration of identified risk taker staff will be applied only on the portion of compensation that may exceed the prior notice calculated in accordance with the provisions of the National Collective Labour Agreement.

At present, no resource of the Group is provided with additional indemnities to those provided by the employment contract or by the Italian Civil Code in the case of resignation or termination of the relationship. There are no agreements that involve the assignment or maintenance of non-monetary benefits in favour of persons who have ceased their role (known as post-retirement perks) or the stipulation of consultancy contracts for a period after the termination of the relationship or for non-competition commitments. There is the possibility for some specific professional figures to enter into non-competition agreements that involve the payment of a fee correlated to the gross annual remuneration following the termination of the employment relationship and commensurate to the duration and scope of the obligation deriving from that agreement. In those cases, the fee is determined within the limits and with the methods of payment provided by the rules.

Only in the case of the General Manager, as already described in last year's Report, does the individual employment contract provide, in the case of unjustified company withdrawal, in replacement of the treatments deriving from the provisions of Articles 30, 31 and 32 of the National Collective Labour Agreement, an indemnity in the pre-established amount of a number of months, calculated in thirteenths of the Gross Annual Remuneration, amounting to the difference between the number of months of prior notice that may be due and twenty-four. The cited contract will be appropriately adjusted based upon the criteria and methods of payment described above within the terms provided by the transitory provisions of the 7th update of Circular no. 285 of last 18 November 2014.

No discretionary pension benefits are provided.

During 2014 there were 4 terminations of resources belonging to the identified staff with the total payment of €27,385.63 by way of staff severance pay. In no case did the individual contract provide for the payment of additional fees for the early conclusion of the employment relationship or for the early termination from the role. In one case, preceding the publication of the 7th update of Circular no. 285, upon the mutual termination of the relationship, the payment of €100,000 was agreed against the mutual waiver of the obligation of prior notice and the compensation in lieu of prior notice. No compensation additional to that provided by the contract and by the National Collective Labour Agreement was therefore paid.

We also note that during 2014 one manager, for whom, following organisational changes occurring at the Head Office of the Parent Company in early 2014, the identification among the identified staff had ceased, resigned with a view to accessing the redundancy fund. An agreement was reached with that person, prior to the publication of the 7th update of Circular no. 285, during conciliation with settlement purposes for the payment of the sum of Euros 120,000, for the non-competition agreement. The termination then occurred in the financial year 2015.

SECTION II

This Section of the report provides a representation of the items that make up the remuneration of the management and control bodies, as well as the general managers, with the aim of highlighting the coherence with the general Policy described in Section I.

Chairman

The fixed remuneration of Mr Agostino Gavazzi for the role of Chairman amounted to 626,667 Euros, plus 23,333 Euros for the role of Director, 10,000 Euros as a fee for participating in internal Committees and 3,900 Euros as attendance fees.

There is no provision for compensation at the end of the role due to resignation or termination of the relationship.

Vice Chairman

The fixed remuneration of Mr Stefano Lado for the role of Vice Chairman amounted to 216,667 Euros, plus 23,333 Euros for the role of Director, 10,000 Euros as a fee for participating in internal Committees and 4,800 Euros as attendance fees.

The Vice Chairman also received additional fees for roles in subsidiary and associated companies amounting to 174,928 Euros.

There is no provision for compensation at the end of the role due to resignation or termination of the relationship.

Managing Director

The fixed remuneration of Mr Tommaso Cartone for the role of Managing Director amounted to 633,331 Euros, plus 23,333 Euros for the role of Director, 10,000 Euros as a fee for participating in internal Committees.

The value of the non-monetary benefits package assigned to the Managing Director amounted to 3,704 Euros.

With reference to the incentive plan for management of the Group, Mr Tommaso Cartone accrued in the 2014 financial year, a variable fee of 333,332 Euros.

With reference to the 20,000 Banco Desio SpA shares assigned in the year 2012 to Mr Tommaso Cartone as part of the Stock Grant Plan approved by the Shareholders' Meeting on 29/11/2011, we note that, with the three year capital and liquidity targets having been positively achieved and the minimum three year performance target not having been achieved, the conditions for the actual allocation of the securities have not accrued. As part of that plan, the stock granted during the financial year 2013 with respect to the 2013-2015 performance period is still to be verified.

There is no provision for compensation at the end of the role due to resignation or termination of the relationship.

Other Executive Directors

Messrs Egidio Gavazzi, Tito Gavazzi and Graziella Bologna receive, in addition to the fixed remuneration for the role of Directors, an additional fee in the capacity of members of the Executive Committee, as well as the payment of attendance fees, as provided by the Group's remuneration policy.

There is no provision for compensation at the end of the role due to resignation or termination of the relationship.

