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File no. 41,830 Record no. 19,356

Partial Minutes of Shareholders Meeting

REPUBLIC OF ITALY

On the ninth day of May in the year two thousand and eighteen

(9 May 2018)

in Milan (province of Milan), Via S. Maria Fulcorina no. 2,

Before me Angelo Busani, Notary Public in Milan, listed on the Register of Notaries Public, of Milan,

The following person is present:

COTTA RAMUSINO ENRICO, born in Sant'Alessio con Vialone (Pavia) on 22 May 1959, domiciled for the purpose at the registered office of the above Company; the appearing party, of whose identity I Notary Public am certain and who, acting as the Chair of the Board of Directors of

"FinecoBank Banca Fineco S.p.A.",

a bank listed on the register of banks and part of the UniCredit Banking Group (Register of Banking Groups 02008.1), registered office in Milan (Milan), Piazza Durante no. 11, share capital €200,773,450.35, fully paid, tax code and number of registration on the Companies Register of Milan, Monza - Brianza and Lodi: 01392970404 - VAT number 12962340159 (Economic Administrative Index MI-1598155), a company subject to direction and coordination by "UniCredit S.p.A." (hereinafter the "Company" or "Bank" or "FinecoBank" or "Fineco");

having requested me

(for the purposes of prompt compliance with regulatory requirements) to take the minutes of the meeting of shareholders held on 11 April 2018, in two separate sets of minutes (the first set containing the start of the meeting and the discussion of the extraordinary part of the

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agenda, with votes; and the second minutes containing the start of the meeting and the discussion of the ordinary part of the agenda, with votes);

now asked me

as the first minutes were drafted and placed on my files on 18 April 2018 with deed number 41.676/19.291, registered at "Milano 1" on 9 May 2018 at number 14960 series 1T, to now read out the second minutes, containing the start of the meeting and discussion of the ordinary part of the agenda, with votes.

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I accepted this request and confirmed that this part of the meeting was carried out as recorded in the minutes taken by me during the meeting itself and after it has ended; I Notary Public therefore read out these minutes to the appearing party, as reported below.

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On the 11th day of April in the year two thousand and eighteen

(11 April 2018)

in Milan (MI), in Piazza Durante no. 11,

at 10.05 (five past ten)

at the request of the management body of:

"FinecoBank Banca Fineco S.p.A.",

a bank listed on the register of banks and part of the UniCredit Banking Group (Register of Banking Groups 02008.1), registered office in Milan (Milan), Piazza F. Durante no. 11, share capital €200,773,450.35, fully paid, tax code and number of registration on the Companies Register of Milan, Monza - Brianza and Lodi: 01392970404 - VAT number 12962340159 (Economic Administrative Index MI-1598155), a company subject to direction and coordination by "UniCredit S.p.A.";

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I the undersigned Angelo BUSANI, Notary Public in Milan, registered with the College of Notaries of Milan, have attended and drafted the minutes of the ordinary and extraordinary meeting of shareholders (hereinafter the "Meeting") of the above Company, which met at a single call in this place at this time and on this date, to discuss and pass resolutions on the following

Agenda:

"Ordinary Part:

- 1) *Approval of FinecoBank financial statements as at 31 December 2017 accompanied by the Reports of the Board of Directors, the Board of Statutory Auditors and the Independent Auditors. Presentation of consolidated financial statements;*
- 2) *Allocation of the profit for the year 2017 of FinecoBank S.p.A.;*
- 3) *Completion of the Board of Statutory Auditors;*
- 4) *2018 Remuneration Policy;*
- 5) *2018 Bonus Plan for Key Personnel;*
- 6) *Long-Term Bonus Plan 2018-2020 for employees;*
- 7) *2018 Incentive System for Personal Financial Advisors identified as "Key Personnel";*
- 8) *Long-Term Incentive Plan 2018–2020 for Personal Financial Advisors identified as "Key Personnel";*
- 9) *Authorisation for the purchase and disposal of own shares to service the 2018 bonus plan for financial advisers classified as "Key Personnel". Related and consequent resolutions;*

Extraordinary Part:

- 1) *Authority to the Board Of Directors under Article 2443 of the Italian Civil Code granting the right to authorise 2023, a free share capital increase (pursuant to Article 2349 Civil Code) of up to €29,700 corresponding to a maximum of 90,000 ordinary FinecoBank shares, each with*

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a nominal value of €0.33, of the same type as those in circulation, with regular dividends, to be allocated to the 2017 Key Personnel of FinecoBank, in execution of the 2017 bonus plan; consequential amendments to the Articles of Association;

2) Authority granted to the Board of Directors, pursuant to Article 2443 of the Italian Civil Code, to approve a free capital increase – on one or more occasions and for a maximum period of five years starting from the date of the shareholders' resolution, pursuant to Article 2349 of the Italian Civil Code – for a maximum amount of €136,031.94 (to be fully allocated to share capital), through the issue of a maximum of 412,218 new FinecoBank ordinary shares with a nominal value of €0.33 each, of the same type as those in circulation and with regular dividend entitlement, to be granted to the Personnel of FinecoBank in implementation of the 2018 Bonus Plan; consequential amendments to the Articles of Association.

3) Authority granted to the Board of Directors, pursuant to Article 2443 of the Italian Civil Code, to approve a free capital increase – on one or more occasions and for a maximum period of five years starting from the date of the shareholders' resolution, pursuant to Article 2349 of the Italian Civil Code – for a maximum amount of €324,743.10 (to be fully allocated to share capital), through the issue of a maximum of 984,070 new FinecoBank ordinary shares with a nominal value of €0.33 each, of the same type as those in circulation and with regular dividend entitlement, to be allocated to the beneficiaries of the Long-Term Bonus Plan 2018-2020, implementation of the plan; consequential amendments to the Articles of Association.

The following person is present:

ENRICO COTTA RAMUSINO, born in Sant'Alessio con Vialone (PV), Italy on May 22, 1959, domiciled for the purpose at the registered office of the Company (hereinafter identified as the "Chairman"), Chairman of the Board of Directors of the aforementioned Company;

the appearing party of whose personal identity I Notary Public am certain, addressed the

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meeting and, in accordance with article 10 of the Articles of Association declares that he is the chair of the ordinary and extraordinary parts, then declares the meeting open.

The Chair informs the Meeting that it has been called to discuss and pass resolutions on the items on the above agenda.

The Chair then informs the meeting that in accordance with current laws and regulations and also article 7 of the Articles of Association, the notice of the meeting that contains the details of the agenda had been published on 9 March 2018 on the website of FinecoBank, at the company's registered office and head office, on the website of "Borsa Italiana S.p.A." and on the storage system managed by "Spafid Connect S.p.A."; and that a copy of the agenda had also been included in the press file provided to the attendees.

The Chair also informs the Meeting that the notice of meeting had been published in summary form on 10 March 2018 in the following publications: "Il Sole 24 Ore" and "MF"; the notice had also been published in a press release on 9 March 2018.

The Chair informs the meeting and places on record that the documents relating to the various items on the agenda comply with the disclosure requirements imposed by the applicable regulations, and have been published ahead of the date of the meeting. Therefore they are not read out.

The Chair asked the undersigned Notary Public Angelo Busani, who was present in the room, to act as Secretary and to draft the minutes for the ordinary and extraordinary part of the meeting in the form of a public deed.

The Chair reminds the Meeting that if required, a simultaneous Italian/English translation system is available; all interventions should be made exclusively from the designated seat.

The Chair informs the Meeting that the following persons are present in addition to himself as Chair:

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- for the Board of Directors: Mr Francesco Saita, Deputy Chair; Mr Alessandro Foti, CEO and General Manager, Ms Elena Biffi, Director; Ms Maria Chiara Malaguti, Director; Mr Gianmarco Montanari, Director; Mr Maurizio Santacroce, Director.

- for the Board of Statutory Auditors the following persons are present: Elena Spagnol, Chair; Barbara Aloisi, Standing Auditor; Marziano Viozzi, Standing Auditor.

The Chair also reminds the meeting that:

- the following members of the Board of Directors are excused: Patrizia Albano and Manuela D'Onofrio;

- several members of the Executive Personnel of Head Office and other Bank personnel are also present to assist with the Meeting in accordance with Article 2 of the Meeting Regulations;

- in accordance with that Article of the Meeting Regulations, access has been permitted to experts, financial analysts and accredited journalists who have been accommodated in a separate room connected to the Meeting room by a closed-circuit audiovisual system;

- Mr Paolo Gibello Ribatto is also present, representing the auditing Deloitte & Touche, which has been commissioned to certify the Company's accounts.

The Chair informs the Meeting that in accordance with Article 3(2) of the Meeting Regulations, the discussions is the subject of audio and video recordings.

The Chair informs the meeting that:

- to date, the subscribed, paid-up capital is €200,773,450.35 (two hundred million seven hundred and seventy-three thousand four hundred and fifty euros and thirty-five cents) and it is represented by number 608,404,395 (six hundred million four hundred and four thousand three hundred and ninety-five) ordinary shares with a nominal value of €0.33 (thirty-three cents);

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- at the record date, namely 29 March 2018, it was €200,708,586.54 (two hundred million seven hundred and eight thousand five hundred and eighty-six euros and fifty-four cents) represented by number 608,207,838 (six hundred and eight million two hundred and seven thousand eight hundred and thirty-eight) ordinary shares each with a nominal value of €0.33 (thirty-three) cents;

- there has been a check on the conformity of the authorities with the provisions of Article 2372 of the Italian Civil Code and Article 135(h) of the Legislative Decree No. 58 of 24 February 1998 (the Finance Consolidated Act – TUF);

- 500,253,458 (five hundred million two hundred and fifty-three thousand four hundred and fifty-eight) shares equal to 82.2504 (eighty-two point two five zero four) percent of the share capital are represented in the Meeting room, equal to number 608,207,838 (six hundred and eight million two hundred and seven thousand eight hundred and thirty-eight) shares (in this regard the Chair confirmed that this was a very high attendance, even higher than in past years);

- no authorities have been granted to "Computershare S.p.A.", the company appointed by FincoBank under Article 135(j) TUF as the designated representative.

The Chair thus declares that the Meeting has been duly convened and is able to pass resolutions at a single meeting, on the Ordinary Part of the Agenda in accordance with the Law and the Articles of Association.

The Chair states that:

- according to the Shareholders' Register and as resulting from the checks on eligibility to vote and the checks required by law, 18,500 (eighteen thousand five hundred) shareholders are listed,;

- according to the information in the Company's possession, the following shareholders held

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more than 3 percent of the share capital as of the record date (29 March 2018), represented by voting shares:

a) "UniCredit S.p.A.", which directly holds 215,066,403 (two hundred and fifteen million sixty-six thousand four hundred and three) ordinary shares representing 35.361 (thirty point three six one) percent of the share capital; "UniCredit S.p.A. also holds, indirectly, through "UniCredit Bank AG, 219,550 (two hundred and nineteen thousand five hundred and fifty) ordinary shares representing 0.036 (zero point zero three six) percent of the share capital;

b) "BlackRock Inc.", which indirectly holds, through 12 subsidiary asset management firms, 46,071,831 (forty-six million seventy-one thousand eight hundred and thirty-one) shares representing 7.575 (seven point five seven five) percent of the share capital;

The Chair informs the meeting that:

- in accordance with Article 8 of the Meeting Regulations the attendee who wish to address the Meeting can book a place at the Secretary's table;

- when they are asked to speak they can then go to the designated seat (the Chair invites the attendees not to speak from their own seats, so that everybody can understand the questions properly);

- in accordance with Article 17 of the Meeting Regulations, the votes will be cast using a computerised recording system and Radiovoter devices, which have been given to each person entitled to vote (the Chair explains that the folder delivered to each attendee on arrival contains instructions on how to use the Radiovoter and he recommends that to ensure that votes are recorded efficiently, that votes should only be cast after the attendees have been requested to do so by the Chair, by pressing the corresponding button on the Radiovoter device and confirming their selection with the "OK" button);

- if the device fails to work as described, or if they required any assistance, the attendees can

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request the intervention of the personnel present in the meeting room;

- the delegators and the representatives of Fiduciary Companies who require differentiated votes for each resolution should declare this, and cast their votes from the assisted voting stations;

- the electronic system for recording attendances and votes produces the following documents, which, after being signed by the Chair, will be annexed to the minutes of the Meeting: lists of Shareholders who were present and represented (including details of any persons arriving late or leaving the Meeting room) and separate lists for the various types of vote cast.

After giving this information, the Chair informs the Meeting that:

- the Report on Corporate Governance and Ownership Structure (pursuant to Article 123a TUF) for the year 2017 had been made available to the public, in accordance with the legal requirements (the report is also contained in the press file given to the attendees on arrival at the Meeting);

- no Shareholder has exercised the right under Art. 127b TUF to ask questions about the items on the Agenda (pre-Meeting questions).

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The Chair declares that the discussion can now pass to the Ordinary Part of the Meeting.

As to the first items on the agenda (**1. Approval of FinecoBank financial statements as at 31 December 2017 accompanied by the Reports of the Board of Directors, the Board of Statutory Auditors and the Independent Auditors. Presentation of consolidated financial statements. 2. Allocation of the profit for the year 2017 of FinecoBank S.p.A.**), considering the close connection between points 1 and 2, the Chair proposes to deal with them collectively, although separate motions will be put forward.

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As there are no objections to this proposal, the Chair then invites the CEO and General Manager Mr Alessandro Foti to briefly outline these points by using slides and, assuming there are no objections, to omit the full reading aloud of the contents as the draft financial statements, reports and consolidated accounts are available to all attendees and have also been published in accordance with the legal requirements. The Chair then says that together with the results of the year, details of the work done by the auditing firm will also be provided. The CEO and General Manager Mr Alessandro Foti then addresses the meeting and states (almost verbatim) as follows:

"In 2017 Fineco once again recorded extraordinary results, which confirms the Bank's sustainable growth trend. The year ended with profits of €241.1 million, which is an increase of €211.8 million on the previous year. Net of the non-recurring items, net profits rose by 8.9% year-on-year, which is the best result in Fineco's history notwithstanding the 7.1 million relating to the systemic contribution to the Interbank Deposit Protection Fund. Operating results exceeded €353 million (up by 11.4% year on year) driven by rising revenues and well-controlled costs. The cost income ratio, net of non-recurring items fell to 40% in 2017, which is down by approximately two percentage points compared to 2016. We are pleased to propose a per-share cash dividend of 28.5 eurocents corresponding to a payout ratio of 81%. In 2017, the solid, sustainable trend in the growth of revenues continued, reaching 587 million, which is up by 7.9% on the previous year. Operating costs were under control, at €233 million (up by 3% year-on-year) despite the continued growth in volumes and customers. This confirms the Bank's operational leverage and the scalability of our platform. Looking at the generation of revenues among the principal income statement items in more detail, it can be seen that the interest margin grew by 6.1% in 2017, mainly supported by the strong growth in deposits and in customer loans. The Bank is clearly committed to building a

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high quality loans portfolio thanks to its strategy of offering mortgages, personal loans and secured loans exclusively to its own customers, who are very loyal and well known to the Bank. There was a sharp rise in fees year on year, of 11.2%. Management fees in particular rose by 14.7% compared to the previous year, buoyed by the gradual shift of assets towards guided products and services. Overall, there was solid performance for the Brokerage area despite the lowest volatility since 2013. 2017 proved to be the third best year in terms of core revenues from brokerage operations. Revenues were also supported by the trading income, which made a contribution of €48 million to total revenues for the year. Net of the €15.3 million relating to the Visa operation and profits from the sale of government securities (€5 million) both recorded in 2016, trading income remained stable year on year; this is a commercial item, as Fineco can internalise part of its customer orders thanks to the granularity of its business. Meanwhile, the costs trend, as always, focused heavily on efficiency despite the continued expansion in the Bank's business. Payroll costs were €79.3 million in 2017: the comparison with the previous year was mainly impacted by various utilisations recognised in 2016 such as the holiday provision. Other administrative costs were up slightly to €143.6 million (an excellent result considering growth in the number of customers and assets) and confirming the high scalability of the Fineco platform. Development costs, and current operational running costs were essentially in line with the previous year. Fineco also confirmed its strong equity position with a transitional Common Equity Tier 1 Ratio at 20.77% and a fully-loaded Common Equity Tier 1 at 20.62%. We therefore propose a per-share cash dividend of 28.5 eurocents corresponding to a payout ratio of 81%. As to business performance, the historical series of total financial assets is extremely solid and is supported by healthy growth in net deposits: net deposits of €25 billion over six years have taken the figure for total financial assets to €67.2 billion at the end of 2017 confirming Fineco's potential

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for consolidating its position and benefiting from the structural trends currently present in Italy: the growing demand for consulting services and the growth of digitalisation. This trend is also confirmed by Fineco's market share against total financial assets, up by 1.61% in December 2017. Regarding the composition of total financial assets, the Bank has confirmed its sound, sustainable growth strategy which focuses on the quality and sustainability of deposits; in line with actions aimed at increasing network productivity, the asset mix has moved in the right direction, and is now better quality. In December, total financial assets totalled €67.2 billion (up by 11.6% year on year), of which 49% is assets under management. Assets under management have risen by €9.4 billion since the end of 2014. Leveraging the Cyborg Advisory approach, growth has been focused on guided products and services, up by €12.7 billion over three years. More than €5 billion of this figure was achieved in 2017. The Bank has generated very solid business results: deposits of €6 billion were collected during 2017 (up by 18% year on year), while AuM reached almost €4 billion (more than double the figure for the previous year). €4.6 billion came from guided products and services confirming the effectiveness of the strategy aimed at improving network quality and productivity. Deposits collected through the financial advisors' network are increasingly focused on directing customers towards adding value solutions, following a long-term financial planning approach. They reached €5.4 billion, up by 25% year on year. Organic assets were the main growth driver: in 2017, 90% of the €6 billion of net deposits were generated organically, via the network, or directly by the Bank. We believe that this growth strategy is more sustainable over the long term, also in terms of sustaining future costs as it will put the Bank in the best position to cope with future pressure on margins and potential challenges. Recruitment is focused exclusively on improving the quality of the existing network. At the end of 2017, deferred expenses relating to recruitment, which will be recognised in future years, amounted

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to a stable €24 million, compared to December 2016, which confirms that the future costs are sustainable. As to point 2 on the ordinary part of the agenda (allocation of profit for 2017) in 2017 the Company recorded net profits of €214,283,600.37 (two hundred and fourteen million two hundred and eighty-three thousand six hundred euros and thirty-seven cents). We thus propose that net profits are allocated as follows: €45,609.30 (forty-five thousand six hundred and nine point three zero), equal to 0.02% of the annual profits, as it has reached one-fifth of share capital; €40,842,738.49 (forty million eight hundred and forty-two thousand seven hundred and thirty-eight euros and forty-nine cents); €173,395,252.58 (one hundred and seventy-three million three hundred and ninety-five thousand two hundred and fifty-two euros and fifty eight cents) representing a dividend of €0.285 (zero point two eight five) for each of the 608,404,395 (six hundred and eight million four hundred and four thousand three hundred and ninety-five) ordinary shares with a nominal value of €0.33 (thirty-three cents), constituting the share capital including 691,050 (six hundred and ninety-one thousand and fifty) shares relating to the capital increase authorised by the Board of Directors on 6 February 2018 (the coupon date is 23 April 2018 and the record date is scheduled for 24 April 2018; payment will take place on 25 April 2018).

The CEO and General Manager then reads out the full text of the resolutions on points 1 and 2 of the Ordinary Part of the Agenda:

"Shareholders, regarding point 1 on the agenda (approval of the financial statements of FinecoBank S.p.A. for the year ending 31 December 2017) you are asked to approve the financial statements for the year ending 31 December 2017 as presented by the Board of Directors, overall and as to the individual items. The Financial Statements comprise the Balance Sheet, the Income Statement, the Comprehensive Income statement, the Statement of changes in Shareholder's Equity, the Cash Flow Statement, the Notes to the Financial

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Statements, and are also accompanied by a Report on the operating performance, the economic results achieved and the financial situation of the Bank. The documentation also contains a certification of the financial statements as required by Article 81b of Consob Regulation 11971 of 14 May 1999 as amended; the Board of Statutory Auditors' report according to Article 153 of Legislative Decree no. 58 of 24 February 1998; the auditing firm's report (Articles 14 and 16 of Legislative Decree no. 39 of 27 January 2010)".

"Shareholders, we further propose that the profits for the year of €214,283,600.37 are allocated as follows: €45,609.30, equal to 0.02% of the annual profits, to the legal reserve as it has reached one-fifth of share capital; €40,842,738.49 to the extraordinary reserve; to shareholders: €173,395,252.58 representing a dividend of €0.285 (zero point two eight five) for each of the 608,404,395 ordinary shares with a nominal value of €0.33 constituting the share capital including 691,050 shares relating to the capital increase authorised by the Board of Directors on 6 February 2018. The dividends not distributed in relation to any treasury shares held by the Bank at the record date will be transferred to the Extraordinary reserve.

The CEO and General Manager then reads out the full text of the resolutions relating to the requirements imposed by Consob in its communication number 3558 of 18 April 1996, confirming that:

"The Shareholders' Meeting on 16 April 2013 approved the motion presented by the Board of Statutory Auditors to award the mandate for the legal auditing of accounts for the period 2013-2021 to Deloitte & Touche S.p.A.. The mandate includes an audit of the proper keeping of the accounts and reporting accurate reporting of management events, a limited audit of the half yearly financial statements and the checks required for the signing of tax declarations, with fees based on the hourly tariffs stipulated at the time the mandate is awarded, which are subject to updates in accordance with Istat. From 2017 onwards, the first year in which the

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Bank filed consolidated financial statements, the auditing mandate also includes an audit of these accounts. The annual expense for 2017 (net of out-of-pocket expenses, regulatory contribution and VAT) amounts to €169,245, corresponding to 2555 hours of work”.

The Chair then addresses the Meeting again, thanks the CEO and General Manager for the explanation and the information given.

The Chair then asks Mr Paolo Gibello Ribatto (a partner in the auditing firm "Deloitte & Touche S.p.A.") to read an excerpt from the auditing firm's report, in particular the section containing the opinion on the financial statements and on the management report. The Chair places on record that the full report has already been provided to third parties in accordance with the legal requirements and therefore as there were no objections on this point, Mr Gibello Ribatto can read excerpts from it.

Mr Paolo Gibello Ribatto then addresses the meeting and stated (almost verbatim) as follows:

“I am reading aloud the two paragraphs from the opinion issued by the auditing firm on 15 March 2018 in relation to their opinion on the financial statements for the year, and on the management report. We have audited the financial statements of FinecoBank Banca Fineco S.p.A. for the year ended 31 December 2017, comprising the balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes. In our opinion, the financial statements provide a true and accurate picture of the financial situation of FinecoBank as at 31 December 2017, and of the profit/loss and cash flow situation for the year ending on the same date, in accordance with the International Financial Reporting Standards adopted by the European Union, as well as with the provisions issued to implement Article 9 of Legislative Decree no. 38/2005 and Article 43, Legislative Decree 136/2015. However, with regard to the opinion given in accordance with Article 14 (2) (e) of Legislative Decree 39/2010 and Article 123(a)(4) of Legislative Decree

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58/98, the directors of FinecoBank are responsible for preparing the management report and the corporate governance report for the Bank, as at 31 December 2017, for checking that they conform to the financial statements, and to the provisions of law. We have completed the procedures indicated in the SA Italia auditing standard 720B, in order to provide an opinion on the cohesion between the management report and some of the specific information contained in the management report and in the corporate governance report as indicated in Article 123a of Legislative Decree 58/98 and the annual financial statements of FinecoBank for the year ending 31 December 2017, checking that they conform to the provisions of law, also for the purposes of issuing a declaration on material errors, if any. In our opinion, the management report, and some of the specific information in the corporate governance report conforms to the financial statements of FinecoBank as at 31 December 2017, and meets the legal requirements. With regard to the declaration given in accordance with Article 14 (2) (e) of Legislative Decree 39/2010, which is given on the basis of the knowledge and understanding of the companies and their context, as obtained during our audit work, we have nothing to report”.

The Chair then addresses the meeting again and invites the chair of the board of statutory auditors, Elena Spagnol, to read out the contents and conclusions of the Board’s report, and if there are no objections from the attendees, not to read the full report for the same reasons given above, in relation to the auditing firm’s report.

Elena Spagnol addressed the meeting and stated (almost verbatim) as follows:

“I will take the Board of Statutory Auditors’ report as read, and will only read out the final considerations. Based on its supervisory activities, the Board did not find any irregularities, omissions and/or anomalies nor did it discover any transactions that did not comply with sound administration principles, which were not authorised or implemented in compliance with

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the law and the Articles of Association, nor any that were not in the interests of FinecoBank, were against the resolutions taken by the Shareholders' Meeting, were manifestly imprudent or risky, such as to compromise the integrity of the share capital. The Board of Statutory Auditors does not deem it necessary to exercise the right to submit proposals to the Shareholders' Meeting (Article 153 (2) TUF). Taking into account the results reported in the Financial Statements and the content of the "Directors' Report" that supplements it, the contents of the Certification of the Consolidation Financial Statements signed by the CEO, the General Manager and the Financial Reporting Manager, and considering the content of the Legal Auditor, the Board of Directors does not find, insofar this is within its remit, any impediments to the approval of the draft Financial Statements as at 31 December 2017 and the profit allocation proposal made by the Board of Directors".

The Chair then speaks again, opening a discussion on points 1 and 2 of the ordinary part of the agenda, inviting the attendees to be concise and clear, and supposing that with a speech and 10 minutes and a reply of 5 minutes it would be possible to hear all the arguments that would satisfy the shareholder's interest.

Mr Leopoldo Ghibaudi asks to speak and permission is granted. He says that he has nothing to say in relation to the financial statements and reports, and wants to speak about more practical issues. He complains a lack of transparency by the Bank, in relation to the recognition of foreign dividends, as the accounts indicate "gross Italy" and not "gross International"; he suggests that the client should be sent an email indicating "gross Italy" and "net, international", with an indication of the percentage of taxation. He urges the bank to take steps to find out the time necessary for repayment of taxes paid abroad, in the interests of its customers. Finally, he suggests that front office should be given more resources so that the answers to customers' questions could be provided without making a

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complaint or using the helpdesk.

Ms Germana Loizzi asks to speak and permission is granted. She asks what are the keys to Fineco's growing success; whether the entry into force of the Mifid 2 Directive is a growth opportunity, and in what way Fineco can benefit; how the share capital increase authorised by the Board of Directors on 6 February 2018 would influence Fineco's strategies; whether Fineco intends to keep focusing on internal growth or whether it will be investing in the recruitment of new financial advisers; what is the progress on the project for the new asset management company; whether there are plans for partnerships in the insurance sector; what is Fineco's business model in Advisory; what are Fineco's strategic priorities and new developments in 2018; how are customer relations going to be improved; who are Fineco's main customers; whether Fineco expects to maintain the trend in growth of its human resources.

The Chair then addresses the meeting again. In relation to one of the questions raised by Ms Loizzi, with reference to the recent capital increase authorised by the Boards of Directors, he clarifies that this was not a strategic operation as it was used to serve the bonus plans.

Mr Giuliano Leonetti asks to speak and permission is granted. He asks for information about the trading service, the customer split (private individuals/businesses) and the structure of the customer base (age and length of time with the bank). He also asks whether Fineco is a factory of investment funds or a placement agent for third-party funds and if so, who are its main partners. Finally, he asks about the legal status of the financial advisers, how the Fineco branches are organised, whether the call centre is outsourced, and whether the main internal administration services are also outsourced.

The Chair then addresses the Meeting again, and asks the CEO and General Manager to answer the questions.

The CEO and General Manager first thanks the shareholders who have raised the questions.

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He says that all the questions have been very interesting and useful because they give an opportunity to give a better description of how the Bank works and also because they encourage us to keep improving. Also:

with reference to the question raised by Mr Ghibaudi:

- he says that on request the Bank is willing to provide a breakdown of the gross amount of the foreign dividend and the taxation applied at source according to the foreign country's regulations, both in percentage format and in terms of the amount, in addition to the information already given on the statement, in other words the "net border" dividend and the withholding tax charge in Italy on the net amount of the dividend; with regard to how this additional information is disclosed, he assures that the Bank will consider sending out a specific annual report summarising the dividends received; with regard to the recovery of the higher withholding tax levied on payment of foreign dividends, he says that the repayment times are dictated by the tax authorities in the issuer's country of residence; the Bank has done, and will continue, to do all things possible to hasten the reimbursement due to the customer; full attention is given to all messages sent in by customers; the Bank has an excellent relationship with the custodian banks as it is one of the largest operators on the market, but it cannot influence the work that has to be done by the foreign tax authorities; the Bank is absolutely determined to ensure that reimbursements are successfully received, as quickly as possible;

- with regard to the back office, he says that he certainly appreciates all the observations, which can be used to improve the Bank's customer services, particularly if there are important needs;

with reference to the question raised by Ms Loizzi:

- he says that Fineco is very well placed to capture a series of very important structural trends

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that are affecting Italian society at a very deep level, with particular regard to savings and Finance; Italian investors have realised that money management is a complex, serious area and therefore there is a huge demand for adequate advice; the country is also becoming rapidly digitalised, much quicker than could have been expected and the result is that consumers do not choose banks because they are local, but because of the quality of their services; Fineco is based on the concept of quality; other factors in its success have been the strategic approach, which is always based on transparency and respect for the customer as well as the "one-stop solution" model which allows customers to fulfil all their financial requirements from the same provider, in a truly unprecedented way;

- he says that Mifid 2 is a very complex directive which has two elements worthy of greater attention: on the one hand there is expected to be a significant increase in transparency towards customers, in terms of service costs; on the other hand there is the question of product governance which is the process by which the intermediary needs to ensure that the products and services meet the needs of customers, both when the product range is being decided and throughout the product/service life-cycle; in this regard he says that greater transparency costs will, over the medium-long-term, inevitably put pressure on margins; on the other hand for Fineco this is an opportunity as since its formation, Fineco has taken the strategic decision of having a transparent, respectful approach to its customers based on the idea that if pricing is honest, in the end the business will be much more sustainable and long lasting ("being decent people is good business"); Fineco has positioned itself well ahead, and its pricing system is certainly more affordable than other operators but it is also more transparent in the sense that customers already know exactly what they are paying; combine all this with the great opportunities from the structural trends and the Bank's capacity to boost its productivity, the Bank may derive benefits and further increase its profits, albeit in a

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context that will see margins fall in unit terms; with regard to product governance he then says that as changes taking place in terms of simplifying the platforms, Fineco will have an advantage as it owns one of the largest, biggest open funds platforms in Europe (it offers more than 7000 funds from more than 74 investment firms, including some of the world's largest): thanks to the extraordinary operational leverage and efficiency of the Bank it will manage to maintain this open architecture despite having to deal with the further requirements deriving from product governance; thanks to its operational efficiency the Bank can continue to adopt a very open, highly diversified approach; this is a very important factor in a context that is driving the system in exactly the opposite direction;

- he says that most of the Bank's assets come from organic growth. As already mentioned when the figures have been presented, in 2017 90% of the €6 billion of assets was generated organically through the existing network, or directly by the Bank, with only a residual part from the recruitment of new financial advisers; he confirms that the prevailing strategy will remain focused on growth from internal lines, as the Bank, thanks to the quality of its services, its business model and ideal position, has extremely strong potential for organic growth; this is certainly stronger and more sustainable than external growth; recruitment will continue, mainly in terms of increasing the quality of the network rather than increasing its assets; Fineco has no interest in acquiring non-core operations, in other words acquiring other businesses;

- as to the Fineco Asset Management project, he reports that the company will be fully operational by the end of the first half of the year and that work is proceeding at full speed, to bring this forward as much as possible;

- he says that on the one hand Fineco wants to keep being highly efficient in terms of its current products and services and on the other, it wants to launch a new advisory service

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(‘Plus’), which will be highly innovative as it will allow the Bank to offer one-stop advice on practically all its customers’ assets; he says that there has certainly been an increased emphasis on advisory services within insurance packages, which gives customers a series of advantages that are certainly extremely efficient: he says that Fineco recently launched an innovative new service in partnership with Aviva, an insurance product that gradually reduces separate portfolios on the equity markets;

- he says that Fineco is a success story because, unlike the other banks which are reducing the banking workforce, Fineco is continuing to hire, because it is continuing to gain market share and therefore is continuing to grow, but still with a very keen focus on efficiency and cost control;

with reference to the question raised by Mr Leonetti:

- as to brokerage, he says that Fineco is an excellent platform: it is estimated that Fineco has a share of more than 50% of retail brokerage (therefore one Italian out of two, who buys and sells shares in Italy operates through Fineco); Fineco continues to consistently develop the growth in its foreign operations, which are principally led by its brokerage operations (Fineco started operating in Great Britain at the end of Spring 2017 and the figures are very positive already, as there are already approximately 1700 customers); therefore brokerage will certainly continue to be one of the cornerstones of its business;

- with regard to the customer profile he says that most Fineco customers are retail, and therefore “business clients” represent no more than 1%; the average customer age is 48, slightly under the average age for the customers of traditional banks; 35% of customers are aged between 45 and 60, 8% are aged under 28, 14% between 28 and 35 years of age, and 22% are aged between 35 and 45;

- he says that Fineco model is based on the open architecture concept; Fineco is one of the

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largest funds platforms in Europe with more than 7000 funds from the world's leading management firms; in the pensions segment its main partners are Amundi, Arca, Anima and Aviva;

- he says that Fineco consultants are agents and are therefore not employee; the Italian model is the model of agent with exclusivity obligation and therefore the agent can only work for Fineco, which is a strength in the sector because unlike what happens in other European countries where the model is prevalently that of independent financial adviser, in this case the Bank is jointly and severally liable which means it is responsible for the work of its agents. This makes the system very solid. Essentially, the financial advisers are an integral part of the Bank; as to the advice points, they are clearly very different from the bank branches because no banking transactions are offered, only financial advice from agents who as mentioned are not employees of the Bank;

- he says that a large part of the call centre (what Fineco calls "customer care") is not outsourced: this is a strategic decision taken by the Bank several years ago, as customer care is an essential point for Fineco as it is an opportunity for direct contact with the customer; therefore Fineco invests very heavily in this area; in the short term, outsourcing the contact centre could save costs but in reality this would be to the great detriment of service quality and customer service action, therefore ultimately it would undermine one of the key reasons for Fineco's success; the Fineco contact centre is a point of excellence, which employs people of high standing; as the business philosophy also reflects a sound process of vertical growth, whenever opportunities arise within the bank they are offered to the best workers at the contact centre because these people know the Bank very well and therefore this generates a sense of belonging and motivation that contributes to the overall quality of the Fineco offer;

- he says that the invoicing and sales cycle is completed entirely within the Bank, by the CFO

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Department. The securities back office and banking services are also performed internally; this business solution is a distinctive feature compared to much of the traditional banking system.

Mr Leopoldo Ghibaudi again asks to speak and is given permission. He thanks the meeting for taking his comments into consideration.

The Chair then addresses the Meeting again, and finding that there are no more questions, says that the votes can now be cast.

The Chair put to the vote the motion on item 1 in the Ordinary Part of the Agenda, as formulated, in relation to the financial statements for the year ending 31 December 2017.

The Chair asks any attendees who have left the room to come back in and asks (without obtaining any reply) whether there are any grounds for exclusion from the right to vote or any limitations for the purposes of Articles 120, 121, 122 TUF, and Articles 19, 20, 24 and 25 TUB.

The vote is then held and after the procedure is completed the following result is declared:

- votes in favour: 494,531,090 (four hundred and ninety-four million five hundred and thirty-one thousand and ninety), equal to 98.8561 (ninety-eight point eight five six one) percent of the shares eligible to vote and equal to 81.3095 (eighty-one point three zero nine five) percent of the share capital;

- votes against: 1,026,968 (one million and twenty-six thousand nine hundred and sixty-eight), equal to 0.2052 (zero point two zero five two) percent of the shares eligible to vote and equal to 0.1688 (zero point one six eight eight) percent of the share capital;

- abstentions: 958,769 (nine hundred and fifty-eight thousand seven hundred and sixty-nine), equal to 0.1916 (zero point one nine one six) percent of the shares eligible to vote and equal to 0.1576 (zero point one five seven six) percent of the share capital;

- shares not participating in the vote: 3,736,632 (three million seven hundred and thirty-six thousand six hundred and thirty-two), equal to 0.7469 (zero point seven four six nine) percent

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of the shares eligible to vote and equal to 0.6143 (zero point six one four three) percent of the share capital.

The Chair thus declares that the motion to approve the financial statements of FinecoBank as at 31 December 2017 is approved by the majority.

The Chair put to the vote the motion on item 2) of the ordinary part of the agenda, relating to the proposal to allocate the 2017 profits of FinecoBank, of €214,283,600.37 (two hundred and fourteen million two hundred and eighty-three thousand six hundred euros and thirty-seven cents) as follows: €45,609.30 (forty-five thousand six hundred and nine euros and thirty cents), equal to 0.02 (two eurocents) percent of the annual profit to the legal reserve as it has already reached one-fifth of the share capital; €40,842,738.40 (forty million eight hundred and forty-two thousand seven hundred and thirty-eight euros and forty eurocents) to the extraordinary reserve; €173,395,252.58 (one hundred and seventy-three million three hundred and ninety-five thousand two hundred and fifty-two euros and fifty-eight cents to the 608,404,395 (six hundred and eight million four hundred and four thousand three hundred and ninety-five) ordinary shares with a nominal value of €0.33 (thirty-three cents) each, constituting the share capital and thus including the 691,050 (six hundred and ninety-one thousand and fifty) shares from the free capital increase approved by the Board of Directors on 6 February 2018, corresponding to a unit dividend of € 0.285 (zero point two eight five).

The Chair asks any attendees who have left the room to come back in and asks (without obtaining any reply) whether there are any grounds for exclusion from the right to vote or any limitations for the purposes of Articles 120, 121, 122 TUF, and Articles 19, 20, 24 and 25 TUB.

The vote is then held and after the procedure is completed the following result is declared:

- votes in favour: 494,969,858 (four hundred and eight-six million nine hundred and sixty-nine thousand eight hundred and fifty-eight) equal to 98.9438 (ninety-eight point nine four three

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eight) percent of the shares eligible to vote and equal to 81.3816 (eighty-one point three eight one six) percent of the share capital;

- votes against: 1,026,968 (one million one hundred and twenty-six thousand nine hundred and sixty-eight), equal to 0.2052 (zero point two zero five two) percent of the shares eligible to vote and equal to 0.1688 (zero point one six eight eight) percent of the share capital;

- abstentions: 520,001 (five hundred and twenty thousand and one), equal to 0.1039 (zero point one zero three nine) percent of the shares eligible to vote and equal to 0.0854 (zero point zero eight five four) percent of the share capital;

- shares not participating in the vote: 3,736,632 (three million seven hundred and thirty-six thousand six hundred and thirty-two), equal to 0.7469 (zero point seven four six nine) percent of the shares eligible to vote and equal to 0.6143 (zero point six one four three) percent of the share capital.

The Chair thus declares that the proposed allocation of the 2017 profits of FinecoBank is approved by the majority.

The Chair clarifies, in response to the question from the room made by Mr Mario Croce, that as the market is open on 25 April the dividend will be paid on 25 April.

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The Chair says that the Meeting would now discuss item 3 on the ordinary part of the agenda **(3. Completion of the Board of Statutory Auditors)**.

He says that following the resignation on 4 September 2017 of the standing auditor and Chair of the Board, Mr Stefano Fiorini, Elena Spagnol took over, in accordance with the legal and statutory requirements, after being elected on the same list as the outgoing auditor; in accordance with Article 23(14) of the Articles of Association, she also took the position of Chair. In accordance with the applicable laws and the Articles of Association, the new auditors

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replacing the outgoing auditors will remain in office until the next shareholders' meeting, which will elect them in accordance with the principle of representation of minorities and gender balance. The today's Meeting is asked to elect the remaining members of the Board of Statutory Auditors, not using the list system, by appointing a standing auditor whose term of office will expire at the same time as that of the existing members, i.e. at the shareholders' meeting called to approve the financial statements on 31 December 2019, with a new substitute auditor if necessary. The Meeting is required by law to appoint the remaining members of the Board in accordance with the principle of representation of minorities, as the new appointment relates to auditors from the minority. To reinforce the system of representation of minorities within the supervisory body, the regulations require that the Board is chaired by a member chosen by the minority shareholders. In accordance with Article 23 (14) of the Articles of Association, where the appointment of the Stand-in Statutory Auditor in lieu of the Statutory Auditor is not confirmed by the Shareholders' Meeting, he/she shall return to his/her position as Stand-in Auditor. In accordance with the current laws and regulations, the following motion is raised, together with the various documents required by law and the Articles of Association, including the CVs and lists of directorships with other companies. The shareholders who filed the motion are a number of asset management firms and institutional investors; the nomination for the position of standing auditor and therefore for the position of Chair of the board of auditors is Elena Spagnol; the nomination for stand-in auditor is Gianfranco Consorti. Obviously if Elena Spagnol is re-elected she will again hold the office of Chair.

Finding that there is no request to address the Meeting, the Chair then declares the vote to be held.

The Chair put to the vote the motion on item 3 in the Ordinary Part of the Agenda, as

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formulated.

The Chair asks any attendees who have left the room to come back in and asks (without obtaining any reply) whether there are any grounds for exclusion from the right to vote or any limitations for the purposes of Articles 120, 121, 122 TUF, and Articles 19, 20, 24 and 25 TUB.

The vote is then held and after the procedure was completed the following result was declared:

- votes in favour: 283,056,367 (two hundred and eighty-three million fifty-six thousand three hundred and sixty-seven), equal to 99.2529 (ninety-nine point two five two nine) percent of the shares eligible to vote and equal to 46.5394 (forty-six point five three nine four) percent of the share capital (the Chair said that this last percentage was due to the non-participation of the majority controlling shareholder "UniCredit S.p.A.");

- votes against: 1,824,420 (one million eight hundred and twenty-four thousand four hundred and twenty), equal to 0.6397 (zero point six three nine seven) percent of the shares eligible to vote and equal to 0.2999 (zero point two nine nine nine) percent of the share capital;

- abstentions: 306,169 (three hundred and six thousand one hundred and sixty-nine) equal to 0.1073 (zero point one zero seven three) percent of the shares eligible to vote and equal to 0.0503 (zero point zero five zero three) percent of the share capital.

The Chair thus declares that the motion to approve the proposal to appoint Elena Spagnol as standing auditor and Gianfranco Consorti as substitute auditor is approved by the majority.

The Chair informs the meeting that Elena Spagnol has been appointed, in accordance with the current regulations, as Chair of the Board of Statutory Auditors, as the position of chair has to be awarded to the auditor put forward by the minority.

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The Chair says that the Meeting can now discuss items 4-9 on the ordinary part of the agenda

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(4. Remuneration Policy 2018; 5. 2018 Bonus Plan for Key Personnel; 6. Long-Term Bonus Plan 2018-2020 for employees; 7. 2018 Bonus Plan for Financial Advisors identified as "Key Personnel"; 8. Long-Term Bonus Plan 2018–2020 for Financial Advisors identified as "Key Personnel"; 9 Authorisation for the purchase and disposal of own shares to service the 2018 bonus plan for financial advisers classified as "Key Personnel". Related resolutions), proposing that the matters are discussed together, but that the resolution is obviously passed on each separate point.

As there are no objections to this proposal to discuss items 4-9 in the ordinary part of the agenda, in relation to the purchase and disposal of own shares to service 2018 bonus plan for financial advisers identified as key personnel, the Chair informs the Meeting that the procedure with the European Central Bank required for the issue of the authorisation has been successful and it was received on 28 March 2018.

The Chair invites the CEO and General Manager to illustrate the main points of the resolutions put forward for approval, as the files containing the directors' reports and 2018 Remuneration Policy are available to all attendees and have also been published in accordance with the legal requirements; he reports that the Remuneration Policy includes a remuneration report that includes, among other things, full information about the compensation and bonuses for the current year, as well as the implementation of the remuneration policy and bonuses for previous years.

