



Banco di Desio e della Brianza SpA

**ANNUAL REPORT
ON THE
REMUNERATION POLICIES
OF THE BANCO DESIO GROUP
(BoD meeting held on 8 February 2018)**

BANCO DI DESIO E DELLA BRIANZA S.p.A.
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Share capital Euro 67,705,040.00 fully paid-up
Member of the Interbank Deposit Protection Fund
and the National Guarantee Fund
Entered in the Bank Register with ABI Code no. 3440/5
Parent Company of the Banco di Desio e della Brianza Banking Group
Entered in the Banking Group Register under 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 Provisions 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 directives aimed at ensuring compliance with rules of correctness and transparency in the conduct of investment services and the management of potential conflicts of interest of the EBA Guidelines on sound remuneration policies, of the EBA Guidelines on remuneration policies for sales staff and of the Commission Delegated Regulation (EU) No 604/2014 to determine who the identified staff are.

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 Bank of Italy had announced its intention to update the provisions on remuneration policies by 30 June 2017 in order to comply with the EBA Guidelines on sound remuneration policies published on 21 December 2015, for the few provisions not yet in line with the regulations. Considering that the misalignment areas are largely attributable to the more restrictive approach of the national regulatory authority compared to the contents of the above-mentioned Guidelines, pending the publication of the new regulations, expected shortly, the Group confirms the system of remuneration and incentive policies so far adopted.

The Group, considering its dimensional characteristics, with assets amounting to approximately 14 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 and 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 chart.



(*) 30 June 2017 was the expiration date of the time interval for exercising the "2015 -2017 Banca Popolare di Spoleto S.p.A. Warrants" (the "BPS Warrants") which had been issued by effect of the resolution passed by the Extraordinary Shareholders' Meeting of BPS on 30 March 2015 (up to 11,104,626), and assigned free of charge to holders of ordinary BPS shares other than Banco Desio. In the exercise period, from 30 June 2015 to 30 June 2017, 72,898 BPS Warrants were converted into an equal number of converted shares, consequently bringing the shareholding of Banco di Desio e della Brianza to 81.67%.

(**) Within the structuring of the programme to issue covered bonds, on 29 June 2017 Banco di Desio e della Brianza completed the purchase of the majority interest in the special purpose vehicle "Desio OBG S.r.l.", established *ad hoc*, which therefore is included in the scope of consolidation of the Banco Desio Group starting from the same date.

SECTION I

1. Governance Model

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

On 6 April 2017, 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 31/12/2019.

Those bodies are made up as follows at 31 December 2017.

Director	Office	Offices held in Committees				
		Executive Committee	Control and Risk Committee	Appointments Committee	Remuneration Committee	Committee for Transactions with Related Parties
Stefano Lado	Chairman				X	
Tommaso Cartone	Vice Chairman		X			
Agostino Gavazzi	Director	(P) X				
Egidio Gavazzi	Director	X				
Paolo Gavazzi	Director	X				
Tito Gavazzi	Director	X				
Graziella Bologna	Director	X				
Cristina Finocchi Mahne	Director (independent)		X	(P) X		
Gerolamo Pellicanò	Director (independent)		(P) X		X	
Marina Brogi	Director (independent)			X		(P) X
Nicolò Dubini	Director (independent)				(P) X	X
Gigliola Zecchi Balsamo	Director (independent)			X		X

Alternate	Office
Giulia Pusterla	Chairman
Rodolfo Anghileri	Standing Auditor
Franco Fumagalli Romario	Standing Auditor
Elena Negonda	Alternate Auditor
Erminio Beretta	Alternate Auditor
Massimo Celli	Alternate Auditor

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

- The General Manager Mr. Angelo Antoniazzi appointed on 11 July 2017, in office since 19 July 2019, to replace Mr. Luciano Camagni who left office on 11 July 2017 and resigned from 31 October 2017;
- the Substitute Vice General Manager Mr Mauro Walter Colombo;
- “Business” Vice General Manager Mr Maurizio Ballabio.

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

1.2.1 Senior Bodies

Parent Company

#

In accordance with the Supervisory Provisions of the Bank of Italy, the Parent Company sets out the remuneration and incentive policies of the entire Group, ensures their overall consistency, provides the necessary guidelines for their implementation and verifies their correct application; therefore, taking into account the Parent Company’s definition and approval activities as described below, for each subsidiary the Board of Directors transposes and the Shareholders’ Meeting approves the present Report for matters under their respective competence.

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 office.

The Shareholders’ Meeting is ensured adequate disclosure on the implementation of the remuneration policies. The Shareholders’ Meeting resolutions in that regard are made at the

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

end of a process that - depending on the powers granted on the matter - involves, in addition to the Board of Directors, the Remuneration Committee, the Control and Risks Committee, the Board of Auditors, the Chairman, the Vice Chairman and the AISCI, the General Manager, the Substitute Vice General Manager, the “Business” Vice General Manager, as well as some operational departments and internal control functions as defined below.

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, for subsequent submission to the Shareholders' Meeting, 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, for subsequent submission to the Shareholders' Meeting the criteria for determining any compensation to be paid in the event of early conclusion of the employment relationship or early termination from the office.

It determines the personnel to whom the “more detailed rules” are to be applied, because they belong to the “identified staff” on the basis of the identification process carried out in accordance with Commission Delegated Regulation (EU) No. 604/2014.

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 individual 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 aforesaid resolutions are passed with the opinion of the Remuneration Committee and of the Control and Risk Committee for matters under their competence.

Director in Charge of the Internal Control and Risk Management System (AISCI) of the Parent Company

He/she intervenes in the process of upgrading and revising the Group's remuneration policies concerning, in particular, the remuneration and incentive systems of the internal control functions and of the Executive appointed to draw up the accounting documents.

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 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, coordinating with the AISCI concerning, in particular, to the internal control functions and the Appointed Executive.

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

He/she suggests to the Board the adjustment criteria to apply to the Bonuses of the identified staff of the Parent Company and of the Subsidiaries, with the input - for the Parent Company - of the AISCI concerning the audit functions and the Appointed Executive.

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

Substitute Vice General Manager of the Parent Company

He/she is involved in the identification of the economic and capital parameters, validates the processes and makes sure that the methods for defining the provisions are correct by

coordinating the activities of the Administrative Department and of the Financial Statements and Accounting Control Office pursuant to Law 262.

“Business” Vice General Manager of the Parent Company

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

He/she disseminates the bonus system among the distribution network.

He/she provides to the Resources Department the quantitative elements to verify the achievement of the assigned targets.

He/she 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

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).

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

Boards of Directors of the Subsidiaries

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 individual targets assigned to any “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 identified staff.

The aforesaid resolutions are passed, for the banking subsidiary, with the opinion of the Remuneration Committee and of the Control and Risk Committee for matters under their competence.

1.2.2 Remuneration Committee

The Remuneration Committee comprises 3 Directors (all non-executive) of which 2 Independent including the Committee Chairman.

The AISCI participates in case of remunerations regarding the internal control functions and the Appointed Executive. The Managing Director participates in case of remuneration for other persons falling within the scope defined in the Single Text on the Remuneration and Incentive System.

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 Directors vested with particular offices (including any Directors delegated with operational powers) and of the General Management also with respect to the cases of cessation from office or termination of the employment, in accordance with the remuneration policies adopted by the Bank;
- 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 General Manager (who provides support to the Remuneration Committee, participating in its meetings, excluding those in which the remuneration of

the General Manager him/herself is discussed), to provide to the Board of Directors opinions or suggestions in relation to remuneration policies and to the compensation criteria for other persons falling within the scope defined in the Single Text on the Remuneration and Incentive System; concerning, instead, the opinions and proposals relating to the remuneration of the internal control functions and of the Appointed Executive, they are formulated at the indication of the AISCI;

- to assess periodically the adequacy, overall consistency and actual application of the aforementioned remuneration policies, using, in that regard, information provided by the General Manager and by the AISCI within their respective areas of competence;
- 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 with such procedures as to assure and effective contribution and to preserve the independent judgement of the audit functions;
- 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;
- adequately reports on the activity performed to the Board and to the Shareholders' Meeting.

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

The Remuneration Committee, in addition, with assistance from the Resources Department, and, where necessary, external consultants, periodically 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.

The banking subsidiary has established a Remuneration Committee with similar powers and duties to those of the Parent Company's Committee³.

1.2.2.1 Rules of operation of the 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

³ Said Committee shall be suppressed following the “Delisting” of BPS, with effect from the date of the Shareholders' Meeting Resolution of 22 March 2018

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.

It contributes to define and assess the achievement of the individual targets assigned to identified staff for matters under its competence.

General and Company Secretarial Office

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 provides the economic and capital data for calculating and checking the gates.

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, with the technical support of the competent Departments, 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.

Chief Risk Officer

It participates in the process of defining the Remuneration Policies in order to ensure their consistency with the Group's risk strategy.

It participates in the process of identifying the identified staff, providing the necessary assessments for the identification of the significant operating Units and of the professionals who can have a significant impact on risks, consistently with the Risk Appetite Framework. It also verifies the consistency of the system of targets and conditions underlying the remuneration and incentive policies with the Risk Appetite Framework, verifying their achievement *ex post*.

It performs similar functions as “outsourcer” of the Subsidiaries.

It contributes to define and assess the achievement of the individual targets assigned to identified staff for matters under its competence.

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.