Non-Executive Directors

Messrs Paolo Gavazzi, Gerolamo Pellicanò, Cristina Finocchi Mahnè, Gigliola Zecchi Balsamo and Sandro Appetiti receive fixed remuneration for the role of Directors, a possible additional fee for participating on Committees, as well as the payment of attendance fees, as provided by the Group's remuneration policy.

There is no provision for compensation at the end of the role due to resignation or termination of the relationship.

General Manager

The fixed remuneration of Mr Luciano Colombini is made up of gross annual remuneration of 500,000 and by additional fees for roles in subsidiary companies amounting to 100,000 Euros, plus 10,000 for belonging to the Executive Committee established on 10 February 2015.

With reference to the incentive plan for management of the Group, Mr Luciano Colombini accrued during the 2014 financial year, a variable fee of 250,000 Euros.

In line with the resolution made at the BoD of the Bank at the meeting on 24 February 2015 in relation to the obligation to pay into the Company holding the employment relationship any fees received for assignments accepted on behalf of the same at companies or entities belonging or external to the Group, commencing from 1 May 2015 the aforementioned fees will be entirely paid into the company holding the employment relationship.

The value of the non-monetary benefits package assigned to the General Manager amounts to 7,330 Euros.

The individual contract of the General Manager which provides, as already described in last year's Report, in the case of unjustified company withdrawal, in replacement of the treatments deriving from the provisions of Articles 30, 31 and 32 of the National Collective Labour Agreement, an indemnity in the pre-established amount of a number of months, calculated in thirteenths of the gross annual remuneration, amounting to the difference between the number of months of prior notice that may be due and twenty-four, will be appropriately adjusted to the criteria and methods of payment adopted by the Bank referred to in Paragraph 4 of Section

I, in the terms provided by the transitory provisions of the 7th update of Circular no. 285 of last 18 November 2014.

Managers with strategic responsibilities

The Manager with Strategic Responsibilities received total gross remuneration of Euros 214,615. The value of the non-monetary benefits package amounted to 2,608 Euros.

With reference to the incentive plan for management of the Group, Mr Ippolito Fabris accrued in the 2014 financial year variable remuneration of 107,308 Euros.

Taking account of the recruitment date of Mr Fabris Ippolito and that of termination of Mr Angelo Antoniazzi (previously Vice General Manager), the total remuneration paid in the 2014 financial year to Managers with strategic responsibilities amounts to 585,572 Euros.

With reference to the 7,000 Banco Desio SpA shares assigned in the year 2012 to Mr Angelo Antoniazzi as part of the Stock Grant Plan approved by the Shareholders' Meeting on 29/11/2011, we note that, with the three year capital and liquidity targets having been positively achieved and the minimum three year performance target not having been achieved, the conditions for the actual allocation of the securities have not accrued.

Mr Angelo Antoniazzi, on the occasion of termination of the relationship with Banco Desio SpA, was not paid any compensation in addition to staff severance pay.

There is no provision for compensation at the end of the role due to resignation or termination of the relationship.

Quantitative information aggregated by Business area

At the reference date of the financial statements, 31 December 2014, the total number of resources amounts to 1701, of which 14 belong to strategic supervision and control bodies, 2 belong to the management body, 21 managers, 875 executives and 789 belonging to the professional areas. The following table summarises the fixed annual remuneration of resources broken down by areas of activity based upon the corporate organisation chart at the date of 31/12/14.

Remuneration by Business area (*)							
Strategic supervision and control body	Management body	Investment banking	Retail banking	Asset management	Company Departments	Company control departments	"Other" areas of activity
2,052,000	770,000	-	68,450,567	1,450,936	13,112,936	3,547,587	-

*Areas of activity EBA statistical findings

Desio, 19 March 2015

For the Board of Directors

The Chairman

(Mr Agostino Gavazzi)

TABLE 1: Remuneration paid to members of the management and control bodies, general managers and other managers with strategic responsibilities.

Name and surname	Role	Period for which the role has been covered	Expiry of Role	Fixed remuneration	Fees for participation on committees	Non-equity variable remuneration		Non-monetary benefits	Other remuneration	Total	Fair Value of equity remuneration	Compensation for end of role or termination of employment relationship
						Bonuses and other incentives	Profit sharing					
Agostino Gavazzi	<i>Chairman</i>	01/01/14-31/12/14	approval date of financial statements of 2016									
I) Remuneration in company that drafts the financial statements				653,900	10,000					663,900		
(II) Remuneration from subsidiaries and associates												
(III) Total				653,900	10,000					663,900		
<i>Notes</i>				I) of which: - 23,333 Euros for the Role of Director - 626,667 Euros for the Role of Chairman - 3,900 Euros as attendance fees	I) as member of the Executive Committee							