The CEO and General Manager then addresses the meeting, saying:

- as to item 4 on the ordinary part of the agenda (2018 Remuneration Policy) he says that the Remuneration Policy of FinecoBank for 2018 defines the principles and standards adopted by the Bank in designing, implementing and monitoring its pay policy for the whole organisation; the document contains the following sections: Executive Summary, Remuneration Policy,

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Annual Remuneration Report; the figures on the tables, in accordance with legal requirements, are stated in the annual report on remuneration and in the relevant appendices; in particular the "executive summary" summarises the main content of the Remuneration Policy and the annual remuneration report; the "Remuneration Policy" Section describes the cornerstones of FinecoBank's approach to remuneration which is performance-oriented and based on the market context, the alignment with business strategies and stakeholder interests; with regard to section 3 of the Remuneration Policy, the annual remuneration report provides full information about the pay and bonuses for the current year as well as on the implementation of the remuneration policy and bonuses for previous years; the appendices include the pay tables and details required by the Issuers' Regulations, and the description of the share-based plans for 2018 and the plans executed in 2018; with regard to the new developments, the 2018 remuneration policy introduced two new long-term bonus schemes for the performance years 2018-2020; in particular there is a long-term share incentive (2018-2020) for selected employees and a long-term bonus plan (2018-2020) for the identified staff; a change compared to 2017 Remuneration Policy is the introductory letter to shareholders from the Chair of the Remuneration Committee, which is a consolidated market practice;

- as to item 5 on the ordinary part of the agenda (2018 bonus plan for key personnel) he says that this plan essentially reflects the 2017 plan: it is based on a bonus pool approach, subject to performance of FinecoBank and the Group which is risk-weighted, composed of a balanced structure of immediate and deferred payments in the form of cash and shares, subject to malus and clawback conditions supported by a free capital increase; with reference to the eligibility conditions compared to the 2017 plan, there is now a local net stable funding ratio with a threshold of 101%, the threshold of the liquidity coverage ratio has been taken from 100% to 101%, the Common Equity Tier 1 transitional ratio threshold has been raised from

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10.25% to 10.43%; with regard to the risk adjustment, the CRO Dashboard has again been used, there is a total of 16 beneficiaries for the 2018 plan, corresponding to the number of key personnel; the 2018 plan has a balanced structure of immediate and deferred payments (cash and/or shares); the bonus payments will be deferred over multiple years, depending on the category of beneficiary;

- as to item 6 on the ordinary part of the agenda (2018-2020 long-term bonus plan for employees) he says that for the performance years 2018-2020, a long-term bonus plan based on FinecoBank shares would be launched, for allocation to selected employees of the Bank; the plan sets objectives linked to Fineco's targets for 2020, in terms of creating value, sustainability and risk; there are 65 recipients of the plan, selected from among the Bank's key personnel; the plan includes performance targets such as EVA, cost-income, and cost of risk on trade receivables, eligibility conditions and malus clauses on profits, capital and liquidity and FinecoBank and Group level, individual compliance and clawback clauses, risk weighting linked to the annual trend in the CRO Dashboard, individual bonuses that are defined on the basis of the beneficiaries' roles, a payment structure spanning multiple years defined according to the categories of beneficiary; the plan's performance targets will have a specific weighting on the total bonus: EVA 50%, cost income 35% and cost of risk 15%; their valuation, except for the cost of risk for which there will be an on-off threshold, will be based on rising thresholds that correspond to bonuses of between 0 and 100% in linear progression; special eligibility conditions will be included, at Fineco and Group level, which, if not met, will lead to a reduction or cancellation of the bonus, and the impact on deferred payments will follow the same logic; there is a risk adjustment based on an evaluation of the CRO Dashboard in the performance years; as with any bonus plan, there is an individual performance conformity clause and a clawback clause; the plan provides for individual

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bonuses, for which the maximums are defined in relation to the category of beneficiary; the payment mechanisms are also differentiated by role;

- as to item 7 on the ordinary part of the agenda (2018 bonus plan for financial advisors identified as key personnel) he says that this plan has the following key elements: a bonus pool approach, eligibility conditions and malus clauses based on the performance of FinecoBank and of the Group, risk weighting, individual conformity and clawback clauses, immediate and deferred payments (cash/shares bought on the market); compared to the 2017 plan, there is now a local net stable funding ratio with a threshold of 101%, the threshold of the liquidity coverage ratio has been taken from 100% to 101%, the Common Equity Tier 1 transitional ratio threshold has been raised from 10.25% to 10.43%; with regard to the risk adjustment, the CRO Dashboard has again been used, there is a total of 7 beneficiaries for the 2018 plan, who are identified according to the preset criteria; the plan has a balanced structure of immediate and deferred payments (cash and/or shares); the payments will be deferred over multiple years;

- as to item 8 on the ordinary part of the agenda (2018-2020 long-term bonus plan for financial advisors identified as key personnel) he says that for the performance years 2018-2020, a long-term bonus plan is to be launched, with the payment of cash and FinecoBank shares for financial advisors identified as key personnel in 2020; it is estimated that there will be 15 recipients; the plan provides for three-year performance targets linked to total net assets, net assets from diversified management and, for the financial advisors and group managers, also linked to the ratio between managed and diversified, out of total financial assets; eligibility conditions based on individual performance at FinecoBank and Group level; malus clauses; individual conformity and clawback clauses; risk weighting linked to the annual CRO Dashboard; a balanced structure of immediate and deferred payments of cash and/or

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Fineco shares bought on the market; the plan's performance indicators are linked to net assets and net assets from diversified management considering the cumulative budgets in 2018-2020, the indicators are included in a grid; for the financial advisers and group managers there is also a multiplier, based on the ratio between diversifying assets and total financial assets; the plan provides for specific eligibility conditions at group and local level, which are based on the same indicators used for the 2018-2020 employee plan, but with profit conditions only defined at local level; the same concepts apply to the malus clauses; in addition to the eligibility clauses there are other conditions for the award of the bonuses: at Bank level, an EVA threshold of more than €180 million in 2020, at individual level two thresholds for net managed assets; there is a risk adjustment mechanism; there are the usual individual conduct and clawback clauses; there are maximum bonuses of the same amount for the plan beneficiaries; bonuses will be paid as to 40% in cash and 60% in Fineco shares bought on the market over multiple years;

- as to item 9 on the ordinary part of the agenda (Authorisation for the purchase and sale of own shares to service the 2018 bonus plan for financial advisers identified as key personnel), he reports that in order to implement the plan, the Meeting of Shareholders is required to issue its authorisation (pursuant to Art. 2357 of the Italian Civil Code) for the market purchases and completion of acts of disposition of own shares; the request for authorisation relates to a maximum of 297,620 ordinary shares, equal to 0.05% of the share capital and therefore far below the maximum 20% threshold set by the applicable laws; it is proposed that authorisation for the purchase is issued for a period of 18 months from the date of approval by the Meeting.

With regard to the resolutions to be passed by, the CEO and General Manager says that:

- with regard to item 4 on the ordinary part of the agenda, the proposed resolution is to:

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approve (Art. 123b TUF) the 2018 Compensation Policy of FinecoBank, in order to define the principles and standards applied by the Bank in determining, implementing and monitoring the remuneration plans for members of the Board of Directors, the employees and financial advisors qualified for distance selling; to grant the Chair and the CEO and General Manager, also individually, full powers to make all the changes to the 2018 remuneration policy that may be required by the relevant supervisory bodies or which may be required following changes to the regulatory or legal framework, or in the event that, following changes made to the Group Policy by the UniCredit Meeting of Shareholders asked to approve the financial statements for 2017, FinecoBank's 2018 Remuneration Policy is no longer in line with the Group policy;

- with regard to items 5 and 6 on the ordinary part of the agenda, the motion is to: approve the adoption of the 2018 bonus plan, which provides for the award of cash payments and/or ordinary free FinecoBank shares by the end of April 2024, to selected beneficiaries from among the Key Personnel of FinecoBank, in accordance with the above terms and conditions; to grant the Chair and the CEO and General Manager, also individually, full powers to enforce the resolution and related documents, making any changes that may be necessary to implement the Meeting's decision, provided that they do not alter its material content; adopt the long-term bonus plan for 2018-2020, which provides for the award of a bonus in the form of free ordinary FinecoBank shares to FinecoBank personnel as indicated above; to grant the Chair and the CEO and General Manager, also individually, full powers to execute the resolution and the related documents, making any changes that may be necessary to implement the Meeting's decision provided that they do not alter its material content;

- with regard to items 7 and 8 on the ordinary part of the agenda, the motion is to: approve the adoption of the 2018 bonus plan for financial advisors identified as key personnel, which

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provides for the award of cash payments and/or ordinary FinecoBank shares by the end of July 2023 in accordance with the above terms and conditions; to grant the Chair and CEO and General Manager, also individually, full powers to enforce the resolution and related documents, making any changes that may be necessary to implement the Meeting's decision, provided that they do not alter its material content; adopt the long-term bonus plan for 2018-2020, which provides for the award of a bonus in the form of cash or ordinary FinecoBank shares by the end of July 2025 as indicated above; to grant the Chair and the CEO and General Manager, also individually, full powers to execute the resolution and the related documents, making any changes that may be necessary to implement the Meeting's decision provided that they do not alter its material content;

- with regard to item 9 of the ordinary part of the agenda, the motion is: to approve the purchase and completion of acts of disposal relating to no more than 297,620 shares each with a nominal value of Euro 0.33 to service the 2018 financial advisors' plan, in accordance with the above terms and conditions, provided that the repurchase of own shares can take place after the required authorisation has been obtained from the regulatory authorities (Articles 77 and 78 of Regulation (EU) No. 575/2013 CRR of 26 June 2016); and to grant the Board of Directors, through its Chair and CEO and General Manager, also individually, full powers to implement the resolution and to provide information to the market in accordance with the applicable laws.

The Chair then addresses the Meeting again, thanks the CEO and General Manager for the explanation.

The Chair then starts the discussion.

Mr Leopoldo Ghibaudi asks to speak and is given permission. He asks for an explanation about the resolutions impacting future years, up to 2025.

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The Chair replies that the authorised plans refer to a certain period of time and that the authority for the capital increase is granted for five years, because this is what is permitted by the applicable laws. In particular the “long-term bonus plan 2018-2020 for employees” covers a period of 7 years (until 2025), therefore a future Meeting will need to issue a new authority for an increase of capital for the years 2024 and 2025. The cost of the plans will be recognised as to the amount attributable to each year, during the term of each plan.

Finding that there is no request to address the Meeting, the Chair then declares the vote to be held.

The Chair put to the vote the motion on item 4 in the Ordinary Part of the Agenda, as just formulated, in relation to the proposal to approve the 2018 Remuneration Policy (Article 123b TUF).

The Chair asks any attendees who have left the room to come back in and asks (without obtaining any reply) whether there are any grounds for exclusion from the right to vote or any limitations for the purposes of Articles 120, 121, 122 TUF, and Articles 19, 20, 24 and 25 TUB.

The vote is then held and after the procedure is completed the following result is declared:

- votes in favour: 471,249,765 (four hundred and seventy-one million two hundred and forty-nine thousand seven hundred and sixty-five), equal to 94.2022 (ninety-four point two zero two two) percent of the shares eligible to vote and equal to 77.4816 (seventy-seven point four eight one six) percent of the share capital;
- abstentions: 18,199,228 (eighteen million one hundred and ninety-nine thousand two hundred and twenty-eight), equal to 3.6380 (three point six three eight zero) percent of the shares eligible to vote and equal to 2.9922 (two point nine nine two two) percent of the share capital;
- shares not participating in the vote: 3,736,632 (three million seven hundred and thirty-six

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thousand six hundred and thirty-two), equal to 0.7469 (zero point seven four six nine) percent of the shares eligible to vote and equal to 0.6143 (zero point six one four three) percent of the share capital.

The Chair thus declares that the motion to approve the 2018 Remuneration Policy is approved by the majority (Article 123b TUF).

The Chair put to the vote the motion on item 5 in the Ordinary Part of the Agenda, as formulated, in relation to the proposal to approve the 2018 bonus plan for key personnel.

The Chair asks any attendees who have left the room to come back in and asks (without obtaining any reply) whether there are any grounds for exclusion from the right to vote or any limitations for the purposes of Articles 120, 121, 122 TUF, and Articles 19, 20, 24 and 25 TUB.

The vote is then held and after the procedure is completed the following result is declared:

- votes in favour: 493,625,762 (four hundred and ninety-three million six hundred and twenty-five thousand seven hundred and sixty-two) equal to 98.6751 (ninety-eight point six seven five one) percent of the shares eligible to vote and equal to 81.1607 (eighty-one point one six zero seven) percent of the share capital;
- votes against: 2,370,953 (two million three hundred and seventy thousand nine hundred and fifty-three), equal to 0.4739 (zero point four seven three nine) percent of the shares eligible to vote and equal to 0.3898 (zero point three eight nine eight) percent of the share capital;
- abstentions: 520,012 (five hundred and twenty thousand and twelve), equal to 0.1039 (zero point one zero three nine) percent of the shares eligible to vote and equal to 0.0854 (zero point zero eight five four) percent of the share capital;
- shares not participating in the vote: 3,736,632 (three million seven hundred and thirty-six thousand six hundred and thirty-two), equal to 0.7469 (zero point seven four six nine) percent of the shares eligible to vote and equal to 0.6143 (zero point six one four three) percent of the

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share capital.

The Chair thus declares that the motion to approve the 2018-2020 Bonus Plan for Personal Financial Advisors identified as "Key Personnel" is approved by the majority.

The Chair put to the vote the motion on item 6 on the Ordinary Part of the Agenda, as formulated, in relation to the proposal to authorise the 2018-2020 Long-Term Employee Bonus Plan.

The Chair asks any attendees who have left the room to come back in and asks (without obtaining any reply) whether there are any grounds for exclusion from the right to vote or any limitations for the purposes of Articles 120, 121, 122 TUF, and Articles 19, 20, 24 and 25 TUB.

The vote is then held and after the procedure is completed the following result is declared:

- votes in favour: 491,452,552 (four hundred and ninety-one million four hundred and fifty-two thousand five hundred and fifty-two), equal to 98.2407 (ninety-eight point two four zero seven) percent of the shares eligible to vote and equal to 80.8033 (eighty point eight zero three three) percent of the share capital;

- votes against: 4,544,163 (four million five hundred and forty-four thousand one hundred and sixty-three), equal to 0.9083 (zero point nine zero eight three) percent of the shares eligible to vote and equal to 0.7471 (zero point seven four seven one) percent of the share capital;

- shares not participating in the vote: 3,736,632 (three million seven hundred and thirty-six thousand six hundred and thirty-two), equal to 0.7469 (zero point seven four six nine) percent of the shares eligible to vote and equal to 0.6143 (zero point six one four three) percent of the share capital.

The Chair thus declares that the motion to approve the 2018-2020 Long-Term Bonus Plan has been approved by the majority.

The Chair put to the vote the motion on item 7 in the Ordinary Part of the Agenda, as

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formulated, in relation to the proposal to grant the Board of Directors the power to approve the 2018 Bonus Plan for financial advisors identified as "Key Personnel".

The Chair asks any attendees who have left the room to come back in and asks (without obtaining any reply) whether there are any grounds for exclusion from the right to vote or any limitations for the purposes of Articles 120, 121, 122 TUF, and Articles 19, 20, 24 and 25 TUB.

The vote is then held and after the procedure is completed the following result is declared:

- votes in favour: 494,495,009 (four hundred and ninety-four million four hundred and ninety-five thousand and nine), equal to 98.8489 (ninety-eight point eight four eight nine) percent of the shares eligible to vote and equal to 81.3036 (eighty-one point three zero three six) percent of the share capital;

- votes against: 1,501,717 (one million five hundred and one thousand seven hundred and seventeen), equal to 0.3001 (zero point three zero zero one) percent of the shares eligible to vote and equal to 0.2469 (zero point two four six nine) percent of the share capital;

- abstentions: 520,001 (five hundred and twenty thousand and one), equal to 0.1039 (zero point one zero three nine) percent of the shares eligible to vote and equal to 0.0854 (zero point zero eight five four) percent of the share capital;

- shares not participating in the vote: 3,736,632 (three million seven hundred and thirty-six thousand six hundred and thirty-two), equal to 0.7469 (zero point seven four six nine) percent of the shares eligible to vote and equal to 0.6143 (zero point six one four three) percent of the share capital.

The Chair thus declares that the motion to approve the 2018-2020 Long-Term Bonus Plan for Personal Financial Advisors identified as "Key Personnel" is approved by the majority.

The Chair put to the vote the motion on item 8 in the Ordinary Part of the Agenda, as formulated, in relation to the proposal to approve the 2018-2020 Long-Term Bonus Plan for

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financial advisors identified as "Key Personnel".

The Chair asks any attendees who have left the room to come back in and asks (without obtaining any reply) whether there are any grounds for exclusion from the right to vote or any limitations for the purposes of Articles 120, 121, 122 TUF, and Articles 19, 20, 24 and 25 TUB.

The vote is then held and after the procedure is completed the following result is declared:

- votes in favour: 491,291,420 (four hundred and ninety-one million two hundred and ninety-one thousand four hundred and twenty), equal to 98.2085 (ninety-eight point two zero eight five) of the shares eligible to vote and equal to 80.7768 (eighty point seven seven six eight) of the share capital;

- votes against: 4,705,306 (four million seven hundred and five thousand three hundred and six), equal to 0.9405 (zero point nine four zero five) percent of the shares eligible to vote and equal to 0.7736 (zero point seven seven three six) percent of the share capital;

- abstentions: 520,001 (five hundred and twenty thousand and one), equal to 0.1039 (zero point one zero three nine) percent of the shares eligible to vote and equal to 0.0854 (zero point zero eight five four) percent of the share capital;

- shares not participating in the vote: 3,736,632 (three million seven hundred and thirty-six thousand six hundred and thirty-two), equal to 0.7469 (zero point seven four six nine) percent of the shares eligible to vote and equal to 0.6143 (zero point six one four three) percent of the share capital.

The Chair thus declares that the motion to approve the 2018-2020 Long-Term Bonus Plan for Personal Financial Advisors identified as "Key Personnel" is approved by the majority.

The Chair put to the vote the motion on item 9 in the Ordinary Part of the Agenda, as formulated, in relation to the proposal to authorise the purchase and disposal of own shares to service the 2018 Bonus Plan for financial advisors identified as "Key Personnel".

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The Chair asks any attendees who have left the room to come back in and asks (without obtaining any reply) whether there are any grounds for exclusion from the right to vote or any limitations for the purposes of Articles 120, 121, 122 TUF, and Articles 19, 20, 24 and 25 TUB.

The vote is then held and after the procedure is completed the following result is declared:

- votes in favour: 494,495,009 (four hundred and eight-six million and nine), equal to 98.8489 (ninety-eight point eight four eight nine) percent of the shares eligible to vote and equal to 81.3036 (eighty-one point three zero three six) percent of the share capital;
- votes against: 1,501,716 (one million five hundred and one thousand seven hundred and sixteen), equal to 0.3001 (zero point three zero zero one) percent of the shares eligible to vote and equal to 0.2469 (zero point two four six nine) percent of the share capital;
- abstentions: 520,002 (five hundred and twenty thousand and two), equal to 0.1039 (zero point one zero three nine) percent of the shares eligible to vote and equal to 0.0854 (zero point zero eight five four) percent of the share capital;
- shares not participating in the vote: 3,736,632 (three million seven hundred and thirty-six thousand six hundred and thirty-two), equal to 0.7469 (zero point seven four six nine) percent of the shares eligible to vote and equal to 0.6143 (zero point six one four three) percent of the share capital.

The Chair thus declares that the motion to authorise the purchase and disposal of own shares to service the 2018 bonus plan for financial advisers classified as "Key Personnel" is approved by the majority.

The Chair thus declares the discussion of the Ordinary Part of the Agenda to be completed and with the time being 12:25 hours - twenty-five minutes past twelve - moves on to the Extraordinary Part of the Agenda [...]

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[The minutes of the extraordinary Part are not included and have been provided in a separate document]

= = =

There being no other matters to decide on, and no one having asked to address the Meeting, the Chair thanks the attendees and declares the Meeting closed at 12:58 (twelve fifty-eight).

= = =

The following documents are annexed to these Minutes (which are not read out by express dispensation by the appearing party):

- Appendix "A", a list of attendees at the time the Meeting was opened;
- Appendix "B", the 2017 financial statements, attached reports, and the Corporate Governance report;
- Appendix "C", the reports on items 1 to and 9 of the Ordinary Part of the Agenda;
- Appendix "D", the document containing the 2018 Remuneration Policy and appendices;
- Appendix "E", the result of the vote on item 1. of the Ordinary Part of the Agenda;
- Appendix "F", the result of the vote on item 2. of the Ordinary Part of the Agenda;
- Appendix "G", the result of the vote on item 3. of the Ordinary Part of the Agenda;
- Appendix "H", the result of the vote on item 4. of the Ordinary Part of the Agenda;
- Appendix "I", the result of the vote on item 5. of the Ordinary Part of the Agenda;
- Appendix "J", the result of the vote on item 6. of the Ordinary Part of the Agenda;
- Appendix "K", the result of the vote on item 7. of the Ordinary Part of the Agenda;
- Appendix "L", the result of the vote on item 8. of the Ordinary Part of the Agenda;
- Appendix "M", the result of the vote on item 9. of the Ordinary Part of the Agenda.

As requested,

I Notary Public received these minutes, which have been typed on a computer by a person in

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my trust and partly by me, and which were read out to the appearing party who at my request
approved and signed them together with me at twelve fifty-five; this document consists of
twelve sheets of paper covering forty-five sides and up to this point on the forty-sixth side.

Signed Enrico Cotta Ramusino

Signed Angelo Busani

Ordinary Shareholders' Meeting of April 11, 2018

SITUATION AT THE OPENING

I hereby declare that there are currently voting rights holders on their own behalf or by proxy:

N° **872** corresponding to n° **500,253,359** ordinary shares equal to **82.250397** % of the n. **608,207,838** shares of the share capital fully subscribed and paid-in.

Shareholders:
Shareholders on own
behalf:

872 People:
15 Shareholders by proxy:

18
857

List of owners ordinary shares taking part in the meeting held on April 11, 2018 in single call.
The proxies have been given in compliance with the provisions set forth in Article 2372 of the Italian Civil Code.

PRESENT IN/BY			SHARES	
On own Proxy behalf	Proxy		On own behalf	
1	0	ANGELINI ALESSANDRO	250	0
1	0	BONETTI EMANUELE	10	0
0	1	CAGLIA MARIA	0	215,066,403
1	0	CERASUOLO STEFANO	9,481	0
0	419	CLERICI CAMILLA	0	141,837,369
1	0	DE TOMASI PAOLA	4,000	0
0	437	ESPOSITO MARCO	0	143,246,399
1	0	FOGLI MAURIZIO	1	0
1	0	GHIBAUDI LEOPOLDO	9,000	0
1	0	LEONETTI GIULIANO	100	0
1	0	LOZZI GERMANA	3	0
1	0	MARTIRIG GIANO ANTONIO	3,361	0
1	0	MONDO GIUSEPPE	100	0
1	0	PRANDINI GIULIANO	5,000	0
1	0	ROSSI GIULIA	8,000	0
1	0	ROSSI MARCO	63,975	0
1	0	TIMUS ANDREEA	5	0
1	0	ZACCARDI ANTONELLA	1	0
15	857	Opening Meeting	103,287	500,150,171
			TOTAL:	500,253,458
1	0	Entered/Exited later: CROCE MARIO	1	0
16	857	Approval of the financial statement as at December 31, 2017	103,288	500,150,171
			TOTAL:	500,253,459
		Entered/Exited later:		
16	857	Allocation of the net profit for the year 2017	103,288	500,150,171
			TOTAL:	500,253,459
		Entered/Exited later:		
0	-1	CAGLIA MARIA	0	-215,066,403
-1	0	LEONETTI GIULIANO	-100	0
15	856	Completion of the Board of Statutory Auditors	103,188	285,083,768
			TOTAL:	285,186,956
		Entered/Exited later:		
0	1	CAGLIA MARIA	0	215,066,403
15	857	2018 Compensation Policy	103,188	500,150,171
			TOTAL:	500,253,359
		Entered/Exited later:		
15	857	2018 Incentive System	103,188	500,150,171
			TOTAL:	500,253,359
		Entered/Exited later:		
15	857	"2018-2020 Long Term Incentive Plan" for FinecoBank's Employees	103,188	500,150,171

Legenda:

(i) Vote received by Internet procedure

List of owners ordinary shares taking part in the meeting held on April 11, 2018 in single call.
The proxies have been given in compliance with the provisions set forth in Article 2372 of the Italian Civil Code.

PRESENT IN/BY			SHARES
On own Proxy behalf	Proxy		On own behalf
		TOTAL:	500,253,359
		Entered/Exited later:	
15	857	2018 Incentive System for Personal Financial Advisors "Identified Staff"	103,188 500,150,171
		TOTAL:	500,253,359
		Entered/Exited later:	
15	857	2018-2020 Long Term Incentive Plan for Personal Financial Advisors "Identified Staff"	103,188 500,150,171
		TOTAL:	500,253,359
		Entered/Exited later:	
15	857	Autorization for the purchase and disposition of treasury shares	103,188 500,150,171
		TOTAL:	500,253,359
		Entered/Exited later:	
15	857	Delegation to the BoD for a free share capital max Eur 29,000.00	103,188 500,150,171
		TOTAL:	500,253,359
		Entered/Exited later:	
15	857	Delegation to the BoD for a free share capital max Eur 136,031.94	103,188 500,150,171
		TOTAL:	500,253,359
		Entered/Exited later:	
15	857	Delegation to the BoD for a free share capital max Eur 324,743.10	103,188 500,150,171
		TOTAL:	500,253,359

Legenda:

(i) Vote received by Internet procedure

FinecoBank S.p.A.
Ordinary/Extraordinary Shareholders' Meeting
in single call
*** LIST OF PROXY GIVERS ***

1	Proxy givers of CAGLIA MARIA UNICREDIT S.P.A.	Badge n° 7559 Shares 215,066,403 215,066,403
2	Proxy givers of CLERICI CAMILLA AGENTE: SCHRODERS ITALY SIM/ANIMA SGR SPA FCP BEST BUSINESS MODELS I.2.C. ACTIONS FCP RSI EURO P AGENTE: BROWN BROTHERS HA-LU/WELLINGTON MANAGEMENT PORTFOLIOS AGENTE: BROWN BROTHERS HARR/VANGUARD TOTAL WORLD STOCK INDEX FUND AGENTE: BNP PARIBAS 2S-PARIS/AXA VALEURS EURO AGENTE: BNP PARIBAS 2S-PARIS/AXA OPTIMAL INCOME AGENTE: BNP PARIBAS 2S-PARIS/FONDS RESERVE RETRAITES AGENTE: RBC INVESTOR SERVICE/ROBECO CAPITAL GROWTH FUNDS AGENTE: JP MORGAN CHASE BANK/THE MASTER TRUST BANK OF JAPAN LTD AS TRUSTEE FOR MTBJ400045842 AGENTE: JP MORGAN CHASE BANK/CHINA LIFE INSURANCE COMPANY LIMITED AGENTE: JP MORGAN CHASE BANK/FONDO CONSOLIDADO DE RESERVAS PREVISIONA AGENTE: JP MORGAN CHASE BANK/SUPER FUNDS MANAG CORP SOUTH AUSTRALIA AGENTE: JP MORGAN CHASE BANK/ONEPATH GLOBAL SHARES - SMALL CAP UNHEDGED) INDEXPOOL AGENTE: JP MORGAN CHASE BANK/TEACHERS' RETIREMENT SYSTEM OF THE CITY OF NEW YORK AGENTE: JP MORGAN CHASE BANK/VANGUARD TOTAL INTERNATIONAL STOCK INDEX AGENTE: JP MORGAN CHASE BANK/VANGUARD INTERNATIONAL EXPLORER FUND AGENTE: JP MORGAN CHASE BANK/MI-FONDS 392 AGENTE: JP MORGAN CHASE BANK/JPMORGAN EUROPEAN INVESTMENT TRUST PLC AGENTE: JP MORGAN CHASE BANK/ENTERGY CORP.RETIREMENT PLANS MASTER TR. AGENTE: HSBC BANK PLC/TR EUROPEN GROWTH TRUST PLC AGENTE: BANK LOMBAR OD & C/LOMBARD ODIER FUNDS (SWITZERLAND) SA SCHRODER INTERNATIONAL SELECTION FUND BNY MELLON EMPLOYEE BENEFIT COLLECTIVE INVESTMENT FUND PLAN CF DV ACWI EX-U.S. IMI FUND AGENTE: JP MORGAN CHASE BANK/MINISTRY OF STRATEGY AND FINANCE AGENTE: BP2S-FRANKFURT/ALLIANZGI FONDS BATLS AGENTE: JP MORGAN CHASE BANK/DEKA INVESTMENT GMBH RE ARIDEKA AGENTE: JP MORGAN CHASE BANK/DEKA INTERNATIONAL S.A. RE DEKA-EUROSTOC ALLIANZ ACTIONS EURO PME-ETI AGENTE: BROWN BROTHERS HARR/VANGUARD EUROPEAN STOCK INDEX FUND AGENTE: BROWN BROTHERS HARR/VANGUARD DEVELOPED MARKETS INDEX FUND AGENTE: BROWN BROTHERS HARR/VANGUARD FTSE ALL-WORLD EX US INDEX FUND AGENTE: BROWN BROTHERS HARR/VANGUARD FUNDS PLC AGENTE: BROWN BROTHERS HARR/RAINIER INT SMALL CAP EQUITY COLLECTIVE MOMENTUM INVESTMENT FUNDS SICAV-SIF AGENTE: JP MORGAN CHASE BANK/UBS GLOBAL ASSET MANAGEMENT LIFE LTD AGENTE: JP MORGAN CHASE BANK/MERIFIN CAPITAL B.V. AGENTE: JP MORGAN CHASE BANK/UBS (US) GROUP TRUST AGENTE: JP MORGAN CHASE BANK/BT WHOLESALE MULTI MANAG INTL SHARE FUND AGENTE: JP MORGAN CHASE BANK/ARTEMIS EUROPEAN OPPORTUNITIES FUND AGENTE: JP MORGAN CHASE BANK/NVIT MULTI MANAGER INTERNATIONAL GROWTH AGENTE: JP MORGAN CHASE BANK/T ROWE PRICE INTERNATIONAL EQUITY INDEX AGENTE: JP MORGAN CHASE BANK/STICHTING PENSIOENFONDS VOOR HUISARTSEN AGENTE: JP MORGAN CHASE BANK/NEW MEXICO STATE INVESTMENT COUNCIL AGENTE: JP MORGAN CHASE BANK/BUREAU OF LABOR FUNDS- LABOR PENSION FUND AGENTE: RBC INVESTOR SERVICE/THE NOVA SCOTIA HEALTH EMPLOYEES PENS PL AGENTE: HSBC BANK PLC/FLF STRATEGIC GLOBAL EQUITY FUND AGENTE: BNP PARIBAS 2S-PARIS/FCPE TOTAL ACTIONS EUROPEENNES AGENTE: HSBC BANK PLC/REASSURE LIMITED AGENTE: HSBC BANK PLC/HSBC EUROPEAN INDEX FUND AGENTE: DANSKE BANK S/A/REALDANIA CIBC INTERNATIONAL SMALL COMPANIES FUND TIMESQUARE FOCUS FUND LP FCP GROUPAMA AVENIR EURO FCP ECUREUIL RETRAITE EURO ACTIONS 4 FCP EDMOND DE ROTHSCHILD EURO LEADERS FCP EDMOND DE ROTHSCHILD EUROPEMIDCAPS FCP LCF PHARMA INTERNATIONAL MERRILL LYNCH INTERNATIONAL AGENTE: BNP PARIBAS 2S-PARIS/FCP AVIVA INVESTORS SMALL & MID CAPS EUR	Badge n° 6970 Shares 2,666,601 1,310,000 517,000 71,651 222,312 113,470 1,400,000 2,068,464 1,126,854 450,000 1,720,886 36,007 65,942 60,952 26,862 47,864 5,243,100 815,900 462,000 98,990 150,830 691,650 25,266 293,093 15,536 1,477 40,968 82,500 900,000 546,850 140,200 945,197 2,155,375 663,474 187,648 183,350 125,735 151,024 39,575 7,469 24,626 844,653 59,600 14,257 36,912 80,036 19,873 83,637 119,463 750,000 123,245 97,246 192,400 26,021 3,500 4,739,300 320,000 1,241,700 912,000 151,080 322,064 222,914

NORDEA 1 SICAV	1,411,219
AGENTE:JP MORGAN CHASE BANK/DEKA INVEST. RE DEKA-DIVIDENDENDISCOUNT	3,900
AGENTE:JP MORGAN CHASE BANK/DEKA BASISSTRATEGIE FLEXIBEL	18,500
AGENTE:BROWN BROTHERS HARR/JAPAN TRUSTEE SERVICES BANK LTD	206,631
AGENTE:HSBC BANK PLC/WEST MIDLANDS METROPOLITAN AUT PENS FD	97,000
AGENTE:JP MORGAN CHASE BANK/AVIVA LIFE & PENSIONS UK LIMITED	135,750
AGENTE:JP MORGAN CHASE BANK/DEKA INVESTMENT GMBH RE PRODEKA	65,200
AGENTE:JP MORGAN CHASE BANK/BUREAU OF LABOR FUNDS-LABOR INSURANCE FUND	217,051
AGENTE:JP MORGAN CHASE BANK/SCHRODER ADVANCED BETA GLOBAL EQUITY SMA	65,536
AGENTE:BROWN BROTHERS HA-LU/ING DIRECT	33,717
BRIDGE BUILDER INTERNATIONAL EQUITY FUND	581,660
FIDEURAM ASSET MANAGEMENT (IRELAND) FONDITALIA EQUITY ITALY	428,000
FIDEURAM ASSET MANAGEMENT (IRELAND) FIDEURAM FUND EQUITY ITALY	5,000
INTERFUND SICAV INTERFUND EQUITY ITALY	64,000
CHALLENGE FUNDS CHALLENGE ITALIAN EQUITY	420,000
FRANKLIN TEMPLETON INVESTMENT FUNDS	2,792,340
JPMORGAN INVESTMENT FUNDS	991,793
T. ROWE PRICE FUNDS SICAV	192,210
CIPAV ALOIS	173,484
SOGECAP ACTIONS SMALL CAP	813,805
COLISEE IFC 1	530,000
SG ACTIONS EUROPE MID CAP	174,380
AGENTE:BP2S LUXEMBOURG/BNP PARIBAS A FUND	72,069
AGENTE:BROWN BROTHERS HA-LU/FIDELITY FUNDS SICAV	795,854
AGENTE:BNP PARIBAS 2S-PARIS/STICHT BEDRIJ MEDIA PNO	213,800
AGENTE:BNP PARIBAS 2S-PARIS/AFER ACTION PME	778,661
AGENTE:BNP PARIBAS 2S-PARIS/BNP PARIBAS SMALL CAP EUROLAND	4,097,208
AGENTE:BNP PARIBAS 2S-PARIS/BNP PARIBAS ACTIONS PME	696,084
AGENTE:BNP PARIBAS 2S-PARIS/FCP BNP PARIBAS ACTIONS EUROLAND	46,482
AGENTE:BNP PARIBAS 2S-PARIS/SAINT MARTIN 4	877,000
AGENTE:BNP PARIBAS 2S-PARIS/TOTAL GESTION FLEX PATRI	46,511
AGENTE:BP2S LUXEMBOURG/PARVEST	4,707,241
AGENTE:BP2S LUXEMBOURG/BNP PARIBAS L1	349,829
AGENTE:BP2S LUXEMBOURG/BNP PARIBAS B PENSION BALANCED	1,088,502
AGENTE:BP2S LUXEMBOURG/BNP PARIBAS B PENSION STABILITY	81,283
AGENTE:BP2S LUXEMBOURG/METROPOLITAN RENTASTRO	313,328
AGENTE:JP MORGAN CHASE BANK/DEKA INVESTMENT GMBH RE DEKA-DIVIDEND VA	68,000
AGENTE:JP MORGAN CHASE BANK/UBS ASSET MANAGEMENT LIFE LTD	283
AGENTE:JP MORGAN CHASE BANK/T. ROWE PRICE INTERNATIONAL DISCOVERY FU	4,575,580
AGENTE:JP MORGAN CHASE BANK/PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OHIO	122,288
AGENTE:JP MORGAN CHASE BANK/JPM EUROPE DYNAMIC (EX UK) FUND	593,932
AGENTE:JP MORGAN CHASE BANK/STICHTING PENSIOENFONDS MEDISCH SPECIALI	283,660
AGENTE:JP MORGAN CHASE BANK/DEKA INVEST RE DEKA-ZMV-FONDS	20,000
AGENTE:JP MORGAN CHASE BANK/DEKA INVESTMENT GMBH RE LANDSBERG-FONDS	5,900
AGENTE:JP MORGAN CHASE BANK/DEKA INVESTMENT GMBH RE DEKA VALUE PLUS	10,813
AGENTE:JP MORGAN CHASE BANK/KAPITALFORENINGEN ISTITUTIONEL INVESTOR EUROPAELSKE AKTIER	1,011,641
AGENTE:JP MORGAN CHASE BANK/T ROWE PRICE GLOBAL ALLOCATION FUND INC	8,817
AGENTE:HSBC BANK PLC/AXA FRAMLINGTON FINANCIAL FUND	101,283
AGENTE:BROWN BROTHERS HA-LU/NATIXIS INTERNT FUNDS LUX 1	179,358
AGENTE:BNP PARIBAS 2S-PARIS/FCP SCANDIUM	97,262
AGENTE:BP2S-FRANKFURT/ALLIANZGI FONDS PF1	8,813
AGENTE:BP2S-FRANKFURT/ALLIANZGI FONDS AFE	57,604
AGENTE:BQUE FEDERATIVE-STR/TRUSTEAM ROC EUROPE C O TRUSTEAM FINANCE	331,269
AGENTE:JP MORGAN CHASE BANK/THE BOEING COMPANY EMPLOYEE RETIREMENT PLANS MASTER TRUST	83,856
AGENTE:JP MORGAN CHASE BANK/BLACKROCK FISSION INDEXED INTL EQUITY FD	12,748
AGENTE:JP MORGAN CHASE BANK/SCHRODER PENSION MANAGEMENT LTD	66,373
AGENTE:JP MORGAN CHASE BANK/MFS INTERNATIONAL NEW DISCOVERY FUND	2,267,886
AGENTE:HSBC BANK PLC/FTSE ALL WORLD INDEX FUND	20,987
AGENTE:HSBC BANK PLC/FRIENDS LIFE AND PENSIONS LIMITED	3,317
AGENTE:BNP PARIBAS 2S-PARIS/FCP VILLIERS ACTIONS EDRAM	720,800
AGENTE:NOMURA BK SA LUXEMB/NMM3 EUEQ MFS ACCOUNT	8,004
THE ROYAL INST FOR THE ADVANCEMENT OF LEARNING MCGILL UNIVERSITY	25,056
MCGILL UNIVERSITY PENSION FUND	12,957
ALLEGHENY COLLEGE	9,400
ERIE COUMMINTY FOUNDATION	10,600
BGF EURO MKTS FD EURO EQUITY PF	10,669,505
FCP EDMOND DE ROTHSCHILD EURO SRI	198,180
CNP ASSUR SMALL CAP	379,980
AA FORTIS ACTIONS PETIT CAP EUROPE	348,520
FCP NATIXIS ACTIONS SMALL MID CAP EURO	348,000
ASSURDIX	49,978
CPR SILVER AGE	4,427,663
CROISSANCE PME M	495,933
JPMORGAN FUNDS	860,480
AGENTE:JP MORGAN CHASE BANK/STICHTING PENSIOENFONDS VOOR DE WONINGCO	58,078
AGENTE:JP MORGAN CHASE BANK/FLEXSHARES MORNINGSTAR DEVELOPED MARKETS	4,895

AGENTE:JP MORGAN CHASE BANK/NORDEA EUROPE FUND	1,612,784
AGENTE:JP MORGAN CHASE BANK/NORDEA PRO EUROPEAN FUND	377,784
AMUNDI FUNDS SICAV	2,610,085
EPSILON SGR - EPSILON FLESSIBILE AZIONI EURO APRILE 2021	1,240
EPSILON SGR - EPSILON FLESSIBILE AZIONI EURO FEBBRAIO 2021	3,013
EPSILON SGR - EPSILON FLESSIBILE AZIONI EURO GIUGNO 2021	882
EPSILON SGR - EPSILON FLESSIBILE AZIONI EURO NOVEMBRE 2020	10,351
EPSILON SGR - EPSILON FLESSIBILE AZIONI EURO SETTEMBRE 2020	13,945
EPSILON SGR - EPSILON MULTIASET 3 ANNI DICEMBRE 2019	13,355
EPSILON SGR - EPSILON MULTIASET 3 ANNI LUGLIO 2020	3,959
EPSILON SGR - EPSILON MULTIASET 3 ANNI MAGGIO 2020	8,055
EPSILON SGR - EPSILON MULTIASET 3 ANNI MARZO 2020	6,326
MEDIOLANUM GESTIONE FONDI SGR - FLESSIBILE FUTURO ITALIA	1,500,000
EURIZON CAPITAL SGR - EURIZON PIR ITALIA AZIONI	11,498
FIDEURAM INVESTIMENTI SGR - PIANO BILANCIATO ITALIA 50	10,000
FIDEURAM INVESTIMENTI SGR - PIANO AZIONI ITALIA	150,000
FIDEURAM INVESTIMENTI SGR - FIDEURAM ITALIA	9,000
EURIZON CAPITAL SGR-GLOBAL MULTIASET SELECTION 09/22	17,700
EURIZON CAPITAL SGR - EURIZON PROGETTO ITALIA 70	110,849
EURIZON CAPITAL SGR - EURIZON AZIONI ITALIA	282,955
EURIZON CAPITAL SGR - EURIZON PROGETTO ITALIA 40	124,092
ARCA FONDI SGR - FONDO ARCA AZIONI ITALIA	100,000
EIS-EURO EQUITY INSURANCE CAPITAL LIGHT 49	51,771
EPF-ABSOLUTE Q-MULTISTRATEGY	5,670
ISE - MULTIASET ABSOLUTE 3 ANNI - 04/2016	32,015
EUF-EQUITY ITALY	92,759
ISE - DYNAMIC INCOME MULTITRENDER 01/2016	4,162
ISE - GLOBAL DYNAMIC MULTITRENDER 06/2015	6,071
ISE - MULTIASET ABSOLUTE 3 ANNI 07/2016	29,072
SCHUBEL FAM TR-MANNING AND NAPIER A DV	990
MICHIGAN CATHOLIC CONFERENCE MASTER PENSION TRUST	41,760
OPUS FINANCIAL LLC-MANNING AND NAPIER	5,160
GRUSECKI NEXGEN LLC-MANNING AND NAPIER	1,605
R C DELL TRUST-MANNING AND NAPIER R A DV	810
FLEISCHHACKER 09 TR MANNING AND NAPIER	795
ANTHONY K. KESMAN TRUSTEE	945
BARBARA S. BLUHM REV TR-MANNING INTL	1,135
JOSEPH L. BOZICH 2005TR-MANNING	885
THOMAS C GAPUTIS REV TR-MANNING	995
J G FENCIK TR-MANNING AND NAPIER	2,065
BRUCE BARRON REVOCABLE TRUST	1,635
L. S. BUONANNO-MANNING AND NAPIER	1,550
BUNRATTY HOLDINGS LLC-MANNING INTL	1,280
MANNING AND NAPIER FUND INC -PR O BLEND-MAXIMUM TERM SERIES	291,450
MORRIS 1992 GIFT TR FORELLEN-M AND N	2,495
FANCELLI FDN INC. (SPECIAL)-MANNING	2,165
MIAMI DADE COMMUNITY COLLEGE FOUNDATION 300 NE	6,110
REGIONAL TRANSPORTATIONDISCRIC T	10,555
MANNING AND NAPIER FUNDINC. -BLE ND ED ASSET MODERATE SEREIS	3,810
JEFFREY S. ARONIN REV TRUST	7,180
R. AND L. BRADLEY JT REVTR-MANNING	1,110
LEONARD X ROSEMBERG 2007TR-MANNING	775
MELISSA S. WIDEN-MANNING ANDAPI ER	890
J HANSEN REV TR 4-29-81 MANNING	2,495
ROBERT A ROSHOLT IRAR-OMANNING - SU B	890
JAMES J. BAKKE 1987 TRUSTMANN ING 6001 N	3,190
LARRY D CONTOS REV TR MANNING SUB 755	870
JOHN M. MC DONOUGH IRAR-MAN AND NAP	865
DORIS K. CHRISTOPHER 1996 TR-MA ND	20,970
OLIVE MC CARTHY 2009 TRUST-MANNING	1,255
CATHERINE SLARK TR-MANNING ANDN API	1,840
GEOFFREY C FENNER MANNING INTL I	580
ELIZABETH E. RIORDAN 1997 TRMANNING	1,405
STANLEY H MEADOWS 90 TR-MANNING NAP	5,855
J MCCARTNEY12-30-97 MANNING-NAP IER	1,610
DEBRA K MAYER-MANNING ANDNAPIER - SU B	650
ABERGOLL REV TR-MANNING ANDN API ER	1,415
WILLIAM G JUEGENSEN REV TRMANNING	2,755
TERRENCE P. DIAMOND-MANNINGINTL 8706	655
L BUONANNO TR T SMITH SR-MANDN	2,375
WILLIAM FOOTE 95 TR-MANNING AND NAPIER	1,070
DEBORAH A. SCHMIDT REVTR-MANNING	960
CAIRD ARNOLD HARBECK REVTR-MANNING	985
ROBERT KLEINERT JR DECLTR- MANNING	690
JULES M. LASER MANNING AND NAPERIR	760
G MCLACHLAN DECLTR-MANNING-NAPIER	1,830
ELIZABETH DRUCKER-MANNING AND NAPIER	510
POND 2007 FAMILY TRUST MANNING SUB	1,320