Chief Auditing Officer

It prepares annually a report on the controls performed in relation to the correct application of the Remuneration Policies adopted, with a special attention to checking the conditions

underlying the achievement of targets and the correct recording of provisions and payments, by pointing out any anomalies so that the corrective measures can be adopted. It performs similar functions as “outsourcer” of the Subsidiaries.

Appointed Executive

He/she validates the accounting process for recognising the bonuses and deals with the correct representation in the Financial Statements of the corporate events.

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, this year the Remuneration Policies, as they did in previous years, continue to be 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.

The personnel is not allowed to put in place hedging or insurance strategies on remuneration (hedging strategies) or on other aspects that can alter or affect the effects of alignment to the business risk implicit in remuneration mechanisms.

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, have been be entirely paid into the company holding the employment relationship.

3. Scope

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

- Identified Staff;
- Remaining staff.

The process followed by the Banco Desio Group for the identification of the “identified personnel” is described below.

3.1 Identification process of “identified staff”

The process for the identification of “identified staff” is outlined according to the Regulatory Technical Standards (RTS) defined by the European Banking Authority and set out in Commission Delegated Regulation (EU) No. 604/2014, in force since 26 June 2014, and according to Decision (EU) 2015/2218 of the European Central Bank of 20 November 2015 on the procedure to exclude staff members. The Parent Company applies the aforesaid Regulation to identify the “identified staff” for the Group, with regard to all Group companies: in particular, the identification process of staff to whom to apply the more detailed rules was conducted individually by the banking subsidiary under the supervision and with the coordination of the Resources Department of the Parent Company. Concerning the non-banking companies of the Group, the identification process was carried out by the Parent Company itself.

The key criterion underlying the process consists of the assessment of the significance of each person in terms of substantial assumption of risks, on the basis of the individual position (qualitative criteria: responsibility, hierarchical levels, decision-making level, etc.) or of the remuneration (quantitative criteria), with the exception of any cases of exclusion prescribed by the regulations. The “identified staff”, defined according to the RTS criteria, comprise:

1. “identified staff” who are not included in the corporate control departments;
2. “identified staff” who are included in the corporate control departments.

The Board of Directors of the Parent Company, at the meeting on 25 January 2018, acknowledged the process performed, which led to identifying **at Group level** the following positions:

IDENTIFIED STAFF	BDB	BPS	FIDES	OBG	TOTAL	WITH VARIABLE REMUNERATION
Directors	12	12	5	3	32	0
DG VDG	3	2	2	0	7	7
Risk Takers	11	3	0	0	14	14
Control Functions	7	2	0	0	9	9
Total	33	19	7	3	62	30

With specific reference to **Banco di Desio e della Brianza Spa**, the identified staff are as follows:

Role	Recipient of incentive system	Population of incentive system
BOD Chairman	NO	
BoD Vice Chairman and AISCI	NO	
Director	NO	
Director	NO	
Director	NO	
Director	NO	
Director	NO	
Director	NO	
Director	NO	
Director	NO	
Director	NO	
Director	NO	
General Manager	YES	Senior role
Substitute Vice Gen. Man.	YES	Control Function - Senior role
Business Vice Gen. Man.	YES	Senior role
Head of External Relations Dept.	YES	Risk Takers
Head of Wealth Management Dept.	YES	Risk Takers
Head of Network Governance Support	YES	Risk Takers
Head of Planning, Management Control and Investments Department	YES	Risk Takers
Head of Finance Dept.	YES	Risk Takers
Head of Organisational Processes and Products Department	YES	Risk Takers
Head of Credits Dept.	YES	Risk Takers
Head of Foreign Dept.	YES	Risk Takers
Head of Credits Area	YES	Risk Takers
Head of Risks Perf. Contr. Area	YES	Risk Takers
Head of NPL Department	YES	Risk Takers
Head of Resources Dept.	YES	Control Function
Chief Risk Officer	YES	Control Function
Head of AIRB Function	YES	Control Function
Chief Auditing Officer	YES	Control Function
Head of Contr. Dist. & Met. Dev. Dept.	YES	Control Function
Head of Anti-Money Laundering Compliance Officer	YES	Control Function

3.2 Remuneration Policies for Identified Staff

3.2.1 Members of the Board of Directors of the Parent Company

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

- Executive Directors, as members of the Executive Committee, Messrs.: Agostino Gavazzi, Chairman of the Executive Committee, as well as Directors Egidio Gavazzi, Paolo Gavazzi, Tito Gavazzi and Graziella Bologna: (taking account of the activity of that Executive Committee in terms of frequency of meetings and extent of responsibilities);
- Non-Executive Directors, the Chairman Mr. Stefano Lado, the Vice Chairman-AISCI Mr. Tommaso Cartone, the Directors , Cristina Finocchi Mahne, Gerolamo Pellicanò, Nicolò Dubini, Marina Brogi and Gigliola Zecchi Balsamo.

The Shareholders' Meeting established at 1,000,000 Euros the gross annual fee due to the entire Board of Directors of Banco Desio, excluding the Chairman and 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 (50,000 Euros to the Chairman);
- 10,000 Euros to each member of the other Committees (15,000 Euros to the Chairman) (Control and Risk Committee, Appointments Committee, Remuneration Committee, Committee for Transactions with Related Parties);
- residual 10,000 Euros unassigned.

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

- 660,000 Euros to the Chairman
- 350,000 Euros to the Vice Chairman and AISCI

For the 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.

In addition, a D&O insurance policy is provided for Directors and Statutory Auditors.

The fees of the Chairman, the Vice Chairman/Chairmen, 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 offices held in the Board of Directors).

Vice Chairman and AISCI

The Vice Chairman's and the AISCI's remuneration package consists of:

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

3.2.2 Members of the Board of Directors of the Subsidiaries

Members of the corporate Bodies of the subsidiaries receive fixed remuneration, differentiated according to the respective offices held within each body, plus reimbursement of out of pocket expenses and attendance fees, as resolved by the respective Shareholders' Meetings. For members of the Board of Directors and of the Board of Statutory Auditors of the subsidiaries, these fees are approved by the respective ordinary Shareholders' Meeting in accordance with the company's Articles of Association. For members of the Board of Directors (Executive Directors, in view of the low fee received, and non-executive Directors), there is no variable remuneration. In compliance with the Bank of Italy's Supervisory Provisions, the members of the Board of Statutory Auditors receive no variable remuneration.

3.2.3 Structure of the remuneration of the General Manager, of Executives with strategic responsibilities and of the other identified staff

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.

Indemnities may also be assigned in connection with specific positions, functionally connected to the covered *role*, related to the fixed component of remuneration.

To complete the remuneration offer, employees, on the basis of a general policy defined at the Company level, 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.

It is also possible to provide, for certain professionals, "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.

- **Variable remuneration**

The variable remuneration consists of two elements: the Company Bonus provided by the National Collective Labour Agreement (Art. 48 19/1/2012, as renewed by agreement of 31/3/2015) linked to the economic performance of the Company and intended for the entire company population and an individual incentive system that rewards the annual "performances" in relation to the assigned targets and the results achieved. That second component 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 remuneration coming from the individual incentive system 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.

If new staff are hired from outside the Group, and only for the first year of employment, entry bonuses may be provided to make the company's proposal more attractive, in compliance with the terms and conditions prescribed by current regulations.

In case of moves within the Group, the General Manager of the Parent Company may recognise one-off or exception bonuses (e.g. on the occasion of a change in duties), duly justified and paid after verifying that the access conditions have been met, and with the payment procedures of the variable remuneration system.

The Group 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 offices, General Managers and Vice General Managers of Group companies	90%
Other Risk Takers	60%
Heads of control departments	25%

The above maximum values refer to the corporate bonus prescribed by the National Collective Labour Agreement and to any one-off or exception bonuses on the occasion of the inter-company move described above.

In addition, the variable remuneration may not exceed the maximum limits of 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), since the Bank decided not to take the option of requesting the Shareholders' Meeting to raise the limit of the variable remuneration over the fixed remuneration.

3.2.4 The variable remuneration of identified staff: The incentive plan for the 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 Adjusted Net Income and Allocated Risk Capital⁴ (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. The appropriate balancing of the variable remuneration between the portion paid in cash and the portion paid in financial instruments is ensured by the correlation envisaged by the system between setting the sums deferred and the performance of the ordinary share. The favourable pronouncement of the European Banking Authority on the application of the principle of proportionality has basically confirmed the correctness of this practice for listed companies as well.

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 mentioned 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

⁴The "allocated capital" is calculated according to the methodologies and criteria developed in the ICAAP document.

The Board of Directors of the Parent Company, on the suggestion of the General Manager, subject to the opinion/proposal 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:**

The liquidity gate, consistent with the measurement criteria and the target levels detailed in the Risk Appetite Policy, will be considered as achieved if the following two conditions that consider, respectively, the bank's ability to cope with short-term cash requirements in a 30-day stress situation and the degree of structural liquidity are satisfied at the same time:

- Liquidity Coverage Ratio (LCR) requirement: average of the four quarterly observations relating to the year before the one during which the bonus was paid, not less than the Risk Appetite threshold envisaged by RAF for the same period;
- Structural liquidity indicator (proxy NSFR): average of the four quarterly observations relating to the year before the one during which the bonus was paid, not less than the Risk Appetite threshold envisaged by RAF for the same period.