Name and surname	Role	Period for which the role has been covered	Expiry of Role	Fixed remuneration	Fees for participation on committees	Non-equity variable remuneration		Non-monetary benefits	Other remuneration	Total	Fair Value of equity remuneration	Compensation for end of role or termination of employment relationship
						Bonuses and other incentives	Profit sharing					
Stefano Lado	<i>Vice Chairman</i>	01/01/14-31/12/14	approval date of financial statements of 2016									
I) Remuneration in company that drafts the financial statements				243,000	11,800					254,800		
(II) Remuneration from subsidiaries and associates				174,928						174,928		
(III) Total				397,928	11,800					429,728		
<i>Notes</i>				I) of which: - 23,333 Euros for the Role of Director - 216,667 Euros as remuneration for the Role of Vice Chairman - 3,000 Euros as attendance fees II) of which: - 74,795 Euros as Chairman of the company Banco Desio Lazio - 85,133 Euros as Chairman of the company Banca Popolare di Spoleto - 10,000 Euros as Director of the company Fides - 5,000 Euros as Director of the company Istifid	I) of which: - 10,000 Euros as member of the Executive Committee - 1,800 Euros as attendance fees							

Name and surname	Role	Period for which the role has been covered	Expiry of Role	Fixed remuneration	Fees for participation on committees	Non-equity variable remuneration		Non-monetary benefits	Other remuneration	Total	Fair Value of equity remuneration	Compensation for end of role or termination of employment relationship
						Bonuses and other incentives	Profit sharing					
Tommaso Cartone	<i>Managing Director</i>	01/01/14-31/12/14	approval date of financial statements of 2016									
I) Remuneration in company that drafts the financial statements				656,664	10,000	333,332		3,704		1,003,700	23,561	
(II) Remuneration from subsidiaries and associates												
(III) Total				656,664	10,000	333,332		3,704			23,561	
<i>Notes</i>				I) of which: - 23,333 Euros for the Role of Director - 633,331 Euros as a fee for the Role of Managing Director	I) as member of the Executive Committee						I) Stock Grant Plan	

Name and surname	Role	Period for which the role has been covered	Expiry of Role	Fixed remuneration	Fees for participation on committees	Non-equity variable remuneration		Non-monetary benefits	Other remuneration	Total	Fair Value of equity remuneration	Compensation for end of role or termination of employment relationship
						Bonuses and other incentives	Profit sharing					
Pier Antonio Cutellè	Director	01/01/14-29/4/14										
I) Remuneration in company that drafts the financial statements				24,022	6,520					30,542		
(II) Remuneration from subsidiaries and associates				22,633	10,417					33,350		
(III) Total				46,655	16,937					63,892		
<i>Notes</i>				I) of which: - 22,822 Euros for the Role of Director - 1,200 Euros as attendance fees II) of which: - 20,833 Euros for the Role of Director of BPS; - 1,800 Euros as attendance fees.	I) of which: - 3,260 Euros as member of Committee for Transactions with Related Parties - 3,260 Euros as member of Nomination and Remuneration Committee II) of which: -6,250 Euros as member of the BPS Risks Control Committee - 4,167 Euros as member of BPS Remuneration Committee							
Egidio Gavazzi	Director	01/01/14-31/12/14	approval date of financial statements of 2016									
I) Remuneration in company that drafts the financial statements				72,850	31,650					104,500		
(II) Remuneration from subsidiaries and associates												
(III) Total				72,850	31,650					104,500		

<i>Notes</i>	I) of which: - 70,000 Euros for the Role of Director - 2,850 Euros as attendance fees	I) of which: - 30,000 Euros as member of the Executive Committee - 1,650 Euros as attendance fees									
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Name and surname	Role	Period for which the role has been covered	Expiry of Role	Fixed remuneration	Fees for participation on committees	Non-equity variable remuneration		Non-monetary benefits	Other remuneration	Total	Fair Value of equity remuneration	Compensation for end of role or termination of employment relationship
						Bonuses and other incentives	Profit sharing					
Luigi Gavazzi	<i>Director</i>	01/01/14-29/04/14										
I) Remuneration in company that drafts the financial statements				40,323	9,781					50,104		
(II) Remuneration from subsidiaries and associates												
(III) Total				40,323	9,781					50,104		
<i>Notes</i>				I) of which: - 22,822 Euros for the Role of Director - 1,200 Euros as attendance fees - 16,301 Euros come Secret. of the BoD	I) of which: - 9,781 Euros member of the Executive Committee							
Paolo Gavazzi	<i>Director</i>	01/01/14-31/12/14	approval date of financial statements of 2016									
I) Remuneration in company that drafts the financial statements				74,200	30,000					104,200		
(II) Remuneration from subsidiaries and associates												
(III) Total				74,200	30,000					104,200		
<i>Notes</i>				I) of which: - 70,000 Euros for the Role of Director - 4,200 Euros as attendance fees	I) of which: - 10,000 Euros as Secretary of the Control and Risks Committee - 10,000 Euros as member of							