HUNTER FAMILY FDN MANNING	1,865
MANNING AND NAPIER ADVISOR INC	110,730
IRON WORKERS LOCALS 40361 AND 417 ANNUITY FUND	18,440
BURTON X ROSENBERG INSUR TR MAN SUB	1,375
THE MALUTH FAMILY TRUST MANNING SUB	1,360
C E COMPALL REV TR 10-23-09 MAN D N	990
GRAHAM C BROCK MANNING INTL	770
MANNING AND NAPIER FUND INC PRO BLEND MODERATE TERM SERIES	28,940
THE BAKERY AND CONFECTIONERY UNION AND INDUSTRY INTERNATIONAL PENSION FUND	120,215
IRON WORKERS LOCALS 40 361 AND 41 7 PENSION FUND	13,505
ALMEIDA FAMILY LEGACY TR MANNING	855
THE HORWARD TRUST MANNING AND NAPIER	580
CJB CRUT II 11-27-06 MANNING	795
MANNING AND NAPIER FUND INC.OVE RS EAS SERIES	339,195
TANGLIN CLAYMORE LLC MANNING	1,590
CJB FAMILY TR 06-15-00 MANNING	1,825
IRON WORKERS LOCAL 11 PENSION FUND	14,780
QUIGG VENTURES LLC MANNING AND NAPIER	2,005
FLIGHT ATTENDANT MEDICAL RESEARCH INSTITUTE	6,850
JURGENSEN INVSTMNTS LLC MANNING SUB	835
MANNING AND NAPIER ADVISORS INC	265,770
FLK (TE) LLC MANNING AND NAPIER	2,590
CHURCH OF THE HOLYCONFORTER-SUB	565
PNC BANK NA	17,025
GST EX MRIL TR C-U CONSTANCE-MAND N	1,290
RELIABLE PARTNERS MANNING INTL	845
FIRST STATE TRUST COMPANY FOR MULTIPLE BENEFICIARIES	685
GOLDER FAMILY FOUNDATION-MANDN	1,115
ROOSEVELT UNIVERSITY	15,295
IRA FBO JAMES KING BNY MELLON	575
CAROL GOLDER REVTR MANNING AND NAP	950
R MORRIS ILLINOIS QTIP MARTR M AND N	735
LOMBARDI JTWROS MANNING AND NAPIER	1,370
JAMES E WICKS TRMANNING NAPIER	920
CHRISTOPHER ENOCK LVG TRMANNING	980
MARY KATHERINE LAUDERBACK	775
HAGEN FAMILY TR U-ADTD7-7-1989 MA AND N	1,500
MELVYN FISHER IRREV TR US BANK TRUSTEE	995
MANNING AND NAPIER FUND INC INT	541,920
MANNING AND NAPIER FUND INC	46,880
KIRBY ROSPLOCK DECLOFTR MANNING	835
FEINBERG FAMILY LTD PART2-MANNING	615
EVERGREEN PARTNERS GENPRT-MAND	895
CJB CRUT 5-1-01-MANNING	1,855
GOLDER 2007 FAM TR-MANNING AND NAPIER	1,620
JESSICA S SUPERA MANNING INTL	590
THOMAS R SMITH REVRE-MANN AND NAPIER	700
JAY W CHRISTOPHER 1996TR-MANNING ING	14,670
CAPITAL INTERNATIONAL FUND	116,670
GLOBAL DIVERSIFIED SUB TRUST	5,116
ELEVA UCITS FD EUROLAND SELECT	128,300
METZLER INT INV PUBLIC LTD	866,000
UBS EUR SMALL CAP EQUITY FD MY	84,125
THE NORTHWESTERN MUTUAL LIFE I	400,000
ARRCO LONG TERME B	212,530
ARRCO QUANT I	129,208
MUF-LYXOR EURO STOXX BANKS	825,693
LYXOR EURO STOXX 300	31,765
LYXOR INDEX FD-LYXOR STOXX EUR	56,768
MUL-LYXOR ITALIA EQUITY PIR	25,973
AMUNDI FUNDS II-PIONEER FLEX O	91,490
PRIVILEGE	35,454
EDMOND DE ROTHSCHILD EUROPE MIDCAP	131,760
FCP GROUPAMA PHARMA DIVERSIFIE	69,000
UNIVERS CNP 1	122,145
FCP NATIXIS IONIS	45,498
EGEPARGNE 2	69,584
FCP CONTI GESTION	43,834
EDMOND DE ROTHSCHILD ASSET MANAGEM.	314,330
FCP LBPAM ACTIONS FINANCE	27,349
FCP TUTELAIRE ACTIONS	18,800
SICAV LBPAM ACTIONS EURO	340,000
FRONTIERS INTERNATIONAL EQUITY POOL	7,291
THE GREAT-WEST LIFE ASSURANCE COMPANY	41,850
BMO GLOBAL BANKS HEDGED TO CADINDEX ETF 100	833
THE GLENCORE CANADIAN PENSION FUNDS TRUST-FOREIGN EQUITY FUND	20,379
ONTARIO PENSION BOARD .	330,050
EPOCH GLOBAL EQUITY FUND	292,095

IMPERIAL INTERNATIONAL EQUITY POOL	350,727
IMPERIAL OVERSEAS EQUITY POOL	17,476
CPR EUROLAND	395,972
FCP CPR EUROLAND PREMIUM	89,275
AMUNDI ETF FTSE ITALIA PIR UCITS ETF DR	29,428
NATIXIS ACTIONS EUROPE SECTEURS	100,573
FCP GROUPAMA EURO STOCK	100,000
FCP GROUPAMA EUROPE STOCK	2,400
OPCVM SEEYOND EQUITY FACTOR INVESTING EURO	20,993
MULTISMART ACTIONS EURO	704
LOF EUROZONE SMALL AND MID CAPS98453 51	1,400,000
AXA ASSICURAZIONI SPA	11,000
AGENTE:SOCIETE GENERALE INT/THE LUCERNE CAPITAL MASTER FUND LP C/O WALKERS CORPORATE LTD	28,406
GENERALI SMART FUNDS SICAV	70,632
AGENTE:BROWN BROTHERS HARR/HUNTINGTON NATIONAL BANK TAXABLE ACC	8,290
AGENTE:BROWN BROTHERS HARR/WELLINGTON TRUST COMP COMM TRUST INT OPP	111,602
AGENTE:BROWN BROTHERS HARR/FIDELITY SALEM STR T FID TOTAL INT IND F	20,446
AGENTE:BROWN BROTHERS HARR/WTC-CTF INTERNATIONAL HORIZONS	23,208
AGENTE:BROWN BROTHERS HARR/DEVELOPED INTERNATIONAL EQUITY SELECT ETF	1,976
AGENTE:BROWN BROTHERS HARR/BBH B FOR TMTBJ RE: MUTB400037270	6,775
AGENTE:BROWN BROTHERS HARR/DEUTSCHE EUROPEAN EQUITY FUND	108,050
AGENTE:BROWN BROTHERS HARR/GLOBAL X SCIENTIFIC BETA EUROPE ETF	1,130
AGENTE:BROWN BROTHERS HARR/PINEBRIDGE DYNAMIC ASSET ALLOCATION FUND	6,235
AGENTE:HONGKONG/SHANGHAI BK/HSBC GROUP HONG KONG LOCAL STAFF RETIREMENT BENEFIT SCHEME	3,732
AGENTE:SCHRODERS ITALY SIM/ANIMA SGR SPA ANIMA CRESCITA ITALIA	699,858
AGENTE:BP2S-FRANKFURT/DEKA MASTER HAEK I	67,605
AGENTE:BP2S-FRANKFURT/ALLIANZGI FONDS APNIESA	8,497
AGENTE:BP2S-FRANKFURT/ALLIANZGI FONDS PTV2	47,620
AGENTE:BP2S-FRANKFURT/ALLIANZGI FONDS PF2	45,698
AGENTE:BP2S-FRANKFURT/ALLIANZ GI FONDS QUONIAM SMC	112,661
AGENTE:BP2S LUXEMBOURG/JANUS HENDERSON HORIZON FUND	947,335
AGENTE:BP2S LUXEMBOURG/JANUS HENDERSON FUND	197,410
AGENTE:BP2S LUXEMBOURG/BNP PARIBAS B PENSION GROWTH	167,945
AGENTE:BNP PARIBAS 2S -LDN/JANUS HEND INSTIT EUROP INDEX OPP FUND	42,487
AGENTE:BNP PARIBAS 2S -LDN/JANUS HENDERS EUROPEAN SMALLER COMP FD	430,018
AGENTE:BNP SS SIDNEY BRANCH/RESPONSIBLE INVESTMENT LEADERS INT SHARE	37,745
AGENTE:BP2S SINGAPORE/SENTOSA DEVELOPMENT CORPORATION	10,402
AGENTE:BNP PARIBAS 2S-PARIS/BNP PARIBAS MIDCAP EUROPE	1,397,460
AGENTE:BNP PARIBAS 2S-PARIS/FCP BNPP ACTIONS ENTREPRENEURS	752,692
AGENTE:BNP PARIBAS 2S-PARIS/FCP CARDIF BNPP IP SMID CAP EURO	1,127,139
AGENTE:BNP PARIBAS 2S-PARIS/FCP LBPAM ACTIONS EUROPE LARGE CAP	47,785
AGENTE:BNP PARIBAS 2S-PARIS/FCP CNP ASSUR SMID CAP EUROPE	212,396
AGENTE:BNP PARIBAS 2S-PARIS/COMPT EUROPE	95,000
AGENTE:BNP PARIBAS 2S-PARIS/AXIVA ACTION 1	25,749
AGENTE:BNP PARIBAS 2S-PARIS/ACTIONS SELECTIONNEES	5,480
AGENTE:BNP PARIBAS 2S-PARIS/FCP BNP PARIBAS MIDCAP FRANCE	1,087,878
AGENTE:BNP PARIBAS 2S-PARIS/SAKKARAH 7	8,716
AGENTE:BNP PARIBAS 2S-PARIS/IPA CORPORATE ACTIONS AND INCOME	48,331
AGENTE:BNP PARIBAS 2S-PARIS/RAVGDT DIVERSIFIE II LBPAM	41,870
AGENTE:BNP PARIBAS 2S-PARIS/CPR AM	113,850
AGENTE:JP MORGAN BANK IRELA/CORONATION GLOBAL OPPORTUNITIES FUND	423,707
AGENTE:JP MORGAN CHASE BANK/SHELL TRUST (BERMUDA) LIMITED AS TRUSTEE	7,183
AGENTE:JP MORGAN CHASE BANK/SHELL TRUST (BERMUDA) LTD AS TRUSTEE OF THE SHELL OVERSEAS C.P. FUND	34,987
AGENTE:JP MORGAN CHASE BANK/DEKA INVEST DIVIDENDENSTRATEGIE	838,900
AGENTE:JP MORGAN CHASE BANK/DEKA INVESTMENT GMBH RE DEKA-MULTIASSET INCOME	100,000
AGENTE:JP MORGAN CHASE BANK/WESTPAC WHOLESALE UNHEDGED INTERNATIONAL	43,815
AGENTE:JP MORGAN CHASE BANK/JEFFREY LLC	58,552
AGENTE:JP MORGAN CHASE BANK/JPMORGAN CHASE BANK	2,000
AGENTE:JP MORGAN CHASE BANK/WSSP INTERNATIONAL EQUITIES TRUST	68,156
AGENTE:JP MORGAN CHASE BANK/EUROPACIFIC GROWTH FUND	5,235,000
AGENTE:JP MORGAN CHASE BANK/T. ROWE PRICE INTERNATIONAL SMALL CAP	497,948
AGENTE:JP MORGAN CHASE BANK/ISHARES ALLCOUNTRY EQUITY INDEX FUND	1,214
AGENTE:JP MORGAN CHASE BANK/INTERNATIONAL GROWTH AND INCOME FUND	6,475,000
AGENTE:JP MORGAN CHASE BANK/ALTRIA CLIENT SERVICES MASTER RETIREM.T.	81,690
AGENTE:JP MORGAN CHASE BANK/GOLDMAN SACHS TRUST-G.S.INTL.TAX MANAGED	32,601
AGENTE:JP MORGAN CHASE BANK/JPMORGAN LIFE LIMITED	81,039
AGENTE:JP MORGAN CHASE BANK/SANLAM LIFE AND PENSIONS UK LIMITED	49,930
AGENTE:JP MORGAN CHASE BANK/STICHTING SHELL PENSIOENFONDS	117,749
AGENTE:JP MORGAN CHASE BANK/SHELL PENSIONS TRUST LIMITED AS TRUSTEE OF SHELL CONTRIBUTORY PENSION FUND	75,058
AGENTE:JP MORGAN CHASE BANK/STATE OF CALIFORNIA MASTER TRUST	158,670
AGENTE:JP MORGAN CHASE BANK/NATIONAL PROVIDENT FUND AS TRUSTEE OF TH	16,166
AGENTE:JP MORGAN CHASE BANK/DEKA A-DOR-FONDS	6,503
AGENTE:JP MORGAN CHASE BANK/ALLIANZGI-FONDS DSPT	11,872
AGENTE:JP MORGAN CHASE BANK/BUMA-UNIVERSAL-FONDS-II	602,592

AGENTE:JP MORGAN CHASE BANK/BUMA-UNIVERSAL-FONDS I	13,990
AGENTE:JP MORGAN CHASE BANK/BUREAU OF LABOR FUNDS - LABOR RETIREMENT FUND	6,015
AGENTE:JP MORGAN CHASE BANK/INVESTERINGSFORENINGEN NORDEA INV AKTIER	586,767
AGENTE:JP MORGAN CHASE BANK/BLACKROCK MULTI-ASSET INC.PORTF.OF BLACK	754,307
AGENTE:JP MORGAN CHASE BANK/BLACKROCK INSTITUTIONAL TRUST COMPANY N.A. INVESTMENT FUNDS FOR EMPLOYEE BENEFIT TRUSTS	354,859
AGENTE:JP MORGAN CHASE BANK/JP MORGAN CHASE RETIREMENT PLAN	119,470
AGENTE:JP MORGAN CHASE BANK/PENSION TRUST FUND FOR OPERATING ENGINEE	400,000
AGENTE:RBC INVESTOR SERVICE/LONDON LIFE INSURANCE COMPANY	69,200
AGENTE:RBC INVESTOR SERVICE/CANADA POST CORPORATION REGISTERED PENSI	106,197
AGENTE:RBC INVESTOR SERVICE/THE BOMBARDIER TRUST (UK)	61,392
AGENTE:HSBC BANK PLC/FLF GLOBAL EQUITY FUND	60,413
AGENTE:HSBC BANK PLC/CITADEL ADVISORS LLC	86,066
AGENTE:HSBC BANK PLC/FRIENDS LIFE FUNDS LIMITED	59,324
AGENTE:HSBC TRINKAUS AND BU/ARC I - FONDS SEGMENT 1 - AKTIEN EUROPA	26,458
AGENTE:HSBC TRINKAUS AND BU/SONDERVERMOGEN INKA OPRA FONDS	16,181
AGENTE:HSBC TRINKAUS AND BU/INTERNATIONALE KAPITALANLAGEGESELLSCHAFT MBH	48,500
AGENTE:BROWN BROTHERS HARR/PIONEER FLEXIBLE OPPORTUNITIES FUND	480,295
AGENTE:BROWN BROTHERS HARR/VANGUARD INVESTMENT SERIES PLC	39,953
AGENTE:BROWN BROTHERS HARR/VANGUARD INVESTMENT SERIES PLC	7,356
AGENTE:BROWN BROTHERS HARR/VANGUARD INVESTMENT SERIES PLC	93,449
AGENTE:BP2S-FRANKFURT/KVW AKTIEN FONDS 1	1,844
AGENTE:BQUE FEDERATIVE-STR/FCP CM-CIC SILVER ECONOMIE	220,000
AGENTE:JP MORGAN CHASE BANK/FIDUCIARY TRUST COMPANY INTERNATIONAL AS	67,000
AGENTE:JP MORGAN CHASE BANK/MANAGEMENT BOARD PUBLIC SERVICE PENSION	3,513
AGENTE:JP MORGAN CHASE BANK/VANGUARD INTERNATIONAL SMALL COMPANIES INDEX FUND	32,076
AGENTE:JP MORGAN CHASE BANK/HSBC AVB	8,841
AGENTE:JP MORGAN CHASE BANK/SUZUKA INKA	131,022
AGENTE:JP MORGAN CHASE BANK/SCHRODER GLOBAL MULTI-FACTOR EQUITY FUND	132,300
NATIXIS ASSET MANAGEMENT FUNDS	15,142
G FUND	1,102,223
AMUNDI SF EURO EQ MARKET PLUS	7,244
AMUNDI FUNDS II-GLOB MULTI ASS	39,463
AMUNDI FUNDS II-EURO POTENTIAL	2,806,988
AMUNDI FUNDS II-EURO RESEARCH	294,285
AMUNDI FUNDS II-EUROP EQ OPTIM	82,021
PIONEER INV TOT RETURN	28,211
AMUNDI SOLUZ IT-PR CED 12 2019	38,160
AMUNDI SOL IT-PR CED 22 2020	47,716
AMUNDI SOL IT-PR CED 03 2020	45,423
AMUNDI SOL IT-PR CED 05 2020	80,229
AMUNDI SOL IT-PR CED 06 2020	54,059
AMUNDI SOL IT-PR CED 08 2020	63,584
AMUNDI SOL IT-PR CED 09 2020	52,520
AMUNDI SOL IT-PR CED 12 2020	22,990
AMUNDI SOL IT-PR CED 11 2020	39,870
AMUNDI SOL IT-PR CED 02 2021	20,160
AMUNDI SD-EQ PLAN 60	14,077
RICHIEDENTE:CASATI MAURO ELIDO/AMUNDI SGR SPA AZIONARIO EUROPA	196,518
EDMOND DE ROTHSCHILD (EUROPE)	3,016,936
GENERALI INVESTMENTS SICAV	1,500,000
AGENTE:HSBC BANK PLC/FRIENDS LIFE AND PENSIONS LIMITED	51,154

Numero di deleghe rappresentate dal badge: **419** **141,837,369**

3	Deleganti di ESPOSITO MARCO	Badge n° 6957 Shares
	AGENTE:STATE STREET BANK AND TRUST COMPANY/FEDERATED KAUFMANN FUND	5,125,000
	BLACKROCK GLOBAL FUNDS	6,826,006
	FIRST INVESTORS GLOBAL FUND	237,361
	ALASKA PERMANENT FUND CORPORATION	359,406
	THE CLEVELAND CLINIC FOUNDATION	32,555
	AGENTE:STATE STREET BANK AND TRUST COMPANY/NEW YORK STATE DEFERRED COMPENSATION PLAN	76,623
	BELL ATLANTIC MASTER TRUST	41,418
	UMC BENEFIT BOARD, INC	22,892
	UNISYS MASTER TRUST	60,092
	RICHIEDENTE:UBS AG-ZURICH SA OMNIBUS NON RESIDENT/UBS FUND MGT (CH) AG CH0516/UBSCHIF2-EGSCPII	98,996
	RICHIEDENTE:CBNY SA GOVERNMENT OF NORWAY/GOVERNMENT OF NORWAY	4,267,532
	AGENTE:NORTHERN TRUST COMPANY/STATE TEACHERS RETIREMENT SYSTEM OF OHIO	173,208
	RICHIEDENTE:CBLDN-SPD PGGM (DMAE2TR)/STICHTING PGGM DEPOSITARY	422,749
	RICHIEDENTE:CBLUX SA THREADNEEDLE (LUX)/THREADNEEDLE (LUX	1,124,222
	AGENTE:NORTHERN TRUST COMPANY/MORGAN STANLEY DEFINED CONTRIBUTION MASTER TRUST	58,764
	AGENTE:NORTHERN TRUST COMPANY/NTGI-QM COMMON DAILY ALL COUNWD EX-US INV MKT INDEX F NONLEND	9,989
	AGENTE:NORTHERN TRUST COMPANY/EMPLOYEES RETIREMENT FUND OF THE CITY OF DALLAS	24,205

AGENTE:NORTHERN TRUST COMPANY/INTERNATIONAL MONETARY FUND STAFF RETIREMENT PLAN	442,591
AGENTE:NORTHERN TRUST COMPANY/MICROSOFT GLOBAL FINANCE	5,832
AGENTE:NORTHERN TRUST COMPANY/NORTHERN TRUST GLOBAL INVESTMENTS COLLECTIVE FUNDS TRUST	334,975
AGENTE:NORTHERN TRUST COMPANY/NEW ZEALAND SUPERANNUATION FUND	34,150
AGENTE:NORTHERN TRUST COMPANY/GENERAL PENSION AND SOCIAL SECURITY AUTHORITY	82,221
AGENTE:NORTHERN TRUST COMPANY/LOS ANGELES CITY EMPLOYEES RETIREMENT SYSTEM	41,051
AGENTE:NORTHERN TRUST COMPANY/CITY OF LOS ANGELES FIRE AND POLICE PENSION PLAN	65,307
AGENTE:NORTHERN TRUST COMPANY/UTAH STATE RETIREMENT SYSTEMS	69,008
AGENTE:NORTHERN TRUST COMPANY/WHEELS COMMON INVESTMENT FUND	14,359
AGENTE:NORTHERN TRUST COMPANY/PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF COLORADO	468,968
AGENTE:NORTHERN TRUST COMPANY/MUNICIPAL EMPLOYEES` ANNUITY AND BENEFIT FUND OF CHICAGO	9,452
AGENTE:NORTHERN TRUST GLOBAL SERVICES LTD/UNIVEST	276,604
AGENTE:STATE STREET BANK AND TRUST COMPANY/FEDERATED KAUFMANN SMALL CAP FUND	874,310
AGENTE:STATE STREET BANK AND TRUST COMPANY/INTERNATIONAL MONETARY FUND	15,994
AGENTE:STATE STREET BANK AND TRUST COMPANY/STATE OF ALASKA RETIREMENT AND BENEFITS PLANS	15,676
AGENTE:STATE STREET BANK AND TRUST COMPANY/UAW RETIREE MEDICAL BENEFITS TRUST	101,658
AGENTE:STATE STREET BANK AND TRUST COMPANY/HARTFORD INTERNATIONAL OPPORTUNITIES HLS FUND	556,165
AGENTE:STATE STREET BANK AND TRUST COMPANY/THE HARTFORD INTERNATIONAL OPPORTUNITIES FUND	1,168,591
AGENTE:STATE STREET BANK AND TRUST COMPANY/TCW INTERNATIONAL SMALL CAP FUND	14,710
AGENTE:STATE STREET BANK AND TRUST COMPANY/ANCHOR SERIES TRUST STRATEGIC MULTI-ASSET PORTFOLIO	5,883
AGENTE:STATE STREET BANK AND TRUST COMPANY/ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM	78,810
AGENTE:STATE STREET BANK AND TRUST COMPANY/MERCER QIF CCF	2,080,743
AGENTE:STATE STREET BANK AND TRUST COMPANY/CITY OF NEW YORK GROUP TRUST	180,406
AGENTE:STATE STREET BANK AND TRUST COMPANY/SSGA SPDR ETFS EUROPE II PUBLIC LIMITED COMPANY	45,021
AGENTE:STATE STREET BANK AND TRUST COMPANY/CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM	869,247
AGENTE:STATE STREET BANK AND TRUST COMPANY/CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM	517,835
AGENTE:STATE STREET BANK AND TRUST COMPANY/SAINT-GOBAIN CORPORATION DEFINED BENEFIT MASTER TRUST	27,921
AGENTE:STATE STREET BANK AND TRUST COMPANY/THE WELLINGTON TR COM NATIONAL ASS MULT COLLECT INV F TRUST	343,065
AGENTE:STATE STREET BANK AND TRUST COMPANY/THE WELLINGTON TR CO NAT ASS MULT C TR F TR, OPPORT EQ PTF	72,130
AGENTE:STATE STREET BANK AND TRUST COMPANY/THE WELLINGTON TR CO NAT ASS MULT COM GLB OPPORT PTF	45,012
AGENTE:STATE STREET BANK AND TRUST COMPANY/THE WELLINGTON TR CO NAT ASS MULT COLLECTIVE INV F TRUST II	222,999
AGENTE:STATE STREET BANK AND TRUST COMPANY/WASHINGTON STATE INVESTMENT BOARD	165,288
AGENTE:STATE STREET BANK AND TRUST COMPANY/PRUDENTIAL RETIREMENT INSURANCE & ANNUITY COMPANY	118,313
AGENTE:STATE STREET BANK AND TRUST COMPANY/SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMENT PL	711,442
AGENTE:STATE STREET BANK AND TRUST COMPANY/AXA WORLD FUNDS	13,211,990
AGENTE:STATE STREET BANK AND TRUST COMPANY/UBS ETF	65,218
AGENTE:STATE STREET BANK AND TRUST COMPANY/ISHARES MSCI EAFE SMALL CAP ETF	1,389,975
AGENTE:STATE STREET BANK AND TRUST COMPANY/ISHARES CORE MSCI EAFE ETF	1,437,247
AGENTE:STATE STREET BANK AND TRUST COMPANY/ISHARES CORE MSCI EAFE IMI INDEX ETF	27,938
AGENTE:STATE STREET BANK AND TRUST COMPANY/ISHARES MSCI EUROPE IMI INDEX ETF	10,292
AGENTE:STATE STREET BANK AND TRUST COMPANY/RUSSELL INVESTMENT COMPANY II PLC	75,335
AGENTE:STATE STREET BANK AND TRUST COMPANY/INTERNATIONAL PAPER CO COMMINGLED INVESTMENT GROUP TRUST	21,880
AGENTE:STATE STREET BANK AND TRUST COMPANY/OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM	127,113
AGENTE:STATE STREET BANK AND TRUST COMPANY/COLLEGE RETIREMENT EQUITIES FUND	1,055,755
AGENTE:STATE STREET BANK AND TRUST COMPANY/RUSSELL INVESTMENT COMPANY PLC	37,056
AGENTE:STATE STREET BANK AND TRUST COMPANY/MULTI-STYLE, MULTI-MANAGER FUNDS PLC	98,841
AGENTE:STATE STREET BANK AND TRUST COMPANY/THE WELLINGTON TR CO NAT ASS MULT COM ALPHA STRATEGIES PTF	36,829
AGENTE:STATE STREET BANK AND TRUST COMPANY/MSCI EAFE SMALL CAP PROV INDEX SEC COMMON TR F	118,386
AGENTE:STATE STREET BANK AND TRUST COMPANY/ISHARES VII PLC	968,051
AGENTE:STATE STREET BANK AND TRUST COMPANY/BLACKROCK AM SCH AG OBO BIFS WORLD EX SW SMALL CAP EQ INDEX F	49,170
AGENTE:STATE STREET BANK AND TRUST COMPANY/ANIMA FUNDS PLC	78,238
AGENTE:STATE STREET BANK AND TRUST COMPANY/DB X-TRACKERS	487,536
AGENTE:STATE STREET BANK AND TRUST COMPANY/ALLIANZ GLOBAL INVESTORS FUND	1,883,899
RICHIEDENTE:MORGAN STANLEY AND CO. LLC/ALT BETA EQUITY SIZE STRATEGY LIMITED CO NUMERIC INVESTORS LLC	310,536
RICHIEDENTE:UBS AG-ZURICH SA OMNIBUS NON RESIDENT/CH0526 - UBS (CH) INSTITUTIONAL FUND -	15,606

EQUITIES GLOBAL SMALL CAP PASSIVE II	
RICHIEDENTE:CBNY SA NORGES BANK/NORGES BANK	225,448
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF NEW MEXICO	16,687
STICHTING DEPOSITARY APG DEVELOPED MARKETS EQUITY POOL	743,008
PENSION RESERVES INVESTMENT TRUST FUND	499,450
RAYTHEON MASTER PENSION TRUST	38,925
AGENTE:NORTHERN TRUST COMPANY/BLUE SKY GROUP	180,800
AGENTE:NORTHERN TRUST COMPANY/SUTTER HEALTH MASTER RETIREMENT TRUST	580,535
AGENTE:NORTHERN TRUST COMPANY/HRW TESTAMENTARY TRUST NO 3	40,800
AGENTE:NORTHERN TRUST COMPANY/HRW TESTAMENTARY TRUST NO. 8	39,100
AGENTE:NORTHERN TRUST COMPANY/HRW TESTAMENTARY TRUST NO. 12	40,500
AGENTE:NORTHERN TRUST COMPANY/ILLINOIS MUNICIPAL RETIREMENT FUND	218,947
AGENTE:NORTHERN TRUST COMPANY/FORD MOTOR COMPANY OF CANADA, LIMITED PENSION TRUST	1,181
AGENTE:NORTHERN TRUST COMPANY/MERCER DS TRUST	143,860
AGENTE:NORTHERN TRUST COMPANY/THE TRUSTEES OF ZURICH FINANCIAL SERVICES UK PENSION SCHEME	475,624
AGENTE:NORTHERN TRUST COMPANY/NAT WEST BK AS TRUSTEE OF LEGAL & GENERAL EUROPEAN INDEX TR	230,275
AGENTE:NORTHERN TRUST COMPANY/SSGA GROSS ROLL UP UNIT TRUST	13,909
AGENTE:NORTHERN TRUST COMPANY/LEGAL & GENERAL AUTHORISED CONTRACTUAL SCHEME	5,796
AGENTE:STATE STREET BANK AND TRUST COMPANY/LAUDUS INTERNATIONAL MARKETMASTERS FUND	464,055
AGENTE:STATE STREET BANK AND TRUST COMPANY/AMERICAN CENTURY STRATEGIC ASSET ALL, INC. STRAT ALL CONS F	1,280
AGENTE:STATE STREET BANK AND TRUST COMPANY/AMERICAN CENTURY STRAT ASSET ALL, INC. STRAT ALL MODERATE F	4,430
AGENTE:STATE STREET BANK AND TRUST COMPANY/AMERICAN CENTURY STRAT ASSET ALL, INC. STRATEGIC ALL AGGR F	4,680
AGENTE:STATE STREET BANK AND TRUST COMPANY/AMERICAN CENTURY WORLD MUTUAL FUNDS, INC. INTL DISCOVERY F	141,830
AGENTE:STATE STREET BANK AND TRUST COMPANY/AMERICAN CENTURY WORLD MUTUAL FUNDS, INC. INTL OPPORTUNITIES	170,088
AGENTE:STATE STREET BANK AND TRUST COMPANY/AMERICAN CENTURY WORLD MUTUAL FUNDS INC - NT INT SM MID CAP F	61,980
AGENTE:STATE STREET BANK AND TRUST COMPANY/AMERICAN CENTURY WORLD MUTUAL FUNDS, INC. - GLO SMALL CAP FD	6,683
AGENTE:STATE STREET BANK AND TRUST COMPANY/AMERICAN CENTURY RETIREMENT DATE TRUST	61,347
AGENTE:STATE STREET BANK AND TRUST COMPANY/ALLIANZGI INTERNATIONAL SMALL-CAP FUND	308,542
AGENTE:STATE STREET BANK AND TRUST COMPANY/EATON VANCE INTERNATIONAL SMALL-CAP FUND	34,992
AGENTE:STATE STREET BANK AND TRUST COMPANY/ALLIANZGI GLOBAL SMALL-CAP FUND	145,266
AGENTE:STATE STREET BANK AND TRUST COMPANY/WILLIAM BLAIR COLLECTIVE INVESTMENT TRUST	320,539
AGENTE:STATE STREET BANK AND TRUST COMPANY/MARYLAND STATE RETIREMENT & PENSION SYSTEM	15,867
AGENTE:STATE STREET BANK AND TRUST COMPANY/STATE OF MONTANA BOARD OF INVESTMENTS	42,090
AGENTE:STATE STREET BANK AND TRUST COMPANY/STATE OF NEW JERSEY COMMON PENSION FUND	161,132
AGENTE:STATE STREET BANK AND TRUST COMPANY/CANADA PENSION PLAN INVESTMENT BOARD	1,086,400
AGENTE:STATE STREET BANK AND TRUST COMPANY/BANK OF KOREA	187,738
AGENTE:STATE STREET BANK AND TRUST COMPANY/STATE STREET IRELAND UNIT TRUST	2,399
AGENTE:STATE STREET BANK AND TRUST COMPANY/TENNESSEE CONSOLIDATED RETIREMENT SYSTEM	348,095
AGENTE:STATE STREET BANK AND TRUST COMPANY/VANGUARD FTSE DEVELOPED EUROPE ALL CAP INDEX ETF	8,413
AGENTE:STATE STREET BANK AND TRUST COMPANY/VANGUARD FTSE DEVELOPED ALL CAP EX NORTH AMERICA INDEX ETF	8,644
AGENTE:STATE STREET BANK AND TRUST COMPANY/VANGUARD INVESTMENTS II COMMON CONTRACTUAL FUND	32,024
AGENTE:STATE STREET BANK AND TRUST COMPANY/VANGUARD INVESTMENTS COMMON CONTRACTUAL FUND	36,461
AGENTE:STATE STREET BANK AND TRUST COMPANY/VANGUARD FTSE DEVELOPED EUROPE INDEX ETF	1,123
AGENTE:STATE STREET BANK AND TRUST COMPANY/WELLS FARGO BK DECL OF TR EST INV FUNDS FOR EMPLOYEE BEN TR	48,345
AGENTE:STATE STREET BANK AND TRUST COMPANY/WISDOMTREE DYNAMIC CURRENCY HEDGED EUROPE EQUITY FUND	1,905
AGENTE:STATE STREET BANK AND TRUST COMPANY/WISDOMTREE DYNAMIC CURRENCY HEDGED INTRNL EQUITY FUND	21,885
AGENTE:STATE STREET BANK AND TRUST COMPANY/WISDOMTREE INTERNATIONAL MIDCAP DIVIDEND FUND	61,943
AGENTE:STATE STREET BANK AND TRUST COMPANY/WISDOMTREE EUROPE LOCAL RECOVERY FUND	10,772
AGENTE:STATE STREET BANK AND TRUST COMPANY/WISDOMTREE EUROPE HEDGED SMALLCAP EQUITY FUND	201,403
AGENTE:STATE STREET BANK AND TRUST COMPANY/WELLINGTON MANAGEMENT FUNDS (IRELAND) PLC	2,363
AGENTE:STATE STREET BANK AND TRUST COMPANY/BLACKROCK STRATEGIC FUNDS	334,818
AGENTE:STATE STREET BANK AND TRUST COMPANY/ISHARES MSCI EUROPE SMALL-CAP ETF	69,326
AGENTE:STATE STREET BANK AND TRUST COMPANY/ISHARES CORE MSCI TOTAL INTERNATIONAL	189,056

STOCK ETF	
AGENTE:STATE STREET BANK AND TRUST COMPANY/CONNECTICUT GENERAL LIFE INSURANCE COMPANY	827
AGENTE:STATE STREET BANK AND TRUST COMPANY/RUSSELL TRUST CO COMMINGLED EMPLOYEE BENEFIT FUNDS TRUST	385,612
AGENTE:STATE STREET BANK AND TRUST COMPANY/THE TRUSTEES OF BP PENSION FUND	340,650
AGENTE:STATE STREET BANK AND TRUST COMPANY/MANAGED PENSION FUNDS LIMITED	33,669
AGENTE:STATE STREET BANK AND TRUST COMPANY/FAMILY INVESTMENTS CHLD TRUST FUND	11,150
AGENTE:STATE STREET BANK AND TRUST COMPANY/FAMILY INVESTMENTS GLOBAL ICVC FAMILY BALANCED INT FUND	9,961
AGENTE:STATE STREET BANK AND TRUST COMPANY/HSBC AS TRUSTEE FOR SSGA EUROPE EX UK EQUITY TRACKER FUND	284,213
AGENTE:STATE STREET BANK AND TRUST COMPANY/STICHTING PHILIPS PENSIOENFONDS	56,707
AGENTE:STATE STREET BANK AND TRUST COMPANY/VANGUARD INV FDS ICVC-VANG FTSE DEV WOR LD EX - UK EQT IND FD	57,793
AGENTE:STATE STREET BANK AND TRUST COMPANY/VANGUARD INV F ICVC-VANGUARD FTSE DEV EUROPE EX-UK EQ INDEX F	119,820
AGENTE:STATE STREET BANK AND TRUST COMPANY/SUNSUPER SUPERANNUATION FUND	13,451
AGENTE:NORTHERN TRUST COMPANY/NATIONAL COUNCIL FOR SOCIAL SECURITY FUND, P.R.C	34,430
AGENTE:NORTHERN TRUST COMPANY/FORD MOTOR COMPANY DEFINED BENEFIT MASTER TRUST	13,955
AGENTE:NORTHERN TRUST COMPANY/STICHTING PENSIOENFONDS APF	2,873
AGENTE:STATE STREET BANK AND TRUST COMPANY/BIMCOR GLOBAL SMALL CAP POOLED FUND	43,678
AGENTE:STATE STREET BANK AND TRUST COMPANY/CALVERT RESP INX SRS, INC.-CLVRT DVD MRKTS EX-U.S. RSP INX FD	2,736
AGENTE:STATE STREET BANK AND TRUST COMPANY/ISHARES CORE MSCI EUROPE ETF	117,297
AGENTE:STATE STREET BANK AND TRUST COMPANY/ISHARES II PUBLIC LIMITED COMPANY	328,291
AGENTE:STATE STREET BANK AND TRUST COMPANY/VANGUARD DEVEL ALL-CAP EX NORTH AMERICA EQT IND POOLED FUND	541
RICHIEDENTE:CBLDN S/A CIP-DEP AVIVA INVESTORS NORWICH UNION/AVIVA INVESTORS INTERNATIONAL INDEX TRACKING FUND	10,830
RICHIEDENTE:UBS AG-ZURICH SA OMNIBUS NON RESIDENT/UBS FUND MANAGEMENT (SWITZERLAND) AG.	123,764
RICHIEDENTE:UBS (LUXEMBOURG) SA/UBS (LUX) EQUITY SICAV	68,735
CITI RETIREMENT SAVINGS PLAN	137,653
UWF TROW INTL DISCOVERY	45,589
SUBSIDIZED SCHOOLS P FUND NORTHERN	4,211
PS FTSE LO BT EQ WT PORT	12,210
55016 UP INTERNATIONALE AKTIER	236,395
EIR EIE WELLINGTON INT	106,784
WILM MULTI MGR INTL FD OBERWEIS	216,903
56053 IP GLOBAL EQUITIES I	29,217
PS FTSE RAFI EUSM UCITS ETF BNYMTCIL	2,477
PS SP INTL DEVEL QUALITY PORTFOLIO	5,359
PS FR DEVEL MARK EX US SMALL PORT	17,503
AST TRP DIVERS REAL GWTH PORT PDMO	1,049
AST FI PYRAMIS QUANT AA IE SC PDGJ	115,638
AST RCM WORLD TRENDS PORT PDBF	205,800
LMIF LMGAMI EURO SMLL CP	110,589
WELLINGTON MGMT CY LLPQUALITY EDUC FD	82,675
IQ 50 PERCENT HEDGED FTSE EURO ETF	6,718
DEUTSCHE XTRK MSCI EMU HDG EQ ETF	3,191
FPXF WILLIAM BLAIR CO	68,864
RVN WILLIAM BLAIR	6,037
BLL AQUILA LIFE EUROPEAN EQUITY	437,644
BLL AQUILA LIFE OSEAS EQUITY FUND	3,292
BANK OF AMERICA PENSION PLAN OECHSLE	190,091
BOA FBO SKL INVESTMENT GRP LLC	13,860
WMP OPP INVESTMENT PRINS LP	30,869
DEUTSCHE XTRK MSCI EAFE SC HDG ETF	466
CATHOLIC HEALTH INITIATIVES MASTER TRUST	57,179
FIRST INITIATIVES INSURANCE LIMITED	12,910
EATON VANCE MGMT INTL SMALL CAP	1,317
GLOBAL EQUITY WELLINGTON	138,921
GLOBAL INVESTMENT FUND	31,323
ONFF WILLIAM BLAIR NONUS	24,516
CE8F WILLIAM BLAIR IACG	185,061
MFS INTL EQUITY FUND	28,677
VANGUARD INTL HIGH DIV YLD INDEX FD	42,184
BSNF NTR WILLIAM BLAIR	18,975
BSPF PMT WILLIAM BLAIR	24,044
HP INC MASTER TRUST	54,785
BNYMTD RAMAM WORLD RECOVERY FUND	109,740
LRPF WILLIAM BLAIR	65,726
ATFF AMERICAN CENTURY	44,194
RZSF3001 NON US GE W BLAIR	134,381
1216 APG DME FINANC	2,255,729
AON HEWITT COLLECTIVE INVESTMENT TRUST	41,778
MINISTERS AND MISSIONARIES BENEFIT BOARD OF AMERICAN BAPTIST CHURCH	16,459