- **Capital target**

The capital gate, consistent with the measurement criteria and the target levels detailed in the RAF Policy, will be considered as achieved if the following two conditions are satisfied at the same time:

- **Total Capital Ratio** \geq risk appetite ratio of pillar 1 and pillar 2
- **Common Equity Tier1** \geq risk appetite indicator of pillar 1 envisaged by the Risk Appetite Framework.

- **Profitability target:** Adjusted current income of the Group gross of taxes:

Adjusted consolidated income of the current operations gross of taxes⁵ ≥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 before taxes and individual adjusted profit of current operations before taxes**.

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

Definition of targets and incentives

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

- the ratio between the adjusted Consolidated Net Profit and Allocated Risk Capital (RORAC) target;
- the ratio between the adjusted Individual Net Profit and Allocated Risk Capital (individual RORAC) target for the individual subsidiary companies;

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 measurement 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 D)	(D)
(-) Net result of financial assets/liabilities measured at fair value (item 110)	(E)

(=) 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 by it
- (E) Neutralisation of capital gains/losses deriving from the measurement at fair value of financial assets and liabilities

- 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 to the different levels of achievement of the RORAC (consolidated and/or individual) target for each category of resources.

The bonus targets decided formally for the 2018 financial year for the various categories of identified staff, within the maximum limits of incidence of the variable component on the fixed element defined for the individual categories set out in paragraph 3.2.3 in the following table.

	Directors with executive offices, General Managers and Vice General Managers of Group companies	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% \leq RORAC consolidated final balance < 95% of the RORAC of the consolidated Budget</i>	25% RAL	15% RAL
<i>95% \leq RORAC consolidated final balance < 125% RORAC of the consolidated Budget</i>	40% RAL	25% RAL
<i>RORAC consolidated final balance < 125% RORAC of the consolidated Budget</i>	50% RAL	35% RAL

- 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 targets identified on the basis of the mission and the functions attributed to each position by the corporate organisation chart;
- one or more qualitative/quantitative targets assigned to Senior personnel and the adjustment percentage of the associated bonus in the event of failure to reach the target.

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

- the Group's gate targets;

- the ratio between the adjusted Consolidated Net Profit and Allocated Risk Capital (consolidated RORAC) target;
- the ratio between the adjusted 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 Subsidiaries - Risk Takers and Heads of the control departments - relating to the achievement of the individual targets defined on the basis of the mission and the functions attributed to each position by the corporate organisation chart;
- one or more qualitative/quantitative targets assigned to Senior personnel and the adjustment percentage of the associated bonus in the event of failure to reach the target.

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. 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 individual targets.

The bonus may be reduced, down to zero, in case of disciplinary actions or evidence of non-compliance due to excess risk assumption, failure to comply with the code of conduct or violation of internal and/or external regulations, including the prohibition to apply personal hedging or insurance strategies on remuneration or on other aspects that may alter or compromise risk alignment. The related decisions are made

- by the BoD, with the input of the Remuneration Committee, with reference to the General Manager, Vice General Managers and the heads of the Corporate Control Departments,
- by the General Manager, with the support of the Head of Resources Department, for the remaining risk takers,
- by the Resources Department with reference to the remaining staff.

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. 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%.

With reference to the information required by Article 114-*bis* of Italian Legislative Decree no. 58/1998, it is hereby specified that 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 bonus	<p>40%</p> <p><u>Payment of 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:

- 40% of the Bonus in financial year “t+1”, paid by the month after the date of approval of the Financial Statements of financial year “t”;

- 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”.

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 deferred portions may be reduced, down to zero, in case of disciplinary actions or evidence of non-compliance observed in the year immediately preceding the payment of the deferred portion, due to excess risk assumption, failure to comply with the code of conduct or violation of internal and/or external regulations, including the prohibition to apply personal hedging or insurance strategies on remuneration or on other aspects that may alter or compromise the effects of alignment to the corporate risk inherent in the remuneration schemes.

The bank proceeds by activating claw back actions, in full or in part, for the variable remuneration already paid and the interruption of the deferred components in case of evidence of behaviours adopted in the reference period in which the variable remuneration accrued, for staff who determined or contributed to determine:

- behaviours from which a significant loss for the Bank derived;
- violations of the obligations imposed in accordance with Article 26 or, when the person is an involved party, with Article 53, Paragraphs 4 et seq., of the Consolidated Banking Law or of the remuneration and incentive obligations;
- violations of the rules of the Consolidated Finance Law pertaining to remuneration and incentive obligations;
- fraudulent or grossly negligent behaviours to the detriment of the Bank.

These provisions are independent with respect to any compensatory or disciplinary profiles and they are activated taking also into account the contribution and tax profiles relating to these matters.

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%	30%	30%
	Payment of bonus	<u>Subject to verification of gates for financial year t+1:</u> -Capital -Liquidity	<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+1	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:

- 40% of the Bonus in financial year “t+1”, paid by the month after the date of approval of the Financial Statements of financial year “t”;
- 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".

The deferred portions may be reduced, down to zero, in case of disciplinary actions or evidence of non-compliance observed in the year immediately preceding the payment of the deferred portion, due to excess risk assumption, failure to comply with the code of conduct or violation of internal and/or external regulations, including the prohibition to apply personal hedging or insurance strategies on remuneration or on other aspects that may alter or compromise the effects of alignment to the corporate risk inherent in the remuneration schemes.

The bank proceeds by activating claw back actions, in full or in part, for the variable remuneration already paid and the interruption of the deferred components in case of evidence of behaviours adopted in the reference period in which the variable remuneration accrued, for staff who determined or contributed to determine:

- behaviours from which a significant loss for the Bank derived;
- violations of the obligations imposed in accordance with Article 26 or, when the person is an involved party, with Article 53, Paragraphs 4 et seq., of the Consolidated Banking Law or of the remuneration and incentive obligations;
- violations of the rules of the Consolidated Finance Law pertaining to remuneration and incentive obligations;
- fraudulent or grossly negligent behaviours to the detriment of the Bank.

These provisions are independent with respect to any compensatory or disciplinary profiles and they are activated taking also into account the contribution and tax profiles relating to these matters.

3.2.5 Remuneration of Identified Staff for the year 2017

Incentive plan for Banco Desio Group management

The verification of the final balance data expressed by the Group in the financial year 2017 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 identified at the Parent Company 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 ranging from 80% to 100%, in consideration of the ratio of 89.70%.

Moreover, the conditions laid down in the plan for the payment of the second deferred portion of the bonus accrued in the 2015 financial year and of the first deferred portion of the bonus accrued in the 2016 financial year occurred. For staff not belonging to the control departments, the calculation of the amounts to be paid will be carried out, in accordance with the plan, on the basis of the comparison between the average price of the Banco Desio ordinary share in the 30 days prior to the date of approval of the Consolidated Financial Statements by the Shareholders' Meeting and the average price of the Banco Desio ordinary share in the 30 days prior to the year t+1, with a corridor of +/- 20%.

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

Remuneration of Banco Desio Group Identified Staff year 2017

Category	no. resources	Fixed remuneration	variable remuneration accrued in 2017 financial year	of which correlated to performance of the stock	incidence of variable remuneration on fixed
Senior Risk Takers	7	1,784,666	409,667	224,200	23%
Risk Takers	14	1,940,563	291,084	174,651	15%
Control Departments	8	923,817	138,573	0	15%
Total	29	4,649,046	839,324	398,851	

Deferral of variable remuneration

Category	Deferred variable remuneration accrued in the 2017 financial year	Deferred variable remuneration accrued in previous financial years paid during the year *	Deferred variable remuneration to be verified in subsequent financial years
Senior Risk Takers	245,800	276,058	394,638
Risk Takers	174,651	232,561	261,542
Control Departments	83,144	51,396	109,751
Total	503,594	560,015	765,931

(*) Amounts subject to correction of performances that will be adjusted on the basis of the performance of the ordinary Banco Desio Spa stock with the exception of those referred to the control departments.

Pay mix

Categories	Fixed remuneration (cash)	Non-deferred variable remuneration	Deferred variable remuneration	Incidence of variable remuneration
Senior	81.33%	7.47%	11.20%	22.95%
Risk Takers	86.96%	5.22%	7.83%	15.00%
Control Departments	86.96%	5.22%	7.83%	15.00%

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

i. the Remuneration Committee, during 2017, met 6 times (two meetings were held jointly with the Appointments Committee), mainly discussing issues relating to the implementation and adjustment of the Remuneration Policies described in the Report in question.

ii. The Chief Auditing Officer conducted an audit in relation to the Remuneration and Incentive Policies adopted in 2017 and in relation to the policies applied with respect to the results of the 2016 financial year.

The Remuneration and Incentive Policies adopted were correctly carried out regarding the matter of identified staff, compliance with the limits of incidence of the variable remuneration in accordance with the categories of beneficiaries, verification of the achievement of the "gate" targets. Based upon the checks conducted, the bonuses paid to staff with reference to the 2016 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 consistent 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 Chief Risk Officer 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 policy. The ex post verification of compliance of the levels adopted for the year 2017 gave a positive result.

3.3 The Remuneration Policies for remaining staff

3.3.1 Structure of the remuneration 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.

Indemnities may also be assigned in connection with specific positions, functionally connected to the covered role, related to the fixed component of remuneration.

To complete the remuneration offer, on the basis of a general policy defined at the Company level, 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.

It is also possible to provide, for certain professionals, “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.