		Nomination and Remuneration Committee - 10,000 Euros as member of Committee for Transactions with Related Parties							
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Name and surname	Role	Period for which the role has been covered	Expiry of Role	Fixed remuneration	Fees for participation on committees	Non-equity variable remuneration		Non-monetary benefits	Other remuneration	Total	Fair Value of equity remuneration	Compensation for end of role or termination of employment relationship
						Bonuses and other incentives	Profit sharing					
Cristina Fiocchi Mahnè	<i>Director</i>	30/05/2014-31/12/2014	approval date of financial statements of 2016									
I) Remuneration in company that drafts the financial statements				74,500	20,000					94,500		
(II) Remuneration from subsidiaries and associates												
(III) Total				74,500	20,000					94,500		
<i>Notes</i>				I) of which: - 70,000 Euros for the Role of Director - 4,500 Euros as attendance fees	I) of which: - 10,000 Euros as member of the Control and Risks Committee - 10,000 Euros as member of the Committee for Transactions with Related Parties							
Gerolamo Pellicanò	<i>Director</i>	01/01/14-31/12/14	approval date of financial statements of 2016									
I) Remuneration in company that drafts the financial statements				74,500	20,000					94,500		
(II) Remuneration from subsidiaries and associates										0		
(III) Total				74,500	20,000					94,500		
<i>Notes</i>				I) of which: - 70,000 Euros for the Role of Director - 4,500 Euros as attendance fees	I) of which : - 10,000 Euros as member of the Control and Risks Committee - 10,000 Euros as member of Nomination and Remuneration Committee							

Name and surname	Role	Period for which the role has been covered	Expiry of Role	Fixed remuneration	Fees for participation on committees	Non-equity variable remuneration		Non-monetary benefits	Other remuneration	Total	Fair Value of equity remuneration	Compensation for end of role or termination of employment relationship
						Bonuses and other incentives	Profit sharing					
Guido Pozzoli	Director	01/01/14-29/04/14										
I) Remuneration in company that drafts the financial statements				24,022	10,981					35,003		
(II) Remuneration from subsidiaries and associates												
(III) Total				24,022	10,981					35,003		
<i>Notes</i>				I) of which: - 22,822 Euros for the Role of Director - 1,200 Euros as attendance fees	I) of which: - 9,781 as member of the Executive Committee - 1,200 Euros as attendance fees							
Lorenzo Rigodanza	Director	01/01/14-29/04/14										
I) Remuneration in company that drafts the financial statements				24,022	6,520					30,542		
(II) Remuneration from subsidiaries and associates												
(III) Total				24,022	6,520					30,542		
<i>Notes</i>				I) of which: - 22,822 Euros for the Role of Director - 1,200 Euros as attendance fees	I) of which: - 3,260 Euros as Chairman of the Control and Risks Committee - 3,260 Euros as Chairman of the Committee for Transactions with Related Parties							

Name and surname	Role	Period for which the role has been covered	Expiry of Role	Fixed remuneration	Fees for participation on committees	Non-equity variable remuneration		Non-monetary benefits	Other remuneration	Total	Fair Value of equity remuneration	Compensation for end of role or termination of employment relationship
						Bonuses and other incentives	Profit sharing					
Gigliola Zecchi Balsamo	Director	29/04/2014 - 31/12/14	approval date of financial statements of 2016									
I) Remuneration in company that drafts the financial statements				50,670	13,534					64,204		
(II) Remuneration from subsidiaries and associates												
(III) Total				50,670	13,534					64,204		
<i>Notes</i>				I) of which: - 47,370 Euros for the Role of Director - 3,300 Euros as attendance fees	I) - 6,767 Euros as member of Control and Risks Committee - 6,767 Euros as member of Nomination and Remuneration Committee							
Sandro Appetiti	Director	29/04/2014 - 31/12/14	approval date of financial statements of 2016									
I) Remuneration in company that drafts the financial statements				50,370	6,767					57,137		
(II) Remuneration from subsidiaries and associates												
(III) Total				50,370	6,767					57,137		
<i>Notes</i>				I) of which: - 47,370 Euros for the Role of Director - 3,000 Euros as attendance fees	I) Member of the Control and Risks Committee							