PHC NT SMALL CAP	28,250
BNYMTD RM GLOBAL HIGH ALPHA FUND	28,810
AMG TIMESSQUARE INTL SM CAP	1,205,000
BNYMTD BLK CONTINENTAL EURO INC	5,765,726
BNYMTD BLK CONT EUR EQ TRCK FD INV	313,139
VOYA MULTI MANAGER INTERNATIONAL EQUITY FUND	49,013
THE EDUCATIONAL EMPLOYEES SUPPLEMENTARY RETIREMENT SYSTEM OF FAIRFAX COUNTY	5,348
GENERAL MILLS INVESTMENT TRUST	53,503
INDIANA PUBLIC RETIREMENT SYSTEM	20,228
PUBLIC EMPLOYEES RETIREMENT SYSTEM OF MISSISSIPPI	72,395
BOARD OF PENSIONS OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA	80,956
JOHN S AND JAMES L KNIGHT FOUNDATION	65,800
SOUTH CAROLINA RETIREMENT SYSTEMS GROUP TRUST	288
PRUDENTIAL INVESTMENT PORTFOLIO 2 PRUDENTIAL QMA INTL DEVELOPED MRKTS INDEX FUND	845
AGENTE:NORTHERN TRUST COMPANY/THE CURATORS OF THE UNIVERSITY OF MISSOURI	31,235
AGENTE:NORTHERN TRUST COMPANY/DFI LP EQUITY (PASSIVE)	1,693
AGENTE:NORTHERN TRUST COMPANY/AON SAVINGS PLAN TRUST	55,102
AGENTE:NORTHERN TRUST COMPANY/BATTELLE MEMORIAL INSTITUTE	13,240
AGENTE:NORTHERN TRUST COMPANY/DUPONT AND RELATED COMP DEFINED CONTRIBUTION PLAN MASTER TR	61,137
AGENTE:NORTHERN TRUST COMPANY/THE HEALTH FOUNDATION	25,840
AGENTE:NORTHERN TRUST COMPANY/ADVOCATE HEALTH CARE NETWORK	28,762
AGENTE:NORTHERN TRUST COMPANY/CITY OF MILWAUKEE EMPLOYEES RETIREMENT SYSTEM	80,839
AGENTE:NORTHERN TRUST COMPANY/FIREMEN`S ANNUITY & BENEFIT FUND OF CHICAGO	16,201
AGENTE:NORTHERN TRUST COMPANY/UNITED MINE WORKERS OF AMERICA 1974 PENSION TRUST	68,907
AGENTE:NORTHERN TRUST COMPANY/POLICEMEN`S ANNUITY AND BENEFIT FUND OF CHICAGO	39,567
AGENTE:NORTHERN TRUST COMPANY/SALT RIVER PIMA-MARICOPA INDIAN COMMUNITY	21,155
AGENTE:NORTHERN TRUST COMPANY/NATIONAL WESTMINSTER BANK PLC PLC AS TR OF BARING EUR SEL TR	3,198,899
AGENTE:NORTHERN TRUST COMPANY/ILLINOIS STATE BOARD OF INVESTMENT	78,822
AGENTE:STATE STREET BANK AND TRUST COMPANY/FEDERATED KAUFMANN FUND II	131,600
AGENTE:STATE STREET BANK AND TRUST COMPANY/FIDELITY RUTLAND SQUARE TR II: STRAT ADV INT MULTI-MANAGER F	3,243
AGENTE:STATE STREET BANK AND TRUST COMPANY/FIDELITY RUTLAND SQUARETRUST II: STRATEGIC ADVISERS INT F	312,995
AGENTE:STATE STREET BANK AND TRUST COMPANY/SCHWAB INTERNATIONAL EQUITY ETF	313,517
AGENTE:STATE STREET BANK AND TRUST COMPANY/WELLINGTON GLOBAL OPPORTUNITIES FUND (CANADA)	100,206
AGENTE:STATE STREET BANK AND TRUST COMPANY/MFS HERITAGE TRUST COMPANY COLLECTIVE INVESTMENT TRUST	135,594
AGENTE:STATE STREET BANK AND TRUST COMPANY/CALVERT WORLD VALUES F INC - CALVERT INT OPPORTUNITIES FUND	265,955
AGENTE:STATE STREET BANK AND TRUST COMPANY/THE REGENTS OF THE UNIVERSITY OF CALIFORNIA	206,295
AGENTE:STATE STREET BANK AND TRUST COMPANY/MICROSOFT CORPORATION SAVINGS PLUS 401(K) PLAN	257,045
AGENTE:STATE STREET BANK AND TRUST COMPANY/THE GABELLI GLOBAL SMALL AND MID CAP VALUE TRUST	53,000
AGENTE:STATE STREET BANK AND TRUST COMPANY/THE GABELLI GLOBAL RISING INCOME AND DIVIDEND FUND	27,000
AGENTE:STATE STREET BANK AND TRUST COMPANY/THE HARTFORD INTERNATIONAL GROWTH FUND	109,838
AGENTE:STATE STREET BANK AND TRUST COMPANY/HARTFORD INTERNATIONAL EQUITY FUND	29,877
AGENTE:STATE STREET BANK AND TRUST COMPANY/WILLIAM BLAIR INTERNATIONAL GROWTH FUND	871,300
AGENTE:STATE STREET BANK AND TRUST COMPANY/WILLIAM BLAIR INSTITUTIONAL INTERNATIONAL GROWTH FUND	667,695
AGENTE:STATE STREET BANK AND TRUST COMPANY/MM SELECT EQUITY ASSET FUND	4,584
AGENTE:STATE STREET BANK AND TRUST COMPANY/TEXAS MUNICIPAL RETIREMENT SYSTEM	272,348
AGENTE:STATE STREET BANK AND TRUST COMPANY/ALLIANZ GLOBAL INVESTORS GMBH FOR ALLIANZGI-FONDS HPT	346,439
AGENTE:STATE STREET BANK AND TRUST COMPANY/VANGUARD GLOBAL LIQUIDITY FACTOR ETF	1,061
AGENTE:STATE STREET BANK AND TRUST COMPANY/VALIC COMPANY II INTERNATIONAL OPPORTUNITIES FUND	125,203
AGENTE:STATE STREET BANK AND TRUST COMPANY/NEW YORK STATE TEACHERS RETIREMENT SYSTEM	214,056
AGENTE:STATE STREET BANK AND TRUST COMPANY/PRUDENTIAL BANK AND TRUST	97,233
AGENTE:STATE STREET BANK AND TRUST COMPANY/SPDR EURO STOXX SMALL CAP ETF	49,165
AGENTE:STATE STREET BANK AND TRUST COMPANY/MFS MERIDIAN FUNDS	1,306,568
AGENTE:STATE STREET BANK AND TRUST COMPANY/KIEGER FUND I	23,718
AGENTE:STATE STREET BANK AND TRUST COMPANY/RUSSELL INVESTMENT COMPANY - RUSSELL INTERN DEVELOPED MKT F	321,779
AGENTE:STATE STREET BANK AND TRUST COMPANY/DELUXE CORPORATION MASTER TRUST	18,704
AGENTE:STATE STREET BANK AND TRUST COMPANY/MERCY HEALTH	13,589
AGENTE:STATE STREET BANK AND TRUST COMPANY/RUSSELL INVESTMENT FUNDS NON-U.S. FUND	52,453
AGENTE:STATE STREET BANK AND TRUST COMPANY/MERCY HEALTH RETIREMENT TRUST	3,997
AGENTE:STATE STREET BANK AND TRUST COMPANY/TRUTH INITIATIVE FOUNDATION	7,497
AGENTE:STATE STREET BANK AND TRUST COMPANY/ISHARES PUBLIC LIMITED COMPANY	1,498,441
AGENTE:STATE STREET BANK AND TRUST COMPANY/ISHARES I INVESTK MIT TGV F ISHS ST. EUROPE600 BS UCITS ETF DE	349,181

AGENTE:STATE STREET BANK AND TRUST COMPANY/BLACKROCK AM DE FOR ISHS EURO STOXX BANKS 30-15 UCITS ETF (DE)	1,898,902
AGENTE:STATE STREET BANK AND TRUST COMPANY/BLACKROCK AM DE FOR ISHARES EURO STOXX UCITS ETF (DE)	148,261
AGENTE:STATE STREET BANK AND TRUST COMPANY/BLACKROCK AM DE FOR ISHS STOXX EUROPE SMALL 200 UCITS ETF (DE)	375,271
AGENTE:STATE STREET BANK AND TRUST COMPANY/BLACKROCK AM DE FOR ISHARES STOXX EUROPE 600 UCITS ETF (DE)	350,587
AGENTE:STATE STREET BANK AND TRUST COMPANY/THE TRUSTEES OF CONOCOPHILLIPS PENSION PLAN	6,888
AGENTE:STATE STREET BANK AND TRUST COMPANY/VANGUARD INV FUNDS ICVC-VANGUARD FTSE GLOB ALL CAP IND FUND	423
AGENTE:STATE STREET BANK AND TRUST COMPANY/DEUTSCHE INVEST I	2,175,336
AGENTE:STATE STREET BANK AND TRUST COMPANY/DEUTSCHE ASSET MNGM INV GMBH FOR DWS EUROPEAN OPPORTUNITIES	622,257
AGENTE:STATE STREET BANK AND TRUST COMPANY/KP INTERNATIONAL EQUITY FUND	20,205
AGENTE:STATE STREET BANK AND TRUST COMPANY/METZLER ASSET MANAGEMENT GMBH FOR MI-FONDS 415	97,000
AGENTE:STATE STREET BANK AND TRUST COMPANY/E.SUN COMM BANK LTD IN ITS CAP AMC OF NOM EUR MID SM CAP GR F	43,513
AGENTE:NORTHERN TRUST COMPANY/LEGAL & GENERAL GLOBAL EQUITY INDEX FUND	1,487
AGENTE:NORTHERN TRUST COMPANY/NAT WEST BK PLC AS TRUSTEE OF THE LEGAL & GENERAL INT IND TR	26,634
RICHIEDENTE:MORGAN ST & CO. INTL PLC SA IPB/AHL DESERTWOOD FUND LIMITED C/O CITCO TRUSTEES (CAYMAN) LIMITED	109,956
RICHIEDENTE:JP MORGAN CLEARING CORP/PANAGORA DIVERSIFIED ARBITRAGE MASTER FUND LTD	2,630
RICHIEDENTE:JP MORGAN CLEARING CORP/MAP 192 SEGREGATED PORTFOLIO, PANAGORA ASST MGMNT INC PM ACT	30,024
STANDARD LIFE INVESTMENTS GLOBAL SICAV II	53,674
WILLIS TOWERS WATSON GROUP TRUST	3,441
ADVANCED SERIES TRUST AST T ROWE PRICE GROWTH OPPORTUNITIES PORTFOLIO GATEWAY CENTER	36,297
BNYMTD CF MITON EUROPEAN OPPTS FUND	630,272
NATIONAL BANK TRUST	42,267
POWERSHARES PUREBETA FTSE DEVELOPED EX NORTHAMERICA PORTFOLIO	62
CHI OPERATING INVESTMENT PROGRAM LP	117,380
USBK MOMENTUMSHARES INTL QUANT ETF	121,743
1135 APG DME STCK SEL	94,081
AMG CHICAGO EQUITY PARTNERS BALANCED FUND	900
SAN FRANCISCO CITY AND COUNTY EMPLOYEES RETIREMENT SYSTEM	116,549
ELEMENTS INTERNATIONAL SMALL CAP PORTFOLIO	8,111
MANNING AND NAPIER FUND INC RAINIER INTERNATIONAL DISCOVERY FUND	605,665
NYKREDIT ENGROS GLOBAL OPPORTUNITIES	56,912
AST PRU GRWTH ALL PTF QMA EAFE PDDF	59,020
BNYMTCIL LAZARD GBL MANAGED VOL FD	31,714
DB LAZARD GLB MNGD	25,000
AXA MPS FINANCIAL DAC	170,000
AARP INSURANCE PLAN	10,266
AARP FOUNDATION	4,977
BNYMTD FTI FRANKLIN EUROPEAN OPP FD	7,195
MI FONDS K12 SPK	91,583
AARP LAZARD LQE GLB	29,329
DBX FTSE DEV EX US COMP FACTOR	557
SLI EUROPEAN SMALLER COMPANIES	2,375,761
PS SP INTL DEVEL MOMENTUM PORT	504
DEAM FONDS SPEZIAL 2 AEQ SPK	1,269,411
DEAM FOND SPEZIAL 18 AEQ SPK	285,507
BLL DC EUROPEAN GROWTH FD AG PF	120,522
BNYMTD BIEF CONT EUR INV	56,736
BNYMTD BLK CONT EURO FD	618,846
BGF EUROPEAN SPECIAL SITUATIONS FUND	2,200,058
BGF CONT EURO FLEXIBLE FD EURO EQFD	3,798,551
DEUTSCHE XTRK MSCI STH EUR HDG ETF	199
MSV JP MORGAN	62,372
SCA LAZARD	24,315
MIN DEF PF OMAN AMUNDI EURSILV	77,256
BNYMTD BLK EURO DYNAMIC FD	3,063,616
OPERATING ENGINEERS LOCAL 101 PENSION FUND	120,000
VERIZON MASTER SAVINGS TRUST	62,887
KENTUCKY RETIREMENT SYSTEMS	580,000
KENTUCKY RETIREMENT SYSTEMS INSURANCE TRUST FUND	250,000
RICHIEDENTE:MORGAN STANLEY AND CO. LLC/AHL ALPHA MASTER LIMITED C/O CITCO TRUSTEES (CAYMAN) LIMITED	32,434
RICHIEDENTE:MORGAN STANLEY AND CO. LLC/AHL DIRECTIONAL EQUITIES MASTER LIMITED	32,040
RICHIEDENTE:MORGAN STANLEY AND CO. LLC/AHL EVOLUTION LTD SHARMAINE BERKELEY ARGONAUT LTD	777,939
RICHIEDENTE:MORGAN STANLEY AND CO. LLC/BLUE MOUNTAIN CREDIT ALTERNATIVES MASTER FUND LP CO M AND C CORP SERVICES LTD	67,980

RICHIEDENTE:MORGAN STANLEY AND CO. LLC/BLUEMOUNTAIN FURSAN FUND LP CO MAPLES CORP SERVICES LIMITED	8,817
RICHIEDENTE:MORGAN STANLEY AND CO. LLC/BLUEMOUNTAIN GUADALUPE PEAK FUND L.P.CO CORPORATION SERVICE COMPANY	4,655
RICHIEDENTE:MORGAN STANLEY AND CO. LLC/BLUEMOUNTAIN KICKING HORSE FUND L.P. C/O MAPLES CORPORATE SVCS LTD	11,285
RICHIEDENTE:MORGAN STANLEY AND CO. LLC/BLUEMOUNTAIN SYSTEMATIC MASTER FUND LP MAPLES CORP SERVICES LTD	40,285
RICHIEDENTE:CBHK-CTL AS TST OF BPF-BWEIF-C/CITITRUST LIMITED AS TRUSTEE OF BLACKROCK PREMIER FUNDS-BLACKROCK WORLD EQUITY INDEX FUND	326
RICHIEDENTE:CBLDN S/A IRISH LIFE ASSURANCE CO/IRISH LIFE ASSURANCE.	171,778
RICHIEDENTE:MORGAN STANLEY AND CO. LLC/LAZARD ASSET MANAGEMENT LLC C/O LAZARD ASSET MANAGEMENT LLC - EUROPEAN LONG/SHORT	40,152
RICHIEDENTE:CBLDN S/A LEGAL AND GENERAL/LEGAL AND GENERAL	116,862
RICHIEDENTE:CBLDN S/A LEGAL AND GENERAL/LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	1,472,983
RICHIEDENTE:CBLDN S/A LEGAL AND GENERAL/LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	15,847
RICHIEDENTE:CBLDN S/A LEGAL AND GENERAL/LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	13,760
RICHIEDENTE:CBLDN S/A LEGAL AND GENERAL/LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	52,838
RICHIEDENTE:CBNY-LEGAL & GEN COLL INV TRST/LEGAL AND GENERAL COLLECTIVE INVESTMENT TRUST.	8,597
RICHIEDENTE:MORGAN STANLEY AND CO. LLC/MCKINLEY NON US DEVELOPED 130 30 GROWTH ONSHORE FUND LP C O MCKINLEY C.MGMT.LLC	68,998
RICHIEDENTE:MORGAN STANLEY AND CO. LLC/PANAGORA ASSET MANAGEMENT INC.	1,731
RICHIEDENTE:CBLDN-CIL DEP SLIC ER EX UK SM CM FD-XESC/SLIC ER EX UK SM CM FD XESC	273,095
RICHIEDENTE:CITIBANK N.A. LONDON STANDARD LIFE INVESTMENT CO GLOBAL/STANDARD LIFE INVESTMENT COMPANY GLOBAL SMALLER	2,573,190
RICHIEDENTE:CBLDN-AEGON CUS BV RE MM EQ SM CP F/STICHTING PENSIOENFONDS KPN STICHTING PENSIOENFONDS POSTNL STICHTING PENSIOENFONDS AVEBE	570,407
RICHIEDENTE:CBLDN SA CIP-DEP-TIF-PAN SMLR COM/THREADNEEDLE INVESTMENT FUNDS ICVCA.	9,413,406
RICHIEDENTE:CBLDN SA ESLACOILL/ZURICH LIFE ASSURANCE PLC	84,359
RICHIEDENTE:GOLDMAN SACHS SEGREGATION A/C/THREE CORNER MASTER L/SFUND LP	1,427,900
RICHIEDENTE:GOLDMAN SACHS SEGREGATION A/C/LUCERNE CAPITAL MASTER FUND LP	427,175
AGENTE:STATE STREET BANK AND TRUST COMPANY/MANUFACTURERS AND TRADERS TRUST COMPANY	3,180
AGENTE:STATE STREET BANK AND TRUST COMPANY/UNIVERSITY CLUB	630
AGENTE:STATE STREET BANK AND TRUST COMPANY/LAZARD ASSET MANAGEMENT LLC	1,352
AGENTE:STATE STREET BANK AND TRUST COMPANY/LAZARD RETIREMENT GLOBAL DYNAMIC MULTI ASSET PORTFOLIO	11,974
AGENTE:STATE STREET BANK AND TRUST COMPANY/LAZARD MANAGED EQUITY VOLATILITY PORTFOLIO	3,051
AGENTE:STATE STREET BANK AND TRUST COMPANY/LAZARD GLOBAL DYNAMIC MULTI ASSET PORTFOLIO	1,953
AGENTE:STATE STREET BANK AND TRUST COMPANY/LAZARD REAL ASSETS AND PRICING OPPORTUNITIES PORTFOLIO	1,207
AGENTE:STATE STREET BANK AND TRUST COMPANY/WELLINGTON INTERNATIONAL OPPORTUNITIES FUND	16,577
AGENTE:STATE STREET BANK AND TRUST COMPANY/MANNING AND NAPIER	902,020
AGENTE:STATE STREET BANK AND TRUST COMPANY/ALLIANZ GLOBAL INVESTORS GMBH FOR ALLIANZGI-FONDS GHS	154,000
AGENTE:STATE STREET BANK AND TRUST COMPANY/CAREFIRST, INC. RETIREMENT PLAN TRUST FOR GHMSI ASSETS	43,000
AGENTE:STATE STREET BANK AND TRUST COMPANY/CAREFIRST, INC. RETIREMENT PLAN TRUST FOR CFMI ASSETS	39,000
AGENTE:STATE STREET BANK AND TRUST COMPANY/HENDERSON INTERNATIONAL SMALL CAP FUND	20,028
AGENTE:STATE STREET BANK AND TRUST COMPANY/SCPMG KEOGH PLAN	10,104
AGENTE:STATE STREET BANK AND TRUST COMPANY/CONCEPT FUND SOLUTIONS PLC	1,286
AGENTE:STATE STREET BANK AND TRUST COMPANY/VALIC COMPANY I - ASSET ALLOCATION FUND	5,958
AGENTE:STATE STREET BANK AND TRUST COMPANY/PARAMETRIC INTERNATIONAL EQUITY FUND	4,180
AGENTE:STATE STREET BANK AND TRUST COMPANY/FRANKLIN TEMPLETON ETF TRUST - FRANKLIN FTSE EUROPE ETF	4,305
AGENTE:STATE STREET BANK AND TRUST COMPANY/FRANKLIN TEMPLETON ETF TRUST - FRANKLIN FTSE ITALY ETF	2,946
AGENTE:STATE STREET BANK AND TRUST COMPANY/FRANKLIN TEMPLETON ETF TRUST-FRANKL LIBERTY INT OPPORTUN ETF	9,212
AGENTE:STATE STREET BANK AND TRUST COMPANY/FRANKLIN TEMPLETON ETF TRUST - FRANKLIN FTSE EUROPE HEDGED ETF	1,400
AGENTE:STATE STREET BANK AND TRUST COMPANY/GUARDIAN INTERNATIONAL GROWTH VIP FUND	6,545
AGENTE:STATE STREET BANK AND TRUST COMPANY/GAM STAR FUND P.L.C.	3,618,908
AGENTE:STATE STREET BANK AND TRUST COMPANY/RUSSELL INVESTMENT COMPANY SELECT INTERNATIONAL EQUITY FUND	15,376
AGENTE:STATE STREET BANK AND TRUST COMPANY/THE HARTFORD GLOBAL ALL- ASSET FUND	38,263
AGENTE:STATE STREET BANK AND TRUST COMPANY/LAZARD GLOBAL MANAGED VOLATILITY (CANADA) FUND	2,530
AGENTE:STATE STREET BANK AND TRUST COMPANY/MAINSTAY EPOCH CAPITAL GROWTH FUND	64,534

AGENTE:STATE STREET BANK AND TRUST COMPANY/LAZARD WILMINGTON GLOBAL MANAGED VOLATILITY PORTFOLIO	27,779
AGENTE:STATE STREET BANK AND TRUST COMPANY/RUSSELL COMMON CONTRACTUAL FUND	16,027
AGENTE:STATE STREET BANK AND TRUST COMPANY/KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM	138,639
AGENTE:STATE STREET BANK AND TRUST COMPANY/LAZARD GLOBAL INVESTMENT FUNDS PUBLIC LIMITED COMPANY	751,719
AGENTE:STATE STREET BANK AND TRUST COMPANY/GTAA PANTHER FUND L.P	2,894
AGENTE:STATE STREET BANK AND TRUST COMPANY/LAZARD GLOBAL BALANCED INCOME FUND	778
AGENTE:STATE STREET BANK AND TRUST COMPANY/LAZARD GLOBAL LOW VOLATILITY FUND	3,151
AGENTE:STATE STREET BANK AND TRUST COMPANY/PRINCIPAL EXCHANGE-TRADED FDS-PRINC INT MULTI-FACTOR INDEX ETF	1,239
AGENTE:STATE STREET BANK AND TRUST COMPANY/WELLINGTON GLOBAL OPPORTUNITIES EX-JAPAN FUND	68,655
AGENTE:STATE STREET BANK AND TRUST COMPANY/THRIVENT MODERATE ALLOCATION PORTFOLIO	12,777
AGENTE:STATE STREET BANK AND TRUST COMPANY/THRIVENT MODERATELY AGGRESSIVE ALLOCATION PORTFOLIO	4,781
AGENTE:STATE STREET BANK AND TRUST COMPANY/THRIVENT AGGRESSIVE ALLOCATION PORTFOLIO	1,415
AGENTE:STATE STREET BANK AND TRUST COMPANY/THRIVENT MODERATE ALLOCATION FUND	2,306
AGENTE:STATE STREET BANK AND TRUST COMPANY/THRIVENT MODERATELY AGGRESSIVE ALLOCATION FUND	2,077
AGENTE:STATE STREET BANK AND TRUST COMPANY/THRIVENT AGGRESSIVE ALLOCATION FUND	1,282
AGENTE:STATE STREET BANK AND TRUST COMPANY/THRIVENT GROWTH AND INCOME PLUS FUND	2,391
AGENTE:STATE STREET BANK AND TRUST COMPANY/THRIVENT BALANCED INCOME PLUS FUND	6,696
AGENTE:STATE STREET BANK AND TRUST COMPANY/THRIVENT GROWTH AND INCOME PLUS PORTFOLIO	2,616
AGENTE:STATE STREET BANK AND TRUST COMPANY/THRIVENT BALANCED INCOME PLUS PORTFOLIO	7,564
AGENTE:STATE STREET BANK AND TRUST COMPANY/THRIVENT LARGE CAP STOCK FUND	77,587
AGENTE:STATE STREET BANK AND TRUST COMPANY/THRIVENT LARGE CAP STOCK PORTFOLIO	37,683
AGENTE:STATE STREET BANK AND TRUST COMPANY/THRIVENT CORE INTERNATIONAL EQUITY FUND	105,132
AGENTE:STATE STREET BANK AND TRUST COMPANY/THRIVENT DIVERSIFIED INCOME PLUS FUND	9,206
AGENTE:STATE STREET BANK AND TRUST COMPANY/THRIVENT DIVERSIFIED INCOME PLUS PORTFOLIO	6,886
AGENTE:STATE STREET BANK AND TRUST COMPANY/RUSSELL INVESTMENTS OVERSEAS EQUITY POOL	62,621
AGENTE:STATE STREET BANK AND TRUST COMPANY/RUSSELL INVESTMENTS MULTI-FACTOR INTERNATIONAL EQUITY POOL	837
AGENTE:STATE STREET BANK AND TRUST COMPANY/RUSSELL INSTITUTIONAL FUNDS,LLC-RUSSELL INTL EQUITY FUND	61,886
AGENTE:STATE STREET BANK AND TRUST COMPANY/RUSSELL INVESTMENTS OVERSEAS EQUITY FUND	35,453
AGENTE:STATE STREET BANK AND TRUST COMPANY/CHANG HWA COMMERCIAL BANK, LTD., IN ITS CAPACITY AS MASTER	288,800
AGENTE:STATE STREET BANK AND TRUST COMPANY/DELTASHARES S+P INTERNATIONAL MANAGED RISK ETF	6,109
AGENTE:STATE STREET BANK AND TRUST COMPANY/PINEBRIDGE GLOBAL FUNDS	36,601
AGENTE:STATE STREET BANK AND TRUST COMPANY/CAPITAL GROUP GLOBAL EQUITY FUND (CANADA)	2,865,000
AGENTE:STATE STREET BANK AND TRUST COMPANY/CAPITAL GROUP GLOBAL BALANCED FUND (CANADA)	230,000
AGENTE:STATE STREET BANK AND TRUST COMPANY/VANGUARD GLOBAL MOMENTUM FACTOR ETF	1,558
AGENTE:STATE STREET BANK AND TRUST COMPANY/WELLS FARGO MASTER TRUST-WELLS FRGO FACTR ENHANCED INT PRIFLIO	32,119
AGENTE:STATE STREET BANK AND TRUST COMPANY/WISDOMTREE ISSUER PUBLIC LIMITED COMPANY	4,015
AGENTE:STATE STREET BANK AND TRUST COMPANY/WISDOMTREE INTERNATIONAL HIGH DIVIDEND FUND	18,621
AGENTE:STATE STREET BANK AND TRUST COMPANY/SS FTSE DEV COMPREHENSIVE FACTOR IND NON-LENDING COMMON TRU FD	4,034
AGENTE:STATE STREET BANK AND TRUST COMPANY/DEUTSCHE ASSET MNGM INV GMBH FOR DWS EUROPE DYNAMIC	135,000
AGENTE:STATE STREET BANK AND TRUST COMPANY/DEUTSCHE ASSET MNGM INV GMBH FOR DWS TOP EUROPE	2,694,000
AGENTE:STATE STREET BANK AND TRUST COMPANY/DEUTSCHE ASSET MNGM INV GMBH FOR OPPENHEIM DYNAMIC EUROPE BAL	43,715
AGENTE:STATE STREET BANK AND TRUST COMPANY/DEUTSCHE AST MGMNT INVEST GMBH FR DEUTSCH AM QUANT EQ EUROLAND	79,811
AGENTE:STATE STREET BANK AND TRUST COMPANY/ISHARES CORE MSCI INTERNATIONAL DEVELOPED MARKETS ETF	56,088
AGENTE:STATE STREET BANK AND TRUST COMPANY/IBM 401K PLUS PLAN	86,186
AGENTE:STATE STREET BANK AND TRUST COMPANY/GENERAL CONFERENCE CORPORATION OF SEVENTH DAY ADVENTISTS	100,000
AGENTE:STATE STREET BANK AND TRUST COMPANY/ISHARES III PUBLIC LIMITED COMPANY	17,751
AGENTE:STATE STREET BANK AND TRUST COMPANY/PINEBRIDGE GLOBAL DYNAMIC ASSET ALLOCATION FUND LLC	14,277
AGENTE:STATE STREET BANK AND TRUST COMPANY/FP RUSSELL INVESTMENTS ICVC-FP RUSSELL INV INT GROWTH ASSTS FD	8,584
AGENTE:STATE STREET BANK AND TRUST COMPANY/ARAB AUTHORITY FOR AGRICULTURAL INVESTMENT AND DEVELOPMENT	7,541
AGENTE:STATE STREET BANK AND TRUST COMPANY/MULTI-MANAGER ICVC - MULTI-MANGER	91,914

INTERNATIONAL EQUITY FUND	
AGENTE:STATE STREET BANK AND TRUST COMPANY/RUSSELL INVESTMENTS GLOBAL OPPORTUNITIES FUND	96,617
AGENTE:STATE STREET BANK AND TRUST COMPANY/PINEBRIDGE GLOBAL DYNAMIC ASSET ALLOCATION FUND	30,175
AGENTE:STATE STREET BANK AND TRUST COMPANY/OMERS ADMINISTRATION CORPORATION FUND	380,331
AGENTE:NORTHERN TRUST GLOBAL SERVICES LTD/VERDIPAPIRFONDET KLP AKSJGLOBAL SMALL CAP INDEKS I	32,044
AGENTE:DB AG LONDON PRIME BROKERAGE/CITADEL MULTI-STRATEGY EQUITIES FUND (ICAV)	14,644
AGENTE:NORTHERN TRUST COMPANY/THE BOEING COMPANY EMPLOYEES SAVINGS PLANS MASTER TRUST	60,988
AGENTE:NORTHERN TRUST COMPANY/HEWITT ASSOCIATES LLC 401K PLAN TRUST	19,737
AGENTE:NORTHERN TRUST COMPANY/BAPTIST FOUNDATION OF TEXAS DBA HIGHGROUND ADVISORS	26,952
AGENTE:NORTHERN TRUST COMPANY/STATE OF UTAH, SCHOOL AND INSTITUTIONAL TRUST FUNDS	7,141
AGENTE:NORTHERN TRUST COMPANY/THE PUBLIC INSTITUTION FOR SOCIAL SECURITY	64,137
AGENTE:NORTHERN TRUST COMPANY/PYRAMIS GROUP TRUST FOR EMPLOYEE BENEFIT PLANS	170,023
AGENTE:NORTHERN TRUST COMPANY/NATIONAL RAILROAD RETIREMENT INVESTMENT TRUST	291,058
AGENTE:NORTHERN TRUST COMPANY/EMPLOYEES` RETIREMENT FUND OF THE CITY OF FORT WORTH	90,225
AGENTE:NORTHERN TRUST COMPANY/LOCKHEED MARTIN CORPORATION MASTER RETIREMENT TRUST	138,897
AGENTE:NORTHERN TRUST COMPANY/MIDWEST OPERATING ENGINEERS PENSION TRUST FUND	600,000
AGENTE:NORTHERN TRUST COMPANY/THE TRUSTEES OF CHEVRON UK PENSION PLAN	2,761
AGENTE:NORTHERN TRUST COMPANY/MERSEYSIDE PENSION FUND	209,168
AGENTE:NORTHERN TRUST COMPANY/COLONIAL FIRST STATE INVESTMENT FUND 50	13,187
AGENTE:NORTHERN TRUST COMPANY/BARING INVESTMENT FUNDS PLC	203,004
AGENTE:NORTHERN TRUST COMPANY/AMG FUNDS PLC	26,720
AGENTE:NORTHERN TRUST COMPANY/LEGAL & GENERAL ICAV	2,648
AGENTE:NORTHERN TRUST COMPANY/BLACKROCK AUTHORISED CONTRACTUAL SCHEME I	299,258
AGENTE:STATE STREET BANK AND TRUST COMPANY/CITY OF NEW YORK GROUP TRUST	438,768
AGENTE:STATE STREET BANK AND TRUST COMPANY/TENNESSEE CONSOLIDATED RETIREMENT SYSTEM,	190,600

Number of proxies represented by badge:

437

143,246,399

FINECO

B A N K

2017 REPORTS AND ACCOUNTS

FINECO. SIMPLIFYING BANKING.

FinecoBank S.p.A - Member of UniCredit



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Board of Directors, Board of Statutory Auditors and External Auditors

Board of Directors

Enrico Cotta Ramusino	Chairman
Francesco Saita	Vice Chairman
Alessandro Foti	Chief Executive Officer and General Manager
Elena Biffi Gianmarco Montanari Manuela D'Onofrio Maria Chiara Malaguti Maurizio Santacroce Patrizia Albano	Directors

Board of Statutory Auditors

Elena Spagnol	Chairman
Barbara Aloisi Marziano Viozzi	Standing Auditors
Federica Bonato	Alternate Auditors

Deloitte & Touche S.p.A. **External Auditors**

Lorena Pellicciari **Nominated Official in charge of drawing up Company Accounts**

On April 11, 2017, the Shareholders' Meeting - together with the approval of the Annual Report and Accounts 2016 - appointed a new Board of Directors and a new Board of Statutory Auditors as their terms of office had ended.

On September 4, 2017 Mr. Stefano Fiorini submitted his resignation from the position of Chairman of the Board of Statutory Auditors; on the same date, the alternate auditor Elena Spagnol took over the position until the next Shareholders' Meeting.

Registered office

Piazza Durante 11, 20131 Milan, Italy

"FinecoBank Banca Fineco S.p.A."
in abbreviated form "FinecoBank S.p.A.", or "Banca Fineco S.p.A."
or "Fineco Banca S.p.A."
Company controlled by UniCredit S.p.A., Gruppo Bancario UniCredit,
Register of Banking Groups no. 2008.1, Member of the National Guarantee
Fund and National Interbank Deposit Guarantee Fund, Italian Banking
Association Code 03015, Tax Code and Milan Companies Register
no. 01392970404 - R.E.A. (Economic and Administrative Index)
no. 1598155, VAT No. 12962340159

Introduction to the Annual Reports and Accounts

In implementation of Legislative Decree no. 38 of February 28, 2005, these Financial Reports and Accounts comprise the Consolidated Financial Report and Accounts and the Financial Report and Accounts of FinecoBank/Banca Fineco S.p.A. (hereinafter FinecoBank or Fineco or the Bank), which have been prepared in accordance with the IAS/IFRS issued by the International Accounting Standards Board (IASB), including the SIC and IFRIC interpretation documents, as endorsed by the European Commission until December 31, 2017, pursuant to EU Regulation 1606/2002 of July 19, 2002 and applicable to financial reports for the periods starting on January 1, 2017.

In its circular 262 of December 22, 2005 as amended, the Bank of Italy laid down the formats for the financial statements and explanatory notes to the accounts of banks and regulated financial companies that are parents of banking groups, which have been used to prepare the Consolidated Report and Accounts and the Separate Report and Accounts.

As it belongs to the UniCredit Banking Group, FinecoBank is required to present consolidated financial statements for the year ended December 31, 2017, as required by law, as it controls Fineco AM Limited, an Irish company incorporated on October 26, 2017, and is an issuer of financial instruments traded on a public market. As at December 31, 2017, Fineco AM Limited had not yet started operations, therefore the consolidated and individual results of FinecoBank did not show any significant differences.

The Consolidated Report and Accounts includes:

- the **Consolidated Financial Statements** comprise the Consolidated Balance Sheet, the Consolidated Income Statement, the Statement of Consolidated Comprehensive Income, the Statement of Changes

in Consolidated Shareholders' Equity, the Consolidated Cash Flow Statement, presented - as they are the first consolidated statements - with a comparison to the separate financial statements of 2016;

- the **Notes to the Consolidated Accounts**;

and is accompanied by:

- the **Consolidated Report on Operations**, which includes the condensed accounts, the main results of the various business areas, and comments on the results for the period;
- the Certification of the Consolidated Report and Accounts pursuant to Article 81-ter of Consob Regulation no. 11971 of May 14, 1999 and subsequent amendments.

Any lack of correspondence between the figures shown in the Consolidated Report on Operations and the Consolidated Financial Statements is solely due to roundings.

The Financial Report and Accounts includes:

- the **Financial Statements** comprise the Balance Sheet, the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Shareholders' Equity, the Cash Flow Statement, presented with a comparison to those of 2016;

- the **Notes to the Accounts**;

it is accompanied by the Certification of the Annual Financial Statements pursuant to Article 81-ter of Consob Regulation no. 11971 of May 14, 1999 and subsequent amendments.

For the Report on Operations pertaining to the separate financial statements of FinecoBank S.p.A., please refer to the Consolidated Report on Operations.

The annual report also includes:

- the Report of the Board of Statutory Auditors
- the Reports of the External Auditors.

Consolidated Report and Accounts of FinecoBank S.p.A.

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Summary data

FinecoBank is the direct, multi-channel bank of the UniCredit Group. It has one of the largest advisory networks in Italy and is the leader in Italy for equity trades. The Bank offers an integrated business model combining direct banking and financial advice. With a single account including a full range of banking, credit, trading and investment services, which are also available through applications for smartphone and tablet. With its fully integrated platform, FinecoBank is the benchmark for modern investors.

FinecoBank is listed on the Milan Stock Market and has been on Borsa Italiana's FTSE Mib index since April 1, 2016. On March 20, 2017, the stock became part of the STOXX Europe 600 Index.

FinecoBank is on the Standard Ethics Italian Banks Index© and the Standard Ethics Italian Index (comprising the largest 40 companies listed on the Borsa italiana FTSE-MIB), one of the leading performance indexes and a benchmark for environmental, social and governance concerns. In July 2017, Standard Ethics¹ raised the Bank's rating to EE (from EE-), at which level it is considered full "investment grade" by investors who tend towards sustainable companies with a lower reputational risk profile and good long-term prospects.

In order to further increase the Bank's competitive capacity by expanding the range of services offered, on July 4, 2017 the Board of Directors of FinecoBank resolved to initiate a project aimed at enabling the Bank to set up a Management Company under Irish law, wholly owned by FinecoBank, dedicated to the management of UCITs. Fineco AM Limited was incorporated on October 26, 2017, after approval of the project by the Board of Directors of UniCredit S.p.A. on August 2, 2017 and after the Board of Directors' meeting of FinecoBank held on September 19, 2017, which approved the amount of share capital to be allocated to the new company. As at December 31, 2017, Fineco AM Limited had not yet started operations.

In 2017, total financial assets (direct and indirect) amounted to €67,185 million, up 11.6% on €60,195 million at the end of 2016. Net sales in 2017 came to €5,958 million (+18% y/y).

The asset mix continues to improve, as noted in the course of the year: assets under management reached €3,943 million (+121% compared to 2016), equal to 66% of net sales; assets under custody came to €564 million, while direct deposits totalled €1,451 million. Sales of "Guided Products & Services" came to €4,559 million in 2017, making their percentage of total AUM rise to 64% compared to 56% in December 2016.

Net sales through the network of Personal Financial Advisors totalled €5,404 million, up 25% compared to 2016. Total financial assets amounted to €57,887 million (+12.5% y/y).

The TFA related to Private Banking clients, i.e. with assets above €500,000, totalled €25,886 million, up 16% y/y.

In 2017, €230 million in personal loans and €521 million in mortgages were granted, and €831 million in current account overdrafts was arranged, resulting in an overall 121% aggregate increase in loans to customers² compared to December 31, 2016. Credit quality remains high, driven by the principle of offering credit exclusively to existing customers, making use of specialist tools to analyse the bank's vast information base. The cost of risk is structurally contained and fell further, thanks also to the effect of new loans, which are mainly secured and low-risk.

The net profit for the year amounted to €214.1 million, an increase of 1.1% on the previous year. Excluding non-recurring items in 2017, net profit would have been €218.5 million, up 8.9% compared to the profit 2016, also excluding non-recurring items³.

1. Standard Ethics, based in London, is an independent rating agency for sustainability, social responsibility and good governance.

2. Losses from de-recognitions and impairment losses on the equity exposure to the Voluntary Scheme of the Interbank Deposit Guarantee Fund totalling -€12.9 million (-€8.6 million net of taxes); release of estimated integration costs in the previous year relating to the UniCredit Group's Business Plan, totalling €0.4 million (€0.3 million net of taxes); increase in current tax relating to the application of PEX on the gain realised in 2016 from the sale of the investment in VISA Europe Ltd, totalling +€3.9 million.

3. Gain from disposal of the equity investment in Visa Europe Ltd, worth +€15.3 million (+€10.3 million net of tax calculated according to the ordinary tax regime); impairment losses on the equity exposure to the Voluntary Scheme set up by the Interbank Deposit Guarantee Fund totalling -€6.7 million (-€4.5 million net of taxes); release of provisions made for the Solidarity Fund and for the residual commitment to the Interbank Deposit Guarantee Fund for the support for Banca Tercas worth €3.7 million (€2.5 million net of taxes); estimated integration costs paid by the Bank relating to the UniCredit Group's Business Plan, totalling -€5.5 million (-€3.7 million net of taxes); increase in current tax relating to provisions for a number of disputes in prior years that were definitively closed in 2016 for a total of €6.5 million.

The cost/income ratio moved from 41.63%⁴ as at December 31, 2016 to 39.76% as at December 31, 2017, confirming the operating efficiency of the Bank and the spread of the company culture on controlling costs.

The 2017 results reflect the Bank's solidity and the strength of its business model: Customers continue to reward Fineco's transparent approach, high quality and comprehensive range of financial services as represented through the "one-stop solution" concept.

The Bank's offering is split into three integrated areas of activity: (i) banking, including current account and deposit services, payment services, and issuing debit, credit and prepaid cards, mortgages and personal loans; (ii) brokerage, providing order execution services on behalf of customers, with direct access to major global equity markets and the ability to trade CFDs (on currencies, indices, shares, bonds and commodities), futures, options, bonds, ETFs and certificates; (iii) investing, including placement and distribution services of more than 6,000 products, including mutual funds and SICAV sub-funds managed by 77 leading Italian and international investment firms, insurance and pension products, as well as investment advisory services through a network of 2,607 personal financial advisors.

4. The Cost/income ratio as at December 31, 2016 was calculated by excluding the non-recurring items arising last year, equal to €15.3 million, from operating income.