- Variable remuneration: constituted by the Company Bonus provided by the National Collective Labour Agreement (Art. 48 19/1/2012 as renewed by agreement of 31/3/2015) 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.

If new staff are hired from outside the Group, and only for the first year of employment, entry bonuses may be provided to make the company’s proposal more attractive, in compliance with the terms and conditions prescribed by current regulations.

In addition, at the decision of the General Manager, within a maximum limit of 1% of the budgeted personnel cost, duly adjusted with the variable incentive components (e.g. company bonus, incentive system), specific one-off or exception bonuses (e.g. on the occasion of special projects, excellent behaviours, extraordinary events, severance incentives...), duly justified, paid after verifying that the access conditions have been met, and with the payment procedures of the variable remuneration system.

It is also possible to activate specific sales contests directed at strengthening the pursuit of the sales targets and/or of specific initiatives relating to extraordinary projects. These initiatives, which are ancillary and marginal in terms of costs, personal motivation and risk impacts, are a part of the variable component of remuneration and entail dedicated safeguard to ensure compliance with provisions pertaining to conflict of interest and moral hazard behaviour.

The amount of the Monetary Incentive Component intended for the remaining staff may not individually exceed 20% of the gross annual remuneration and, in any case, the variable remuneration of the remaining personnel, as a whole, must adhere to the variable/fixed prescribed by the Supervisory Provisions in the 1:1 limit.

3.3.2. 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 liquidity gate will be considered as achieved if the following two conditions are satisfied at the same time:

- Liquidity Coverage Ratio (LCR) requirement: average of the four quarterly observations relating to the year before the one during which the bonus was paid, not less than the Risk Appetite threshold envisaged by RAF for the same period;
- Structural Liquidity indicator (proxy NSFR): average of the four quarterly observations relating to the year before the one during which the bonus was paid, not less than the Risk Appetite threshold envisaged by RAF for the same period.

- **capital gate:**

- Total Capital Ratio \geq risk appetite ratio of pillar 1 and pillar 2
- Common Equity Tier1 \geq risk appetite indicator of pillar 1 envisaged by the Risk Appetite Framework.

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

3.3.3 Network Staff of the Banks of the Group

For the remaining staff, 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, to avoid incorrect commercial practices, are never linked to the offer of specific financial products or policies that condition the obtaining of financing and require dedicated safeguards to ensure compliance with regulations pertaining to anti-money laundering, transparency and correctness in relationships with customers.

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

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

Area Managers

Having ensured compliance with internal and external regulatory provisions and an adequate level of credit quality, 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 and the development of business relations are of particular importance. The bonus accrued, having achieved the minimum profit level, is correlated to the score achieved.

Branch Managers and Officers

Having ensured compliance with internal and external regulatory provisions and an adequate level of credit quality, 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 and the development of business relations are of particular importance. The bonus accrued, having achieved the minimum profit level, is correlated to the score achieved.

Corporate Bankers

Having ensured compliance with internal and external regulatory provisions, an adequate level of credit quality and achieving a minimum commercial development target, the bonus system for Corporate Bankers involves the assignment of specific targets in order to measure the performance based on a score calculated depending on the achievement of the assigned budgets for macro aggregates, of which the Income Statement target is 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, consistently 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 that must respect the principle of proportionality in relation to commercial development, safeguarding of risks and adherence to the performance assessment system.

3.3.4 Office Staff of the Banks 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, consistent with the outcome of the individual performance assessment process, are subsequently submitted for approval by the Resources Department.

3.3.5 Financial Advisors

The remuneration of Financial Advisors is regulated in accordance with the provisions envisaged by the agency contract. Two different components can be recognised within this remuneration.

The recurring component, mainly referring to:

- commissions commensurate to the commission returns of the managed portfolio;
- commissions, commensurate to the activity of reporting of banking products and services.

The non-recurring component, mainly referring to commissions related to an incentive system (usually of annual duration) linked to the maintenance and development of the collection relating to the advisor. This second component is paid as part of a specific Bonus pool that is activated in the presence of a positive economic result and is subject to the compliance of the liquidity and capital gate targets set annually for all the incentive systems of the Group. A bonus is paid to each resource subject to the verification of the correctness of the relations with customers, compliance with internal and external regulations, and in the absence of operational risks such as to cause reputational damage.

On the occasion of the first inclusion in the Network of Financial Advisors of the Group, Bonuses can be agreed in favour of the Advisors, in proportion to the deposits provided in a pre-determined period and subordinated to the achievement of qualitative targets. The incentive thus accrued is paid to the Advisor in a time interval that comprises a plurality of years and presupposes continuity of employment with the Group.

3.3.6 Fides Spa Staff

The variable incentive system for the remaining staff of Fides Spa envisages 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.

3.3.7 Brokers

The remuneration of Brokers is regulated in accordance with the regulations provided by the agency contract. Two different components can be recognised within this remuneration.

The recurring component, consisting essentially of the commissions indicated in the agency mandate, which represents the natural fee of the activity carried out by the agent and are not related to the achievement of specific results.

The non-recurring component, essentially referred to remuneration with an incentive value subject to achieving target volumes of turnover. This second component is paid as part of a specific Bonus pool that is activated in the presence of a positive economic result and is subject to the compliance of the liquidity and capital gate targets. A bonus is paid only subject to the verification of the correctness of the relations with customers, compliance with internal and external regulations, and in the absence of operational risks such as to cause reputational damage.

3.4 Malus and Claw back

The bonus may be reduced, down to zero (malus), in case of disciplinary actions or evidence of non-compliance due to excess risk assumption, failure to comply with the code of conduct or violation of internal and/or external regulations, including the prohibition to apply personal hedging or insurance strategies on remuneration or on other aspects that may alter or

compromise risk alignment. The related decisions are made by the Head of the Resources Department.

The bank proceeds through claw back actions, in full or in part, for the variable remuneration already paid and the interruption of the deferred components in case of evidence of behaviours adopted in the reference period in which the variable remuneration accrued, for staff who determined or contributed to determine:

- behaviours from which a significant loss for the Bank derived;
- fraudulent or grossly negligent behaviours to the detriment of the Bank.

These provisions are independent with respect to any compensatory or disciplinary profiles and they are activated taking also into account the contribution and tax profiles relating to these matters

3.5 Implementation of remuneration policies for remaining personnel for the year 2017

With reference to the financial year 2017, the “gate” targets of capital adequacy and liquidity have been achieved. The bonuses for individual beneficiaries are being defined within the maximum expenditure determined on the basis of Consolidated adjusted profit of current operations gross of taxes and in scrupulous respect of the individual limit to the incidence of monetary incentive Component on fixed remuneration of 20% and, in general, in compliance with the limits set by the Supervisory Body.

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

The Banco Desio Group adopts 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 office:

- **for all staff**
 - 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 mentioned above is understood to supplement the indemnity in lieu of advance notice and to replace the possible additional applications regulated 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, the related amount is subject to claw back, at least for cases of gross negligence and fraudulent behaviour;

for the identified personnel, in addition to the two above criteria:

- the amount is determined taking also into account the individual results of the person and the conditions of liquidity, capital and income of the Bank;
- the amount will be paid by the methods provided for variable remuneration of risk taker staff (deferral, correlation to performance of the stock for staff not belonging to control departments, *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.

These rules include any amounts by way of non-competition agreement paid upon the early conclusion of the employment.

The provisions of Circular 285 Paragraph 2.2.3 “Derogation” point 1 with regard to severance incentives.

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 office (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.

No discretionary pension benefits are provided.

During 2017, Luciano Camagni terminated all his offices held within the Group.

An agreement was reached with Mr. Camagni for the consensual termination of the employment, providing, in addition to the recognition of the amounts already accrued by way

of fixed and variable remuneration (the latter relating to the year 2016 and, for the year 2017 *pro rata temporis* until 30 June 2017, still subject to deferral, correlation to the performance of the stock, *malus* and claw back in compliance with the conditions prescribed by the Group Remuneration Policies), maintenance of the qualification as Executive (without operating powers) and related compensation, until 31 October 2017 (date of definitive termination of the employment), as well as

- the assignment of an amount in addition to the severance indemnity of 432,705 Euros;
- the assignment of 5,000 Euros against the waiver of claims, rights and/or actions;
- the assignment of 100,000 Euros by way of non-competition agreement (from the date of termination until 31 January 2018 with payments made in two tranches no later than 15 November 2017 and no later than 15 January 2018).

The Group Remuneration Policies provide that the emoluments relating to the performance of duties resulting from offices in investee companies by Group employees are paid to the company and therefore no amount was paid to Luciano Camagni in relation to the resignation from all offices held in the subsidiary BPS (Deputy Acting Chairman, Member of the Executive Committee and Director).

At the date of the resignation, Luciano Camagni did not hold any shareholding either in Banco Desio or in Banca Popolare di Spoleto.

The resolutions pertaining to the cessation of Luciano Camagni were passed by the Board of Directors with the input of the Appointments Committee and the Remuneration Committee.

In addition to the mentioned case, during 2017, the employment of a resource belonging to the identified staff was terminated, and 35,000 Euros was paid to the resource as severance incentive, in accordance with the provisions of the union Agreement of 29 November 2016 which regulated the conditions and the terms of the redundancy Plan.

Moreover, during the year, a resource belonging to the identified staff to whom no compensation additional to that provided by the National Collective Labour Agreement was paid, was terminated.