Name and surname	Role	Period for which the role has been covered	Expiry of Role	Fixed remuneration	Fees for participation on committees	Non-equity variable remuneration		Non-monetary benefits	Other remuneration	Total	Fair Value of equity remuneration	Compensation for end of role or termination of employment relationship
						Bonuses and other incentives	Profit sharing					
Tito Gavazzi	Director	29/04/14-31/12/14	approval date of financial statements of 2016									
I) Remuneration in company that drafts the financial statements				49,770	21,501					71,271		
(II) Remuneration from subsidiaries and associates				19,959						19,959		
(III) Total				69,729	21,501					91,230		
<i>Notes</i>				I) of which: - 47,370 Euros for the Role of Director - 2,400 Euros as attendance fees II) of which: - 14,959 Euros as Director of the company Banco Desio Lazio - 5,000 Euros as Director of the company Fides	I) Member of the Executive Committee							
Graziella Bologna	Director	29/04/14 - 31/12/14	approval date of financial statements of 2016									
I) Remuneration in company that drafts the financial statements				110,044	21,501					131,545		100,000
(II) Remuneration from subsidiaries and associates				27,633						27,633		
(III) Total				137,677	21,501					159,178		
<i>Notes</i>				I) of which: - 60,274 remuneration for paid employment received during period 01/01/2014 - 29/04/2014 47,370 Euros for the Role of Director - 2,400 Euros as attendance fees II) of which: - 22,633 Euros for the Role of Director of BPS; - 5,000 Euros for the Role of Director of Rovere;	I) Member of the Executive Committee							

Name and surname	Role	Period for which the role has been covered	Expiry of Role	Fixed remuneration	Fees for participation on committees	Non-equity variable remuneration		Non-monetary benefits	Other remuneration	Total	Fair Value of equity remuneration	Compensation for end of role or termination of employment relationship
						Bonuses and other incentives	Profit sharing					
Luciano Colombini	General Manager		from 01/01/2014									
I) Remuneration in company that drafts the financial statements				500,000		250,000		7,331		757,331		
(II) Remuneration from subsidiaries and associates				52,782						52,782		
(III) Total				552,782		250,000		7,331		810,113		
<i>Notes</i>				I) as Gross Annual Remuneration II) of which: - 9,315 Euros as Director of the company Banco Desio Lazio; - 43,467 Euros as a fee for the Role of Vice Chairman of BPS;								
Ippolito Fabris	Vice General Manager		From 17/3/2014									
I) Remuneration in company that drafts the financial statements				214,615		107,308		2,608		324,531		
(II) Remuneration from subsidiaries and associates												
(III) Total												
<i>Notes</i>												
Angelo Antoniazzi	Vice General Manager		until 20/07/2014									
I) Remuneration in company that drafts the financial statements				130,638		133,011*		1,619		265,268		
(II) Remuneration from subsidiaries and associates				135,384				1,848		137,232		
(III) Total				266,022		133,011		3,467		402,500		
<i>Notes</i>				II) remuneration for paid employment received during period 21/7/2014 - 31/12/2014 for the Role of General Manager BPS.								

* as provided by the regulation of the incentive plan for management of the Group, the Bonus, for the 2014 financial year entirely under the remit of the Parent Company, is determined as a percentage based upon the gross annual remuneration accrued in full by the resource at the different companies of the Group.

Name and surname	Role	Period for which the role has been covered	Expiry of Role	Fixed remuneration	Fees for participation on committees	Non-equity variable remuneration		Non-monetary benefits	Other remuneration	Total	Fair Value of equity remuneration	Compensation for end of role or termination of employment relationship
						Bonuses and other incentives	Profit sharing					
Eugenio Mascheroni	Chairman Board of Auditors	01/01/14-31/12/14	approval date of financial statements of 2016									
I) Remuneration in company that drafts the financial statements				136,588	6,930					143,518		
(II) Remuneration from subsidiaries and associates				34,211						34,211		
(III) Total				170,799	6,930					177,729		
<i>Notes</i>				I) of which: - 121,918 Euros for the Role of Chairman of the Board of Auditors - 12,240 Euros as attendance fees for Auditor Checks - 2,430 Euros as attendance fees (BoD EC) II) of which: - 14,211 Euros as Chairman of the Board of Auditors of the company Banco Desio Lazio - 20,000 Euros as Chairman of the Board of Auditors of the company Fides	I) as attendance fees							
Marco Piazza	Auditor	01/01/14-29/04/14										
I) Remuneration in company that drafts the financial statements				24,712	3,780					28,492		
(II) Remuneration from subsidiaries and associates												
(III) Total				24,712	3,780					28,492		