Summary data (CONTINUED)

Condensed Accounts

Consolidated balance sheet

(Amounts in € thousand)

ASSETS	AMOUNTS AS AT		CHANGES	
	12.31.2017	12.31.2016	AMOUNT	%
Cash and cash balances	613	5	608	n.c.
Financial assets held for trading	10,879	6,044	4,835	80.0%
Loans and receivables with banks	13,878,117	15,735,540	(1,857,423)	-11.8%
Loans and receivables with customers	2,129,219	1,016,798	1,112,421	109.4%
Financial investments	5,874,079	3,757,529	2,116,550	56.3%
Hedging instruments	10,048	9,211	837	9.1%
Property, plant and equipment	15,205	14,451	754	5.2%
Goodwill	89,602	89,602	-	-
Other intangible assets	7,909	7,731	178	2.3%
Tax assets	9,249	13,165	(3,916)	-29.7%
Other assets	315,415	336,300	(20,885)	-6.2%
Total assets	22,340,335	20,986,376	1,353,959	6.5%

(Amounts in € thousand)

LIABILITIES AND SHAREHOLDERS' EQUITY	AMOUNTS AS AT		CHANGES	
	12.31.2017	12.31.2016	AMOUNT	%
Deposits from banks	926,001	1,111,106	(185,105)	-16.7%
Deposits from customers	20,205,036	18,801,073	1,403,963	7.5%
Financial liabilities held for trading	2,617	2,626	(9)	-0.3%
Hedging instruments	8,922	11,371	(2,449)	-21.5%
Provisions for risks and charges	112,414	111,756	658	0.6%
Tax liabilities	10,234	10,048	186	1.9%
Other liabilities	343,285	257,097	86,188	33.5%
Shareholders' equity	731,826	681,299	50,527	7.4%
- capital and reserves	526,046	476,249	49,797	10.5%
- revaluation reserves (available-for-sale financial assets - actuarial gains (losses) for defined benefits plans)	(8,340)	(6,794)	(1,546)	22.8%
- net profit	214,120	211,844	2,276	1.1%
Total liabilities and Shareholders' equity	22,340,335	20,986,376	1,353,959	6.5%

Consolidated balance sheet - Quarterly data

(Amounts in € thousand)

ASSETS	AMOUNTS AS AT				
	12.31.2017	09.31.2017	06.30.2017	03.31.2017	12.31.2016
Cash and cash balances	613	1,671	2,902	615	5
Financial assets held for trading	10,879	10,538	9,791	5,714	6,044
Loans and receivables with banks	13,878,117	14,292,534	14,827,089	15,461,841	15,735,540
Loans and receivables with customers	2,129,219	1,715,684	1,503,867	1,166,180	1,016,798
Financial investments	5,874,079	5,418,872	4,760,269	3,906,456	3,757,529
Hedging instruments	10,048	16,172	15,417	12,410	9,211
Property, plant and equipment	15,205	15,197	15,396	14,379	14,451
Goodwill	89,602	89,602	89,602	89,602	89,602
Other intangible assets	7,909	7,712	8,025	7,702	7,731
Tax assets	9,249	14,279	9,276	14,486	13,165
Other assets	315,415	233,188	271,613	247,202	336,300
Total assets	22,340,335	21,815,449	21,513,247	20,926,587	20,986,376

(Amounts in € thousand)

LIABILITIES AND SHAREHOLDERS' EQUITY	AMOUNTS AS AT				
	12.31.2017	09.31.2017	06.30.2017	03.31.2017	12.31.2016
Deposits from banks	926,001	696,554	929,859	980,245	1,111,106
Deposits from customers	20,205,036	20,007,773	19,440,617	18,883,826	18,801,073
Financial liabilities held for trading	2,617	3,274	4,113	2,228	2,626
Hedging instruments	8,922	18,731	16,084	16,738	11,371
Provisions for risks and charges	112,414	103,666	102,123	113,060	111,756
Tax liabilities	10,234	49,310	19,525	36,073	10,048
Other liabilities	343,285	264,641	380,059	162,730	257,097
Shareholders' equity	731,826	671,500	620,867	731,687	681,299
- capital and reserves	526,046	524,273	522,475	690,077	476,249
- revaluation reserves (available-for-sale financial assets - actuarial gains (losses) for defined benefits plans)	(8,340)	(3,811)	(5,875)	(10,084)	(6,794)
- net profit	214,120	151,038	104,267	51,694	211,844
Total liabilities and Shareholders' equity	22,340,335	21,815,449	21,513,247	20,926,587	20,986,376

Summary data (CONTINUED)

Consolidated Income Statement

(Amounts in € thousand)

	YEAR		CHANGES	
	2017	2016	AMOUNT	%
Net interest	264,581	249,388	15,193	6.1%
Dividends and other income from equity investments	29	6	23	383.3%
Net fee and commission income	270,083	242,881	27,202	11.2%
Net trading, hedging and fair value income	48,219	69,054	(20,835)	-30.2%
Net other expenses/income	3,760	(2,211)	5,971	n.c.
OPERATING INCOME	586,672	559,118	27,554	4.9%
Payroll costs	(79,294)	(73,698)	(5,596)	7.6%
Other administrative expenses	(236,945)	(228,119)	(8,826)	3.9%
Recovery of expenses	93,367	85,395	7,972	9.3%
Impairment/write-backs on intangible and tangible assets	(10,369)	(9,952)	(417)	4.2%
Operating costs	(233,241)	(226,374)	(6,867)	3.0%
OPERATING PROFIT (LOSS)	353,431	332,744	20,687	6.2%
Net impairment losses on loans provisions for guarantees and commitments	(5,151)	(4,199)	(952)	22.7%
NET OPERATING PROFIT (LOSS)	348,280	328,545	19,735	6.0%
Provisions for risks and charges	(19,025)	(9,981)	(9,044)	90.6%
Integration costs	408	(5,503)	5,911	n.c.
Net income from investments	(13,399)	(6,724)	(6,675)	99.3%
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	316,264	306,337	9,927	3.2%
Income tax for the year	(102,144)	(94,493)	(7,651)	8.1%
NET PROFIT (LOSS) AFTER TAX FROM CONTINUING OPERATIONS	214,120	211,844	2,276	1.1%
PROFIT (LOSS) FOR THE YEAR	214,120	211,844	2,276	1.1%
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP	214,120	211,844	2,276	1.1%

Consolidated Income Statement - Quarterly data

(Amounts in € thousand)

	2017			
	4 TH QUARTER	3 RD QUARTER	2 ND QUARTER	1 ST QUARTER
Net interest	70,027	67,366	64,282	62,906
Dividends and other income from equity investments	11	6	6	6
Net fee and commission income	70,696	69,680	65,026	64,681
Net trading, hedging and fair value income	11,100	11,127	12,282	13,710
Net other expenses/income	3,930	63	(764)	531
OPERATING INCOME	155,764	148,242	140,832	141,834
Payroll costs	(20,601)	(19,769)	(19,708)	(19,216)
Other administrative expenses	(60,031)	(53,021)	(61,451)	(62,442)
Recovery of expenses	24,987	21,888	23,215	23,277
Impairment/write-backs on intangible and tangible assets	(2,908)	(2,628)	(2,503)	(2,330)
Operating costs	(58,553)	(53,530)	(60,447)	(60,711)
OPERATING PROFIT (LOSS)	97,211	94,712	80,385	81,123
Net impairment losses on loans provisions for guarantees and commitments	(2,082)	(1,528)	(1,001)	(540)
NET OPERATING PROFIT (LOSS)	95,129	93,184	79,384	80,583
Provisions for risks and charges	5,154	(21,029)	(773)	(2,377)
Integration costs	428	(7)	1	(14)
Net income from investments	(11,598)	(1,448)	(361)	8
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	89,113	70,700	78,251	78,200
Income tax for the period	(26,031)	(23,929)	(25,678)	(26,506)
NET PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	63,082	46,771	52,573	51,694
NET PROFIT (LOSS) FOR THE PERIOD	63,082	46,771	52,573	51,694
PROFIT (LOSS) BEFORE TAX ATTRIBUTABLE TO THE GROUP	63,082	46,771	52,573	51,694

Summary data (CONTINUED)

(Amounts in € thousand)

	2016			
	4 TH QUARTER	3 RD QUARTER	2 ND QUARTER	1 ST QUARTER
Net interest	63,412	62,527	61,200	62,249
Dividends and other income from equity investments	6	-	-	-
Net fee and commission income	65,786	59,274	59,660	58,161
Net trading, hedging and fair value income	11,343	10,785	27,281	19,645
Net other expenses/income	(2,176)	(793)	669	89
OPERATING INCOME	138,371	131,793	148,810	140,144
Payroll costs	(16,633)	(19,349)	(19,003)	(18,713)
Other administrative expenses	(57,254)	(53,141)	(57,169)	(60,555)
Recovery of expenses	21,311	21,747	21,107	21,230
Impairment/write-backs on intangible and tangible assets	(2,733)	(2,610)	(2,436)	(2,173)
Operating costs	(55,309)	(53,353)	(57,501)	(60,211)
OPERATING PROFIT (LOSS)	83,062	78,440	91,309	79,933
Net impairment losses on loans provisions for guarantees and commitments	(678)	(720)	(1,361)	(1,440)
NET OPERATING PROFIT (LOSS)	82,384	77,720	89,948	78,493
Provisions for risks and charges	3,914	(11,342)	(1,114)	(1,439)
Integration costs	(5,493)	(3)	(4)	(3)
Net income from investments	(6,724)	-	-	-
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	74,081	66,375	88,830	77,051
Income tax for the period	(24,610)	(21,784)	(22,270)	(25,829)
NET PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	49,471	44,591	66,560	51,222
NET PROFIT (LOSS) FOR THE PERIOD	49,471	44,591	66,560	51,222
PROFIT (LOSS) BEFORE TAX ATTRIBUTABLE TO THE GROUP	49,471	44,591	66,560	51,222

Key figures of the consolidated financial statements

Main balance sheet figures

(Amounts in € thousand)

	AMOUNTS AS AT		CHANGES	
	12.31.2017	12.31.2016	AMOUNT	%
Loans receivable with ordinary customers ⁽¹⁾	1,798,520	813,589	984,931	121.1%
Total assets	22,340,335	20,986,376	1,353,959	6.5%
Direct deposits ⁽²⁾	19,940,715	18,509,497	1,431,218	7.7%
Assets under administration ⁽³⁾	47,243,837	41,685,609	5,558,228	13.3%
Total customer sales (direct and indirect)	67,184,552	60,195,106	6,989,446	11.6%
Shareholder's equity	731,826	681,299	50,527	7.4%

(1) Loans refer solely to loans granted to customers (current account overdrafts, credit cards, personal loans, mortgages and unsecured loans).

(2) Direct deposits include overdrawn current accounts, Supersave repos and the Cash Park deposit account.

(3) Assets under administration consist of products placed online or through FinecoBank personal financial advisors.

Operating Structure

	DATA AS AT	
	12.31.2017	12.31.2016
No. Employees	1,119	1,086
No. Workers ⁽¹⁾	1,128	1,096
No. personal financial advisors	2,607	2,628
No. Financial shops ⁽²⁾	375	358

(1) Number of human resources: includes permanent employees, workers with atypical contracts, directors, and UniCredit Group employees seconded to FinecoBank, net of FinecoBank employees seconded to the UniCredit Group.

(2) Number of operating financial shops: financial shops managed by the Bank and financial shops managed by personal financial advisors (Fineco Centers).

Profitability, productivity and efficiency ratios

(Amounts in € thousand)

	DATA AS AT	
	12.31.2017	12.31.2016
Net interest/Operating income	45.10%	44.60%
Income from brokerage and other income/Operating income	54.90%	55.40%
Income from brokerage and other income/Operating costs	138.08%	136.82%
Cost/income ratio	39.76%	41.63%
Operating costs/TFA	0.37%	0.39%
Cost of risk	33 bp	43 bp
CoR (incentive system)	40 bp	59 bp
ROE	39.47%	43.07%
Adjusted ROE	40.29%	40.82%
Return on assets	0.96%	1.01%
EVA (calculated on economic capital)	193,901	194,418
EVA (calculated on accounting capital)	165,293	162,974
RARORAC (calculated on economic capital)	56.61%	66.33%
RARORAC (calculated on accounting capital)	24.21%	24.99%
ROAC (calculated on economic capital)	62.56%	72.28%
ROAC (calculated on accounting capital)	31.39%	32.49%
Total sales to customers/Average resources	60,418	55,659
Total customer sales/(Average employees average PFAs)	18,014	16,240

Key

Income from brokerage and other income: Net fee and commission income, Net trading, hedging and fair value income and Net other expenses/income.

Cost/income ratio: Operating Costs divided by Operating Income. The Cost/income ratio as at December 31, 2016 was calculated by excluding the non-recurring items arising last year, equal to €15.3 million, from operating income.

Operating costs/TFA: ratio of operating costs to Total Financial Assets. The TFA used for the ratio is the average for the period, calculated as the average between the period-end balance and the balance as at the previous December 31.

Cost of risk: is the ratio of Net write-downs of loans and provisions for guarantees and commitments to Loans and receivables with customers (average of the balance at period end and the balance at December 31 of the previous year).

CoR (incentive system): is the ratio of Net write-downs of loans and Loans and receivables with customers (average of the balance at period end and the balance at December 31 of the previous year). The scope of the exposures excludes positions deriving from bonds and advances to personal financial advisors.

ROE: ratio between net profit and the average book shareholders' equity for the period (excluding dividends and any donations expected to be distributed and the revaluation reserves).

Adjusted ROE: ratio between net profit excluding non-recurring items and the average book shareholders' equity for the period (excluding dividends and any donations expected to be distributed and the revaluation reserves).

Return on assets: ratio of net profit after tax to total assets.

EVA (Economic Value Added): shows the firm's ability to create value; calculated as the difference between net operating profit and the figurative cost of the allocated capital; the latter was calculated using either the greater of the regulatory capital absorbed and the economic capital (in Fineco's case, the economic capital) or using the book value of shareholders' equity.

RARORAC (Risk adjusted Return on Risk adjusted Capital): the ratio between EVA (using either the greater of the regulatory capital absorbed and the economic capital or using the book value of shareholders' equity) and Allocated/Absorbed Capital and expresses, in percentage, the capacity to create value for unit of risk taken.

ROAC (Return on Allocated Capital): the ratio of Net Operating Profit and Allocated Capital. Allocated Capital means the greater of internally calculated capital based on shared UniCredit Group models (Economic Capital) and regulatory capital or using the book value of shareholders' equity.

For the calculation of EVA, RARORAC and ROAC indicators as at December 31, 2017, internal capital is that as at September 30, 2017, the latest available provided by the Parent Company, and the indicators have been calculated based on the individual situation, as FinecoBank is not required to prepare the disclosure relating to own funds and regulatory ratios on consolidated basis as it is part of the UniCredit banking group.

Key figures of the consolidated financial statements (CONTINUED)

Balance Sheet indicators

	DATA AS AT	
	12.31.2017	12.31.2016
Loans receivable with ordinary customers/Total assets	8.05%	3.88%
Loans and receivables with banks/Total assets	62.12%	74.98%
Financial assets/Total assets	26.34%	17.93%
Direct sales/Total liabilities and Shareholders' equity	89.26%	88.20%
Shareholders' equity (including profit)/Total liabilities and Shareholders' equity	3.28%	3.25%
Ordinary customer loans/Direct deposits	9.02%	4.40%

CREDIT QUALITY	DATA AS AT	
	12.31.2017	12.31.2016
Impaired loans/Loans receivable with ordinary customers	0.16%	0.45%
Non-performing loans/Loans receivable with ordinary customers	0.10%	0.33%
Coverage ⁽¹⁾ - Non-performing loans	91.70%	86.23%
Coverage ⁽¹⁾ - Unlikely to pay	76.53%	79.07%
Coverage ⁽¹⁾ - Impaired past-due exposures	53.69%	47.08%
Coverage ⁽¹⁾ - Total impaired loans	88.27%	83.64%

(1) Calculated as the ratio between the amount of impairment losses and gross exposure.

Own funds and capital ratios

FinecoBank is not required to prepare the disclosure relating to own funds and regulatory ratios on consolidated basis as it is part of the UniCredit banking group, so please refer to the section on the results of the parent FinecoBank and the associated information on individual own funds and regulatory ratios as set out in this Consolidated Report on Operations.

Market share

TRADING ON ITALIAN STOCK MARKET (ASSOSIM)	12.31.2017	12.31.2016
Third party volumes traded on MTA	19.65%	19.79%
Classification of third party volumes traded on MTA	1°	1°

PERSONAL FINANCIAL ADVISORS (ASSORETI)	12.31.2017	12.31.2016
Stock reclassification	3°	3°

PERSONAL FINANCIAL ADVISORS (ASSORETI)	12.31.2017	12.31.2016
Net Sales Classification	3°	4°

TOTAL DEPOSITS (BANK OF ITALY)	09.30.2017	12.31.2016
Market share - Total Financial Assets	1.59%	1.50%
Market share - Direct Deposits	1.32%	1.26%
Market share - Assets under Administration	1.77%	1.67%

Some figures refer to September 30, 2017, as they are the latest figures available.

Business performance

Performance of total financial assets

Direct deposits showed growth of 7.7% compared to the end of the previous year, to reach €19,941 million and confirming the high level of appreciation among customers of the quality of the services offered by the Bank.

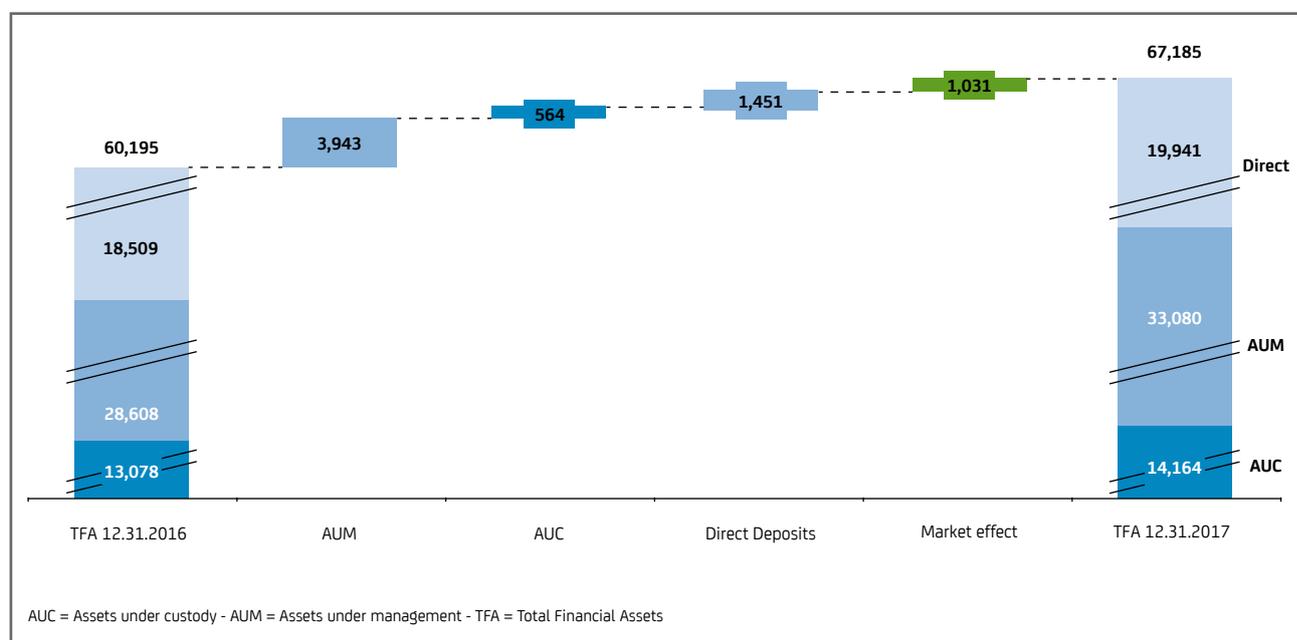
Indeed, the majority of direct deposits were “transactional”, supporting customers’ overall operations. The increase in this component of sales confirms the high and increasing degree of customer loyalty, which in turn contributes to improving the stability of direct sales.

Assets under administration (Assets under Management-AUM plus

Assets under Custody-AUC) came to €47,244 million, representing an increase of 13% on December 31, 2016.

Total financial assets (direct and indirect) thus reached €67,185 million, up 11.6% compared to the end of December 2016, thanks to net sales of €5,958 million in the year.

The steady growth and continued improvement in the quality of sales was reflected in the growth of guided products & services⁵, which continued to increase as a percentage of the TFA, up from 26.8% as at December 31, 2016 to 31.6% as at December 31, 2017, and of Assets under Management, up from 56.4% as at December 31, 2016 to 64.2% as at December 31, 2017.



The table below shows the figures for the balance of direct deposits, assets under management and assets under custody of the Bank's customers, including both those linked to a personal financial advisor and those operating exclusively through the online channel.

Total financial assets

(Amounts in € thousand)

	AMOUNTS AS AT		AMOUNTS AS AT		CHANGES	
	12.31.2017	COMP %	12.31.2016	COMP %	ABSOLUTE	%
Current accounts and demand deposits	19,931,182	29.7%	18,296,238	30.4%	1,634,944	8.9%
Time deposits and reverse repos	9,533	0.0%	213,259	0.4%	(203,726)	-95.5%
DIRECT DEPOSITS	19,940,715	29.7%	18,509,497	30.7%	1,431,218	7.7%
Segregated accounts	6,729	0.0%	10,882	0.0%	(4,153)	-38.2%
UCITS and other investment funds	26,998,628	40.2%	24,257,876	40.3%	2,740,752	11.3%
Insurance products	6,074,833	9.0%	4,339,162	7.2%	1,735,671	40.0%
ASSETS UNDER MANAGEMENT	33,080,190	49.2%	28,607,920	47.5%	4,472,270	15.6%
Government securities, bonds and stocks	14,163,647	21.1%	13,077,689	21.7%	1,085,958	8.3%
ASSETS UNDER CUSTODY	14,163,647	21.1%	13,077,689	21.7%	1,085,958	8.3%
TOTAL FINANCIAL ASSETS	67,184,552	100.0%	60,195,106	100.0%	6,989,446	11.6%
of which Guided products & services	21,227,005	31.6%	16,135,018	26.8%	5,091,987	31.6%

5. Respectively, the Bank's products and/or services developed by investing in UCITS selected from among those distributed for each asset class taking into account customers' different risk profiles and offered to the Bank's customers under the guided open architecture model. At the date of this report, the guided products category included the "Core Series" umbrella fund of funds, "Core Funds", the Individual Savings Plans ("Piani Individuali di Risparmio" or "PIR") and the "Core Unit", "Advice Unit", "Core Multiramo" and "Advice Top Valor" and "Old Mutual" unit-linked policies, while the "Fineco Advice" and "Fineco Stars" advanced advisory services (for investment) fall under the guided service category.

Business performance (CONTINUED)

The table below shows the figures for direct deposits, assets under management and assets under custody solely for the personal financial advisors network. Total financial assets, amounting to €57,887 million, increased by 12.5% compared to December 31, 2016.

Total financial assets - Personal Financial Advisors Network - Assoreti figures

(Amounts in € thousand)

	AMOUNTS AS AT		AMOUNTS AS AT		CHANGES	
	12.31.2017	COMP %	12.31.2016	COMP %	ABSOLUTE	%
Current accounts and demand deposits	14,674,039	25.3%	13,442,242	26.1%	1,231,797	9.2%
Time deposits and reverse repos	8,424	0.0%	150,773	0.3%	(142,349)	-94.4%
DIRECT DEPOSITS	14,682,463	25.4%	13,593,015	26.4%	1,089,448	8.0%
Segregated accounts	6,729	0.0%	10,882	0.0%	(4,153)	-38.2%
UCITS and other investment funds	26,565,970	45.9%	23,843,218	46.4%	2,722,752	11.4%
Insurance products	5,992,040	10.4%	4,251,107	8.3%	1,740,933	41.0%
ASSETS UNDER MANAGEMENT	32,564,739	56.3%	28,105,207	54.6%	4,459,532	15.9%
Government securities, bonds and stocks	10,639,687	18.4%	9,736,101	18.9%	903,586	9.3%
ASSETS UNDER ADMINISTRATION	10,639,687	18.4%	9,736,101	18.9%	903,586	9.3%
TOTAL FINANCIAL ASSETS - PERSONAL FINANCIAL ADVISORS NETWORK - ASSORETI FIGURES	57,886,889	100.0%	51,434,323	100.0%	6,452,566	12.5%
of which Guided products & services	21,197,073	36.6%	16,104,815	31.3%	5,092,258	31.6%

The table below shows the figures for direct deposits, assets under management and assets under custody for 2017 compared with the previous year, for both customers linked to a personal financial advisor and online-only customers.

Net sales came to €5,958 million, with a heavy concentration in assets under management.

Net sales

(Amounts in € thousand)

	YEAR 2017	COMP %	YEAR 2016	COMP %	CHANGES	
					ABSOLUTE	%
Current accounts and demand deposits	1,655,516	27.8%	3,342,566	66.4%	(1,687,050)	-50.5%
Time deposits and reverse repos	(204,392)	-3.4%	(435,045)	-8.6%	230,653	-53.0%
DIRECT SALES	1,451,124	24.4%	2,907,521	57.7%	(1,456,397)	-50.1%
Segregated accounts	(3,758)	-0.1%	(2,688)	-0.1%	(1,070)	39.8%
Investment funds and other funds	2,299,626	38.6%	693,813	13.8%	1,605,813	231.4%
Insurance products	1,646,832	27.6%	1,090,893	21.7%	555,939	51.0%
ASSETS UNDER MANAGEMENT	3,942,700	66.2%	1,782,018	35.4%	2,160,682	121.2%
Government securities, bonds and stocks	564,303	9.5%	346,708	6.9%	217,595	62.8%
ASSETS UNDER ADMINISTRATION	564,303	9.5%	346,708	6.9%	217,595	62.8%
NET SALES	5,958,127	100.0%	5,036,247	100.0%	921,880	18.3%
of which Guided products & services	4,559,314	76.5%	3,876,685	77.0%	682,629	17.6%

The table below shows the figures for direct deposits, assets under management and assets under custody of the PFA network for 2017 compared to the previous year.

Net sales - Personal Financial Advisors Network - Assoreti figures

(Amounts in € thousand)

	YEAR 2017	COMP %	YEAR 2016	COMP %	CHANGES	
					ABSOLUTE	%
Current accounts and demand deposits	1,252,370	23.2%	2,543,475	58.6%	(1,291,105)	-50.8%
Time deposits and reverse repos	(143,499)	-2.7%	(295,013)	-6.8%	151,514	-51.4%
DIRECT SALES	1,108,871	20.5%	2,248,462	51.8%	(1,139,591)	-50.7%
Segregated accounts	(3,758)	-0.1%	(2,688)	-0.1%	(1,070)	39.8%
Investment funds and other funds	2,271,437	42.0%	714,089	16.5%	1,557,348	218.1%
Insurance products	1,651,876	30.6%	1,090,769	25.1%	561,107	51.4%
ASSETS UNDER MANAGEMENT	3,919,555	72.5%	1,802,170	41.5%	2,117,385	117.5%
Government securities, bonds and stocks	375,959	7.0%	287,526	6.6%	88,433	30.8%
ASSETS UNDER ADMINISTRATION	375,959	7.0%	287,526	6.6%	88,433	30.8%
NET SALES	5,404,385	100.0%	4,338,158	100.0%	1,066,227	24.6%
of which Guided products & services	4,560,961	84.4%	3,869,695	89.2%	691,266	17.9%

The acquisition of new customers proved to be an important organic growth driver, with 89,821 current accounts opened through the personal financial advisors.

Performance of income statement aggregates

Operating income came to €586.7 million, up 4.9% compared to €559.1 million for the first half of 2016; excluding the above-mentioned non-recurring items from operating income as at December 31, 2016, operating income for 2017 would have been up 7.9%.

Net interest and **Net fee and commission income** contributed to the increase in the operating income as they rose, respectively, by 6.1% and 11.2%, while **Net trading, hedging and fair value income** fell by 30.2% (-10.2% excluding the aforesaid non-recurring items from the result at December 31, 2016). Furthermore, the Net trading, hedging and fair value income in 2016 benefitted from the gains realised from the sale in that year of government securities recognised in the “Available-for-sale financial assets” portfolio totalling €5 million (€761 thousand in the course of 2017), carried out as part of the measures to mitigate the exposure to interest rate risk and optimise profitability.

The increase in **Net interest** of €15.2 million compared to the previous year was due to the increase in sales volume and the higher penetration of lending, which offset the fall in interest income linked to the decline in market interest rates. The average lending rate for the investment of all deposits amounted to 1.28% compared to 1.39% in 2016.

Net fee and commission income increased €27.2 million compared to the previous year, thanks to higher net fee and commission income relative to asset management products (+€13.5 million), investment advisory services (+€12.7 million), collection and payment services (+€4.4 million), other services mainly relating to the introduction of the annual fee on credit cards (+€4.3 million), securities lending (+€2 million), partially offset by higher Fee and commission expense paid to personal financial advisors (-€5.8 million) and lower net fee and commission income for securities trading and order collection (-€2.6 million), as a result of the general fall in orders executed.

Operating costs increased by €6.9 million compared to the previous year due to the continuous growth of the operating structure (+€5.6 million for staff expenses, +€0.8 million for other administrative expenses net of recovery of expenses and +€0.4 for Impairment/write-backs on intangible and tangible assets).

Profit before tax from continuing operations amounted to €316.3 million, up 3.2% compared to the previous year. Excluding non-

recurring items recorded in 2017 and in 2016 as previously described, Net profit before tax from continuing operations increased by 9.8%.

The **Net profit for the year** amounted to €214.1 million, an increase of 1.1% on the previous year. Excluding non-recurring items in 2017 illustrated above, net profit would have been €218.5 million, up 8.9% compared to the profit 2016, also excluding associated non-recurring items.

Performance of balance sheet aggregates

Loans and receivables with banks came to €13,878 million, down 11.8% compared to the previous year, mainly as a result of the reimbursement of UniCredit bonds at maturity, the sale of UniCredit bonds in dollars with coupon paid in arrears, whose contractual conditions would not have passed the SPPI Test required by IFRS 9, applicable as of January 1, 2018, consequently requiring them to be classified as “financial instruments at FVTPL”, and the lower cash on deposit in reciprocal current accounts with UniCredit as at December 31, 2017.

Loans and receivables with customers came to €2,129 million, up 109.4% compared to the previous year, thanks to the increase in lending. In 2017, €230 million in personal loans and €521 million in mortgages were granted, and €831 million in current account overdrafts was arranged, resulting in an overall 121% aggregate increase in loans to customers⁶ compared to December 31, 2016. Impaired loans net of impairment losses totalled €2.9 million (€3.7 million as at December 31, 2016), with a coverage ratio of 88.27%; the ratio between impaired loans and all loans was 0.16% (0.45% as at December 31, 2016).

Financial investments came to €5,874 million, up 56.3% compared to the previous year, mainly due to the purchase of government securities as part of the investment policy outlined by the Bank.

Deposits from banks totalled €926 million, down 16.7% compared to the previous year, mainly due to the reduction in the amount of repos traded with UniCredit.

Deposits from customers came to €20,205 million, up 7.5% compared to the previous year, due to the growth in direct deposits.

Shareholders' equity amounted to €732 million, up 7.4% compared to December 31, 2016, thanks mainly to the profit for the year 2016 which was not distributed and allocated to reserves from profits and, to a lesser extent, to the increase in the Reserve related to equity-settled plans.

6. Loans refer solely to loans granted to customers (current account overdrafts, credit cards, personal loans, mortgages and unsecured loans).

Business performance (CONTINUED)

Communications and external relations

2017 began with the launch of the new “Human Capital” communications campaign, which put people at the heart of the strategic communications project, and specifically their ability to manage the technology and innovation that FinecoBank offers to its customers and network of personal financial advisors. Within the Bank’s offering, the increasingly central role of the advisor and financial advisory services are an integral part of communications, summed up in the new claim: “Always Investing In The Most Advanced Technology We Know. People.” “The bank that simplifies banking” remains at the heart of the unique positioning that Fineco intends to continue to communicate and develop.

During the year, three important advertising flights were planned using all means of communication (TV, radio, financial press, digital media and posters), plus three additional flights on trading, all of which used a multichannel approach.

The national press campaign in support of the Private Banking segment “You write private banking, you read Fineco” was launched at the beginning of the year at the launch of the Private Banking segment, with an internal event in Venice. Numerous activities and events have been organised for private customers across Italy, thanks also to partnerships with prestigious brands. The Fineco Golf Club was once again this year one of the main invitational golf clubs.

Through a communications campaign based mainly on social media and some tactical member-get-member operations, in May the project was launched to export the Fineco platform to the UK, where the Bank has reached over 1,000 customers in its initial months of operations. A unique business model in the UK; Fineco is the first operator on British soil to offer banking and brokerage services in a single integrated platform, distinguishing itself from the many specialised operators in the country. In November, Fineco won a special award for its UK activities in the UK-Italy Business Awards.

A significant recruitment communications campaign was launched in May and June, involving several regions and different managerial structures, with the use of advertorial initiatives.

Fineco won several awards in 2017. The most significant awards included: the Global Brands Awards, where Fineco was awarded as the bank with the best CEO in Europe in the Small&Midcap segment; above all, a survey by KPMG placed Fineco among the best companies for customer experience in Italy (sixth in the overall ranking and first in the banking category).

Incentive plans

On February 7, 2017, in view of the positive outcome of the verification of the minimum entry conditions (at Bank level and Group level, where applicable) and the individual conditions (compliance of conduct and continued employment) and the favourable opinion provided by the Remuneration and Appointments Committee in its meeting of February 2, 2017, the Board of Directors approved:

- for the “Group Executive Incentive System 2014 (Bonus Pool)” plan:
 - the execution of the plan;
 - the allocation of the first share tranche of the plan, awarded in 2015, corresponding to 15,872 free ordinary shares, in line with the maximum amount approved by the Board of Directors on May 15, 2014;
 - a free capital increase, for a total amount of €5,237.76 corresponding to a total of 15,872 FinecoBank ordinary shares with a nominal value of €0.33 each (with the same characteristics as those in circulation and with regular dividend entitlement), impartial exercise of the authority granted to the Board of Directors by the Extraordinary Shareholders’ Meeting of June 5, 2014, in accordance with Article 2443 of the Italian Civil Code. The dilution effect resulting from the above free capital increase has been quantified as 0.003% of the fully diluted capital.
- for the “2014-2017 Top Management Multi-Year Plan”:
 - the allocation of the fourth and final tranche for the year 2017 to 6 beneficiaries of a total of 422,779 free ordinary shares, representing a lower number than the quantity established by the Board of Directors on April 15, 2014, to ensure compliance of the ratio of fixed to variable remuneration in accordance with the applicable regulations;
 - the allocation of 630,850 free ordinary shares to the beneficiaries of the first share tranche of the plan, awarded in 2014, in line with the maximum amount approved by the Board of Directors on April 15, 2014;
 - a free capital increase, for a total amount of €208,180.50 corresponding to a total of 630,850 FinecoBank ordinary shares with a nominal value of €0.33 each (with the same characteristics as those in circulation and with regular dividend entitlement), in partial exercise of the authority granted to the Board of Directors by the Extraordinary Shareholders’ Meeting of June 5, 2014, in accordance with Article 2443 of the Italian Civil Code. The dilution effect resulting from the above free capital increase has been quantified as 0.10% of the fully diluted capital;
 - changes to the rules as regards entry conditions.

- for the “2014 Key People Plan”:
 - the allocation of the third tranche corresponding to 261,187 free ordinary shares to the 79 beneficiaries, in line with the number of shares established by the Board of Directors on April 15, 2014, amounting to a maximum of 796,390 ordinary shares to service the entire three-year period;
 - a consequent free capital increase, for a total amount of €86,191.71 corresponding to a total of 261,187 FinecoBank ordinary shares with a nominal value of €0.33 each (with the same characteristics as those in circulation and with regular dividend entitlement), in partial exercise of the authority granted to the Board of Directors by the Extraordinary Shareholders' Meeting of June 5, 2014, in accordance with Article 2443 of the Italian Civil Code. The dilution effect resulting from the above free capital increase has been quantified as 0.04% of the fully diluted capital.
- for the “2016 PFA Incentive System” plan:
 - the proposal for determination of the 2016 Bonus Pool for the personal financial advisors;
 - the proposals for the determination of the 2016 and previous years' bonus for personal financial advisors categorised as Key Personnel;
 - the allocation of 57,740 FinecoBank shares, to be given free of charge to the above-mentioned personal financial advisors in accordance with the provisions of the Rules;
 - the purchase of Treasury shares, in view of having obtained the authorisation from the Supervisory Authority, pursuant to Articles 77-78 EU 575/2013 of June 26, 2013 (CRR), in accordance with the shareholder meeting resolutions.
- for the “Group Executive Incentive System 2016 (Bonus Pool)” plan:
 - the FinecoBank “2016 Bonus Pool”;
 - the proposals for the determination of the 2016 bonus for the Chief Executive Officer and General Manager and other Key Management Personnel and other Key Personnel;
 - the allocation of 152,034 FinecoBank ordinary shares, to be given free of charge to the above-mentioned Personnel in accordance with the provisions of the Rules.

- for the “2014 PFA Plan”:
 - the allocation of the third and final tranche of shares to 809 personal financial advisors, 167 Group Managers and 31 Area Managers of 688,104 FinecoBank shares, to be paid free of charge in accordance with the Regulation.
- with reference to the “Incentive System 2015”:
 - the execution of the plan;
 - the allocation of the second tranche in cash of the plan awarded in 2016.
- for the “2015 PFA Incentive System” plan:
 - the execution of the plan;
 - the allocation of the second tranche in cash of the plan awarded in 2016.

With regard to the “2014 PFA Plan”, the Board of Directors' meeting of July 31, 2017 was informed of the award of the third and final tranche of shares to 803 PFAs, 165 Group Managers (compared to 809 PFAs and 167 General Managers reported in February 2017) and 31 Area Managers receiving 685,447 FinecoBank shares (compared to 688,104 shares reported in February 2017).

With regard to the 2017 Incentive System for personal financial advisors identified as “Key Personnel”, the Shareholders' Meeting of April 11, 2017 authorised the purchase and disposition of a maximum of 346,000 treasury shares, with a nominal value of €0.33 each, in view of the authorisation from the Supervisory Authority obtained on March 30, 2017, pursuant to Articles 77-78 of EU Regulation 575/2013 (CRR) of June 26, 2013.

The same Shareholders' Meeting of April 11, 2017 renewed the authorisation for the purchase and disposition of a maximum of 5,520,000 treasury shares, with a nominal value of €0.33 each, in view of the “2015 - 2017 PFA PLAN”, in consideration of the authorisation from the Supervisory Authority obtained on March 30, 2017, pursuant to Articles 77-78 of EU Regulation 575/2013 (CRR) of June 26, 2013.

Fincobank shares

Share information

FincoBank shares showed an excellent uptrend in 2017, recording a marked increase of over 60% since the beginning of the year; they also performed very well compared to the FTSE Mib index, which during the year was up 14%, ranking second among the main exchanges in Europe.

As at December 31, 2017, the share price was €8.54, up from the closing price at year-end 2016 of €5.33, and with an average value in 2017 of €6.91. In addition, in 2017 the share price reached its all-time high of €8.74.

The company's market capitalisation amounted to €5,187 million as at December 31, 2017.

	YEAR 2014	YEAR 2015	YEAR 2016	YEAR 2017
Official price of ordinary shares (€)				
- maximum	4.750	7.805	7.400	8.735
- minimum	3.808	4.438	4.622	5.345
- average	4.173	6.479	5.980	6.914
- period-end	4.668	7.625	5.330	8.535
Number of shares (millions)				
- outstanding at period end	606.3	606.5	606.8	607.7

Results achieved in the main areas of activity

The following pages contain the main indicators and results of the main business segments: Brokerage, Banking and Investing.

Given the Bank's specific business model that provides for a high level of integration among its different activities, these segments are interdependent. Indeed, the Bank offers its services (banking and investment services) through a network of personal financial advisors and online and mobile channels that operate in a coordinated and integrated manner.

All the activities were carried out with the aim of obtaining economic results from the "industrial" management of the businesses, to minimise their financial risk. The Bank's financial management approach is to manage risks with a view to protecting the industrial returns on the various businesses while not assuming risk positions on its own account.

Brokerage

In 2017 the Bank strengthened its leadership in the Italian brokerage market, with solid results.

Despite the low volatility that marked the period, among the worst historically recorded, the Bank nevertheless achieved excellent results both in the early months of the year (January, March and May with 900 thousand shares traded on average), and with a final rally in the months of October and November.

The gradual shift continued from traditional asset classes to OTCs, including especially CFDs on indexes that were top performers in terms of profits. In the second part of the year, the US economy grew at sufficient pace to support corporate profits and therefore stock prices, which led to a year-end rally on US stock markets. These results offset the contraction in orders placed on other markets, as proof that a diversified and sustainable business model can be successful in every phase of the market.

Despite unfavourable market conditions, the results achieved confirm the validity of a business model designed to offer innovative

and highly usable services in an all-round solution for all target customers. Our constantly changing and innovative trading offering continued with the introduction of new services and features, in particular:

- the ability to trade binary CFDs with underlying stocks, futures on indices, currencies, commodities and Government Bonds, directly from the Fineco website and the Powerdesk platform;
- the new app for iPhone and Android smartphones, which provides real time access to banking, card, ATM and investment services with your fingerprint. A professional platform where you can customise the login page and the watchlists and where an ever more intuitive and complete navigation menu helps you trade on 26 world markets with push quotes and a 5 level book;
- consolidation of the offering of trading services with new pricing for all UK resident customers.

The following table shows the number of orders on financial instruments recorded in 2017 compared to the prior year.

	YEAR 2017	YEAR 2016	CHANGES	
			AMOUNT	%
Orders - Equity Italia (including internalized orders)	7,348,739	8,188,863	(840,124)	-10.3%
Orders - Equity USA (including internalized orders)	933,401	830,153	103,248	12.4%
Orders - Equity other markets (including internalized orders)	531,582	526,246	5,336	1.0%
<i>Total equity orders</i>	<i>8,813,722</i>	<i>9,545,262</i>	<i>(731,540)</i>	<i>-7.7%</i>
Orders - Bonds	498,338	541,466	(43,128)	-8.0%
Orders - Derivatives	2,834,055	3,796,392	(962,337)	-25.3%
Orders - Forex	875,734	955,865	(80,131)	-8.4%
Orders - CFDs	3,641,412	4,072,187	(430,775)	-10.6%
Orders - Funds	2,423,506	2,184,073	239,433	11.0%
Orders - Repo	2,863	11,551	(8,688)	-75.2%
TOTAL ORDERS	19,089,630	21,106,796	(2,017,166)	-9.6%

There was a generalised contraction of orders executed compared to the same period of the previous year, except for orders on US equities, which increased by 12.4%.

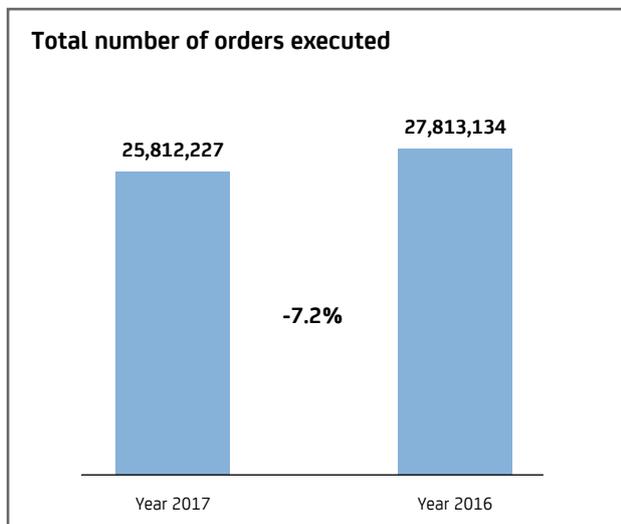
Results achieved in the main areas of activity (CONTINUED)

Brokerage (CONTINUED)

The table below shows the volume of trades carried out as direct counterparty in orders placed by customers, resulting from the internalisation of orders received on shares, CFDs and Logos, recorded in 2017 compared to the previous year.

(Amounts in € thousand)

	YEAR 2017	YEAR 2016	CHANGES	
			AMOUNT	%
Equity (internationalization)	52,665,758	44,385,213	8,280,545	18.7%
Forex	52,211,278	47,629,033	4,582,245	9.6%
CFDs and Logos	48,093,537	54,798,595	(6,705,058)	-12.2%
Total "internalized" volumes	152,970,573	146,812,841	6,157,732	4.19%



The total number of orders executed refers to transactions carried out by retail and institutional customers for the purchase and sale of shares, bonds, derivatives, forex, CFDs, funds and repos.

Banking

Banking

In the Banking area, the main changes in the year 2017 were the launch of the Private Banking segment, the Fineco offering targeted at customers with Total Financial Assets equal to or greater than €500,000. Private customers are offered customised financial terms and a tailor-made package of services, such as “Apri conto Private”, a Private Credit Card, personalised Home page on the website, profile-specific notices and services, combined with consulting services dedicated to high profile customers, which confirm Fineco's growth and positioning in the Private segment.

In terms of products and services, the banking product portfolio was further expanded with the following services being released to customers:

- Smart withdrawal, only available through the Fineco app for iPhone and Android smartphones, through which customers can withdraw up to €2,000 per month at UniCredit ATMs without a payment card;
- Online payment of RIBA postal payments, through which customers can either authorise or refuse the payment of bank payment orders directly online. A new banking service which has led to an improved user experience for Fineco customers and more efficient operations of the Bank's operative offices;
- integration of the Pago PA (Cbill) service, through which customers pay bills, including those issued by the Public Administration, directly online from the private area of their Fineco account.

Furthermore, the search for account transactions was optimised through the implementation of a keyword search tool.

In the field of digital process innovation, the following deserve mention:

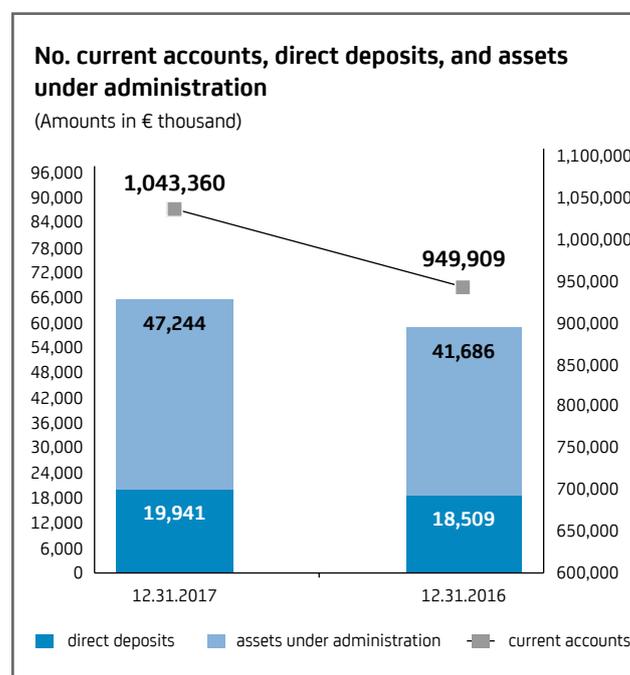
- revision of the process for issuing the Qualified Certificates for use of the digital form. To facilitate the online signing of contracts, the Qualified Certificate necessary for signing with a digital signature is issued simultaneously with the customer request of the first product or service for which the online signing of the contract is possible;
- the new process for updating customer anti-money laundering profile on X-net with digital signature. The service has helped optimise the operations of the Bank's operational offices and also improved the financial advisors' activities.

In June 2017, Fineco UK offer was launched, which allows UK residents to request the opening of an online current account through the dedicated website and to access Fineco services, such as brokerage and banking services, which are delivered through multi-channel platforms specifically designed for the UK market. The one-stop-solution offered by Fineco was very well received in the UK, with very positive feedback from its first customers.

In addition, since December 2017, the general terms and conditions of contract have been included in the Fineco current account application form, which can be signed via the Apriconto application

with the Digital Signature on X-net and the Apriconto Webcam in the public area of Fineco website. As a result, once the procedure has been completed, the client can download and save the application form and the general rules in a single pdf file, with the advantage of a quicker and more straightforward consultation of the document.

Lastly, in 2017 the activity of designing and managing marketing campaigns continued, combining creative, promotional, logistics and monitoring activities aimed at improving the positioning of Fineco brand and offering through web advertising tools and/or word of mouth (member gets member) initiatives aimed at existing customers.



Payment cards

The trends of the previous year as regards the world of payment cards were again confirmed in 2017.

Fineco cards in circulation further increased thanks to the growth in the number of debit cards (+12.7%), following the introduction of the new Fineco Card Debit in 2016, and prepaid cards (+9.4%), which continue to be the preferred choice of customers for online purchases; this was partly offset by a slight reduction in the number of credit cards (-2.8%, including multi-purpose cards) driven by the gradual introduction of the annual fee on existing cards as of 2016, a process that is still ongoing.

The amount of POS transactions also showed a marked increase, a sign of Fineco customers' higher propensity to use cards for their purchases. POS transactions totalled €5.4 billion (+14.9%) broken down as follows:

- €2.6 billion of transactions on debit circuits, with an increase of 20% on 2016;
- €2.4 billion of transactions on credit circuits, up 9.6% on 2016;

Results achieved in the main areas of activity (CONTINUED)

Banking (CONTINUED)

• €0.4 billion of transactions on prepaid circuits, up 17.3% on 2016. In 2017, there were some important initiatives in the field of payment cards, including:

- launch of two new debit cards, Fineco Debit Card and Fineco Debit Card Euro specifically designed to complete the Fineco UK offering;
- launch of Fineco Visa Infinite, the new Fineco premium card combined with services such as Lounge access, Concierge and specifically designed for the Private target;
- increase of monthly use limits for cards in the PagoBANCOMAT and

Visa Debit circuit.