No indemnities for terminations were paid to identified personnel at the Subsidiary Banca Popolare di Spoleto in 2017.

Start and end employment compensation paid to “identified staff”

In 2017, a guaranteed variable remuneration was provided for the first year (“buy-back”), to be paid in part up-front and in part in a deferred manner, to an employee included among identified staff, hired during the year.

Data transmission obligations

In 2017, the Parent Company assumed the obligation to transmit on an annual basis to the Bank of Italy the remuneration data, as they are established in the Communication of 7 October 2014 promulgated in accordance with Article 75 of CRD IV.

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 and Vice general managers of the Parent Company and of the Subsidiary Banca Popolare di Spoleto, with the aim of highlighting the consistency with the general Policy described in Section I.

Chairman of the Parent Company

The fixed compensation of Mr. Stefano Lado for the office of Chairman and member of the Remuneration Committee, assumed on 6 April 2017 amounted to 490,911 Euros (of which 4,500 for attendance fees) and to 66,953 Euros (of which 1,200 Euros for attendance fees) for the previous office as Vice Chairman and member of the Executive Committee (until 5 April 2017).

Mr. Stefano Lado also received additional fees for offices in subsidiary and associated companies amounting to 52,131 Euros.

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

Vice Chairman of the Parent Company

The fixed compensation of Mr. Tommaso Cartone for the office of Managing Director and member of the Executive Committee (until 5 April 2017) amounted to 185,119 Euros and for the offices of Vice Chairman/AISCI and member of the Risk Control Committee from 6 April 2017 amounted to 266,472 Euros (of which 5,700 Euros for attendance fees).

The results of the 2017 consolidated financial statements also allow the payment of the second deferred portion of the Bonus accrued as Managing Director in 2015 of 105,000 Euros⁶ and of the first deferred portion of the Bonus accrued in 2016 of 52,500 Euros.⁷

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

Executive Directors of the Parent Company

Messrs Agostino Gavazzi, Egidio Gavazzi, Tito Gavazzi, Paolo Gavazzi and Graziella Bologna receive, in addition to the fixed remuneration for the office 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 office due to resignation or termination of the relationship.

Non-Executive Directors of the Parent Company

Messrs Gerolamo Pellicanò, Cristina Finocchi Mahne, Gigliola Zecchi Balsamo, Marina Brogi and Nicolò Dubini receive fixed remuneration for the office 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 office due to resignation or termination of the relationship.

General Manager of the Parent Company

⁶ The amount of the deferred bonus actually paid, in accordance with the provision of the Plan, may increase or reduce, up to a maximum of +/- 20%, based upon the stock exchange performance of the ordinary share of Banco Desio e della Brianza Spa in the timeframe between the accrual of the bonus and the deferral time. The price reference is constituted, for each financial year, by the average of the Stock Exchange price of the ordinary share of the 30 days prior to the date of approval of the financial statements.

⁷Cf. note 7.

Mr Angelo Antoniazzi (appointed General Manager in the course of the Board meeting of 11 July 2017 with effect from 19 July 2017) received total gross compensation of 189,000 Euros. The value of the non-monetary benefits package assigned to the General Manager amounted to 1,491 Euros.

With reference to the incentive Plan for management of the Group, Mr Angelo Antoniazzi accrued, as a result of taking office, a variable fee of 47,250 Euros in the 2017 financial year.

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

Mr Luciano Camagni, General Manager until 10 July 2017, who terminated the open-ended subordinate employment contract as from 31 October 2017, received a total gross remuneration of 566,667 Euros in addition to 16,770 Euros for non-monetary benefits. The fees received for assignments accepted on behalf of the Group at companies or entities belonging or external to the Group itself, were entirely paid into Banco Desio SpA, company holding the employment relationship.

With reference to the incentive Plan for management of the Group, in consideration of the results of the 2017 consolidated financial statements, Mr Luciano Camagni accrued a variable fee *pro rata temporis*, calculated until 30 June 2017 (6/12) of 85,000 Euros. The results of the 2017 consolidated financial statements also allow the payment of the first deferred portion of the Bonus accrued in 2016 of 33,738 Euros⁸.

For the detailed indication of the amount accrued by Mr Luciano Camagni due to the settlement agreement signed with Banco on the occasion of the termination of the employment relationship, refer to paragraph 4 of Section I of this document.

Managers with Strategic Responsibilities of the Parent Company

⁸ The amount of the deferred bonus actually paid, in accordance with the provision of the Plan, may increase or reduce, up to a maximum of +/- 20%, based upon the stock exchange performance of the ordinary share of Banco Desio e della Brianza Spa in the timeframe between the accrual of the bonus and the deferral time. The price reference is constituted, for each financial year, by the average of the Stock Exchange price of the ordinary share of the 30 days prior to the date of approval of the financial statements.

The Substitute Vice General Manager Mr Mauro Walter Colombo, received total gross remuneration of 240,000 Euros. The value of the non-monetary benefits package amounted to 3,339 Euros.

With reference to the Incentive plan for management of the Group, Mr Mauro Walter Colombo, due to the office of Manager responsible for drawing up the accounting documents, is the beneficiary of the incentive system for staff belonging to the control departments. As part of the mentioned Plan, he accrued a variable remuneration of 36,000 Euros in the 2017 financial year. The results of the 2017 consolidated financial statements also allow the payment of the second deferred portion of the Bonus accrued in 2015 of 7,950 Euros and of the first deferred portion of the Bonus accrued in 2016 of 9,969 Euros.

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

The “Business” Vice General Manager, Mr Maurizio Ballabio, received total gross remuneration of 230,000 Euros. The value of the non-monetary benefits package amounted to 3,359 Euros.

With reference to the incentive plan for management of the Group, Mr Ballabio accrued as a whole during the 2017 financial year, a variable remuneration of 57,500 Euros.

The results of the 2017 consolidated financial statements also allowed the payment of the second deferred portion of the Bonus accrued in 2015 of 26,400 Euros⁹ and of the first deferred portion of the Bonus accrued in 2016 of 27,188 Euros¹⁰.

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

Chairman of the Subsidiary

⁹Cf. note 9.

¹⁰Cf. note 9.

The fixed annual remuneration of Mr Tommaso Cartone for the office of Chairman of the Subsidiary Banca Popolare di Spoleto (taken on 30 March 2017) amounted to 192,941 Euros (of which 3,900 Euros for attendance fees).

In accordance with the remuneration policies of the Group, no additional indemnities are provided in addition to those prescribed by the employment agreement or by the Italian Civil Code in the case of resignation or termination of the employment.

Vice Chairman of the Subsidiary

The fixed annual remuneration Mr Argante Del Monte, Vice Chairman of the Subsidiary Banca Popolare di Spoleto (office taken on 24 October 2017), non-executive Director (see below) and member of board Committees, amounted to 93,904 Euros in addition to 6,000 Euros for attendance fees.

Executive Directors of the Subsidiary

Messrs Gerolamo Gavazzi, Claudio Broggi, Graziella Bologna and Giorgio Rossin (co-opted by the Board of Directors on 24 October 2017) receive, in addition to the fixed remuneration for the office of Directors, amounting to 50,000 Euros, an additional fee in the capacity of members of the Executive Committee (amounting to 40,000 Euros for the Chairman Mr Gerolamo Gavazzi and amounting to 20,000 Euros for the other members Messrs Broggi, Bologna and Rossin), as well as the payment of attendance fees (amounting to 300 Euros), as provided by the Group's remuneration policy.

Non-Executive Directors of the Subsidiary

Mr Argante del Monte (see above), Giada Fantini Maria Rita Mantovani, Marino Marrazza, Francesco Quadraccia, Laura Tulli and Leodino Galli receive the fixed remuneration for the office of Directors amounting to 50,000 Euros, a possible additional fee for participating in each Committee, amounting to 10,000 Euros (15,000 Euros for the office of Chairman of each Committee), as well as the payment of attendance fees (amounting to 300 Euros), as provided by the Group's remuneration policy.

General Manager of the Subsidiary

Mr Angelo Antoniazzi received, for the office of General Manager of Banca Popolare di Spoleto, until 18 July 2017, compensation of 176,820 Euros. The value of the non-monetary benefits package assigned to the General Manager amounted to 2,673 Euros.

With reference to the incentive Plan for management of the Group, Mr Angelo Antoniazzi accrued, until cessation from the office, a variable fee of 44,205 Euros in the 2017 financial year in 2017. The results of the 2017 consolidated financial statements also allow the payment of the second deferred portion of the Bonus accrued in 2015 of 38,400 Euros¹¹ and of the first deferred portion of the Bonus accrued in 2016 of 38,400 Euros¹².

Mr Ippolito Fabris received, for the office of General Manager of Banca Popolare di Spoleto, from 19 July 2017, and for the office of Vice General Manager (until 18 July 2017) compensation of 283,846 Euros. The value of the non-monetary benefits package assigned to the General Manager amounted to 4,207 Euros.

With reference to the incentive plan for management of the Group, Mr Ippolito Fabris accrued in the 2017 financial year variable remuneration of 70,962 Euros. The results of the 2017 consolidated financial statements also allow the payment of the second deferred portion of the Bonus accrued in 2015 of 40,500 Euros¹³ and of the first deferred portion of the Bonus accrued in 2016 of 20,432 Euros¹⁴.