<i>Notes</i>				I) of which: - 22,822 Euros for the role of Auditor - 1,080 Euros as attendance fees for Auditor Checks - 810 Euros as attendance fees (BoD EC)	I) as attendance fees								
Name and surname	Role	Period for which the role has been covered	Expiry of Role	Fixed remuneration	Fees for participation on committees	Non-equity variable remuneration	Non-monetary benefits	Other remuneration	Total	Fair Value of equity remuneration	Compensation for end of role or termination of employment relationship		
Rodolfo Anghileri	<i>Auditor</i>	01/01/14-31/12/14	approval date of financial statements of 2016										
I) Remuneration in company that drafts the financial statements				99,158	6,120				105,278				
(II) Remuneration from subsidiaries and associates				15,000					15,000				
(III) Total				114,158	6,120				120,278				
<i>Notes</i>				I) of which: - 86,918 Euros for the role of Auditor - 9,675 Euros as attendance fees for Auditor Checks - 2.565 Euros as attendance fees (BoD EC) II) 15,000 Euros as Statutory Auditor of the company Fides	I) as attendance fees								
Giulia Pusterla	<i>Auditor</i>	29/04/14 - 31/12/14	approval date of financial statements of 2016										
I) Remuneration in company that drafts the financial statements				70,993	855				71,848				
(II) Remuneration from subsidiaries and associates				27,703					27,703				
(III) Total				98,696	855				99,551				
<i>Notes</i>				I) of which: - 64,288 Euros for the role of Auditor - 5,220 Euros as attendance fees for Auditor Checks - 1,485 Euros as attendance fees (BoD EC)	I) as attendance fees								

	II) 27,703 Euros as Statutory Auditor of the company BPS								
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TABLE 2: Stock-Options assigned to members of the management body, general managers and other managers with strategic responsibilities.

A	B	1	Options held at start of financial year			Options allocated during financial year						Options exercised during financial year			Options expired in financial year	Options held at end of financial year	Options accrued in financial year
			2	3	4	5	6	7	8	9	10	11	12	13	14	15=2+5-11-14	16
Name and surname	Role	Plan	Number of options	Exercise price	Possible exercise period (from-to)	Number of options	Exercise price	Possible exercise period (from-to)	Fair Value at the date of allocation	Allocation date	Market price of shares underlying the allocation of shares	Number of options	Exercise price	Market price of underlying shares at the exercise date	Number of options	Number of options	Fair Value
Remuneration in company that drafts the financial statements	Plan A (date of respective resolution)																
	Plan B (date of respective resolution)																
	Plan C (date of respective resolution)																
Remuneration from subsidiaries and associates	Plan A (date of respective resolution)																
Total																	

Notes

There are no Stock Option plans in progress

TABLE 3A: Incentive plans based upon financial instruments other than stock-options, in favour of members of the management body, general managers and other managers with strategic responsibilities.

A	B	1	Financial instruments allocated in previous financial years not vested during the financial year		Financial instruments allocated during financial year					Financial instruments vested during financial year and not allocated	Financial instruments vested during financial year and attributable		Financial instruments accrued in financial year
			2	3	4	5	6	7	8		9	10	
Name and surname	Role	Plan	Number and type of financial instruments	Vesting period	Number and type of financial instruments	Fair Value at the date of allocation	Vesting period	Allocation date	Market price at allocation	Number and type of financial instruments	Number and type of financial instruments	Value at maturity date	Fair Value
Tommaso Cartone	Managing Director												
Remuneration in company that drafts the financial statements	Stock Grant Plan (Shareholders' Meeting 29/11/11)												
	Stock Grant Plan (BoD resolution 20/12/12)									20,000 BDB Ordinary Shares			
	Stock Grant Plan (BoD resolution 20/3/13)	40,000 BDB Ordinary Shares	20.3.2013 - 30.06.2016										23,561
Remuneration from subsidiaries and associates	Plan A (date of respective resolution)												
	Plan B (date of respective resolution)												
Total			40,000							20,000			23,561

(1) Official price of Banco Desio shares at 20.03.2013

A	B	1	Financial instruments allocated in previous financial years not vested during the financial year		Financial instruments allocated during financial year					Financial instruments vested during financial year and not allocated	Financial instruments vested during financial year and attributable		Financial instruments accrued in financial year
			2	3	4	5	6	7	8	9	10	11	12
Name and surname	Role	Plan	Number and type of financial instruments	Vesting period	Number and type of financial instruments	Fair Value at the date of allocation	Vesting period	Allocation date	Market price at allocation	Number and type of financial instruments	Number and type of financial instruments	Value at maturity date	Fair Value
Angelo Antoniazzi	Vice General Manager until 20/7/2014												
Remuneration in company that drafts the financial statements	Stock Grant Plan (Shareholders' Meeting 29/11/11)												
	Stock Grant Plan (BoD resolution 20/12/12)									7,000 BDB Ordinary Shares			
	Stock Grant Plan (BoD resolution 20/3/13)												
Remuneration from subsidiaries and associates	Plan A (date of respective resolution)												
	Plan B (date of respective resolution)												
Total										7,000			

TABLE 3B: Monetary incentive plans in favour of members of the management body, general managers and other managers with strategic responsibilities.