In addition, activities are underway that will lead to the launch of the Apple Pay service, expected in early 2018.

The table below shows a 9.2% increase in credit cards spending recorded in FY2017 compared to 2016.

(Amounts in € thousand)

CREDIT PRODUCTS	YEAR 2017		YEAR 2016		CHANGES			
	SPENDING	CARRYING AMOUNT	SPENDING	CARRYING AMOUNT	SPENDING		CARRYING AMOUNT	
					AMOUNT	%	AMOUNT	%
Revolving credit cards	50,989	41,890	52,692	39,812	(1,703)	-3.2%	2,078	5.2%
Credit cards full payment of balance*	2,586,400	246,535	2,362,372	228,826	224,028	9.5%	17,709	7.7%
Total	2,637,389	288,425	2,415,064	268,638	222,325	9.2%	19,787	7.4%

* The balance of card spending for 2016 has been restated to exclude the figure for rechargeable cards.

Mortgages, credit facilities and personal loans

In 2017, the offering of personal loans and digital lending services continued to be expanded, with the release of the *Customer Cluster Rate (CCR)* platform, which enabled differentiation of the rate and the application of financial conditions to each customer based on their commercial merit rating class, through the segmentation of the customer base and favouring the more loyal and highly rated customers.

The CCR platform is also applied to Quick Approval Personal Loans, the service that ensures assessment of a loan application in a few moments and disbursement of the loan in real time 24 hours a day (including Saturday and Sunday), based on an internal rating system that pre-assesses the creditworthiness and earnings capacity of the applicant.

The fine-tuning of the "One-Stop Solution" model continued - through which all customers' financial needs can be managed through a single account - by expanding the range of Fineco loan products with the launch of two new products:

- Mutuo Liquidità, a special type of mortgage loan that allows you to obtain up to €500,000, without any restriction of use, by giving own property as collateral.
- Credit Lombard, a current account credit facility, for amounts exceeding €1 million, secured by a pledge on securities and

funds subject to rotation clause, which lets the customer modify the instruments pledged as collateral in order to seize potential investment opportunities, while preserving the credit line without changes or disinvestments. Credit Lombard, an ideal product for Private customers in line with the recent policy of strengthening the Fineco offering for the Private segment, can be requested through the network of Financial Advisors by using the digitised process available in X-NET, the cutting-edge platform used by Fineco Advisors. The commercial launch of the new service was supported by a widespread training campaign for the entire network of Financial Advisors, which included delivery through e-learning tools and methods.

In June, "Credit Power" - the Credit Lombard indicator of the credit limit a customer may apply for - was made available in the reserved area of the Fineco Account, as a way to support Credit Lombard advertising campaigns.

In the second half of 2017, the engineering of the mortgage loan approval process and of customer support by Fineco Mortgage Specialists was completed, which led to an increased level of borrower satisfaction: 95% of Mutuo Fineco customers would recommend the product for its financial terms and process management.

The table below shows a 248% increase in loans, mortgages and credit lines approved in FY2017 compared to the previous year. With reference to current account credit lines approved in FY2017, those backed by

securities totalled €808.5 million (€659 million for the Credit Lombard product, €56 million secured by pledges and €93.5 million of credit lines with mandate to sell), or 97% of total credit lines approved.

(Amounts in € thousand)

CREDIT PRODUCTS	YEAR 2017		YEAR 2016		CHANGES			
	DISBURSEMENTS	CARRYING AMOUNT	DISBURSEMENTS	CARRYING AMOUNT	DISBURSEMENTS		CARRYING AMOUNT	
					AMOUNT	%	AMOUNT	%
Personal loans and unsecured loans	230,195	350,320	183,226	243,025	46,969	25.6%	107,295	44.1%
Current account credit facilities*	831,351	641,554	271,299	299,372	560,052	206.4%	342,182	114.3%
Mortgages	521,475	516,251	843	884	520,632	n.c.	515,367	n.c.
Total	1,583,021	1,508,125	455,368	543,281	1,127,653	247.6%	964,844	177.6%

* For current account credit facilities, the disbursements column represents the agreed amount.

The increase in loans recorded in FY2017 was driven by the changes in the range of financing products offered, combined with careful customisation of the offering and rate policies, while paying attention to the overall profitability of the products.

In general, the commercial choices, from conception of the product up to its promotion and distribution on the various sales channels, were guided by our profound knowledge of the market and ability to adapt

our financing offer to the real needs of customers and of the network of financial advisors.

To this end, the Bank has repeatedly made use of Customer Satisfaction Surveys, in an effort to offer products and solutions with a customer experience based on simplicity and innovation, designed to achieve unique and long-term relationships with customers.

Results achieved in the main areas of activity (CONTINUED)

Investing

The Bank uses a guided open architecture business model to offer customers an extremely wide range of asset management products - comprising collective asset management products, such as units of UCITS and SICAV shares - from carefully selected Italian and international investment firms.

In 2017, the range of asset management products was further enhanced with the addition to the platform of over 283 new ISINs and 7 new investment firms available to customers. At the end of May 2017, the following products were launched: Core Sustainable, a fund that enhances the "Specialised" family and offers an investment strategy that combines environmental, social and governance analysis with financial analysis to value securities. Core Defensive, the first delegated management Core fund focused on Alternative UCITS strategies with a low volatility profile. Lastly, note the introduction of the third and fourth releases of the Core Target Allocation funds at the end of January 2017 and at the beginning of July 2017, respectively, to continue offering gradual access to the equity markets and reduce volatility risk.

In 2017, the interest in insurance consulting increased: in addition to the Core Multiramo of Aviva S.p.A. with annual written premiums of €662 million and Ramo I Aviva S.p.A., also updated with the Top Valor One versions, which totalled more than €888 million in written premiums, also the CORE UNIT and ADVICE UNIT of Old Mutual Wealth Italy S.p.A. (now Eurovita S.p.A.) Unit Linked products posted positive new written premiums of €66 million at year-end. The insurance offering was further innovated with the introduction of the CORE UNIT TARGET and ADVICE UNIT TARGET Unit Linked products, which provide for a gradual increase in the portfolio's equity exposure, while reducing the risk associated with market volatility (total written premiums of €24 million). In addition, the Multiramo Regular Plan was launched to complete the range of insurance products, a "retail" product with periodic payments over time and maximum maturity of 20 years, which recorded written premiums of €0.4 million in the year.

Finally, the CORE Unit and Advice Unit range has been enhanced by new investment solutions, the Internal Insurance Funds (FIA), i.e. automatically managed portfolios of Funds and/or ETFs with ongoing monitoring of volatility, providing a sort of "Asset management" within the Units.

At the end of the year, a new version of Aviva's Ramo I policy, Cash Park Polizza, was launched, dedicated to an ad hoc campaign aimed at draining the liquidity of current accounts (written premiums of €145 million).

As part of the advanced Advisory Services (Fineco Advice and STARS), the Bank improved the usability of the platforms, making them increasingly "easy to deal with". The internal reporting was also reviewed for more timely reporting and the inclusion of additional monthly information on the macroeconomic framework that characterised the performance of markets and portfolios. The reporting available on the "customer site" has been improved with new widgets and more detailed information. In the Private Banking area, new reports and services have been developed to support the Advisors in the management of Private customers.

Ranking Advice-based "Final Score" has been implemented within Fineco advisory service STARS to obtain an indicator of the portfolio average quality.

The "Fineco Advisory Seminar" was again held in the Spring, providing a high level training course organised by Fineco in collaboration with IESE, University of Navarra, one of the most prestigious international business schools, ranked first in the Financial Times executive education programs. The Seminar was part of the exclusive training path offered to the best Fineco Network professionals who use the Fineco Advice and STARS services in a structured way.

The objective was to offer suitable training to the advisors, with tools enabling them to carry out a truly advanced advisory activity, which requires identification of the client's needs and implementation of financial planning to achieve the objectives through a suitable and monitored approach.

(Amounts in € thousand)

	AMOUNTS AS AT		AMOUNTS AS AT		CHANGE	
	12.31.2017	%	12.31.2016	COMP %	ABSOLUTE	%
UCITS and other investment funds	26,998,628	81.6%	24,257,876	84.8%	2,740,752	11.3%
Insurance products	6,074,833	18.4%	4,339,162	15.2%	1,735,671	40.0%
Segregated accounts	6,729	0.0%	10,882	0.0%	(4,153)	-38.2%
Total assets under management	33,080,190	100.0%	28,607,920	100.0%	4,472,270	15.6%

The network of personal financial advisors

For the network of financial advisors, 2017 not only recorded results in line with prior years but was actually a record year on every front: total sales, assets under management and growth in advanced advisory services.

In particular:

- Net sales: €5,404 million, +24.6% compared to 2016;
- Assets under management: €3,920 million, +117% compared to 2016;
- Sales from Advisory services: €4,561 million, +17.9% compared to 2016;
- 89,821 new current accounts opened during the year.

It is important to note that a significant part of the growth achieved (approximately 80% of total financial assets) is “organic” growth, in line with the business model pursued; i.e. we grew through the current network, with no significant increases from recruitment or tactical support campaigns.

The most significant campaign was the launch of the “Cash Park policy” service through which we sought to divert the assets of “liquid” customers towards asset management products and services.

The year 2017 was also characterised by the strong growth of “high-end” customers (HNWI⁷ and Private customers), with over

200 new Private customers per month for a total of over 2,800 new Private customers in the year, driving an overall increase in assets for this segment to over €23 billion compared to €20 billion in 2016 (+17%).

This development was also supported by the official launch of the Private Banking segment, with expressly dedicated services, leading to a stronger and clearer positioning on this front. Therefore, the Private segment customers continue to be a significant portion of the Bank's assets and confirms Fineco's position as one of the leading private banking firms in Italy. To this end, high-level customer events were organised designed to inform and raise awareness about the most relevant financial issues. Of the 1,142 customer events organised during the year, 122 were specifically dedicated to this customer segment.

A strong focus was placed on the quality of the network, as was evidenced not only by the expansion of the private banker unit (from 256 to 322 in just nine months), but also by the strengthening of the average portfolio of financial advisors across the network.

Investment in training was in line with this trend and was designed to develop the skills of the personal financial advisors, particularly in relation to advanced advisory services.

Net sales - Personal Financial Advisors Network - Assoreti figures

(Amounts in € thousand)

	YEAR 2017	COMP %	YEAR 2016	COMP %	CHANGES	
					ABSOLUTE	%
Current accounts and demand deposits	1,252,370	23.2%	2,543,475	58.6%	(1,291,105)	-50.8%
Time deposits and reverse repos	(143,499)	-2.7%	(295,013)	-6.8%	151,514	-51.4%
DIRECT SALES	1,108,871	20.5%	2,248,462	51.8%	(1,139,591)	-50.7%
Segregated accounts	(3,758)	-0.1%	(2,688)	-0.1%	(1,070)	39.8%
Investment funds and other funds	2,271,437	42.0%	714,089	16.5%	1,557,348	218.1%
Insurance products	1,651,876	30.6%	1,090,769	25.1%	561,107	51.4%
ASSETS UNDER MANAGEMENT	3,919,555	72.5%	1,802,170	41.5%	2,117,385	117.5%
Government securities, bonds and stocks	375,959	7.0%	287,526	6.6%	88,433	30.8%
ASSETS UNDER ADMINISTRATION	375,959	7.0%	287,526	6.6%	88,433	30.8%
NET SALES	5,404,385	100.0%	4,338,158	100.0%	1,066,227	24.6%
of which Guided products & services	4,560,961	84.4%	3,869,695	89.2%	691,266	17.9%

7 . High Net Worth Individual, i.e. Private customers with TFA of over one million euros.

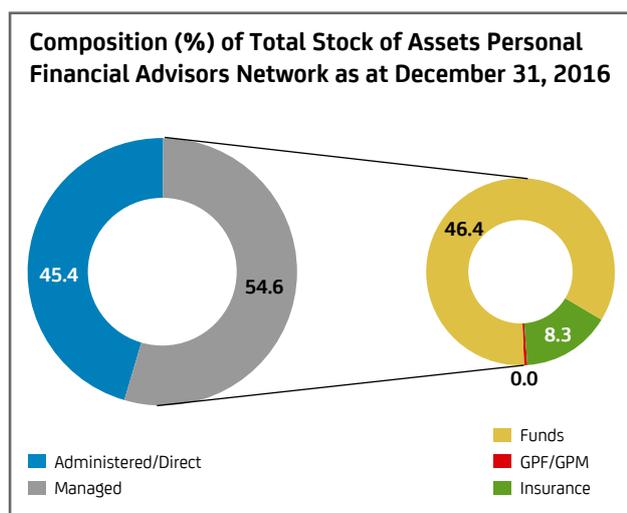
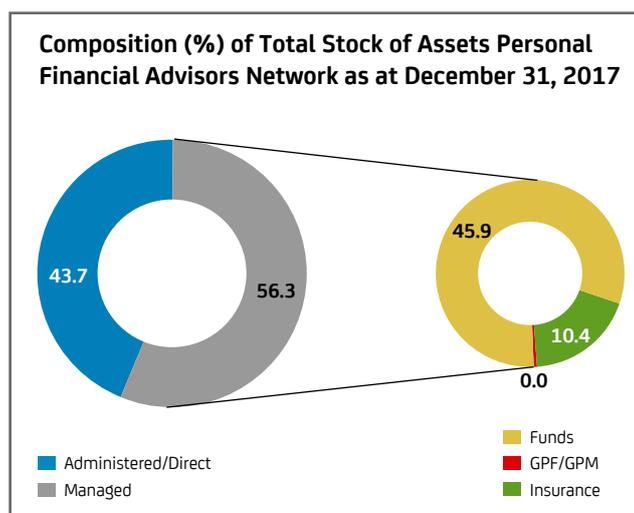
The network of personal financial advisors (CONTINUED)

The table below shows the breakdown of sales attributable to the PFA network as at December 31, 2017. Total financial assets, amounting to €57,887 million, increased by 12.5% compared to December 31, 2016.

Total financial assets - Personal Financial Advisors Network - Assoreti figures

(Amounts in € thousand)

	AMOUNTS AS AT		AMOUNTS AS AT		CHANGES	
	12.31.2017	COMP %	12.31.2016	COMP %	ABSOLUTE	%
Current accounts and demand deposits	14,674,039	25.3%	13,442,242	26.1%	1,231,797	9.2%
Time deposits and reverse repos	8,424	0.0%	150,773	0.3%	(142,349)	-94.4%
DIRECT DEPOSITS	14,682,463	25.4%	13,593,015	26.4%	1,089,448	8.0%
Segregated accounts	6,729	0.0%	10,882	0.0%	(4,153)	-38.2%
UCITS and other investment funds	26,565,970	45.9%	23,843,218	46.4%	2,722,752	11.4%
Insurance products	5,992,040	10.4%	4,251,107	8.3%	1,740,933	41.0%
ASSETS UNDER MANAGEMENT	32,564,739	56.3%	28,105,207	54.6%	4,459,532	15.9%
Government securities, bonds and stocks	10,639,687	18.4%	9,736,101	18.9%	903,586	9.3%
ASSETS UNDER CUSTODY	10,639,687	18.4%	9,736,101	18.9%	903,586	9.3%
TOTAL FINANCIAL ASSETS - PERSONAL FINANCIAL ADVISORS NETWORK - ASSORETI FIGURES	57,886,889	100.0%	51,434,323	100.0%	6,452,566	12.5%
of which Guided products & services	21,197,073	36.6%	16,104,815	31.3%	5,092,258	31.6%



Recruitment was very selective with a strong focus on the quality and standing of the candidates. Consistent with the outlined strategy, recruitment focused exclusively on improving the quality of the existing network; the Bank aims to attract professionals who view their relationship with customers as one of the pillars of their business and who are willing to face the challenges of the market and of a cutting-edge business model. In 2017, 98 new financial advisors were recruited from the network, the traditional banks and private banking sectors. The “youth programme” also continued to

recruit young graduates to the profession (45 new “beginners”) with a view to also invest in “tomorrow’s advisors”. Investment also continued in sales facilities used by the personal financial advisors, which contribute to enhancing the Bank’s image and to spreading our presence throughout the country. As at December 31, 2017, the network was made up of 2,607 personal financial advisors, who operate countrywide through 375 financial shops (Fineco Centers), managed directly by the Company or by the personal financial advisors themselves.

Human resources

As at December 31, 2017, the Bank's total workforce consisted of 1,128 employees compared to 1,096 as at December 31, 2016. The breakdown was as follows:

HUMAN RESOURCES	12.31.2017	12.31.2016
FinecoBank employees	1,119	1,086
Group employees seconded to FinecoBank (+)	4	3
FinecoBank employees seconded to the Group (-)	(3)	(1)
Total human resources excluding Directors	1,120	1,088
Directors (+)	8	8
Total human resources	1,128	1,096

During 2017, activities continued to strengthen and optimise the areas dedicated to business development, organisational support and risk control and management. This led to the hiring of 75 workers, of which:

- 2 from another Group company;
- 73 from the market.

Of the 73 new recruits from the market, the majority were employed

in the Customer Relationship Management area, confirming the strong and ongoing focus on young graduates. Customer Relationship Management forms the starting point of a pathway of professional development that can lead to different roles in the business.

During the year, 26 temporary contracts were converted into permanent contracts in the Customer Relationship Management (CRM) area, thereby not only guaranteeing business continuity, but also capitalising on the skills and expertise already present within the business.

In 2017, there was significant internal job rotation, involving 44 employees, through which vacant positions within the company were filled, while also ensuring the continued professional development of staff.

During the year, a total of 42 employees left the bank, including:

- 15 resignations;
- 10 transfers to Group companies;
- 17 for other reasons.

The Bank's employees can be broken down as follows:

CATEGORY	MEN		WOMEN		TOTAL	
	12.31.17	12.31.16	12.31.17	12.31.16	12.31.17	12.31.16
Executives	23	22	4	4	27	26
Managers	239	229	98	98	337	327
Professional Areas	368	364	387	369	755	733
Total	630	615	489	471	1,119	1,086

As at December 31, 2017, part-time staff in the Bank amounted to 93, accounting for 8% of employees, with women employees representing around 44% of the workforce. The average length of service was 9 years and the average age was around 40.

Human resources (CONTINUED)

Employee training

In 2017, the training of Fineco employees focused on the acquisition and consolidation of skills on the one hand, based on the company needs that emerged, and on the updating of individual knowledge on the other, with specific focus on mandatory, technical, foreign languages and conduct - management training.

A breakdown of training hours by training area is presented below:

TRAINING AREA	HOURS OF TRAINING
Mandatory	6,871
Technical	11,480
Foreign Language	8,583
Conduct - Management	428
Total	27,362

Mandatory training

FinecoBank is committed to spreading the culture of Risk and Compliance, which is fundamental to promote awareness in the organisation that compliance with the rules and the related controls are a pillar for our business and support its sustainability and profitability over time.

For this reason, FinecoBank paid significant attention to mandatory training extended to all employees, who in 2017 attended the courses both in e-learning mode, using the Group My Learning Platform, and through live seminars for specific subjects.

Staff attendance at the courses was periodically monitored in order to ensure that all employees learnt the mandatory subjects, thereby protecting the Bank against operational, legal and reputational risk.

Technical and behavioural training

To ensure the acquisition of the technical skills necessary to increase productivity on the one hand and the level of specialisation of employees on the other, some employees participated in training

sessions held with external suppliers or internal classrooms were organised.

To ensure that FinecoBank high standards of service quality and customer care be maintained, training courses were organised within the Customer Care unit, both, upon joining the bank, on technical subjects and "in itinere" on technical - behavioural subjects, for a total of 9,627 hours.

To support internal growth, 14 managers from the CRM unit, with different roles and seniority, started a tailor-made training program consisting of classroom lessons, coaching and on-the-job training.

During the year, some high-potential resources participated in behavioural/leadership training initiatives to support their managerial development.

Training in support of the Bank's Business Continuity plan also continued, through coaching that is certified in a register of activities.

Foreign language training

As of the second half of 2017, the Bank provided employees with a platform accessible to all for the teaching of English through the use of educational tools such as video, role-playing and virtual classrooms. During the year, around 350 employees attended classroom or telephone English courses, according to specific needs.

In some cases (e.g. for Executives), "one-to-one" training courses in Business and Legal English were provided.

Given our planned expansion into the UK, some Customer Care employees dedicated to assisting English-speaking customers attended a specific English course in 2017.

Employees are assigned to participate in foreign language training courses, in class or by telephone, based on requests made by the individual unit managers, based on the specific professional needs of staff.

Technology infrastructure

There are essentially six elements to the Bank's information system:

- Banking application software;
- On-line Trading system (dedicated applications for the real-time sale/purchase of securities and financial instruments on the main European and American markets);
- A management system for the operations room and for institutional investors, and access to the information/order sections of Italian/foreign markets;
- A management system for investment services such as Funds, SICAVs and Bank Insurance;
- A credit and debit card management system, with the issue of cards for VISA and MasterCard circuits;
- A personal financial advisors network management system, enabling advisors to work with all the Bank's products through a single portal.

In 2017, the ICT Area carried out its usual activities for the technological upgrading, consolidation and development of the Information System in order to provide new and more versatile added value services to customers.

Specifically, from an architectural perspective, work continued

on optimising infrastructure and applications, as well as the continuous improvement and fine-tuning of the applications security architecture.

The main project activities completed include:

- offer of the new Credit Lombard product;
- system updating for the provision of banking and trading services on the English market;
- profiling of the site for the new Private customer segment;
- consolidation of the trading orders Internalisation platform and new management of market disclosures in PUSH mode;
- activation of the voice authentication system for the PFA network;
- expansion of Xnet services such as the integration of the PFA agenda;
- inclusion of the new Prelievo Smart and Mobile Collaboration services on mobile apps.

The regulatory activities include:

- the implementations necessary to adjust systems to the MIFID 2 legislation, which came into force on 03/01/2018;
- completion of the implementations for the strengthening of anti-terrorism controls on foreign transfer orders and securities issuers.

Internal control system

The internal control system is a fundamental part of the overall governance system of banks; it ensures that operations are carried out in line with the Bank strategies and policies and based on principles of sound and prudent management.

Circular no. 285 of December 17, 2013 as amended defines the principles and guidelines to which the internal control system of banks must conform. The circular defines the general principles of organisation, identifies the role and responsibilities of governing bodies, and sets out the characteristics and roles of corporate control functions.

The internal control system must provide protective measures that cover all types of business risk. The primary responsibility for these tasks lies with the bank's bodies, each in accordance with its specific duties. The structure of tasks and lines of responsibility of corporate functions and bodies must be clearly specified.

Banks must apply the provisions according to the proportionality principle, i.e. taking into account the operating scale and organisational complexity, the nature of the activities carried out, and the type of services provided.

As part of the supervisory review and evaluation process, the European Central bank or the Bank of Italy verify the internal control system in terms of completeness, suitability, functionality (in terms of efficiency and effectiveness) and reliability of banks.

In accordance with the provisions laid down by the Supervisory Authority, the Bank's internal control system consists of a set of rules, functions, organisational structures, resources, processes and procedures aimed at ensuring the achievement of the following objectives, in compliance with the principles of sound and prudent management:

- verifying the implementation of the Bank's strategies and policies;
- containing risk within the limits set out in the Bank Risk Appetite Framework - "RAF";
- preventing the Bank's involvement, even if unintentional, in unlawful activities (with specific reference to money laundering, usury and the financing of terrorism);
- protecting the value of assets and preventing losses;
- ensuring the effectiveness and efficiency of corporate processes;

- ensuring the security and reliability of the Bank information and ICT procedures;
- ensuring compliance of transactions with the law and supervisory regulations, as well as internal policies, procedures and regulations.

In terms of the methods applied, the Bank's internal control system is based on four types of controls:

- level one controls ("line controls"): these are controls for individual activities and are carried out according to specific operational procedures based on a specific internal regulation. Monitoring and continuously updating these processes is entrusted to "process supervisors" who are charged with devising controls able to ensure the proper performance of daily activities by the staff concerned, as well as the observance of any delegated powers. The processes subject to control relate to units that have contact with customers, as well as completely internal Bank units;
- level two controls: these are controls related to daily operations connected with the process to measure quantifiable risks and are carried out by units other than operating units, on an ongoing basis. The Risk Management function controls market, credit and operational risks, as regards compliance with limits assigned to operating functions and the consistency of operations of individual production areas with established risk/return objectives; the Compliance unit is responsible for controls on non-compliance risks; for regulatory areas which already have types of control performed by the Bank's specialised structures, monitoring of compliance risk is assigned to these structures based on the "Indirect Coverage" operating model, also adopted by the Parent Company;
- level three controls: these controls are typical of internal auditing, based on analysis of information obtained from databases or company reports, as well as on-site controls. The purpose of these controls is to check the functioning of the overall internal control system and information communication technology system (ICT audit) and identify any anomalous trends, or infringements of procedures or regulations. These controls are assigned to the Internal Audit function, which operates at central level, at UniCredit, based on a specific service agreement;
- institutional supervisory controls: these refer to controls by the Bank's bodies, including in particular the Board of Statutory Auditors and the Supervisory Body pursuant to Legislative Decree no. 231 of 8 June 2001.

Considering the functions and units involved, the Internal Control System is based on:

- control bodies and functions including, according to their respective responsibilities, the Board of Directors, the Risk and Related Parties Committee, the Remuneration and Appointments Committee, the Chief Executive Officer and General Manager⁸, the Board of Statutory Auditors, the Supervisory Body set up pursuant to Legislative Decree 231/01 and the corporate control functions (Risk Management, Compliance⁹, Internal Audit) as well as other company functions with specific internal control duties¹⁰;
- procedures for the coordination of entities involved in the internal control and risk management system, which provide for:
 - cooperation and coordination among control functions, through specific information flows that are formalised in internal regulations and through managerial committees dedicated to control issues;
 - application of the Group coordination model defined as part of the management and coordination activity carried out by the Parent Company;
 - definition of information flows both between corporate bodies and control functions within the Bank, and with the Parent

Company, in order for the latter to be able to properly carry out its management and coordination activities.

Finally, it should be noted that, under Article 49, paragraph 1, of the Regulation (EU) No. 468/2014 of the European Central Bank (ECB/2014/17) (the SSM - single supervisory mechanism - Framework Regulation), the ECB publishes, as of September 4, 2014, a periodically updated list, containing the names of supervised entities and groups that fall under the direct supervision of the ECB ("significant supervised entities" and "significant supervised groups", as defined in Article 2, points 16) and 22) of the SSM Framework Regulation), indicating the specific reason for direct supervision for each of them, and, if classified as significant based on size, the total value of the assets of the entity or group supervised. The Bank, as a "credit institution established in a participating Member State" belonging to the UniCredit group (classified as a "significant supervised group"), is included in the list of "significant supervised entities". As regards the subsidiary Fineco AM Limited, which was formally incorporated but not yet operational as at December 31, 2017, the organisational structure calls for Compliance and Risk Management activities to be carried out by internal company functions, while Internal Audit will be outsourced to a specific UniCredit structure.

8. Also appointed as "Director responsible for the internal control and risk management system" in accordance with principle 7.P.3 of the Corporate Governance Code of listed companies.

9. This function includes the Anti Money Laundering and Anti Terrorism Service, responsible for managing the correct application of regulations on anti-money laundering and combating the financing of terrorism. The Compliance Officer is also appointed Head of the Anti-Money Laundering Function.

10. The legislative framework and the codes of conduct assign control tasks to specific functions - other than corporate control functions - whose work should be seen as being a functional part of the Internal Control System. For the Bank in particular, these include the Local Control System for legislation concerning related-party transactions carried out with associated persons in a conflict of interest situation (under the responsibility of the Corporate Secretariat Unit of the Legal & Corporate Affairs Department), the Nominated Official in charge of drawing up company accounts pursuant to Article 154-bis of the Consolidated Finance Act (identified as the Bank's CFO), the Occupational Health and Safety Officer, the Human Resources function, the Head of Business Continuity & Crisis Management, and the Head of Outsourcing Management (Costs Manager Assistant). All corporate functions, other than corporate control functions, also participate in the Internal Control System by carrying out the level-one controls included in the business processes within their responsibility.

Main risks and uncertainties

For more details of the risks and uncertainties faced by the Bank in the current market situation, see Part E - Information on risks and hedging policies of the Notes to the Consolidated Accounts.

Organisational structure

The organisational structure of the Bank is consistent with the Group Organisation Guidelines issued by the Parent Company UniCredit S.p.A. The Guidelines set out organisational principles and rules designed to ensure their uniform application across all Group Legal Entities, through:

- clear organisational principles and criteria;
- specific organisational documents;
- suitable processes for organisational changes.

In 2017, several changes were made to the organisational structure. In particular, to preserve the high level of efficiency of the Information System and make sure that technology is aligned to the company strategy at all times, two coordination units were set up that directly report to the *ICT Department*:

- *Infrastructure & ICT Operations*, responsible for the design, management and evolution of all the infrastructural components;
- *Omnichannel Development*, responsible for the coordination, design, implementation and maintenance of the application developments of all FinecoBank platforms.

The *ICT Committee* was also set up, which is responsible, within its own remit, for making decisions on the overall strategy, for continuously assessing the proper size of the workforce and for defining the cost budget.

Again in 2017, changes were made to the *CRM Department*, to improve customer service in terms of efficiency and managed contacts, through a reassignment of certain activities

Moreover, in order to set up a single organisational unit that oversees the development of the Bank's international projects and the expansion of the Brokerage business, all the activities within the *Global Business Department* relating to these areas were aggregated into a single unit reporting to the *Products Unit*.

Finally, as part of the *Legal & Corporate Affairs Department*, some activities were redistributed and the affected units reorganised accordingly, with the aim of improving their efficiency and reducing the number of hierarchical reports to the Department.

Organisational Model

The Bank's current organisational model is based on a functional model, which favours economies of scale and facilitates the development of vertical skills and knowledge within each area. The model guarantees the necessary decision-making mechanisms, whilst maintaining the "horizontal link" between the various functions. Although the current arrangement applies the concept of "functional specialisation", a project-based approach is maintained for every phase of definition and release of products and services. The horizontal links are guaranteed by the work of specific committees that monitor business lines and the progress of the most important projects, also to guarantee the necessary synergies of distribution channels.

In general, the model sets out structured organisational rankings on four levels (Department, Unit, Team and Technical Units) based on their size and the organisational complexity of overseen operations. The following organisational units report to the Chief Executive Officer and General Manager: Network PFA Department, Investment Services and Private Banking Services Department, Global Business Department, CFO Department (Chief Financial Officer), CRO Department (Chief Risk Officer), Network Controls, Monitoring And Services Department, Legal & Corporate Affairs Department, GBS Department (Global Banking Services), Human Resources Unit, Compliance Unit, and the Identity & Communication Team.

The organisational model identifies four main functional lines, which govern:

- the sales network (Network PFA Department);
- investment services (Investment Services and Private Banking Services Department);
- Trading, Banking and Credit products and the investment platforms (Global Business Department);
- operational functioning (GBS Department).

In summary:

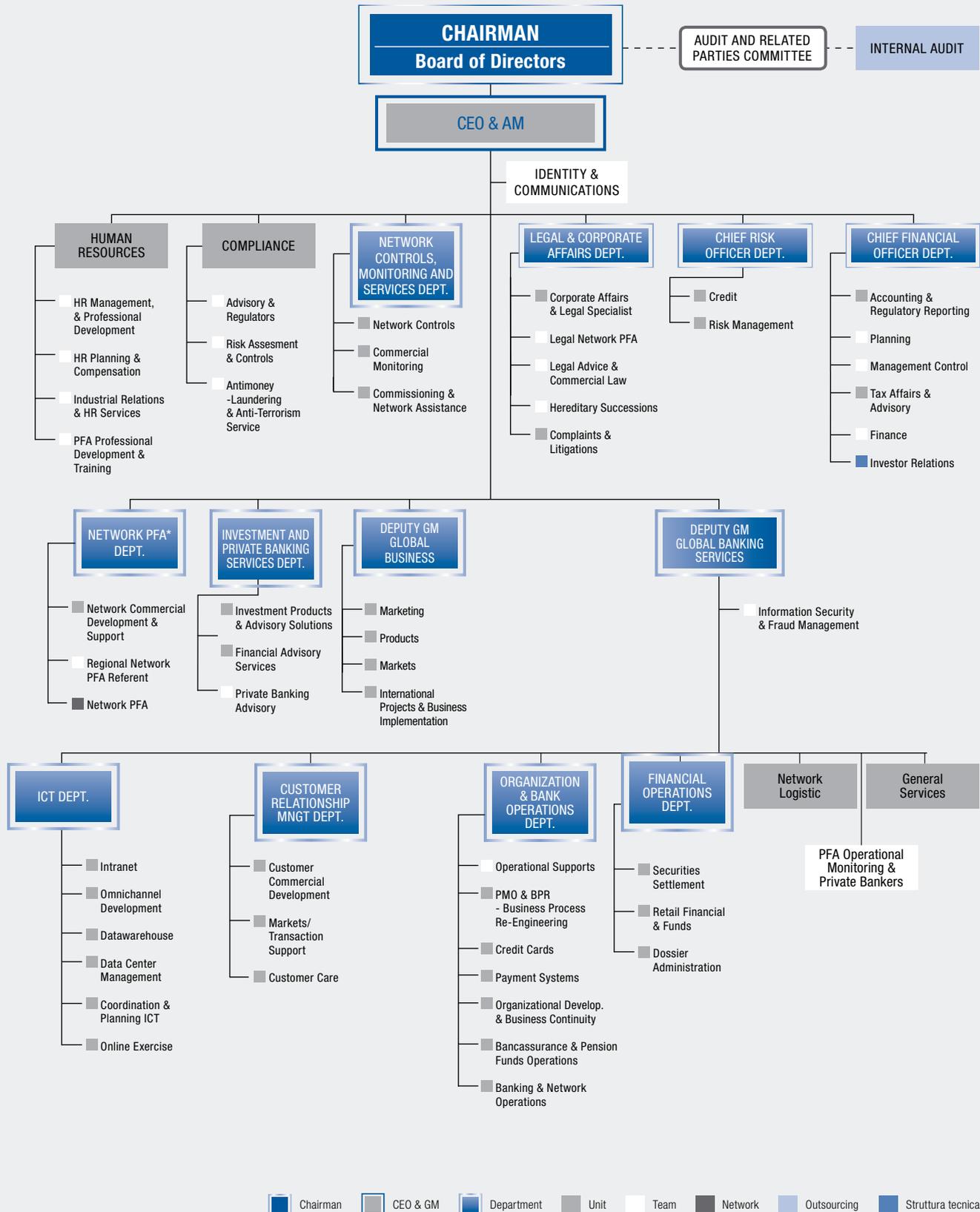
- The PFA Network Department is responsible for overseeing the management and development of the personal financial advisors network;
- The Investment Services and Private Banking Department is responsible for monitoring the development of products placed by the Bank and the financial advisory services provided to all the Bank's customers;
- the Global Business Department is responsible for overseeing the development of Trading, Banking and Credit products and the platforms for the investment products and for the PFA network. The Investment and Private Banking Department and the Global Business Department work closely with each other in order to develop a combined and synergistic offering of products and services to customers, in line with the Bank's marketing and business strategies;
- The GBS (Global Banking Services) Department coordinates the organisational units in charge of monitoring the organisational/operating processes and the ICT and logistics systems needed to ensure the effective and efficient operation of business support systems. The following organisational units report to the GBS

Department: Information Security & Fraud Management Team, ICT - Information & Communication Technology Department, CRM - Customer Relationship Management Department, Organisation & Bank Operations Department, Financial Operations Department, Network Services Unit, General Services Unit, and the PFA Operational Monitoring & Private Bankers team.

The synergies between the distribution channels and the monitoring of decision-making processes that cut across the Departments are ensured by a Management Committee.

As regards audit activities, the Bank, in line with the instructions of the Parent Company, has adopted an outsourcing model based on a specific service agreement signed with UniCredit S.p.A.. Under the model, the Risk and Related Parties Committee (a committee established within the Board of Directors) is responsible for liaising with the Bank and the outsourcer, in addition to supporting the Board of Directors - with information, advisory, recommendation and investigation functions - using a risk-oriented approach to identify the guidelines for the entire internal control system and the assessment of its effectiveness and efficiency.

Organisational structure (CONTINUED)



Chairman
 CEO & GM
 Department
 Unit
 Team
 Network
 Outsourcing
 Struttura tecnica

Business continuity plan (BCP)

As required by the applicable regulations, the Bank has adopted a model that comprises organisational units dedicated to managing Business Continuity and Crises, both in normal operating conditions and in emergency situations.

The Bank's Business Continuity and Crisis Management framework includes the management plan for events, incidents and crises, and the business continuity plan. These plans are an integral part of the disaster

recovery plan (which establishes the measures for the restoration of applications and information technology systems affected by disasters) and of the cyber attack plan (which sets out the strategies - for systemic processes - for handling large scale computer attacks).

These Plans describe the crisis management procedures and are updated and checked regularly to ensure their effectiveness and adequacy.

Main balance sheet aggregates

(Amounts in € thousand)

ASSETS	AMOUNTS AS AT		CHANGES	
	12.31.2017	12.31.2016	AMOUNT	%
Cash and cash balances	613	5	608	n.c.
Financial assets held for trading	10,879	6,044	4,835	80.0%
Loans and receivables with banks	13,878,117	15,735,540	(1,857,423)	-11.8%
Loans and receivables with customers	2,129,219	1,016,798	1,112,421	109.4%
Financial investments	5,874,079	3,757,529	2,116,550	56.3%
Hedging instruments	10,048	9,211	837	9.1%
Property, plant and equipment	15,205	14,451	754	5.2%
Goodwill	89,602	89,602	-	-
Other intangible assets	7,909	7,731	178	2.3%
Tax assets	9,249	13,165	(3,916)	-29.7%
Other assets	315,415	336,300	(20,885)	-6.2%
Total assets	22,340,335	20,986,376	1,353,959	6.5%

(Amounts in € thousand)

LIABILITIES AND SHAREHOLDERS' EQUITY	AMOUNTS AS AT		CHANGES	
	12.31.2017	12.31.2016	AMOUNT	%
Deposits from banks	926,001	1,111,106	(185,105)	-16.7%
Deposits from customers	20,205,036	18,801,073	1,403,963	7.5%
Financial liabilities held for trading	2,617	2,626	(9)	-0.3%
Hedging instruments	8,922	11,371	(2,449)	-21.5%
Provisions for risks and charges	112,414	111,756	658	0.6%
Tax liabilities	10,234	10,048	186	1.9%
Other liabilities	343,285	257,097	86,188	33.5%
Shareholders' equity	731,826	681,299	50,527	7.4%
- capital and reserves	526,046	476,249	49,797	10.5%
- revaluation reserves (available-for-sale financial assets - actuarial gains (losses) for defined benefits plans)	(8,340)	(6,794)	(1,546)	22.8%
- net profit	214,120	211,844	2,276	1.1%
Total liabilities and Shareholders' equity	22,340,335	20,986,376	1,353,959	6.5%

Financial assets held for trading

Financial assets held for trading totalled €10.9 million and consisted of:

- bonds, equities, UCIT units and derivatives classified as HFT (held for trading), amounting to €4.4 million, held in the Bank's portfolio as a result of trading activity, or used for the operational hedging of CFD positions on shares open with customers, and intended to be traded in the short term;
- the positive valuation of spot contracts for securities in the HFT portfolio and currencies to be settled in time frames established by market practices ("regular way") for €1.8 million, which correspond to negative valuations booked under item 40 "Financial liabilities held for trading";

- the positive valuation of CFDs on indices, shares and interest rates and futures on indices and interest rates and of CFDs on Forex for €4.8 million.

CFDs are "Over the counter" derivative contracts that require the payment of a spread generated by the difference between the opening and closing price of the financial instrument. The bank in operational terms covers the imbalance of customer positions, by underwriting futures or the purchase/sale of equity securities on the same underlyings, or through Forex transactions with institutional counterparties to hedge CFD transactions in open currencies with customers' currency.

Loans and receivables with banks

(Amounts in € thousand)

	AMOUNTS AS AT		CHANGES	
	12.31.2017	12.31.2016	AMOUNT	%
Current accounts and demand deposits	1,993,139	2,336,579	(343,440)	-14.7%
Time deposits	1,028,152	1,285,414	(257,262)	-20.0%
Other loans:				
1. Reverse repos	54	53	1	1.9%
2. Others	17,862	58,563	(40,701)	-69.5%
Debt securities	10,838,910	12,054,931	(1,216,021)	-10.1%
Total	13,878,117	15,735,540	(1,857,423)	-11.8%

Loans and receivables with banks for "Current accounts and demand deposits" mainly consist of accounts held with UniCredit, with a book value of €1,958.6 million (€2,302.7 million as at December 31, 2016), and to a lesser extent, of current accounts held with other banks not belonging to the UniCredit group for transactions in securities, including the current account opened by Fineco AM Limited at AIB.

"Time deposits" consist of the deposit held with UniCredit for compulsory reserves, which stood at €199.1 million (€172.5 million as at December 31, 2016), in addition to time deposits held with UniCredit for an amount of €829 million (€1,113 million as at December 31, 2016).

The item "Other loans: Other" consists of €14.6 million for the amount of the initial and variance margins and collateral deposits placed with credit institutions for derivative transactions and repos (€55.7 million as at December 31, 2016, also including variance margins from transactions in repos), of which €9 million with UniCredit (€48.6 million with UniCredit and €3 million with

UniCredit AG Monaco as at December 31, 2016), and €3.2 million for current receivables associated with the provision of financial services (€2.9 million as at December 31, 2016).

The "Debt securities" included in the category "Loans and Receivables" exclusively consist of debt securities issued by UniCredit for an amount of €10,838.9 million (€12,054.9 million at December 31, 2016). In 2017, a bond issued by UniCredit S.p.A. was underwritten for a total notional amount of €622.5 million with a term of 7 years and indexed to the 3M Euribor plus spread, UniCredit bonds reached maturity and were reimbursed for a nominal €1,680 million and \$50 million, and UniCredit bonds for a nominal \$100 million were sold, generating a gain on disposal of €4 million. These bonds were sold as their contractual conditions would not have passed the SPPI Test required by IFRS 9, applicable as of January 1, 2018, consequently requiring them to be classified as "financial instruments at FVTPL", and the change in fair value recognised in a specific reserve upon first-time adoption and subsequently recognised through profit or loss.

Main balance sheet aggregates (CONTINUED)

Loans and receivables with customers

(Amounts in € thousand)

	AMOUNTS AS AT		CHANGES	
	12.31.2017	12.31.2016	AMOUNT	%
Current accounts	641,554	299,372	342,182	114.3%
Reverse repos	202,701	87,349	115,352	132.1%
Mortgages	516,251	884	515,367	n.c.
Credit cards and personal loans	633,048	504,699	128,349	25.4%
Other loans	135,665	124,494	11,171	9.0%
Total	2,129,219	1,016,798	1,112,421	109.4%

Loans and receivables with customers, amounting to €2129.2 million, can be broken down as follows:

- €1,798.5 million in loans;
- €202.7 million in reverse repos;
- €42.6 million in collateral deposits and initial and variation margins with clearing houses for derivative contract transactions;
- €85.4 million relating to current receivables associated with the provision of financial services.

“Reverse repos” consist of “*Multiday leverage*” with retail customers and stock lending transactions with transactions institutional customers, securities lending transactions guaranteed by sums of money readily available to the lender and which are basically the equivalent of repos on securities.

Other loans mainly consist of collateral deposits and initial and variation margins for derivative contract transactions, and current receivables associated with the provision of financial services.