In accordance with the remuneration policies of the Group, no additional indemnities are provided in addition to those prescribed by the employment agreement or by the Italian Civil Code in the case of resignation or termination of the employment.

¹¹Cf. note 9

¹² Cf. note 9.

¹³Cf. note 9

¹⁴Cf. note 9.

Manager with strategic responsibilities

The Vice General Manager Mr Massimo Barazzetta, Manager with Strategic Responsibilities, in office since 19 July 2017, received during the period total gross remuneration of 90,000 Euros, in addition to 1,125 Euros relating to the value of the package of non-monetary benefits.

With reference to the incentive Plan for the management of the Group, Mr Massimo Barazzetta accrued variable compensation of 13,500 Euros in the period. The results of the 2017 consolidated financial statements also allow the payment of the second deferred portion of the Bonus accrued in 2015 of 17,408 Euros¹⁵ and of the first deferred portion of the Bonus accrued in 2016 of 7,719 Euros¹⁶.

In accordance with the remuneration policies of the Group, no additional indemnities are provided in addition to those prescribed by the employment agreement or by the Italian Civil Code in the case of resignation or termination of the employment.

Desio, 8 February 2018

On behalf of the Board of Directors

The Chairman

(Mr Stefano LADO)

¹⁵Cf. note 9.

¹⁶Cf. note 9.

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

Name and surname	Office	Period for which the office was held	Termination of office	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 office or termination of employment relationship
						Bonuses and other incentives	Profit sharing					
Agostino Gavazzi	<i>Chairman</i>	01/01/17 - 06/04/17	approval date of financial statements of 2016									
I) Remuneration in company that drafts the financial statements				174,789						174,789		
(II) Remuneration from subsidiaries and associates												
(III) Total				174,789						174,789		
<i>Notes</i>				I) of which : - 173,589 Euros for the office of Chairman - 1,200 Euros as attendance fees								

Name and surname	Office	Period for which the office was held	Termination of office	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 office or termination of employment relationship
						Bonuses and other incentives	Profit sharing					
Agostino Gavazzi	<i>Director</i>	07/04/17 – 31/12/17	approval date of financial statements of 2019									
I) Remuneration in company that drafts the financial statements				54,889	38,349					93,238		
(II) Remuneration from subsidiaries and associates												
(III) Total				54,889	38,349					93,238		
<i>Notes</i>				I) of which : - 51,589 Euros for the office of Director - 3,300 Euros as attendance fees	I) of which: - 36,849 Euros for the office of Chairman of the Executive Committee - 1,500 Euros as attendance fees							

Name and surname	Office	Period for which the office was held	Termination of office	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 office or termination of employment relationship
						Bonuses and other incentives	Profit sharing					
Stefano Lado	<i>Vice Chairman</i>	01/01/17 – 06/04/17	approval date of financial statements of 2016									
I) Remuneration in company that drafts the financial statements				58,763	8,190					66,953		
(II) Remuneration from subsidiaries and associates				52,131						52,131		
(III) Total				110,894	8,190					119,084		
<i>Notes</i>				I) of which : - 57,863 Euros as a fee for the office of Vice Chairman - 900 Euros as attendance fees II) of which: - 48,767 Euros as Chairman of the company Banca Popolare di Spoleto in addition to 1,200 Euros as attendance fees; - 2,164 Euros as Director of the company Fides.	I) of which : - 7,890 Euros as member of the Executive Committee - 300 Euros as attendance fees							

Name and surname	Office	Period for which the office was held	Termination of office	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 office or termination of employment relationship
						Bonuses and other incentives	Profit sharing					
Stefano Lado	<i>Chairman</i>	07/04/17 – 31/12/17	approval date of financial statements of 2019									
I) Remuneration in company that drafts the financial statements				483,541	7,370					490,911		
(II) Remuneration from subsidiaries and associates												
(III) Total				483,541	7,370					490,911		
<i>Notes</i>				I) of which : - 479,041 Euros as a fee for the office of Chairman - 4,500 Euros as attendance fees	I) of which : - 7,370 Euros as member of the Remuneration Committee							

Name and surname	Office	Period for which the office was held	Termination of office	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 office or termination of employment relationship
						Bonuses and other incentives	Profit sharing					
Tommaso Cartone	<i>Managing Director</i>	01/01/17 – 06/04/17	approval date of financial statements of 2016									
I) Remuneration in company that drafts the financial statements				176,219	7,890	157,500		1,009		342,618		
(II) Remuneration from subsidiaries and associates												
(III) Total				176,219	7,890	157,500		1,009		342,618		
<i>Notes</i>					I) 7,890 Euros as member of the Executive Committee							

Name and surname	Office	Period for which the office was held	Termination of office	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 office or termination of employment relationship
						Bonuses and other incentives	Profit sharing					
Tommaso Cartone	<i>Vice Chairman</i>	07/04/17 – 31/12/17	approval date of financial statements of 2019									
I) Remuneration in company that drafts the financial statements				256,275	7,370			2,827		266,472		
(II) Remuneration from subsidiaries and associates				192,941						192,941		
(III) Total				449,216	7,370			2,827		459,413		
<i>Notes</i>				I) of which : - 250,575 Euros as a fee for the office of Vice Chairman - 5,700 Euros as attendance fees II) of which: - 189,041 Euros as Chairman of the company Banca Popolare di Spoleto in addition to 3,900 Euros as attendance fees.	I) 7,370 Euros as member of the Control and Risks Committee							

Name and surname	Office	Period for which the office was held	Termination of office	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 office or termination of employment relationship
						Bonuses and other incentives	Profit sharing					
Egidio Gavazzi	<i>Director</i>	01/01/17 31/12/17	approval date of financial statements of 2019									
I) Remuneration in company that drafts the financial statements				74,050	31,650					105,700		
(II) Remuneration from subsidiaries and associates												
(III) Total				74,050	31,650					105,700		
<i>Notes</i>				I) of which : - 70,000 Euros for the office of Director - 4,050 Euros as attendance fees	I) of which : - 30,000 Euros as member of the Executive Committee - 1,650 Euros as attendance fees							

Name and surname	Office	Period for which the office was held	Termination of office	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 office or termination of employment relationship
						Bonuses and other incentives	Profit sharing					
Paolo Gavazzi	Director	01/01/17 31/12/17	approval date of financial statements of 2019									
I) Remuneration in company that drafts the financial statements				74,500	31,500					106,000		
(II) Remuneration from subsidiaries and associates												
(III) Total				74,500	31,500					106,000		
<i>Notes</i>				I) of which : - 70,000 Euros for the office of Director - 4,500 Euros as attendance fees	I) of which : - 30,000 Euros as member of the Control and Risk, Appointments, Remuneration Committee and secretary of the Committee for Transactions with Related Parties until 6 April 2017 and as member of the Executive Committee from 7 April 2017 - 1,500 Euros as attendance fee							

Name and surname	Office	Period for which the office was held	Termination of office	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 office or termination of employment relationship
						Bonuses and other incentives	Profit sharing					
Cristina Finocchi Mahne	<i>Director</i>	01/01/17 31/12/17	approval date of financial statements of 2019									
I) Remuneration in company that drafts the financial statements				75,400	23,685					99,085		
(II) Remuneration from subsidiaries and associates												
(III) Total				75,400	23,685					99,085		
<i>Notes</i>				I) of which : - 70,000 Euros for the office of Director - 5,400 Euros as attendance fees	I) of which : - 23,685 Euros as member of the Control and Risks Committee and of the Committee for Transactions with Related Parties until 6 April 2017 and as member of the Control and Risk Committee and Chairman of the Appointments Committee since 7 April 2017							

Name and surname	Office	Period for which the office was held	Termination of office	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 office or termination of employment relationship
						Bonuses and other incentives	Profit sharing					
Gerolamo Pellicanò	<i>Director</i>	01/01/17 31/12/17	approval date of financial statements of 2019									
I) Remuneration in company that drafts the financial statements				75,700	23,685					99,385		
(II) Remuneration from subsidiaries and associates												
(III) Total				75,700	23,685					99,385		
<i>Notes</i>				I) of which : - 70,000 Euros for the office of Director - 5,700 Euros as attendance fees	I) of which : - 23,685 Euros as member of the Control and Risks Committee and of the Appointments and Remuneration Committee until 6 April 2017 and as Chairman of the Control and Risk Committee and member of the Remuneration Committee of 7 April 2017							

Name and surname	Office	Period for which the office was held	Termination of office	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 office or termination of employment relationship
						Bonuses and other incentives	Profit sharing					
Gigliola Zecchi Balsamo	<i>Director</i>	01/01/17 31/12/17	approval date of financial statements of 2019									
I) Remuneration in company that drafts the financial statements				73,900	20,000					93,900		
(II) Remuneration from subsidiaries and associates												
(III) Total				73,900	20,000					93,900		
<i>Notes</i>				I) of which : - 70,000 Euros for the office of Director - 3,900 Euros as attendance fees	I) of which 20,000 Euros as member of the Appointments and Remuneration Committee and of the Committee for Transactions with Related Parties until 6 April 2017 and as							

		member of the Appointments Committee and of the Committee for Transactions with Related Parties since 7 April 2017								
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Name and surname	Office	Period for which the office was held	Termination of office	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 office or termination of employment relationship
						Bonuses and other incentives	Profit sharing					
Sandro Appetiti	<i>Director</i>	01/01/17 06/04/17	approval date of financial statements of 2016									
I) Remuneration in company that drafts the financial statements				19,611	2,630					22,241		
(II) Remuneration from subsidiaries and associates												
(III) Total				19,611	2,630					22,241		
<i>Notes</i>				I) of which : - 18,411 Euros for the office of Director - 1,200 Euros as attendance fees	I) of which - 2,630 Euros as member of the Committee for Transactions with Related Parties							