A	B	1	2			3			4
Name and Surname	Role	Plan	Bonus for year			Bonuses for previous years			Other Bonuses
Tommaso Cartone	Managing Director		(A)	(B)	(C)	(A)	(B)	(C)	
			Payable / Paid	Deferred	Deferral period	No longer payable	Payable/Paid	Still deferred	
Remuneration in company that drafts the financial statements	Incent. plan Management of the Group 2014		133,333	200,000(*)	50% 2016 50% 2017				
	Plan B (date of respective resolution)								
	Plan C (date of respective resolution)								
Remuneration from subsidiaries and associates	Plan A (date of respective resolution)								
	Plan B (date of respective resolution)								
Total									

(*) The deferred amount will be adjusted based upon the listing performance of the ordinary stock of Banco di Desio Spa.

A	B	1	2			3			4
Name and Surname	Role	Plan	Bonus for year			Bonuses for previous years			Other Bonuses
Luciano Colombini	General Manager		(A)	(B)	(C)	(A)	(B)	(C)	
			Payable / Paid	Deferred	Deferral period	No longer payable	Payable/Paid	Still deferred	
Remuneration in company that drafts the financial statements	Incent. Plan Management of the Group 2014	100,000	150,000*	50% 2016 50% 2017					
	Plan B (date of respective resolution)								
	Plan C (date of respective resolution)								
Remuneration from subsidiaries and associates	Plan A (date of respective resolution)								
	Plan B (date of respective resolution)								
Total									

(*) The deferred amount will be adjusted based upon the listing performance of the ordinary stock of Banco di Desio Spa.

A	B	1	2			3			4
Name and Surname	Role	Plan	Bonus for year			Bonuses for previous years			Other Bonuses
Angelo Antoniazzi	Vice General Manager until 20/7/2014		(A)	(B)	(C)	(A)	(B)	(C)	
			Payable / Paid	Deferred	Deferral period	No longer payable	Payable/Paid	Still deferred	
Remuneration in company that drafts the financial statements	Incent. Plan Management of the Group 2014		53,204	79,806*	50% 2016 50% 2017				
	Plan B (date of respective resolution)								
	Plan C (date of respective resolution)								
Remuneration from subsidiaries and associates	Plan A (date of respective resolution)								
	Plan B (date of respective resolution)								
Total									
Ippolito Fabris	“Business” Vice General Manager from 17/3/2014		(A)	(B)	(C)	(A)	(B)	(C)	
			Payable / Paid	Deferred	Deferral period	No longer payable	Payable/Paid	Still deferred	
Remuneration in company that drafts the financial statements	Incent. Plan Management of the Group 2014		42,923	64,384*	50% 2016 50% 2017				
	Plan B (date of respective resolution)								
	Plan C (date of respective resolution)								
Remuneration from subsidiaries and associates	Plan A (date of respective resolution)								
	Plan B (date of respective resolution)								
Total									

(*) the deferred amount will be adjusted based upon the listing performance of the ordinary stock of Banco di Desio Spa.

TABLE 4.1 - Investments in Banco Desio of members of the Management and Control Bodies and the General Manager of Banco di Desio e della Brianza SpA.

Name and surname	Role covered in Banco Desio	Title / Type of ownership	Ordinary shares (at 31.12.2013)	%	Purchases of ordinary shares	Sales of ordinary shares	Balance of ordinary shares (at 31.12.2014)	%	Savings shares (at 31.12.2013)	%	Purchases of savings shares	Sales of savings shares	Balance of savings shares (at 31.12.2014)	%
Agostino Gavazzi	Chairman	Ownership	78,244	0.067			78,244	0.067	0	0.000			0	0.000
		Bare ownership	5,500	0.005			5,500	0.005	0	0.000			0	0.000
		Headed to spouse	2,900	0.002			2,900	0.002	0	0.000			0	0.000
Stefano Lado *	Vice Chairman	Ownership	2,122,656	1.814			2,122,656	1.814	196,000	1.485			196,000	1.485
		Headed to spouse	6,500	0.006			6,500	0.006	0	0.000			0	0.000
		Ownership by way of Vega Finanziaria SpA	6,885,730	5.885			6,885,730	5.885	571,522	4.329			571,522	4.329
Tommaso Cartone	Managing Director		0	0.000			0	0.000	0	0.000			0	0.000
Sandro Appetiti **	Director		0	0.000			0	0.000	0	0.000			0	0.000
Graziella Bologna **	Director		0	0.000			0	0.000	0	0.000			0	0.000
Pier Antonio Cutellè	Director (terminated from the role on 29 April 2014)		0	0.000			0	0.000	139,000	1.053			139,000	1.053
Cristina Finocchi Mahne	Director		0	0.000			0	0.000	0	0.000			0	0.000
Egidio Gavazzi	Director	Ownership	15,000	0.013			15,000	0.013	0	0.000			0	0.000