(Amounts in € thousand)

LOANS AND RECEIVABLES WITH CUSTOMERS (MANAGEMENT RECLASSIFICATION)	AMOUNTS AS AT		CHANGES	
	12.31.2017	12.31.2016	ASSOLUTA	%
Current accounts	639,726	296,927	342,799	115.4%
Credit card use	288,382	268,497	19,885	7.4%
Mortgages	516,237	860	515,377	n.c.
Personal loans	343,867	235,036	108,831	46.3%
Other loans	7,641	8,612	(971)	-11.3%
<i>Performing loans</i>	<i>1,795,853</i>	<i>809,932</i>	<i>985,921</i>	<i>121.7%</i>
Current accounts	1,828	2,445	(617)	-25.2%
Mortgages	14	24	(10)	-41.7%
Credit card use	43	142	(99)	-69.7%
Personal loans	756	1,024	(268)	-26.2%
Other loans	26	22	4	18.2%
<i>Impaired loans</i>	<i>2,667</i>	<i>3,657</i>	<i>(990)</i>	<i>-27.1%</i>
Loans receivable with ordinary customers	1,798,520	813,589	984,931	121.1%
Reverse repos	202,620	87,348	115,272	132.0%
Reverse repos - impaired	81	1	80	n.c.
Collateral deposits and initial and variation margins	42,609	34,059	8,550	25.1%
Current receivables not related provision of financial services	85,284 105	81,801 -	3,483 105	4.3% -
Current receivables and other receivables	330,699	203,209	127,490	62.7%
Loans and receivables with customers	2,129,219	1,016,798	1,112,421	109.4%

The portfolio of loan receivables mainly consists of receivables for personal loans, mortgages, current accounts and credit card use; overall, loans increased 121.1 thanks to the disbursement in 2017

of €521 million in mortgages to retail customers to finance first and second home purchases or subrogations, plus €230 million in personal loans and new credit facilities totalling €831 million.

Impaired assets

(Amounts in € thousand)

CATEGORY	GROSS AMOUNT		IMPAIRMENT PROVISION		NET AMOUNT		COVERAGE RATIO	
	AMOUNTS AS AT		AMOUNTS AS AT		AMOUNTS AS AT		DATA AS AT	
	12.31.2017	12.31.2016	12.31.2017	12.31.2016	12.31.2017	12.31.2016	12.31.2017	12.31.2016
Non-performing loans	20,848	19,334	(19,118)	(16,672)	1,730	2,662	91.70%	86.23%
Unlikely to pay	2,109	1,906	(1,614)	(1,507)	495	399	76.53%	79.07%
Past-due loans	1,356	1,130	(728)	(532)	628	598	53.69%	47.08%
Total	24,313	22,370	(21,460)	(18,711)	2,853	3,659	88.27%	83.64%

The amount of impaired loans net of impairment losses was €2.9 million, €1.7 million of which in non-performing loans, €0.5 million in unlikely to pay exposures and €0.6 million in past-due loans.

Impaired loans mostly relate to current account overdrafts, credit card use and personal loans.

Financial investments

(Amounts in € thousand)

	AMOUNTS AS AT		CHANGES	
	12.31.2017	12.31.2016	AMOUNT	%
Available-for-sale financial assets	1,047,689	1,319,752	(272,063)	-20.6%
Held-to-maturity investments	4,826,390	2,437,777	2,388,613	98.0%
Total	5,874,079	3,757,529	2,116,550	56.3%

“Held-to-maturity investments” comprised:

- Italian government securities, with a book value of €2,557.6 million (€1,499.3 million as at December 31, 2016);
- Spanish government securities, with a book value of €2,120.3 million (€938.5 million as at December 31, 2016);
- Polish government securities worth €48.6 million (not present as at December 31, 2016).
- debt securities issued by the Instituto de Credito Oficial (ICO) worth €99.9 million (not present as at December 31, 2016).

“Available-for-sale financial assets” consisted of debt securities issued by governments and equity instruments not listed on an active market.

Investments in debt securities consisted of:

- Italian government securities, with a book value of €725.2 million (€982.4 million as at December 31, 2016);
- French government securities, with a book value of €10.1 million (€10.3 million as at December 31, 2016);
- Spanish government securities, with a book value of €242.5 million (€249.9 million as at December 31, 2016);
- United States government securities, with a book value of €64.7 million (€73.5 million as at December 31, 2016);

A part of the debt securities classified in the “Available-for-sale financial assets portfolio” is entirely used as collateral for bankers’ drafts or guarantees with third parties for a book value of €131.1 million (€128.9 million as at December 31, 2016).

Equity instruments consisted of equity investments in companies in which the Bank does not exercise control or have a significant influence, for an amount of €5.2 million, primarily consisting of the Visa INC class “C” preferred shares, for an amount of €4.5 million, which saw a positive change in fair value as at December 31, 2017 of €1.2 million and the residual equity exposure to the Voluntary Scheme set up by the Interbank Deposit Guarantee Fund (IDPF), amounting to €0.7 million.

With regard to the equity exposure to the Voluntary Scheme, it is noted that during 2017 the Bank paid a total of €13.6 million in contributions required by the IDGF in relation to the completion of the acquisitions of Caricesena, Carim and Carismi by Crédit Agricole Cariparma, which adds to the €6.7 million paid in 2016 which was written-down in full in the financial statements for the year ended December 31, 2016.

The structure of the overall transaction set out in the Framework Agreement signed by Crédit Agricole Cariparma, the Voluntary Scheme, Caricesena, Carim and Carismi provided for:

- the spin-off of a portfolio of NPLs (comprising loans classed as unlikely to pay and as non-performing loans) of the three rescued banks and the subscription by the Voluntary Scheme of mezzanine and junior bonds;
- recapitalisation of the three banks by the Voluntary Scheme;
- sale of the three banks to Crédit Agricole Cariparma, to be completed upon their recapitalisation.

Main balance sheet aggregates (CONTINUED)

As the amount of the recapitalisations is a non-recoverable cost of the Voluntary Scheme, due to the sale of the banks to Crédit Agricole CariParma, Fineco has de-recognised equities in the Voluntary Scheme amounting to €15.6 million, of which €6.7 million recognised in 2016 and, as said, fully written-down in the financial statements for the year ended December 31, 2016, and €8.9 million recognised in 2017, corresponding to the portion of the contributions paid by the Bank for use by the Voluntary Scheme for the recapitalisation of the three banks.

The residual equities not de-recognised, equal to €4.7 million, corresponding to the portion of the contributions paid by the Bank and held by the Voluntary Scheme as cash or used to subscribe the

mezzanine and junior tranches of the securitisations, were written-down in the financial statements for the year ended December 31, 2017 by €4 million to align the carrying amount to the fair value of the instruments provided by IDGF and shown by the analysis of the advisor appointed by IDGF of the value of the underlying loans and receivables, prepared according to a discounted-cash-flow model based on expected recoveries formulated by the special servicers. The remaining commitment to the Voluntary Scheme is €0.1 million and will be used, only if necessary, to cover the operating costs relating to managing the intervention (for further details refer to Part A - Accounting Policies of the Notes to the Consolidated Accounts).

Hedging instruments

(Amounts in € thousand)

	AMOUNTS AS AT		CHANGES	
	12.31.2017	12.31.2016	AMOUNT	%
Asset hedging derivatives - positive valuations	400	-	400	n.c.
Liability hedging derivatives - positive valuations	58	552	(494)	-89.5%
Adjustment to the value of assets under macro-hedge	9,590	8,659	931	10.8%
Total assets	10,048	9,211	837	9.1%
of which:				
Positive valuations	499	452	47	10.4%
Accrued interest	(41)	100	(141)	-141.0%
Adjustments to the value of hedged assets	9,590	8,659	931	10.8%
Total assets	10,048	9,211	837	9.1%
Asset hedging derivatives - negative valuations	9,568	10,914	(1,346)	-12.3%
Liability hedging derivatives - negative valuations	3,126	-	3,126	n.c.
Adjustment to the value of assets under macro-hedge	(3,772)	457	(4,229)	-925.4%
Total liabilities	8,922	11,371	(2,449)	-21.5%
of which:				
Negative valuations	13,902	11,274	2,628	23.3%
Accrued interest	(1,208)	(360)	(848)	235.6%
Adjustments to the value of hedged liabilities	(3,772)	457	(4,229)	-925.4%
Total liabilities	8,922	11,371	(2,449)	-21.5%

(Amounts in € thousand)

Summary of hedging derivative valuations 12.31.2017	Assets	Liabilities	Difference
Valuation of hedging derivatives for assets and liabilities	499	13,902	(13,403)
Change in fair value of hedged assets/liabilities	9,590	(3,772)	13,362
Total	10,089	10,130	(41)

Hedged assets as at December 31, 2017 consisted of mortgages with customers and bonds issued by UniCredit belonging to the "Loans and Receivables".

Hedged liabilities consisted of direct deposits.

Positive and negative valuations of hedging derivatives related solely

to derivative contracts that the Bank has entered into to hedge against interest rate risk inherent in the above-mentioned assets and liabilities, whose income statement effect, net of €1.2 million of accrued interest income included in the net interest margin, was a negative amount of €41 thousand.

Property, plant and equipment

As in previous financial years, investments in electronic equipment were made to guarantee the ongoing update of the hardware used by all the Bank's departments. In particular, during 2017 the storage for the technological infrastructure of FinecoBank's legacy systems was

replaced, obtaining greater processing power, which is significantly better performing and has innovative technological features and lower hardware maintenance costs.

Investments in furniture, fittings and equipment are primarily intended for use in new financial stores.

(Amounts in € thousand)

PROPERTY, PLANT AND EQUIPMENT	BALANCE 12.31.2016	INVESTMENTS YEAR 2017	OTHER CHANGES AND SALES YEAR 2017	AMORTISATION AND IMPAIRMENT YEAR 2017	BALANCE 12.31.2017
Properties	2,397	20	-	(113)	2,304
Electronic equipment	9,560	4,748	(764)	(3,746)	9,798
Office furniture and fittings	1,131	1,579	3	(1,233)	1,480
Plant and machinery	1,363	737	-	(477)	1,623
Total	14,451	7,084	(761)	(5,569)	15,205

Goodwill

The **Goodwill** recognised in the financial statements derives from transactions carried out in the years from 2001 to 2008, involving acquisitions and mergers by absorption of business units and businesses engaged in trading operations or the distribution of financial, banking and insurance products through the personal financial advisors (Fineco On Line Sim S.p.A., Trading and Banking business unit of Banca della Rete, personal financial advisors business unit of the former FinecoGroup S.p.A., and UniCredit Xelion Banca S.p.A.).

These activities have been fully integrated with the Bank's ordinary operations. As a result it is no longer possible to isolate the contribution of each company/business division from the Bank's overall income; this means that to establish the reasonableness of the value of goodwill recognised in the financial statements it is necessary to take account of the Bank's comprehensive income. The cash generating unit (CGU) is therefore the Bank as a whole.

In fact, in view of the specific business model adopted by the Bank, which envisages a high level of integration between personal financial advisors and the trading and banking platform, the allocation of costs/

revenues to the macro areas of activity is not considered relevant or meaningful; the personal financial advisors network is an integral part of the overall offer, along with banking, brokerage and investing services.

Impairment testing on goodwill, performed on December 31, 2017, did not identify any impairment. For all other information on the impairment testing, see Part B) - Balance Sheet Information in the Notes to the Consolidated Accounts.

Other intangible assets

Other intangible assets mainly include purchases and the implementation of information technology procedures with useful lives of several years, required in order to manage the development and ongoing provision by the Bank of new and more versatile high-added-value services for customers, as well as infrastructure and application optimisations, enhancements to architecture for application security, and the developments needed to meet the new regulatory requirements.

(Amounts in € thousand)

INTANGIBLE ASSETS	BALANCE 12.31.2016	INVESTMENTS YEAR 2017	OTHER CHANGES AND SALES YEAR 2017	AMORTISATION AND IMPAIRMENT YEAR 2017	BALANCE 12.31.2017
Software	6,834	4,705	-	(4,458)	7,081
Other intangible assets	897	273	-	(342)	828
Total	7,731	4,978	-	(4,800)	7,909

Main balance sheet aggregates (CONTINUED)

Tax Assets and Other Assets

(Amounts in € thousand)

	AMOUNTS AS AT		CHANGES	
	12.31.2017	12.31.2016	AMOUNT	%
Tax assets				
Current assets	1,765	1,571	194	12.3%
Deferred tax assets	32,927	36,660	(3,733)	-10.2%
Deferred tax assets pursuant to Law 214/2011	3,828	4,180	(352)	-8.4%
<i>Total before IAS 12 offsetting</i>	<i>38,520</i>	<i>42,411</i>	<i>(3,891)</i>	<i>-9.2%</i>
Offsetting with deferred tax liabilities - IAS 12	(29,271)	(29,246)	(25)	0.1%
Total Tax assets	9,249	13,165	(3,916)	-29.7%
Other assets				
Items in processing	99	27	72	266.7%
Items awaiting settlement	4,498	11,558	(7,060)	-61.1%
Definitive items not recognised under other items	25,617	42,213	(16,596)	-39.3%
Current receivables not related with the provision of financial services	4,721	2,290	2,431	106.2%
Tax items other than those included in the item "Tax assets"	249,443	250,077	(634)	-0.3%
Deferred charges	22,143	22,754	(611)	-2.7%
Improvement and incremental expenses incurred on leasehold assets	6,774	7,262	(488)	-6.7%
Other items	2,120	119	2,001	1681.5%
Total other assets	315,415	336,300	(20,885)	-6.2%

The decrease in "Tax assets" of €3.9 million is due mainly to the reduction in "Deferred Tax Assets" of around €3.8 million, resulting from the use of the provisions for risks and charges and the use of provisions for staff expenses.

Deferred tax assets have also been recognised on the losses made by Fineco AM Limited, totalling €0.02 million, resulting - as operations have not yet begun - from initial operating costs incurred as at December 31, 2017.

"Deferred tax assets" are shown in the balance sheet net of the related "Deferred tax liabilities", when the requirements of IAS 12 are met.

With regard to **Other assets** there was a decrease of €7 million in "Items awaiting settlement" and of €16.6 million in "Definitive items not recognised under other items".

Deposits from banks

(Amounts in € thousand)

	AMOUNTS AS AT		CHANGES	
	12.31.2017	12.31.2016	AMOUNT	%
Deposits from central banks	-	-	-	-
Deposits from banks				
Current accounts and demand deposits	42,756	52,309	(9,553)	-18.3%
Loans				
Reverse repos	868,651	1,058,565	(189,914)	-17.9%
Other liabilities	14,594	232	14,362	n.c.
Total	926,001	1,111,106	(185,105)	-16.7%

The item "Current accounts and demand deposits" consisted of reciprocal current accounts and loans with UniCredit, amounting to €6.1 million (€49.4 million as at December 31, 2016), as well as current accounts opened by customer banks worth €36.7 million.

"Repos" are represented by repos and securities lending transactions guaranteed by sums of money readily available to the lender and which are basically the equivalent of repos on securities. The item included

€764.4 million in transactions effected with UniCredit (€977.8 million as at December 31, 2016) and €40.3 million of securities lending transactions guaranteed by cash carried out with UniCredit Bank AG Monaco (€6.6 million as at December 31, 2016).

The item "Other liabilities" included margin variations received for trading in derivatives and repos, of which €13.3 million with UniCredit S.p.A..

Deposits from customers

Deposits from customers, mainly consisting of current accounts, totalled €20.205 million, up 7.5% compared to December 31, 2016.

(Amounts in € thousand)

	AMOUNTS AS AT		CHANGES	
	12.31.2017	12.31.2016	AMOUNT	%
Current accounts and demand deposits	19,935,285	18,319,307	1,615,978	8.8%
Time deposits	9,631	159,124	(149,493)	-93.9%
Loans				
Repos	146,410	231,376	(84,966)	-36.7%
Other liabilities	113,710	91,266	22,444	24.6%
Deposits from customers	20,205,036	18,801,073	1,403,963	7.5%

There was an increase of €1,616 million in the cash deposited in current accounts, which was also driven by the transfer of maturing Cash Park time deposits.

“Repos” are represented by securities lending transactions with retail and institutional customers guaranteed by sums of money readily available to the lender and which are basically the equivalent of repos on securities.

The item “Other payables” comprises current payables related to the provision of financial services, totalling €39 million (€28.1 million as at December 31, 2016), initial and variance margins for derivative transactions, which came to €44.9 million (€38.5 million as at December 31, 2016) and other liabilities for rechargeable credit cards and bankers’ drafts, amounting to €29.8 million (€24.7 million at December 31, 2016).

Financial liabilities held for trading

Financial liabilities held for trading consist of:

- technical overdrafts classified as HFT used for the operational

hedging of CFD positions on shares open with customers, amounting to €0.4 million, and intended to be traded in the short term;

- the negative valuation of spot contracts for securities in the HFT portfolio and currencies to be settled in time frames established by market practices (“regular way”) of around €1.7 million, which correspond to positive valuations booked under item 20 “Financial assets held for trading”;
- the negative valuation of CFDs on indices, shares and interest rates and futures on indices and interest rates and of CFDs on Forex for €0.6 million.

CFDs are “Over the counter” derivative contracts that require the payment of a spread generated by the difference between the opening and closing price of the financial instrument. The bank in operational terms covers the imbalance of customer positions, by underwriting futures or the purchase/sale of equity securities on the same underlyings, or through Forex transactions with institutional counterparties to hedge CFD transactions in open currencies with customers’ currency.

Main balance sheet aggregates (CONTINUED)

Provisions for risks and charges

Provisions for risks and charges include allowances for a total of €112.4 million, for which, given a liability of uncertain amount and expiry, a current obligation was identified as the result of a past event and it was possible to make a reliable estimate of the amount resulting from the fulfilment of said obligation. The disbursements, with estimated maturity exceeding 18 months, were discounted to present value using a rate equal to the time value of money.

“Staff expenses” include the provisions made for the variable remuneration to be paid to employees in subsequent years, which have an uncertain due date and/or amount. This item at December 31, 2016 also included the estimated integration costs for the Bank in relation to the Business Plan of the UniCredit group. In 2017, following the signing of the agreement of February 4, 2017, these costs recognised in “Other liabilities” for the part relating to the subscriptions accepted, while the non-accepted subscriptions were reclassified through profit or loss.

(Amounts in € thousand)

	AMOUNTS AS AT		CHANGES	
	12.31.2017	12.31.2016	AMOUNT	%
Legal disputes	31,056	33,699	(2,643)	-7.8%
- Pending cases	25,525	26,673	(1,148)	-4.3%
- Complaints	5,531	7,026	(1,495)	-21.3%
Staff expenses	5,690	10,043	(4,353)	-43.3%
Other	75,668	68,014	7,654	11.3%
- Supplementary customer indemnity provision	64,983	56,054	8,929	15.9%
- Provision for contractual payments and payments under non-competition agreements	2,311	2,184	127	5.8%
- Tax disputes	3,931	4,078	(147)	-3.6%
- Other provisions	4,443	5,698	(1,255)	-22.0%
Total provisions for risks and charges	112,414	111,756	658	0.6%

Tax liabilities and Other liabilities

(Amounts in € thousand)

	AMOUNTS AS AT		CHANGES	
	12.31.2017	12.31.2016	AMOUNT	%
Tax liabilities				
Current liabilities	10,234	10,048	186	1.9%
Deferred tax liabilities	29,271	29,246	25	0.1%
<i>Total before IAS 12 offsetting</i>	<i>39,505</i>	<i>39,294</i>	<i>211</i>	<i>0.5%</i>
Offset against deferred tax liabilities - IAS 12	(29,271)	(29,246)	(25)	0.1%
Total Tax liabilities	10,234	10,048	186	1.9%
Other liabilities				
Items in processing	481	1,521	(1,040)	-68.4%
Items awaiting settlement	91,869	59,164	32,705	55.3%
Definitive items not recognised under other items	42,724	14,504	28,220	194.6%
Payment authorisations	19,068	20,480	(1,412)	-6.9%
Payables for share-based payments or shares of the Parent Company UniCredit	938	957	(19)	-2.0%
Payables to employees and other personnel	11,378	7,259	4,119	56.7%
Payables to Directors and statutory auditors	148	140	8	5.7%
Current payables not related with the provision of financial services	23,690	18,941	4,749	25.1%
Tax items other than those included in the item “Tax liabilities”	116,515	103,467	13,048	12.6%
Social security contributions payable	6,845	5,944	901	15.2%
Illiquid items for portfolio transactions	18,097	18,486	(389)	-2.1%
Other items	6,534	981	5,553	566.1%
Provisions for employee severance pay	4,998	5,253	(255)	-4.9%
Total Other Liabilities	343,285	257,097	86,188	33.5%

“Tax liabilities” before and after IAS 12 offsetting did not show any significant changes.

It is also noted that, when the requirements of IAS 12 are met, the “Deferred tax liabilities” are offset against “Deferred tax assets” in the balance sheet.

With regard to the **Other liabilities** there was:

- an increase of €32.7 million in “Items awaiting settlement” mainly attributable to outgoing bank transfers and POS transactions to be settled;
- an increase of €13 million in “Tax items other than those included in the item Tax liabilities”, as a result of higher payables for stamp duty, substitute tax on assets under management, and recognition of the VAT split payment to be made;
- an increase of €28.2 million in “Definitive items not recognised under other items”, mainly due to the increase in transactions in securities and dividends to be settled.

The liabilities of Fineco AM Limited, equal to €0.1 million, were recognised in “Current payables not associated with the provision of financial services” and referred to payables for initial operating costs incurred.

Shareholders' equity

As at December 31, 2017, the Bank's share capital came to €200.5 million, divided into 607,713,345 ordinary shares with a par value of €0.33 each.

The reserves consisted of the:

- Share premium reserve, amounting to €1.9 million;
- Legal reserve, amounting to €40.1 million;
- Extraordinary reserve, amounting to €251.4 million;
- Reserve for treasury shares held, amounting to €0.4 million;
- Reserve related to equity-settled plans, amounting to €32.1 million.

On February 7, 2017, in view of the positive outcome of the verification of the entry conditions (at Bank level and Group level, where applicable) and the individual conditions (compliance of conduct and continued employment) and the favourable opinion provided by the Remuneration and Appointments Committee in its meeting of February 2, 2017, the Board of Directors approved:

- for the “Group Executive Incentive System - Bonus Pool 2014” plan: a free capital increase, for a total amount of €5,237.76 corresponding to a total of 15,872 FinecoBank ordinary shares with a nominal value of €0.33 each;

- for the “2014-2017 Top Management Multi-Year Plan”: a free capital increase, for a total amount of €208,180.50 corresponding to a total of 630,850 FinecoBank ordinary shares with a nominal value of €0.33 each;

- for the “2014 Key People Plan”: a free capital increase, for a total amount of €86,191.71 corresponding to a total of 261,187 FinecoBank ordinary shares with a nominal value of €0.33 each;

In view of the above capital increases, the reserves from allocation of profit from previous years were reduced accordingly.

The Shareholders' Meeting of FinecoBank held on April 11, 2017 approved the allocation of profit for the year 2016, amounting to €211.8 million, as follows:

- €0.06 million to the Legal Reserve, corresponding to 0.03% of the profit for the year, having reached the limit of a fifth of the share capital;
- €41.6 million to the Extraordinary Reserve;
- €170.2 million to shareholders, corresponding to a dividend of €0.28 for each of the 607,713,345 ordinary shares with a par value of €0.33 euro.

The amount pertaining to the dividends not distributed to treasury shares held by the Bank at the record date was diverted to the Extraordinary Reserve, equal to €0.2 million.

The “Reserve related to equity-settled plans” was increased by around €8.1 million, due to the recognition during the year of the income statement and balance sheet effects of the payment plans based on FinecoBank ordinary shares during the vesting period for the instruments, and was used in the amount of €4.1 million following the allocation of FinecoBank ordinary shares to the Bank's Personal Financial Advisors and Network Managers under the second tranche of the stock granting “2014 PFA Plan” as resolved by the Board of Directors on July 31, 2017.

As at December 31, 2017, the Bank held 60,397 treasury shares, corresponding to 0.01% of the share capital, for an amount of €0.4 million. A total of 1,408,834 shares were purchased in 2015 in relation to the “2014 PFA Plan” stock-granting plan for Fineco personal financial advisors and network managers, and a total of 31,519 were purchased in the first quarter of 2017 in relation to the “2016 PFA Plan” for personal financial advisors identified as “Key personnel” in accordance with what was authorised by the Fineco Ordinary Shareholders' Meeting on April 12, 2016. In implementation of the “2014 PFA Plan”, during FY2016 and FY2017, Personal Financial Advisors and Network Managers were allocated, respectively, 694,509 shares and 685,447 shares.

The Bank does not hold shares of its Parent Company, even through other companies or third parties.

Main balance sheet aggregates (CONTINUED)

The Revaluation reserves consisted of:

- €4.9 million from the net positive reserve for debt securities issued by central governments of EU member countries, held in the “Available-for-sale financial assets” portfolio, which increased by €0.2 million in 2017, of which €1.8 million relating to the increase in fair value and -€1.6 million relating to the reclassification through profit or loss of gains.
- -€1.5 million from the net negative reserve for debt securities, other than those mentioned above, comprising United States debt securities held in the “Available-for-sale financial assets” portfolio, which increased by €0.2 million in 2017 as a result of the increase in fair value;
- €1.2 million from the positive reserve for equity instruments held in the “Available-for-sale financial assets” portfolio, relating exclusively

to the change in the fair value of the Visa INC class “C” preferred shares in 2017, equal to €0.9 million;

- -€9.8 million from the IAS19 Negative reserve, which increased by €3.4 million in 2017 as a result of the recognition of actuarial losses mainly attributable to the Supplementary customer indemnity provision;
- -€3.1 million from the net negative reserve for debt securities issued by central governments of EU member countries, transferred from the “Available-for-sale financial assets” portfolio to the “Held-to-maturity investments” portfolio in 2016, which saw an increase of €0.6 million in 2017 due to the reclassification through profit or loss of the reserve for the year as a result of the maturity of each security reclassified.

Shareholders' equity

(Amounts in € thousand)

	AMOUNTS AS AT		CHANGES	
	12.31.2017	12.31.2016	AMOUNT	%
Share capital	200,545	200,246	299	0.1%
Share premium reserve	1,934	1,934	-	-
Reserves				
- Legal reserve	40,109	40,049	60	0.1%
- Extraordinary reserve	251,367	205,860	45,507	22.1%
- Treasury shares reserve	365	4,338	(3,973)	-91.6%
- Other reserves	32,091	28,160	3,931	14.0%
(Treasury Shares)	(365)	(4,338)	3,973	-91.6%
Revaluation reserves	(8,340)	(6,794)	(1,546)	22.8%
Net Profit (Loss) for the year	214,120	211,844	2,276	1.1%
Total	731,826	681,299	50,527	7.4%

Reconciliation between Shareholders' equity and net profit/(loss) for the year of FinecoBank and corresponding consolidated figures

(Amounts in € thousand)

DESCRIPTION	SHAREHOLDERS' EQUITY	OF WHICH: NET PROFIT (LOSS) AS AT 12.31.2017
FinecoBank results as at December 31, 2017	731,990	214,284
Effect of consolidation of Fineco AM Limited (loss)	(164)	(164)
Shareholders' equity and profit attributable to minorities	-	-
Results attributable to the group as at December 31, 2017	731,826	214,120

Own funds and prudential requirements

The Bank is not required to prepare the disclosure relating to own funds and regulatory ratios on consolidated basis as it is part of the UniCredit banking group.

Therefore, please refer to the section on the results of the parent FinecoBank and the associated information on individual own funds and regulatory ratios as set out in this Consolidated Report on Operations.

Shareholders

As at December 31, 2017, the fully subscribed and paid up share capital totalled €200,545,403.85, divided into 607,713,345 ordinary shares with a nominal value of €0.33.

As at December 31, 2017, the major shareholders were:

MAJOR SHAREHOLDERS	% OWNED
UniCredit S.p.A	35.426%
BlackRock Inc.	5.067%
Wellington Management Group LLP	4.879%

Income Statement Figures

(Amounts in € thousand)

INCOME STATEMENT FIGURES	YEAR		CHANGES	
	2017	2016	AMOUNT	%
Net interest	264,581	249,388	15,193	6.1%
Dividends and other income from equity investments	29	6	23	383.3%
Net fee and commission income	270,083	242,881	27,202	11.2%
Net trading, hedging and fair value income	48,219	69,054	(20,835)	-30.2%
Net other expenses/income	3,760	(2,211)	5,971	n.c.
OPERATING INCOME	586,672	559,118	27,554	4.9%
Payroll costs	(79,294)	(73,698)	(5,596)	7.6%
Other administrative expenses	(236,945)	(228,119)	(8,826)	3.9%
Recovery of expenses	93,367	85,395	7,972	9.3%
Impairment/write-backs on intangible and tangible assets	(10,369)	(9,952)	(417)	4.2%
Operating costs	(233,241)	(226,374)	(6,867)	3.0%
OPERATING PROFIT (LOSS)	353,431	332,744	20,687	6.2%
Net impairment losses on loans provisions for guarantees and commitments	(5,151)	(4,199)	(952)	22.7%
NET OPERATING PROFIT (LOSS)	348,280	328,545	19,735	6.0%
Provisions for risks and charges	(19,025)	(9,981)	(9,044)	90.6%
Integration costs	408	(5,503)	5,911	n.c.
Net income from investments	(13,399)	(6,724)	(6,675)	99.3%
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	316,264	306,337	9,927	3.2%
Income tax for the year	(102,144)	(94,493)	(7,651)	8.1%
NET PROFIT (LOSS) AFTER TAX FROM CONTINUING OPERATIONS	214,120	211,844	2,276	1.1%
PROFIT (LOSS) FOR THE YEAR	214,120	211,844	2,276	1.1%
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP	214,120	211,844	2,276	1.1%

Net interest

Net interest for 2017 amounted to €264.6 million, up by 6.1% on the same period of the previous year, due to the increase in sales volume and the greater penetration of lending activities, which offset the fall in interest income linked to the decline in market interest rates.

In this regard it should be noted that the structure of the investments carried out by the Bank contributed to maintaining a significant level of interest income resulting from the investment of deposits, even against a backdrop of significant reduction of credit spreads and market interest rates. The average lending rate for the investment of all deposits amounted to 1.28% compared to 1.39% in 2016.

(Amounts in € thousand)

INTEREST INCOME	YEAR		CHANGES	
	2017	2016	AMOUNT	%
Financial Assets held for trading	1	1	-	0.0%
Available-for-sale financial assets	8,505	20,658	(12,153)	-58.8%
Held to Maturity Investments	23,066	1,575	21,491	1364.5%
Loans and receivables with banks	188,853	198,814	(9,961)	-5.0%
Loans and receivables with customers	41,029	29,109	11,920	40.9%
Hedging derivatives	8,215	3,080	5,135	166.7%
Other assets	77	69	8	11.6%
Total interest income	269,746	253,306	16,440	6.5%

(Amounts in € thousand)

INTEREST EXPENSE	YEAR		CHANGES	
	2017	2016	AMOUNT	%
Deposits from banks	3,070	3,006	64	2.1%
Deposits from customers	(8,235)	(6,924)	(1,311)	18.9%
Total interest expense	(5,165)	(3,918)	(1,247)	31.8%
Net interest	264,581	249,388	15,193	6.1%

The following table provides a breakdown of interest income associated with banks and customers:

(Amounts in € thousand)

BREAKDOWN OF INTEREST INCOME	YEAR		CHANGES	
	2017	2016	AMOUNT	%
Interest income on loans and receivables with banks	188,853	198,814	(9,961)	-5.0%
- current accounts	4,107	3,042	1,065	35.0%
- reverse repos	-	385	(385)	-100.0%
- time deposit for compulsory reserves	-	16	(16)	-100.0%
- time deposits	(1,162)	1,224	(2,386)	-194.9%
- other loans	(121)	(70)	(51)	72.9%
- debt securities	186,029	194,217	(8,188)	-4.2%
Interest income on loans and receivables with customers	41,029	29,109	11,920	40.9%
- current accounts	7,575	5,843	1,732	29.6%
- reverse repos	9,624	6,649	2,975	44.7%
- mortgages	3,719	-	3,719	n.c.
- credit cards	4,695	4,516	179	4.0%
- personal loans	15,570	12,149	3,421	28.2%
- other loans	(154)	(48)	(106)	220.8%

Interest income on loans and receivables with banks amounted to €188.9 million, down 5% on the previous year. The decrease was attributable to lower interest on time deposits of €2.4 million, and lower interest on debt securities of €8.2 million, due to the reduction in volumes and the trend in market interest rates.

Interest income on loans and receivables with customers amounted to €41 million, showing an increase of 40.9% compared to the previous year thanks to higher interest on mortgages, personal loans, usage of current account overdrafts and "Multiday leverage" transactions, due to the increase in volumes.

The following table provides a breakdown of interest expense related to banks and customers:

(Amounts in € thousand)

BREAKDOWN OF INTEREST EXPENSE	YEAR		CHANGES	
	2017	2016	AMOUNT	%
Interest expense on deposits from banks	3,070	3,006	64	2.1%
- current accounts	(591)	(213)	(378)	177.5%
- demand and collateral deposits	36	68	(32)	-47.1%
- other loans	(22)	(19)	(3)	15.8%
- reverse repos	3,647	3,170	477	15.0%
Interest expense on deposits from customers	(8,235)	(6,924)	(1,311)	18.9%
- current accounts	(8,342)	(4,777)	(3,565)	74.6%
- collateral deposits	-	(5)	5	-100.0%
- time deposits	(137)	(1,839)	1,702	-92.6%
- reverse repos	244	(303)	547	n.c.

Interest expense on deposits from banks was €3,1 million and showed no significant changes compared to the previous year.

Interest expense on deposits from customers came to €8.2 million, up €1.3 million over 2016, as a result of the higher interest on current accounts, offset by lower interest on "Cash Park" time

deposits, where volumes fell as existing deposits gradually reached maturity and the Bank no longer offers this service. The increase in current account interest is attributable to the growth of the USD Libor rate, which is used to remunerate customer current accounts in dollars, and the higher interest expense paid to customers as a result of marketing campaigns.

Income Statement Figures (CONTINUED)

Income from brokerage and other income

(Amounts in € thousand)

	YEAR		CHANGES	
	2017	2016	AMOUNT	%
Net interest	264,581	249,388	15,193	6.1%
Dividends and other income from equity investments	29	6	23	383.3%
Net fee and commission income	270,083	242,881	27,202	11.2%
Net trading, hedging and fair value income	48,219	69,054	(20,835)	-30.2%
Net other expenses/income	3,760	(2,211)	5,971	n.c.
Operating income	586,672	559,118	27,554	4.9%

Net fee and commission income

(Amounts in € thousand)

MANAGEMENT RECLASSIFICATION	YEAR		CHANGES	
	2017	2016	AMOUNT	%
Management, brokerage and consulting services:				
1. securities trading and order collection	75,737	78,334	(2,597)	-3.3%
2. custody and administration of securities	(3,613)	(3,162)	(451)	14.3%
3. placement and management of managed asset products	155,339	141,860	13,479	9.5%
4. investment advisory services	48,190	35,479	12,711	35.8%
5. distribution of other products	(416)	(196)	(220)	112.2%
Collection and payment services	7,087	2,736	4,351	159.0%
Holding and management of current/deposit accounts	(463)	29	(492)	-1696.6%
Other fee expense personal financial advisers	(25,340)	(19,510)	(5,830)	29.9%
Securities lending	3,915	1,916	1,999	104.3%
Other services	9,647	5,395	4,252	78.8%
Total net fee and commission income	270,083	242,881	27,202	11.2%

Net fee and commission income amounted to €270.1 million, increasing by 11.2% compared to the previous year mainly due to:

- higher commissions for investment advisory services (+35.8%), thanks to the continuous growth of Guided products & services;
- higher commissions for the placement and management of managed asset products (+9.5%), thanks mainly to the increase in assets under management;
- higher commissions for collection and payment services (+159%), mainly related to transactions with credit and debit cards;
- higher commissions for other services (78.8%), relating in particular to the introduction of the annual fee on credit cards;
- higher commissions on securities lending transactions (+104.3%), thanks to the growth in volumes;

partially offset by:

- greater fee and commission expense paid to personal financial advisers (+29.9%);
- lower commissions for securities trading and order collection (-3.3%), due to the general reduction in orders executed compared to the previous year.

The commissions for securities lending include the income component relating to the service provided (received) for the provision of the security both for transactions with guarantee consisting of cash and for transactions with guarantee consisting of other securities. In order to assess the transaction as a whole, the income component recognised within the net interest margin must also be taken into account.

Net trading, hedging and fair value income was mainly generated by gains realised from the internalisation of securities and CFDs, financial instruments used for operational hedging of CFDs and the exchange differences on assets and liabilities denominated in currency; it was down €20.8 million (-30.2%) compared to the previous year. In this regard, it is noted that during 2016 gains were recognised in relation to the sale of government securities recorded in the "Available-for-sale financial assets" portfolio and the sale of the investment in Visa Europe Limited, totalling around €20 million, without which the *Net trading, hedging and fair value income* recorded in 2017 would not have changed significantly.

Net other expenses/income showed income of €3.8 million, up €6 million compared to the previous year thanks mainly to the sale of UniCredit bonds for a nominal amount of \$100 million, which generated a gain on disposal of €4 million (for further details refer to

the point “Main balance sheet aggregates - Loans and receivables with banks” in this Consolidated Report on Operations) and to lower costs for settlement agreements and claims.

Operating costs

(Amounts in € thousand)

BREAKDOWN OF OPERATING COSTS	YEAR		CHANGES	
	2017	2016	AMOUNT	%
Payroll costs	(79,294)	(73,698)	(5,596)	7.6%
Other administrative expenses	(236,945)	(228,119)	(8,826)	3.9%
Recovery of expenses	93,367	85,395	7,972	9.3%
Impairment/write-backs on intangible and tangible assets	(10,369)	(9,952)	(417)	4.2%
Total operating costs	(233,241)	(226,374)	(6,867)	3.0%

Staff expenses amounted to €79.3 million, up 7.6% compared to 2016.

(Amounts in € thousand)

PAYROLL COSTS	YEAR		CHANGES	
	2017	2016	AMOUNT	%
1) Employees	(77,872)	(72,611)	(5,261)	7.2%
- wages and salaries	(52,734)	(49,621)	(3,113)	6.3%
- social security contributions	(13,927)	(13,061)	(866)	6.6%
- provision for employee severance pay	(912)	(918)	6	-0.7%
- allocation to employee severance pay provision	(98)	(106)	8	-7.5%
- payment to supplementary external pension funds:				
a) defined contribution	(3,082)	(2,861)	(221)	7.7%
- costs related to share-based payments*	(2,739)	(3,471)	732	-21.1%
- other employee benefits	(4,380)	(2,573)	(1,807)	70.2%
2) Other staff	-	-	-	n.c.
3) Directors and statutory auditors	(1,291)	(1,136)	(155)	13.6%
4) Early retirement costs	-	-	-	n.c.
5) Recovery of expenses for employees seconded to other companies	232	267	(35)	-13.1%
6) Recovery of expenses for employees seconded to the company	(363)	(218)	(145)	66.5%
Total staff expenses	(79,294)	(73,698)	(5,596)	7.6%

(*) Note that item “costs related to share-based payments” includes the costs incurred by the Bank for payments involving financial instruments issued by FinecoBank and financial instruments issued by UniCredit S.p.A..

Income Statement Figures (CONTINUED)

(Amounts in € thousand)

OTHER ADMINISTRATIVE EXPENSES AND RECOVERY OF EXPENSES	YEAR		CHANGES	
	2017	2016	AMOUNT	%
1) INDIRECT TAXES AND DUTIES	(98,543)	(90,568)	(7,975)	8.8%
2) MISCELLANEOUS COSTS AND EXPENSES				
A) Advertising expenses - Marketing and communication	(16,041)	(16,840)	799	-4.7%
Mass media communications	(11,420)	(12,340)	920	-7.5%
Marketing and promotions	(4,488)	(4,251)	(237)	5.6%
Sponsorships	(95)	(182)	87	-47.8%
Conventions and internal communications	(38)	(67)	29	-43.3%
B) Expenses related to credit risk	(1,586)	(1,403)	(183)	13.0%
Credit recovery expenses	(457)	(520)	63	-12.1%
Commercial information and company searches	(1,129)	(883)	(246)	27.9%
C) Expenses related to personnel	(26,167)	(28,851)	2,684	-9.3%
Personnel training	(479)	(320)	(159)	49.7%
Car rental and other staff expenses	(84)	(75)	(9)	12.0%
Personal financial adviser expenses	(25,003)	(27,822)	2,819	-10.1%
Travel expenses	(534)	(564)	30	-5.3%
Premises rentals for personnel	(67)	(70)	3	-4.3%
D) ICT expenses	(32,079)	(31,501)	(578)	1.8%
Lease of ICT equipment and software	(2,467)	(3,017)	550	-18.2%
Software expenses: lease and maintenance	(8,092)	(6,847)	(1,245)	18.2%
ICT communication systems	(5,723)	(5,078)	(645)	12.7%
ICT services: external personnel/outsourced services	(6,723)	(7,416)	693	-9.3%
Financial information providers	(9,074)	(9,143)	69	-0.8%
E) Consultancies and professional services	(4,247)	(2,641)	(1,606)	60.8%
Consultancy on ordinary activities	(2,665)	(1,578)	(1,087)	68.9%
Consultancy for one-off regulatory compliance projects	(86)	-	(86)	n.c.
Consultancy for strategy, business development and organisational optimisation	(385)	(216)	(169)	78.2%
Legal expenses	(61)	(25)	(36)	144.0%
Legal disputes	(1,050)	(822)	(228)	27.7%
F) Real estate expenses	(19,373)	(19,793)	420	-2.1%
Real estate services	(720)	(801)	81	-10.1%
Repair and maintenance of furniture, machinery, and equipment	(200)	(459)	259	-56.4%
Maintenance of premises	(1,379)	(1,491)	112	-7.5%
Premises rentals	(14,387)	(14,289)	(98)	0.7%
Cleaning of premises	(509)	(495)	(14)	2.8%
Utilities	(2,178)	(2,258)	80	-3.5%
G) Other functioning costs	(36,036)	(32,796)	(3,240)	9.9%
Surveillance and security services	(347)	(412)	65	-15.8%
Postage and transport of documents	(3,396)	(3,428)	32	-0.9%
Administrative and logistic services	(18,772)	(16,160)	(2,612)	16.2%
Insurance	(3,923)	(3,630)	(293)	8.1%
Printing and stationery	(511)	(794)	283	-35.6%
Association dues and fees	(8,695)	(8,080)	(615)	7.6%
Other administrative expenses	(392)	(292)	(100)	34.2%
H) Adjustments of leasehold improvements	(2,873)	(3,726)	853	-22.9%
I) Recovery of costs	93,367	85,395	7,972	9.3%
Recovery of ancillary expenses	334	442	(108)	-24.4%
Recovery of taxes	93,033	84,953	8,080	9.5%
Total other administrative expenses and recovery of expenses	(143,578)	(142,724)	(854)	0.6%

Other administrative expenses net of Recovery of expenses came to €143.6 million, up €0.9 million compared to the previous year.

“Other functioning costs” increased due to higher call-centre costs, administrative activities relating to credit cards and the disbursement of mortgages, as did “Consultancies and professional services” and

“ICT expenses”, due to higher software and communication system maintenance costs, offset by lower “Expenses related to personnel” which were mainly attributable to lower costs for incentive plans for personal financial advisors, the reduction in “Advertising expenses - Marketing and communication” and lower “Adjustments of leasehold improvements”.

Fineco AM Limited’s Other administrative expenses amounted to

€0.1 million and referred - as operations have not yet begun - to initial operating costs incurred as at December 31, 2017.

Impairment/write-backs on intangible and tangible assets increased by €0.4 million, mainly due to the depreciation charged on electronic equipment, office furniture and fittings as a result of higher capital expenditure.

Profit/(loss) before tax from continuing operations

(Amounts in € thousand)

	YEAR		CHANGES	
	2017	2016	AMOUNT	%
Operating profit (loss)	353,431	332,744	20,687	6.2%
Net impairment losses on loans and provisions for guarantees and commitments	(5,151)	(4,199)	(952)	22.7%
Net operating profit (loss)	348,280	328,545	19,735	6.0%
Net provisions for risks and charges	(19,025)	(9,981)	(9,044)	90.6%
Integration costs	408	(5,503)	5,911	n.c.
Net income from investments	(13,399)	(6,724)	(6,675)	99.3%
Profit (loss) before tax from continuing operations	316,264	306,337	9,927	3.2%

Net write-downs of loans and provisions for guarantees and commitments came to €5.2 million, up €1 million compared to the previous year.

Net provisions for risks and charges amounted to €19 million, up 90.6% on €10 million recorded as at December 31, 2016., due to higher net provisions for legal disputes and claims. It is noted that in 2017 a number of improvements were made to the process of determining the best possible estimate of the legal expenses associated with litigation involving the Bank up until the date of their expected closure, which led to the recognition of an additional €1.5 million in provisions. Net provisions for risks and charges also include ordinary and additional contributions relating to the Deposit Guarantee Schemes (DGS) for 2017, net of adjustments relating to the 2015 and 2016 contributions, and the contribution to the Solidarity Fund, paid by the Bank for a total of €10.6 million, unchanged compared to the previous year.