Name and surname	Office	Period for which the office was held	Termination of office	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 office or termination of employment relationship
						Bonuses and other incentives	Profit sharing					
Marina Brogi	<i>Director</i>	07/04/17 31/12/17	approval date of financial statements of 2019									
I) Remuneration in company that drafts the financial statements				56,089	18,425					74,514		
(II) Remuneration from subsidiaries and associates												
(III) Total				56,089	18,425					74,514		
<i>Notes</i>				I) of which : - 51,589 Euros for the office of Director - 4,500 Euros as attendance fees	I) of which - 18,425 Euros as member of the Appointments Committee and Chairman of the Committee for Transactions with Related Parties							

Name and surname	Office	Period for which the office was held	Termination of office	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 office or termination of employment relationship
						Bonuses and other incentives	Profit sharing					
Nicolò Dubini	<i>Director</i>	07/04/17 31/12/17	approval date of financial statements of 2019									
I) Remuneration in company that drafts the financial statements				56,089	18,425					74,514		
(II) Remuneration from subsidiaries and associates												
(III) Total				56,089	18,425					74,514		
<i>Notes</i>				I) of which : - 51,589 Euros for the office of Director - 4,500 Euros as attendance fees	I) of which - 18,425 Euros as member of the Committee for Transactions with Related Parties and Chairman of the Remuneration Committee							

Name and surname	Office	Period for which the office was held	Termination of office	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 office or termination of employment relationship
						Bonuses and other incentives	Profit sharing					
Tito Gavazzi	Director	01/01/17 31/12/17	approval date of financial statements of 2019									
I) Remuneration in company that drafts the financial statements				74,200	31,800					106,000		
(II) Remuneration from subsidiaries and associates				8,904						8,904		
(III) Total				83,104	31,800					114,904		
<i>Notes</i>				I) of which : - 70,000 Euros for the office of Director - 4,200 Euros as attendance fees II) of which: - 8,904 Euros as Director of the company Fides	I) - 30,000 Euros as member of the Executive Committee - 1,800 Euros as attendance fees							

Name and surname	Office	Period for which the office was held	Termination of office	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 office or termination of employment relationship
						Bonuses and other incentives	Profit sharing					
Graziella Bologna	Director	01/01/17 31/12/17	approval date of financial statements of 2019									
I) Remuneration in company that drafts the financial statements				74,200	31,800					106,000		
(II) Remuneration from subsidiaries and associates				72,662						72,662		
(III) Total				146,862	31,800					178,662		
<i>Notes</i>				I) of which : - 70,000 Euros for the office of Director - 4,200 Euros as attendance fees II) of which: - 67,562 Euros for the office of Director of BPS in addition to 5,100 Euros as attendance fees.	I) - 30,000 Euros as member of the Executive Committee - 1,800 Euros as attendance fees							

Name and surname	Office	Period for which the office was held	Termination of office	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 office or termination of employment relationship
						Bonuses and other incentives	Profit sharing					
Luciano Camagni	General Manager	01/01/17 – 10/07/17										
I) Remuneration in company that drafts the financial statements				566,667		67,738		16,770		651,175		537,705*
(II) Remuneration from subsidiaries and associates												
(III) Total				566,667		67,738		16,770		651,175		
<i>Notes</i>				I) as Gross Remuneration accrued during the period 1/1/2017 - 31/10/2017								

*cf. paragraph 4 - Section I for details

Name and surname	Office	Period for which the office was held	Termination of office	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 office or termination of employment relationship
						Bonuses and other incentives	Profit sharing					
Angelo Antoniazzi	General Manager	19/07/17 – 31/12/17										
I) Remuneration in company that drafts the financial statements				189,000		18,900		1,491		209,391		
(II) Remuneration from subsidiaries and associates				176,820		94,482		2,673		273,975		
(III) Total				365,820		113,382		4,164		483,366		
<i>Notes</i>				I) as Gross Annual Remuneration accrued at BDB during period 19/07/2017-31/12/2017 II) as Gross Annual Remuneration accrued at BPS during period 01/01/2017 – 18/07/2017		I) Variable remuneration accrued at BDB during period 19/07/17 – 31/12/17 II) as Variable remuneration accrued at BPS during period 01/01/17 – 18/07/17						

Name and surname	Office	Period for which the office was held	Termination of office	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 office or termination of employment relationship
						Bonuses and other incentives	Profit sharing					
Mauro Walter Colombo	Substitute Vice General Manager	1/01/17 31/12/17										
I) Remuneration in company that drafts the financial statements				240,000		32,319		3,339		275,658		
(II) Remuneration from subsidiaries and associates												
(III) Total				240,000		32,319		3,339		275,658		
Notes				I) Gross Annual Remuneration								

Name and surname	Office	Period for which the office was held	Termination of office	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 office or termination of employment relationship
						Bonuses and other incentives	Profit sharing					
Maurizio Ballabio	"Business" Vice General Manager	01/01/17 – 31/12/17										
I) Remuneration in company that drafts the financial statements				230,000		76,588		3,359		309,947		
(II) Remuneration from subsidiaries and associates												
(III) Total				230,000		76,588		3,359		309,947		
Notes				I) Gross Annual Remuneration								

Name and surname	Office	Period for which the office was held	Termination of office	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 office or termination of employment relationship
						Bonuses and other incentives	Profit sharing					
Eugenio Mascheroni	<i>Chairman Board of Auditors</i>	01/01/17 – 06/04/17	approval date of financial statements of 2016									
I) Remuneration in company that drafts the financial statements				40,402						40,402		
(II) Remuneration from subsidiaries and associates				20,000						20,000		
(III) Total				60,402						60,402		
<i>Notes</i>				I) of which : - 34,192 Euros for the office of Chairman of the Board of Auditors - 6,210 Euros as attendance fees for Audits II) of which: - 20,000 Euros as Chairman of the Board of Auditors of the company Fides								

Name and surname	Office	Period for which the office was held	Termination of office	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 office or termination of employment relationship
						Bonuses and other incentives	Profit sharing					
Giulia Pusterla	<i>Alternate</i>	01/01/17 - 06/04/17	approval date of financial statements of 2016									
I) Remuneration in company that drafts the financial statements				30,386	270					30,656		
(II) Remuneration from subsidiaries and associates				16,332						16,332		
(III) Total				46,718	270					46,988		
<i>Notes</i>				I) of which : - 24,986 Euros for the office of Auditor - 4,590 Euros as attendance fees for Audits - 810 Euros as attendance fees for participating in BoD and EC II) of which: - 16,332 Euros as Statutory Auditor of the company BPS	I) as attendance fees							

Name and surname	Office	Period for which the office was held	Termination of office	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 office or termination of employment relationship
						Bonuses and other incentives	Profit sharing					
Giulia Pusterla	<i>Chairman of the Board of Auditors</i>	07/04/17 – 31/12/17	approval date of financial statements of 2019									
I) Remuneration in company that drafts the financial statements				81,068						81,068		
(II) Remuneration from subsidiaries and associates				45,370						45,370		
(III) Total				126,438						126,438		
<i>Notes</i>				I) of which : - 73,698 Euros for the office of Chairman of the Board of Auditors - 7,370 Euros expense reimbursement II) of which: - 45,370 Euros as Statutory Auditor of the company BPS								

Name and surname	Office	Period for which the office was held	Termination of office	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 office or termination of employment relationship
						Bonuses and other incentives	Profit sharing					
Rodolfo Anghileri	<i>Alternate</i>	01/01/17 - 31/12/17	approval date of financial statements of 2019									
I) Remuneration in company that drafts the financial statements				96,715	270					96,985		
(II) Remuneration from subsidiaries and associates				15,000						15,000		
(III) Total				111,715	270					111,985		
<i>Notes</i>				I) of which : - 83,945 Euros for the office of Auditor - 4,590 Euros as attendance fees for Audits - 810 Euros as attendance fees (BoD EC) - 7,370 Euros expense reimbursement II) 15,000 Euros as Statutory Auditor of the company Fides	I) as attendance fees							

Name and surname	Office	Period for which the office was held	Termination of office	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 office or termination of employment relationship
						Bonuses and other incentives	Profit sharing					
Franco Fumagalli Romario	<i>Alternate</i>	07/04/17 – 31/12/17	approval date of financial statements of 2019									
I) Remuneration in company that drafts the financial statements				66,329						66,329		
(II) Remuneration from subsidiaries and associates												
(III) Total				66,329						66,329		
<i>Notes</i>				I) of which : - 58,959 Euros for the office of Auditor - 7,370 Euros expense reimbursement								

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	Office	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	Office	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
Remuneration in company that drafts the financial statements													
Remuneration from subsidiaries and associates													
Total													

Notes

There are no plans based upon financial instruments other than stock-options

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	Office	Plan	Bonus for year			Bonuses for previous years			Other Bonuses
Tommaso Cartone	Managing Director (until 5 April 2017)		(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	2017 Group Management Incent. Plan						157,500(*)	52,500(*)	
	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							157,500(*)	52,500(*)	

(*) The amount of the deferred bonus actually paid, in accordance with the provision of the Plan, may increase or reduce, up to a maximum of +/- 20%, based upon the stock exchange performance of the ordinary share of Banco Desio e della Brianza Spa in the timeframe between the accrual of the bonus and the deferral time. The price reference is constituted, for each financial year, by the average of the Stock Exchange price of the ordinary share of the 30 days prior to the date of approval of the financial statements.