Name and surname	Role covered in Banco Desio	Title / Type of ownership	Ordinary shares (at 31.12.2013)	%	Purchases of ordinary shares	Sales of ordinary shares	Balance of ordinary shares (at 31.12.2014)	%	Savings shares (at 31.12.2013)	%	Purchases of savings shares	Sales of savings shares	Balance of savings shares (at 31.12.2014)	%
Luigi Gavazzi	Director (terminated from the role on 29 April 2014)	Ownership	84,340	0.072			84,340	0.072	0	0.000			0	0.000
		Bare Ownership	5,500	0.005			5,500	0.005	0	0.000			0	0.000
Paolo Gavazzi	Director	Ownership	750,453	0.641		90,000	660,453	0.564	15,004	0.114			15,004	0.114
Tito Gavazzi **	Director		0	0.000			0	0.000	0	0.000			0	0.000
Gerolamo Pellicano'	Director		0	0.000			0	0.000	0	0.000			0	0.000
Guido Pozzoli	Director (terminated from the role on 29 April 2014)	Ownership	37,000	0.032			37,000	0.032	0	0.000			0	0.000
		Headed to spouse	12,500	0.011			12,500	0.011	0	0.000			0	0.000
		Usufruct	50,000	0.043			50,000	0.043	3,000	0.023			3,000	0.023
Lorenzo Rigodanza	Director (terminated from the role on 29 April 2014)		0	0.000			0	0.000	0	0.000			0	0.000
Gigliola Zecchi Balsamo **	Director		0	0.000			0	0.000	0	0.000			0	0.000
Luciano Colombini	General Manager		0	0.000			0	0.000	0	0.000			0	0.000
Eugenio Mascheroni	Chairman Board of Auditors		0	0.000			0	0.000	0	0.000			0	0.000
Rodolfo Anghileri	Statutory Auditor		0	0.000			0	0.000	20,000	0.151			20,000	0.151
Marco Piazza	Statutory Auditor (terminated from the role on 29 April 2014)		0	0.000			0	0.000	0	0.000			0	0.000
Giulia Pusterla **	Statutory Auditor		0	0.000			0	0.000	0	0.000			0	0.000
Giovanni Cucchiani	Alternate Auditor	Ownership	14,240	0.0122			14,240	0.0122	1,000	0.008			1,000	0.008
		Headed to spouse	3,200	0.00274	3,600		6,800	0.00581	0	0.000			0	0.000

Name and surname	Role covered in Banco Desio	Title / Type of ownership	Ordinary shares (at 31.12.2013)	%	Purchases of ordinary shares	Sales of ordinary shares	Balance of ordinary shares (at 31.12.2014)	%	Savings shares (at 31.12.2013)	%	Purchases of savings shares	Sales of savings shares	Balance of savings shares (at 31.12.2014)	%
Clemente Domenici	Alternate Auditor (terminated from the role on 29 April 2014)	Ownership	1,000	0.00085			1,000	0.00085	0	0.000			0	0.000
Elena Negonda **	Alternate Auditor		0	0.000			0	0.000	0	0.000			0	0.000
Paolo Pasqui **	Alternate Auditor		0	0.000			0	0.000	0	0.000			0	0.000
Carlo Mascheroni	Alternate Auditor (terminated from the role on 29 April 2014)		0	0.000			0	0.000	0	0.000			0	0.000

* The lawyer Mr Stefano Lado is the holder of a general power of attorney issued to his brother Mr Luigi Lado by virtue of which he holds a percentage of 0.227 % of ordinary shares (265,624) of the Bank as well as the control of Vega Finanziaria SpA

**Appointed by the Ordinary Shareholders' Meeting on 29 April 2014. It is noted that for the representatives terminated from the role on 29 April 2014 the number of shares is updated to the aforementioned date of 29 April 2014

TABLE 4.2: Investments in Banco Desio of the other managers with strategic responsibilities.

Name and surname	Role covered in Banco Desio	Title / Type of ownership	Ordinary shares (at 31.12.2013)	%	Purchases of ordinary shares	Sales of ordinary shares	Balance of ordinary shares (at 31.12.2014)	%	Savings shares (at 31.12.2013)	%	Purchases of savings shares	Sales of savings shares	Balance of savings shares (at 31.12.2014)	%
Ippolito Fabris	Business Vice General Manager (appointed by BoD from 17 March 2014)		0	0.000			0	0.000	0	0.000			0	0.000