A	B	1	2			3			4
Name and Surname	Office	Plan	Bonus for year			Bonuses for previous years			Other Bonuses
Luciano Camagni	General Manager (until 10 July 2017)		(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	2017 Group Management Incent. Plan		34,000	51,000(*)	50% 2019 50% 2020		33,738 (*)	33,738 (*)	
	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			34,000	51,000(*)			33,738 (*)	33,738 (*)	

(*) The amount of the deferred bonus actually paid, in accordance with the provision of the Plan, may increase or reduce, up to a maximum of +/- 20%, based upon the stock exchange performance of the ordinary share of Banco Desio e della Brianza Spa in the timeframe between the accrual of the bonus and the deferral time. The price reference is constituted, for each financial year, by the average of the Stock Exchange price of the ordinary share of the 30 days prior to the date of approval of the financial statements.

A	B	1	2			3			4
Name and Surname	Office	Plan	Bonus for year			Bonuses for previous years			Other Bonuses
Angelo Antoniazzi	General Manager (from 19 July 2017)		(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	2017 Group Management Incent. Plan		18,900	28,350 (*)	50% 2019 50% 2020				
	Plan B (date of respective resolution)								
	Plan C (date of respective resolution)								
Remuneration from subsidiaries and associates	Plan A (date of respective resolution)		17,682	26,523(*)	50% 2019 50% 2020		76,800(*)	38,400(*)	
	Plan B (date of respective resolution)								
Total			36,582	54,873(*)			76,800(*)	38,400(*)	

(*) The amount of the deferred bonus actually paid, in accordance with the provision of the Plan, may increase or reduce, up to a maximum of +/- 20%, based upon the stock exchange performance of the ordinary share of Banco Desio e della Brianza Spa in the timeframe between the accrual of the bonus and the deferral time. The price reference is constituted, for each financial year, by the average of the Stock Exchange price of the ordinary share of the 30 days prior to the date of approval of the financial statements.

A	B	1	2			3			4
Name and Surname	Office	Plan	Bonus for year			Bonuses for previous years			Other Bonuses
Mauro Walter Colombo	Substitute Vice 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	2017 Group Management Incent. Plan		14,400	21,600	50% 2019 50% 2020		17,919	9,969	
	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			14,400	21,600			17,919	9,969	

A	B	1	2			3			4
Name and Surname	Office	Plan	Bonus for year			Bonuses for previous years			Other Bonuses
Maurizio Ballabio	“Business” Vice 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	2017 Group Management Incent. Plan		23,000	34,500 (*)	50% 2019 50% 2020		53,588 (*)	27,188 (*)	
	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			23,000	34,500 (*)			53,588 (*)	27,188 (*)	

(*) The amount of the deferred bonus actually paid, in accordance with the provision of the Plan, may increase or reduce, up to a maximum of +/- 20%, based upon the stock exchange performance of the ordinary share of Banco Desio e della Brianza Spa in the timeframe between the accrual of the bonus and the deferral time.

The price reference is constituted, for each financial year, by the average of the Stock Exchange price of the ordinary share of the 30 days prior to the date of approval of the financial statements.

TABLE 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.

Nome e Cognome	Carica ricoperta in Banco Desio	Titolo / Modalità di possesso	azioni ordinarie (al 31.12.2016)	%	Acquisti azioni ordinarie	Vendite azioni ordinarie	Saldo azioni ordinarie (al 31.12.2017)	%	azioni risparmio (al 31.12.2016)	%	Acquisti azioni risparmio	Vendite azioni risparmio	Saldo azioni risparmio (al 31.12.2017)	%
Stefano Lado *	Presidente	Proprietà	2.137.611	1,827	7.500		2.145.111	1,833	196.000	1,485			196.000	1,485
		Intestate al coniuge	6.500	0,006			6.500	0,006	0	0,000			0	0,000
		Proprietà tramite Vega Finanziaria SpA	6.885.730	5,885			6.885.730	5,885	571.522	4,329			571.522	4,329
Tommaso Cartone	Vice Presidente		27.500	0,024			27.500	0,024	0	0,000			0	0,000
Sandro Appetiti	Consigliere <i>(cessato dalla carica in data 6 aprile 2017)</i>		0	0,000			0	0,000	0	0,000			0	0,000
Graziella Bologna	Consigliere		0	0,000			0	0,000	0	0,000			0	0,000
Marina Brogi	Consigliere <i>(nominata dall'Assemblea Ordinaria in data 6 aprile 2017)</i>		0	0,000			0	0,000	0	0,000			0	0,000
Nicolò Dubini	Consigliere <i>(nominato dall'Assemblea Ordinaria in data 6 aprile 2017)</i>		0	0,000			0	0,000	0	0,000			0	0,000
Cristina Finocchi Mahne	Consigliere		0	0,000			0	0,000	0	0,000			0	0,000
Agostino Gavazzi	Consigliere	Proprietà	78.244	0,067			78.244	0,067	0	0,000			0	0,000
		Nuda Proprietà	5.500	0,005			5.500	0,005	0	0,000			0	0,000
		Intestate al coniuge	2.900	0,002			2.900	0,002	0	0,000			0	0,000
Egidio Gavazzi	Consigliere		15.000	0,013			15.000	0,013	0	0,000			0	0,000
Paolo Gavazzi	Consigliere		638.453	0,546			638.453	0,546	15.004	0,114			15.004	0,114
Tito Gavazzi	Consigliere		0	0,000			0	0,000	0	0,000			0	0,000
Gerolamo Pellicano ¹	Consigliere		0	0,000			0	0,000	0	0,000			0	0,000
Gigliola Zecchi Balsamo	Consigliere		0	0,000			0	0,000	0	0,000			0	0,000

Nome e Cognome	Carica ricoperta in Banco Desio	Titolo / Modalità di possesso	azioni ordinarie (al 31.12.2016)	%	Acquisti azioni ordinarie	Vendite azioni ordinarie	Saldo azioni ordinarie (al 31.12.2017)	%	azioni risparmio (al 31.12.2016)	%	Acquisti azioni risparmio	Vendite azioni risparmio	Saldo azioni risparmio (al 31.12.2017)	%
Luciano Camagni	Direttore Generale <i>(cessato dalla carica in data 11 luglio 2017)</i>		0	0,000			0	0,000	0	0,000			0	0,000
Angelo Antoniazzi	Direttore Generale <i>(nominato dal CdA del 11 luglio 2017 a far data dal 19 luglio 2017)</i>		0	0,000			0	0,000	0	0,000			0	0,000
Eugenio Mascheroni	Presidente Collegio Sindacale <i>(cessato dalla carica in data 6 aprile 2017)</i>		0	0,000			0	0,000	0	0,000			0	0,000
Giulia Pusterla	Presidente del Collegio Sindacale <i>(nominata Presidente del CS dall'Assemblea Ordinaria del 6 aprile 2017)</i>		0	0,000			0	0,000	0	0,000			0	0,000
Rodolfo Anghileri	Sindaco Effettivo		0	0,000			0	0,000	20.000	0,151			20.000	0,151
Franco Fumagalli Romario	Sindaco Effettivo <i>(nominato dall'Assemblea Ordinaria del 6 aprile 2017)</i>		5.000	0,004			5.000	0,004	5.000	0,038			5.000	0,038
Giovanni Cucchiani	Sindaco Supplente <i>(cessato dalla carica in data 6 aprile 2017)</i>	Proprietà	14.240	0,0122			14.240	0,0122	1.000	0,008			1.000	0,008
		Intestate al coniuge	6.800	0,00581			6.800	0,00581	0	0,000			0	0,000
Eminio Beretta	Sindaco Supplente <i>(nominato dall'Assemblea Ordinaria in data 6 aprile 2017)</i>		0	0,000			0	0,000	0	0,000			0	0,000
Massimo Celli	Sindaco Supplente <i>(nominato dall'Assemblea Ordinaria in data 6 aprile 2017)</i>		0	0,000			0	0,000	0	0,000			0	0,000
Elena Negonda	Sindaco Supplente		0	0,000			0	0,000	0	0,000			0	0,000
Paolo Pasqui	Sindaco Supplente <i>(cessato dalla carica in data 6 aprile 2017)</i>		2.000	0,002			2.000	0,002	0	0,000			0	0,000

* L'Avv. Stefano Lado risulta titolare di procura generale rilasciata dal fratello sig. Luigi Lado in forza della quale detiene una percentuale pari allo 0,2679 % di azioni ordinarie (313.539) del Banco nonché il controllo della Vega Finanziaria SpA; detiene inoltre una percentuale pari allo 0,2461% di azioni di risparmio (32.500) del Banco.

TABLE 2 - Investments of the other Executives with Strategic Responsibility.

Mauro Walter Colombo	Vice Direttore Generale Vicario		0	0,000			0	0,000	0	0,000			0	0,000
Maurizio Ballabio	Vice Direttore Generale Affari		13.000	0,011			13.000	0,011	0	0,000			0	0,000