In fact, under the new risk-based model for calculating DGS contributions, the quota contribution requested of each member is calculated according to the amount of deposits protected by it as at September 30 of each year, adjusted for the associated risk based on performance indicators, as per article 28, paragraph 2, of the bylaws of the Interbank Deposit Guarantee Fund. The Bank’s contribution for 2017, equal to €10.6 million, comprises the ordinary and additional contribution for 2017 (€9.5 million), the contribution to the Solidarity Fund (€2.3 million), net of the adjustment relating to the contributions paid for 2015 and 2016 (-€1.2 million).

Integration costs were positive as provisions from prior years were released due to the employee leaving plans not being taken up.

Net income from investments referred mainly to the loss from the partial de-recognition and write-down of the residual equity exposure to the Voluntary Scheme established by the Interbank Deposit Guarantee Fund for €12.9 million (€6.7 million write-down as at December 31, 2016), plus the losses arising from the plan to upgrade the technological infrastructure supporting FinecoBank’s legacy systems, which involved the replacement and therefore the sale of some storage acquired over prior years and not fully depreciated.

For further details relating to the loss from the de-recognition and write-down of the equity exposure to the Voluntary Scheme, refer to “Main balance sheet aggregates - Financial investments” in this Consolidated Report on Operations and Part A - Accounting Policies of the Notes to the Consolidated Accounts.

Profit before tax from continuing operations amounted to €316.3 million, up 3.2% compared to the previous year. Excluding non-recurring items recorded in 2017 and in 2016 as previously described, Net profit before tax from continuing operations increased by 9.8%.

This result was achieved thanks to the growth in **Net interest** (+6.1%) and **Net fee and commission income** (+11.2%), partially offset by higher **Operating costs** (+3%).

Income Statement Figures (CONTINUED)

Income tax for the period

(Amounts in € thousand)

BREAKDOWN OF TAXES FOR THE YEAR	YEAR		CHANGES	
	2017	2016	AMOUNT	%
Current IRES income tax charges	(82,939)	(76,889)	(6,050)	7.9%
Current IRAP corporate tax charges	(18,889)	(18,190)	(699)	3.8%
Adjustment to current tax of prior years	3,924	6,518	(2,594)	-39.8%
Total current tax	(97,904)	(88,561)	(9,343)	10.5%
Change in deferred tax assets	(3,098)	(5,086)	1,988	-39.1%
Change in deferred tax liabilities	(696)	(400)	(296)	74.0%
Total deferred tax liabilities	(3,794)	(5,486)	1,692	-30.8%
Gain from substitute tax exemption	(446)	(446)	-	-
Income tax for the period	(102,144)	(94,493)	(7,651)	8.1%

Current income taxes were calculated according to the legal provisions introduced by Legislative Decree no. 38 of February 28, 2005, issued following the incorporation of IAS/IFRS into Italian legislation and of Decree no. 48 of April 1, 2009, which established provisions for the implementation and coordination of tax requirements for IAS Adopter parties. Income tax for the year was driven by an increase in current tax of €3.9 million referring to the recalculation of taxes recognised in 2016 on the gain realised on the sale of the investment in VISA Europe. More specifically, based on the opinion given by the Italian Revenue Agency in early 2018 in response to a specific request submitted by the Bank, the recalculation of the taxes concerned the application of the participation exemption regime (PEX) which provides only 5% of the gain is subject to IRES tax.

Current taxes were determined applying an IRES income tax rate of 27.5% (24% ordinary rate and 3.5% additional rate for lenders) and an IRAP tax rate of 5.57% in Italy. As regards Fineco AM Limited, deferred tax assets were calculated at a rate of 12.5%, according to the currently applicable tax regime.

Law no. 2/2009 introduced the option, through the payment of a substitute tax, to recalculate the tax deductible amounts of goodwill. On the instructions of the Parent Company, in 2008 the Bank realigned

the goodwill recognised following the merger of UniCredit Xelion Sim into UniCredit Xelion Banca S.p.A.. The redeemed goodwill may be amortised off the books for an amount not exceeding one ninth for 2010 and one tenth from 2011 onwards. In 2008, the tax benefit expected from the future deductibility of off-the-book amortisation, corresponding to €4 million, was recognised in the accounts. A tenth of this amount will be recognised through profit or loss for each year of the tax deduction of tax-related amortisation of goodwill.

Net profit/(loss) for the year Net profit/(loss) attributable to the group

The **Net profit for the year** - which is the same as the net profit attributable to the group as Fineco AM Limited is 100% controlled by the Bank - amounted to €214.1 million, an increase of 1.1% on the previous year. Excluding non-recurring items in 2017 illustrated above, net profit for the year would have been €218.5 million, up 8.9% compared to the profit 2016, also excluding non-recurring items recognised in the year.

Results of the parent and the subsidiary

The parent: FinecoBank S.p.A.

The key figures, reclassified balance sheet and income statement are shown in comparison with 2016 and a statement on the results achieved by FinecoBank S.p.A. on individual basis. As stated in the "Introduction to the annual reports and accounts", FinecoBank assumed the role of parent company following the incorporation under Irish law of Fineco AM

Limited on October 26, 2017, and is required to present consolidated financial statements prepared in accordance with IFRS 10 as of the financial year ended December 31, 2017. As at December 31, 2017, Fineco AM Limited was not operational, therefore the consolidated and individual results of FinecoBank did not show any significant differences.

Key figures

Operating Structure

	DATA AS AT	
	12.31.2017	12.31.2016
No. Employees	1,119	1,086
No. Workers ⁽¹⁾	1,128	1,096
No. personal financial advisors	2,607	2,628
No. Financial shops ⁽²⁾	375	358

(1) Number of human resources: includes permanent employees, workers with atypical contracts, directors, and UniCredit Group employees seconded to FinecoBank, net of FinecoBank employees seconded to the Group.

(2) Number of operating financial shops: financial shops managed by the Bank and financial shops managed by personal financial advisors (Fineco Centers).

Profitability, productivity and efficiency ratios

(Amounts in € thousand)

	DATA AS AT	
	12.31.2017	12.31.2016
Net interest/Operating income	45.10%	44.60%
Income from brokerage and other income/Operating income	54.90%	55.40%
Income from brokerage and other income/Operating costs	138.19%	136.82%
Cost/income ratio	39.73%	41.63%
Operating costs/TFA	0.37%	0.39%
Cost of risk	33 bp	43 bp
CoR (incentive system)	40 bp	59 bp
ROE	39.50%	43.07%
Adjusted ROE	40.32%	40.82%
Return on assets	0.96%	1.01%
EVA (calculated on economic capital)	193,901	194,418
EVA (calculated on accounting capital)	165,293	162,974
RARORAC (calculated on economic capital)	56.61%	66.33%
RARORAC (calculated on accounting capital)	24.21%	24.99%
ROAC (calculated on economic capital)	62.56%	72.28%
ROAC (calculated on accounting capital)	31.39%	32.49%
Total sales to customers/Average resources	60,418	55,659
Total customer sales/(Average employees average PFAs)	18,014	16,240

Key

Income from brokerage and other income: Net fee and commission income, Net trading, hedging and fair value income and Net other expenses/income.

Cost/income ratio: Operating Costs divided by Operating Income. The Cost/income ratio as at December 31, 2016 was calculated by excluding the non-recurring items arising last year, equal to €15.3 million, from operating income.

Operating costs/TFA: ratio of operating costs to Total Financial Assets. The TFA used for the ratio is the average for the period, calculated as the average between the period-end balance and the balance as at the previous December 31.

Cost of risk: is the ratio of Net write-downs of loans and provisions for guarantees and commitments to Loans and receivables with customers (average of the balance at period end and the balance at December 31 of the previous year).

CoR (incentive system): is the ratio of Net write-downs of loans and Loans and receivables with customers (average of the balance at period end and the balance at December 31 of the previous year). The scope of the exposures excludes positions deriving from bonds and advances to personal financial advisors.

ROE: the denominator used to calculate this ratio is the average book shareholders' equity for the period (excluding dividends and any donations expected to be distributed and the revaluation reserves).

Adjusted ROE: ratio between net profit excluding non-recurring items and the average book shareholders' equity for the period (excluding dividends and any donations expected to be distributed and the revaluation reserves).

Return on assets: ratio of net profit after tax to total assets.

EVA (Economic Value Added): shows the firm's ability to create value; calculated as the difference between net operating profit and the figurative cost of the allocated capital. the latter was calculated using either the greater of the regulatory capital absorbed and the economic capital (in Fineco's case, the economic capital) or the book value of shareholders' equity.

RARORAC (Risk-adjusted Return on Risk adjusted Capital): the ratio between EVA (using either the greater of the regulatory capital absorbed and the economic capital or using the book value of shareholders' equity) and Allocated/Absorbed Capital and expresses, in percentage, the capacity to create value for unit of risk taken.

ROAC (Return on Allocated Capital): the ratio of Net Operating Profit and Allocated Capital. Allocated Capital means the greater of internally calculated capital based on shared UniCredit Group models (Economic Capital) and regulatory capital or using the book value of shareholders' equity.

For the calculation of EVA, RARORAC and ROAC indicators as at December 31, 2017, internal capital is that as at September 30, 2017, the latest available provided by the Parent Company.

Results of the parent and the subsidiary (CONTINUED)

The parent: FinecoBank S.p.A. (CONTINUED)

Main balance sheet figures

(Amounts in € thousand)

	AMOUNTS AS AT		CHANGES	
	2017	2016	AMOUNT	%
Loans receivable with ordinary customers ⁽¹⁾	1,798,520	813,589	984,931	121.1%
Total assets	22,340,391	20,986,376	1,354,015	6.5%
Direct deposits ⁽²⁾	19,940,715	18,509,497	1,431,218	7.7%
Assets under administration ⁽³⁾	47,243,837	41,685,609	5,558,228	13.3%
Total customer sales (direct and indirect)	67,184,552	60,195,106	6,989,446	11.6%
Shareholders' equity	731,990	681,299	50,691	7.4%

(1) Loans refer solely to loans granted to customers (current account overdrafts, credit cards, personal loans, mortgages and unsecured loans).

(2) Direct deposits include overdrawn current accounts, Supersave repos and the Cash Park deposit account.

(3) Assets under administration consist of products placed online or through the sales networks of FinecoBank.

Balance Sheet indicators

	DATA AS AT	
	12.31.2017	12.31.2016
Loans receivable with ordinary customers/Total assets	8.05%	3.88%
Loans and receivables with banks/Total assets	62.12%	74.98%
Financial assets/Total assets	26.34%	17.93%
Direct sales/Total liabilities and Shareholders' equity	89.26%	88.20%
Shareholders' equity (including profit)/Total liabilities and Shareholders' equity	3.28%	3.25%
Ordinary customer loans/Direct deposits	9.02%	4.40%

CREDIT QUALITY	FIGURES AS AT	
	12.31.2017	12.31.2016
Impaired loans/Loans receivable with ordinary customers	0.16%	0.45%
Non-performing loans/Loans receivable with ordinary customers	0.10%	0.33%
Coverage ⁽¹⁾ - Non-performing loans	91.70%	86.23%
Coverage ⁽¹⁾ - Unlikely to pay	76.53%	79.07%
Coverage ⁽¹⁾ - Impaired past-due exposures	53.69%	47.08%
Coverage ⁽¹⁾ - Total impaired loans	88.27%	83.64%

(1) Calculated as the ratio between the amount of impairment losses and gross exposure.

Own funds and capital ratios

	DATA AS AT	
	12.31.2017	12.31.2016
Total own funds (€ thousand)	484,960	438,121
Total risk-weighted assets (€ thousand)	2,335,013	1,909,713
Ratio - Common Equity Tier 1 Capital	20.77%	22.94%
Ratio - Tier 1 Capital	20.77%	22.94%
Ratio - Total Own Funds	20.77%	22.94%

	FIGURES AS AT	
	12.31.2017	12.31.2016
Tier 1 Capital (€ thousand)	484,960	438,121
Exposure for leverage (€ thousand)	8,555,862	5,302,244
Transitional leverage ratio	5.67%	8.26%

Own funds and capital ratios were determined applying the current Supervisory Regulations, in line with Basel III standards, including transitional adjustments. The figures shown include the profit for the year 2017 that will not be distributed, assuming the conditions established Article 26.2 of the EU Regulation 575/2013 (CRR) are satisfied.

The leverage ratio was calculated in accordance with EU Delegated

Regulation 2015/62 of October 10, 2014. As required by Circular No. 285 of the Bank of Italy, Part Two, Chapter 12, Section III Exercise of national discretion, exposures to the UniCredit group companies based in Italy and weighted at 0% pursuant to Article 113, par. 6 of the CRR have not been included in the calculation of total exposure, in accordance with Article 429 (7) of the CRR amended by the Delegated Regulation (EU) 2015/62.

Results of the parent and the subsidiary (CONTINUED)

The parent: FinecoBank S.p.A. (CONTINUED)

Condensed Accounts

Balance Sheet

(Amounts in € thousand)

ASSETS	AMOUNTS AS AT		CHANGES	
	12.31.2017	12.31.2016	AMOUNT	%
Cash and cash balances	613	5	608	n.c.
Financial assets held for trading	10,879	6,044	4,835	80.0%
Loans and receivables with banks	13,877,651	15,735,540	(1,857,889)	-11.8%
Loans and receivables with customers	2,129,219	1,016,798	1,112,421	109.4%
Financial investments	5,874,579	3,757,529	2,117,050	56.3%
Hedging instruments	10,048	9,211	837	9.1%
Property, plant and equipment	15,205	14,451	754	5.2%
Goodwill	89,602	89,602	-	-
Other intangible assets	7,909	7,731	178	2.3%
Tax assets	9,226	13,165	(3,939)	-29.9%
Other assets	315,460	336,300	(20,840)	-6.2%
Total assets	22,340,391	20,986,376	1,354,015	6.5%

(Amounts in € thousand)

LIABILITIES AND SHAREHOLDERS' EQUITY	AMOUNTS AS AT		CHANGES	
	12.31.2017	12.31.2016	AMOUNT	%
Deposits from banks	926,001	1,111,106	(185,105)	-16.7%
Deposits from customers	20,205,036	18,801,073	1,403,963	7.5%
Financial liabilities held for trading	2,617	2,626	(9)	-0.3%
Hedging instruments	8,922	11,371	(2,449)	-21.5%
Provisions for risks and charges	112,414	111,756	658	0.6%
Tax liabilities	10,234	10,048	186	1.9%
Other liabilities	343,177	257,097	86,080	33.5%
Shareholders' equity	731,990	681,299	50,691	7.4%
- capital and reserves	526,046	476,249	49,797	10.5%
- revaluation reserves (available-for-sale financial assets - actuarial gains (losses) for defined benefits plans)	(8,340)	(6,794)	(1,546)	22.8%
- net profit	214,284	211,844	2,440	1.2%
Total liabilities and Shareholders' equity	22,340,391	20,986,376	1,354,015	6.5%

Balance Sheet - Quarterly data

(Amounts in € thousand)

ASSETS	AMOUNTS AS AT				
	12.31.2017	09.30.2017	06.30.2017	03.31.2017	12.31.2016
Cash and cash balances	613	1,671	2,902	615	5
Financial assets held for trading	10,879	10,538	9,791	5,714	6,044
Loans and receivables with banks	13,877,651	14,292,534	14,827,089	15,461,841	15,735,540
Loans and receivables with customers	2,129,219	1,715,684	1,503,867	1,166,180	1,016,798
Financial investments	5,874,579	5,418,872	4,760,269	3,906,456	3,757,529
Hedging instruments	10,048	16,172	15,417	12,410	9,211
Property, plant and equipment	15,205	15,197	15,396	14,379	14,451
Goodwill	89,602	89,602	89,602	89,602	89,602
Other intangible assets	7,909	7,712	8,025	7,702	7,731
Tax assets	9,226	14,279	9,276	14,486	13,165
Other assets	315,460	233,188	271,613	247,202	336,300
Total assets	22,340,391	21,815,449	21,513,247	20,926,587	20,986,376

(Amounts in € thousand)

LIABILITIES AND SHAREHOLDERS' EQUITY	AMOUNTS AS AT				
	12.31.2017	09.30.2017	06.30.2017	03.31.2017	12.31.2016
Deposits from banks	926,001	696,554	929,859	980,245	1,111,106
Deposits from customers	20,205,036	20,007,773	19,440,617	18,883,826	18,801,073
Financial liabilities held for trading	2,617	3,274	4,113	2,228	2,626
Hedging instruments	8,922	18,731	16,084	16,738	11,371
Provisions for risks and charges	112,414	103,666	102,123	113,060	111,756
Tax liabilities	10,234	49,310	19,525	36,073	10,048
Other liabilities	343,177	264,641	380,059	162,730	257,097
Shareholders' equity	731,990	671,500	620,867	731,687	681,299
- capital and reserves	526,046	524,273	522,475	690,077	476,249
- revaluation reserves (available-for-sale financial assets - actuarial gains (losses) for defined benefits plans)	(8,340)	(3,811)	(5,875)	(10,084)	(6,794)
- net profit	214,284	151,038	104,267	51,694	211,844
Total liabilities and Shareholders' equity	22,340,391	21,815,449	21,513,247	20,926,587	20,986,376

Financial assets held for trading, equal to €10.9 million, comprise Bonds, equities, UCIT units and derivatives classified as HFT (held for trading), held in the Bank's portfolio as a result of trading activity, or used for the operational hedging of CFD positions on shares open with customers, and intended to be traded in the short term. The item also includes positive valuation of spot contracts for securities in the HFT portfolio and currencies to be settled in time frames established by market practices ("regular way"), which correspond to negative valuations booked under item 40 "Financial liabilities held for trading", as well as the positive valuation of CFDs on indexes, shares and interest rates, Futures on indexes and interest rates, and CFDs on currencies (forex).

Loans and receivables with banks came to €13,878 million, down 11.8% compared to the previous year, mainly as a result of the

reimbursement of UniCredit bonds maturing in 2017, partially offset by underwriting a newly-issued bond, the sale of UniCredit bonds in dollars with in-arrears coupon and the lower cash on deposit in reciprocal current accounts with UniCredit as at December 31, 2017. In 2017, a bond issued by UniCredit S.p.A. was underwritten for a total notional amount of €622.5 million with a term of 7 years and indexed to the 3M Euribor plus spread, UniCredit bonds reached maturity and were reimbursed for a nominal €1,680 million and \$50 million, and UniCredit bonds for a nominal \$100 million were sold, generating a gain on disposal of €4 million. These bonds were sold as their contractual conditions would not have passed the SPPI Test required by IFRS 9, applicable as of January 1, 2018, consequently requiring them to be classified as "financial instruments at FVTPL", and the change in fair value recognised in a specific reserve upon first-time adoption and subsequently recognised through profit or loss.

Results of the parent and the subsidiary (CONTINUED)

The parent: FinecoBank S.p.A. (CONTINUED)

Loans and receivables with customers came to €2,129 million, up 109.4% compared to the previous year, thanks to the increase in lending. In 2017, €230 million in personal loans and €521 million in mortgages were granted, and €831 million in current account overdrafts was arranged (credit facilities), resulting in an overall 121% aggregate increase in loans to customers¹¹ compared to December 31, 2016. Impaired loans net of impairment losses totalled €2.9 million (€3.7 million as at December 31, 2016), with a coverage ratio of 88.27%; the ratio between impaired loans and all loans was 0.16% (0.45% as at December 31, 2016).

Financial investments came to €5,874 million, up 56.3% compared to the previous year, mainly due to the purchase of government securities as part of the investment policy outlined by the Bank. Financial investments as at December 31, 2017 included the

investment in Fineco AM Limited, incorporated in 2017, with the Bank subscribing the entire share capital of €500,000.

Deposits from banks totalled €926 million, down 16.7% compared to the previous year, mainly due to the reduction in the amount of repos traded with UniCredit.

Deposits from customers came to €20,205 million, up 7.5% compared to the previous year, thanks to the growth in direct deposits.

Shareholders' equity amounted to €732 million, up 7.4% compared to December 31, 2016, thanks mainly to the profit for the year 2016 which was not distributed and allocated to reserves from profits and, to a lesser extent, to the increase in the Reserve related to equity-settled plans.

11. Loans refer solely to loans granted to customers (usage of current account overdrafts, credit cards, personal loans, mortgages and unsecured loans).

Income statement

(Amounts in € thousand)

	YEAR		CHANGES	
	2017	2016	AMOUNT	%
Net interest	264,581	249,388	15,193	6.1%
Dividends and other income from equity investments	29	6	23	383.3%
Net fee and commission income	270,083	242,881	27,202	11.2%
Net trading, hedging and fair value income	48,219	69,054	(20,835)	-30.2%
Net other expenses/income	3,806	(2,211)	6,017	n.c.
OPERATING INCOME	586,718	559,118	27,600	4.9%
Payroll costs	(79,260)	(73,698)	(5,562)	7.5%
Other administrative expenses	(236,839)	(228,119)	(8,720)	3.8%
Recovery of expenses	93,369	85,395	7,974	9.3%
Impairment/write-backs on intangible and tangible assets	(10,369)	(9,952)	(417)	4.2%
Operating costs	(233,099)	(226,374)	(6,725)	3.0%
OPERATING PROFIT (LOSS)	353,619	332,744	20,875	6.3%
provisions for guarantees and commitments				
Net impairment losses on loans	(5,151)	(4,199)	(952)	22.7%
NET OPERATING PROFIT (LOSS)	348,468	328,545	19,923	6.1%
Provisions for risks and charges	(19,025)	(9,981)	(9,044)	90.6%
Integration costs	408	(5,503)	5,911	n.c.
Net income from investments	(13,399)	(6,724)	(6,675)	99.3%
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	316,452	306,337	10,115	3.3%
Income tax for the year	(102,168)	(94,493)	(7,675)	8.1%
NET PROFIT (LOSS) AFTER TAX FROM CONTINUING OPERATIONS	214,284	211,844	2,440	1.2%
NET PROFIT (LOSS) FOR THE YEAR	214,284	211,844	2,440	1.2%

Results of the parent and the subsidiary (CONTINUED)

The parent: FinecoBank S.p.A. (CONTINUED)

Income statement - Quarterly data

(Amounts in € thousand)

	2017			
	4 TH QUARTER	3 RD QUARTER	2 ND QUARTER	1 ST QUARTER
Net interest	70,027	67,366	64,282	62,906
Dividends and other income from equity investments	11	6	6	6
Net fee and commission income	70,696	69,680	65,026	64,681
Net trading, hedging and fair value income	11,100	11,127	12,282	13,710
Net other expenses/income	3,976	63	(764)	531
OPERATING INCOME	155,810	148,242	140,832	141,834
Payroll costs	(20,567)	(19,769)	(19,708)	(19,216)
Other administrative expenses	(59,925)	(53,021)	(61,451)	(62,442)
Recovery of expenses	24,989	21,888	23,215	23,277
Impairment/write-backs on intangible and tangible assets	(2,908)	(2,628)	(2,503)	(2,330)
Operating costs	(58,411)	(53,530)	(60,447)	(60,711)
OPERATING PROFIT (LOSS)	97,399	94,712	80,385	81,123
Net impairment losses on loans provisions for guarantees and commitments	(2,082)	(1,528)	(1,001)	(540)
NET OPERATING PROFIT (LOSS)	95,317	93,184	79,384	80,583
Provisions for risks and charges	5,154	(21,029)	(773)	(2,377)
Integration costs	428	(7)	1	(14)
Net income from investments	(11,598)	(1,448)	(361)	8
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	89,301	70,700	78,251	78,200
Income tax for the period	(26,055)	(23,929)	(25,678)	(26,506)
NET PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	63,246	46,771	52,573	51,694
NET PROFIT (LOSS) FOR THE PERIOD	63,246	46,771	52,573	51,694

(Amounts in € thousand)

	2016			
	4 TH QUARTER	3 RD QUARTER	2 ND QUARTER	1 ST QUARTER
Net interest	63,412	62,527	61,200	62,249
Dividends and other income from equity investments	6	-	-	-
Net fee and commission income	65,786	59,274	59,660	58,161
Net trading, hedging and fair value income	11,343	10,785	27,281	19,645
Net other expenses/income	(2,176)	(793)	669	89
OPERATING INCOME	138,371	131,793	148,810	140,144
Payroll costs	(16,633)	(19,349)	(19,003)	(18,713)
Other administrative expenses	(57,254)	(53,141)	(57,169)	(60,555)
Recovery of expenses	21,311	21,747	21,107	21,230
Impairment/write-backs on intangible and tangible assets	(2,733)	(2,610)	(2,436)	(2,173)
Operating costs	(55,309)	(53,353)	(57,501)	(60,211)
OPERATING PROFIT (LOSS)	83,062	78,440	91,309	79,933
Net impairment losses on loans provisions for guarantees and commitments	(678)	(720)	(1,361)	(1,440)
NET OPERATING PROFIT (LOSS)	82,384	77,720	89,948	78,493
Provisions for risks and charges	3,914	(11,342)	(1,114)	(1,439)
Integration costs	(5,493)	(3)	(4)	(3)
Net income from investments	(6,724)	-	-	-
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	74,081	66,375	88,830	77,051
Income tax for the period	(24,610)	(21,784)	(22,270)	(25,829)
FROM CONTINUING OPERATIONS FROM CONTINUING OPERATIONS	49,471	44,591	66,560	51,222
NET PROFIT (LOSS) FOR THE PERIOD	49,471	44,591	66,560	51,222

Operating income came to €586.7 million, up 4.9% compared to €559.1 million for the first half of 2016; excluding the above-mentioned non-recurring items from operating income as at December 31, 2016, operating income for 2017 would have been up 7.9%.

Net interest and **Net fee and commission income** contributed to the increase in the operating income as they rose, respectively, by 6.1% and 11.2%, while **Net trading, hedging and fair value income** fell by 30.2% (-10.2% excluding the aforesaid non-recurring items from the result at December 31, 2016). Furthermore, the Net trading, hedging and fair value income in 2016 benefitted from the gains realised from the sale in that year of government securities recognised in the "Available-for-sale financial assets" portfolio totalling €5 million (€761 thousand in the course of 2017), carried out as part of the measures to mitigate the exposure to interest rate risk and optimise profitability.

The increase in **Net interest** of €15.2 million compared to the previous year was due to the increase in sales volume and the higher penetration of lending, which offset the fall in interest income linked to the decline in market interest rates. The average lending rate for the investment of all deposits amounted to 1.28% compared to 1.39% in 2016.

Net fee and commission income increased €27.2 million compared to the previous year, thanks to higher net fee and commission income

relative to asset management products (+€13.5 million), investment advisory services (+€12.7 million), collection and payment services (+€4.4 million), other services mainly relating to the introduction of the annual fee on credit cards (+€4.3 million), securities lending (+€2 million), partially offset by higher Fee and commission expense paid to personal financial advisors (-€5.8 million) and lower net fee and commission income for securities trading and order collection (-€2.6 million), as a result of the general fall in orders executed.

Operating costs increased by €6.7 million compared to the previous year due to the continuous growth of the operating structure (+€5.6 million for staff expenses, +€0.7 million for other administrative expenses net of recovery of expenses and +€0.4 for Impairment/write-backs on intangible and tangible assets).

Net profit before tax from continuing operations amounted to €316.5 million, up 3.3% compared to the previous year. Excluding non-recurring items in 2017¹², net profit before tax from continuing operations would have been €328.9 million, up 9.8% compared to the net profit before tax from continuing operations 2016, also excluding non-recurring items in the year.¹³

Net profit amounted to €214.3 million, up 1.2% compared to the previous year. Excluding non-recurring items in 2017 illustrated above, net profit would have been €218.7 million, up 8.9% compared to the 2016, also excluding associated non-recurring items.

12. Losses from de-recognitions and impairment losses on the equity exposure to the Voluntary Scheme of the Interbank Deposit Guarantee Fund totalling -€12.9 million (-€8.6 million net of taxes); release of estimated integration costs incurred by the Bank in the previous year relating to the UniCredit Group's Business Plan, totalling +€0.4 million (+€0.3 million net of taxes); increase in current tax relating to the application of PEX on the gain realised in 2016 from the sale of the investment in VISA Europe Ltd, totalling +€3.9 million.

13. Gain from disposal of the equity investment in Visa Europe Ltd, worth +€15.3 million (+€10.3 million net of tax calculated according to the ordinary tax regime); impairment losses on the equity exposure to the Voluntary Scheme set up by the Interbank Deposit Guarantee Fund totalling -€6.7 million (-€4.5 million net of taxes); release of provisions made for the Solidarity Fund and for the residual commitment to the Interbank Deposit Guarantee Fund for the support for Banca Tercas worth €3.7 million (€2.5 million net of taxes); Estimated integration costs paid by the Bank relating to the UniCredit Group's Business Plan, totalling -€5.5 million (-€3.7 million net of taxes); increase in current tax relating to provisions for a number of disputes in prior years that were definitively closed in 2016 for a total of €6.5 million.

Results of the parent and the subsidiary (CONTINUED)

The subsidiary: Fineco AM Limited

On July 4, 2017 the Board of Directors of FinecoBank resolved to initiate a project aimed at enabling the Bank to set up a Management Company under Irish law, wholly owned by FinecoBank and dedicated to the management of UCITs, in order to further increase the Bank's competitive capacity by expanding the range of services offered.

The Board of Directors' meeting of FinecoBank held on September 19, 2017 - after approval of the incorporation project by the Board of Directors of UniCredit S.p.A. on August 2, 2017 - resolved to allocate €500,000.00 in share capital to the new company, which was deemed appropriate for the launch of the company, granting the Chief Executive Officer and General Manager the power to increase the share capital or contribute an additional amount if required in the authorisation

process or to capitalise the company in line with the development of the project, with the requirement to report to the Board of Directors on this subject as soon as possible.

Fineco AM Limited was incorporated on October 26, 2017 with the subscription by FinecoBank of all the shares (500,000 shares with a nominal value of €1.00 each). As at December 31, 2017, Fineco AM Limited - whose first financial year will end on December 31, 2018 - is not operational and only has cash and equivalents of €466 thousand, deposited on the current account opened at AIB, current payables of €153 thousand, share capital of €500 thousand and a net loss for the year of €164 thousand, caused exclusively by initial operating costs and staff expenses net of tax.

Related-Party Transactions

In order to ensure continued compliance with applicable legal and regulatory provisions on corporate disclosure on transactions with related parties, during the Board of Directors' Meeting of June 6, 2017 and with the prior positive opinion of the Risk and Related Parties Committee and the Board of Statutory Auditors, the Bank approved the current *"Procedures for managing transactions with subjects in conflict of interest"*.

The aforementioned procedures include the provisions to be complied with when managing:

- Related-Party transactions pursuant to the Consob Regulation adopted by resolution 17221 of March 12, 2010 as amended by resolution 17389 of June 23, 2010;
- Transactions with Associated Persons pursuant to the regulations on *"Risk activities and conflicts of interest with Associated Persons"*, laid down by Bank of Italy Circular 263/2006, Title V, Chapter 5 (*"New regulations for the prudential supervision of banks"*, as amended);
- obligations of Bank Officers pursuant to Article 136 of Legislative Decree 385 of September 1, 1993, *"Consolidated Law on Banking"*.

Given that the Bank belongs to the UniCredit Group, the aforementioned Procedures are also based on the *"UniCredit Global Policy for the management of transactions with persons in conflict of interest"* and the relevant *"Global Operational Instructions"* issued by UniCredit to subsidiaries as part of its management and co-ordination.

Considering the above, the following transactions approved during 2017 are recorded:

1. on February 7th, 2017 the Board of Directors, upon recommendation by the Audit and Related Parties Committee, approved the renewal of the *"Framework Resolution related to the entering into of hedging derivative contracts with the Parent Company or companies in the UniCredit Group"*, an ordinary Significant Transaction at market conditions with validity up until February 7th, 2018, which enables the Bank to enter into hedging derivatives with the Parent Company and with UniCredit Bank AG for commercial assets or liabilities that, for ALM purposes, require interest rate hedging for a ceiling of €1,000 million with the Parent Company and €1,300 million with UniCredit Bank AG. the aforementioned ceilings include the total of underwriting transactions and any early closure transactions;
2. the Board of Directors' meeting of May 9, 2017, upon recommendation by the Risk and Related Parties Committee, approved an ordinary Significant Transaction at market conditions, consisting of the renewal of the *"Framework Agreement - Repurchase Agreements and Term Deposits with the Parent Company"*, (expiring May 9, 2018), concerning (i) Repurchase Agreements with the Parent Company for a maximum amount of €6.2 billion, calculated as the sum of the individual transactions in absolute value (either repos or reverse repos) and (ii) Term deposits with the Parent Company for an amount of €8.5 billion, calculated as the sum of the individual transactions in absolute value; these amounts were set also to cover transactions with the Parent Company that may be carried out in execution of the "liquidity framework agreement" renewed by resolution of the Board of Directors;
3. on June 6, 2017, the Board of Directors - with the favourable opinion of the Risk and Related Parties Committee - resolved on the early renewal of the *"Framework Agreement for the transactions on current accounts held with UniCredit"*, an ordinary Significant Transaction at market conditions valid up to July 6, 2018, which will enable the Bank to manage its liquidity in euro and in foreign currencies through specific current accounts already held with UniCredit S.p.A. for an amount of less than €1,000 million understood as a single transaction (single payment and single withdrawal);
4. on July 4, 2017, the Board of Directors - with the favourable opinion of the Risk and Related Parties Committee - resolved on the renewal of the *"Framework Resolution - Trading of financial instruments with related-party institutional counterparties"*, an ordinary Significant Transaction at market conditions valid up to July 3, 2018, which enables the Bank to carry out trading in derivatives with related-party institutional counterparties, up to a maximum permitted limit of: (i) €1 billion with UniCredit Bank AG and (ii) €500 million with Mediobanca S.p.A.;
5. on September 19, 2017 the Board of Directors, subject to the positive opinion of the Risk and Related Parties Committee, approved the renewal of the *"Framework resolution - Stock lending activity with institutional clients"*, an ordinary Significant Transaction under market conditions (valid up to September 18, 2018) that enables the Bank to enter into stock lending transactions with institutional counterparties related parties, with a ceiling of: (i) €500 million with UniCredit Bank AG and (ii) €200 million with Mediobanca S.p.A.;
6. on November 7, 2017 the Board of Directors, subject to the positive opinion of the Risk and Related Parties Committee, approved the renewal of the *"Framework resolution - Liquidity investment with the Parent Company"* (formerly *"Short/medium-term liquidity investment with the Parent Company"*), passed on December 6, 2016 and expiring on December 6, 2017), an ordinary Significant Transaction under market conditions (valid up to November 7, 2018) that has as its object the subscription of UniCredit bonds with an estimated ceiling of €2.7 billion, estimated based on the amount of bonds maturing in the subsequent year and the possibility of buying and selling bonds of the Parent in connection with the introduction of the new IFRS9;

Related-Party Transactions (CONTINUED)

7. finally, on December 5, 2017, the Board of Directors - with the favourable opinion of the Risk and Related Parties Committee - approved the signature of a new life insurance brokerage contract between FinecoBank S.p.A. and Aviva S.p.A. (related party), to replace the agreement originally signed in 2002 by UniCredit Xelion Banca S.p.A., which was replaced by FinecoBank S.p.A. as a result of the merger. The projected figures as at December 31, 2017 (€13.4 million net to be recognised to the Bank) meant that the transaction was categorised as a "Significant Transaction". The transaction is an "ordinary Significant Transaction at market conditions".

In relation to the above transactions, the Bank provided a simplified disclosure to CONSOB pursuant to Art. 13, paragraph 3, letter c) of CONSOB Regulation 17221/2010.

In the year ended December 31, 2017, no other transactions were undertaken with related parties that could significantly affect the Bank's asset situation and results, or atypical and/or unusual transactions, including intercompany and related party transactions. Minor transactions were also carried out with the Parent Company, other Group Companies and/or with related parties in general, both Italian and foreign, within the ordinary course of business and related financial activities of the Bank, at market or standard conditions.

Lastly, with regard to transactions of significant financial and economic relevance, during 2012, the Bank issued 5 bank guarantees in favour of the Italian Revenue Agency upon (guaranteed) request by UniCredit, with indefinite duration (specifically, valid until the Italian Revenue Agency issues a declaration of receipt of the payment by UniCredit at the end of the collection process, in the event of an unfavourable outcome for UniCredit, or until a ruling is issued in favour of the Bank by means of final judgement), for a total amount of €256 million, plus interest accrued and accruing until request for payment from the Italian Revenue Agency. The bank guarantees were issued to secure the obligations assumed by UniCredit in relation to five VAT refund suspension orders issued by the Italian Revenue Agency, and entail the assumption by the Bank of an irrevocable payment commitment on demand, within 30 days and without any exceptions. In 2013, following the settlement of an overall assessment notice issued by the Regional Department of Liguria, for €4.5 million, replaced by another assessment notice issued by the same Department up to the amount settled, a guarantee already issued by the Bank was replaced, with amounts unchanged; this transaction did not change the commitments undertaken according to the forms, procedures and risks already assessed during 2012, which remain unchanged.

Transactions with Group companies

The Bank is subject to the direction and coordination of UniCredit S.p.A. and, consequently, pursuant to Article 2497 bis paragraph 4 of the Italian Civil Code, the key figures from the last approved financial statements of UniCredit S.p.A. are provided in Part C - Section 20 of the Notes to the Consolidated Accounts.

The following table provides a summary of outstanding assets, liabilities, guarantees and commitments as at December 31, 2017 in relation to Group companies, with the exception of Fineco AM Limited, which is consolidated.

(Amounts in € thousand)

	ASSETS	LIABILITIES	GUARANTEES AND COMMITMENTS
Transactions with Parent Company UniCredit S.p.A.	13,838,693	797,362	2,381,070
Transactions with companies controlled by UniCredit S.p.A.	653	41,105	-

For detailed information on transactions with group companies and other related parties see the comments in this regard in Part H of the Notes to the Consolidated Accounts.

The following table provides a summary of outstanding assets, liabilities, guarantees and commitments as at December 31, 2017 with Fineco AM Limited, which is consolidated.

(Amounts in € thousand)

	ASSETS	LIABILITIES	GUARANTEES AND COMMITMENTS
Transactions with the subsidiary Fineco AM Limited	46	-	-

Number of treasury shares of the parent company

As at December 31, 2017, the Bank held 60,397 treasury shares, corresponding to 0.01% of the share capital, for an amount of €0.4 million. A total of 1,408,834 shares were purchased in 2015 in relation to the "2014 PFA Plan" stock-granting plan for Fineco personal financial advisors and network managers, and a total of 31,519 were purchased in the first quarter of 2017 in relation to the "2016 PFA Plan" for personal financial advisors identified as "Key

personnel" in accordance with what was authorised by the Fineco Ordinary Shareholders' Meeting on April 12, 2016. In implementation of the "2014 PFA Plan", during FY2016 and FY2017, Personal Financial Advisors and Network Managers were allocated, respectively, 694,509 shares and 685,447 shares.

The Bank does not hold shares of its Parent Company, even through other companies or third parties.

Sustainability

1. Strategy

Our Bank is characterised by a unique business model that effectively combines powerful digital banking and brokerage platforms with the physical touch of extensive network of financial advisors. The One Stop Solution is a distinctive feature of the Bank that allows us to gain a strong competitive advantage: high-quality products and

services are accessible from a single current account, making life easier for our customers. Our business model is constantly focused on excellence and assures our customers a unique customer experience.

Fineco was founded on three main pillars: efficiency, innovation and transparency, which are the keys to our strategy and provide a clear guide to our path of sustainable growth.



EFFICIENCY

Strong focus on IT and operations, more flexibility, lower costs



INNOVATION

Anticipating new needs by simplifying customers' lives



TRANSPARENCY

Fairness and respect for all our stakeholders

Having been built from scratch, our Bank has no legacy; this allows us to be more efficient. Efficiency is a fundamental part of all the Bank's actions: thanks to our proprietary back-end, internal development and automated processes, we can benefit from a lean and efficient cost structure and rapid time-to-market in delivering new products and services.

dealing with customers are part of our DNA. We strongly believe that these key factors are the basis to creating value that is sustainable in the long term for all our stakeholders.

Innovation is the way to achieve our mission: simplify the lives of customers with easy-to-use services and anticipate their needs, leveraging on increasing digitalization. Fairness and transparency in

Our work is based on passion, innovation and efficiency and on the quality of our people and services. We strive every day to support people's wellbeing and progress in the local communities where we operate. Continuous engagement with our stakeholders at all levels of the organisation is essential to our decision making processes, which aim to create long-term value. In defining our sustainable growth strategy, we are inspired by the "OECD Guidelines for Multinational Enterprises".

Our daily activities are at all times inspired by five Fundamental Principles, which we share with the UniCredit Group:



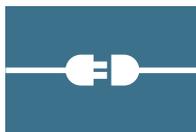
Customers First

High-quality customer experience based on efficiency, innovation and transparency. Customer centrality is fundamental to ensure excellence in all services.



People Development

Our employees are one of our main competitive advantages. We promote professional growth through dedicated development plans and training programmes designed to improve work-life balance.



Cooperation & Synergies

We use streamlined processes thanks to a very efficient internal organisation. Close internal collaboration and internalisation of processes are key to achieving service excellence and robust operating efficiency.



Risk Management

Thanks to a highly diversified business model, we are able to deal with all different market phases, reducing risks but without missing out on opportunities.



Execution & Discipline

Efficient and well integrated governance enables us to simplify decision-making processes.

a. Stakeholder Engagement

Our main internal and external stakeholders and dialogue tools are:

CUSTOMERS	<ul style="list-style-type: none"> • Evaluation of customer satisfaction • Instant feedback • Evaluation of brand reputation • <i>Customer Care</i> • <i>Social Media</i>
EMPLOYEES	<ul style="list-style-type: none"> • "People survey" on working life at Fineco and in the Group • Annual Performance Management for employees / Talent Management Review for talent / Executive Development Plan for Executives • Intranet portal • Orientation session with heads of the banking business, Human Resources and trade union organisations • Ad-hoc research on specific topics (e.g. <i>Smart Work</i>)
PERSONAL FINANCIAL ADVISORS	<ul style="list-style-type: none"> • Dedicated platform • Specific meetings at different levels (<i>Area Manager, General Manager, Team, one-to-one</i>) • Calls e web conferences • Workshops and dedicated working groups • Committees • Training
SHAREHOLDERS	<ul style="list-style-type: none"> • General Shareholders' Meeting • Meetings with analysts, investors and <i>proxy advisors</i> • Investor Relations activities
REGULATORS	<ul style="list-style-type: none"> • Meetings

2. Customers

Increasing digitisation in Italy is changing consumer behaviour and expectations in everyday life. This structural trend means that more and more customers choose their main bank based on the quality of the services and products offered and the overall customer experience, rather than based merely on geographical proximity. For this reason, continuous improvement of customer experience is essential for us.

To simplify the lives of our customers, our offer is based on the *One Stop Solution* concept: the customer can access banking, brokerage and investment services through a single current account. However, offering a "single solution" is not enough: Our goal is to offer excellence at all times. Thanks to our deep internal IT culture, we are able to take full advantage of the value derived from knowing our customers, who use our platforms extensively. That is why we are constantly developing products and services that are easy to use, of the highest quality, and able to satisfy all their financial needs.

Communication with our customers is based on constant dialogue through the internal Customer Care service and the network of financial advisors: it is very important for us to listen to customers and ensure that they have suitable ways to submit feedback and complaints. We want to be there for our customers whenever they need help. We handle over 300,000 contacts every month, via telephone, e-mail, chat and SMS, maintaining high service levels. Approximately 93% of contacts are resolved directly in conversation with the customer.

Our customers' complaints are always analysed, understood and recorded. We devote a lot of attention to them in order to improve the quality of our services. In 2017 we managed more than 5,000 complaints, equating to 1.7% of the contacts received.

According to research conducted by TNS Infratest in 2016, customer satisfaction reached 96%.



Sustainability (CONTINUED)

Lest we forget, Fineco was the most recommended bank in the world through word of mouth in 2015, according to The Boston Consulting Group. The research was based on 227,000 interviews covering 650 brands in 8 countries and 7 sectors, identifying the companies that have obtained the most effective word of mouth thanks to their customer experience.

In addition, in 2017, consulting firm KPMG named FinecoBank the leading financial brand in Italy for the quality of its customer experience and sixth overall among major domestic and international players, out of over 140 domestic and international brands, from a sample of over 2,500 customers. The study assigned each company a Customer Experience Excellence Score based on the average of the individual scores achieved in the “Six Pillars” of customer experience: Personalisation, Integrity, Expectations, Resolution, Time and Effort, and Empathy.

3. Employees

Our employees are the key to our Bank’s success and the lifeblood of our business. Our goal is to support them throughout their professional lives by listening to their needs, assessing their skills, implementing training programmes and development plans, and promoting diversity, inclusion and work-life balance.

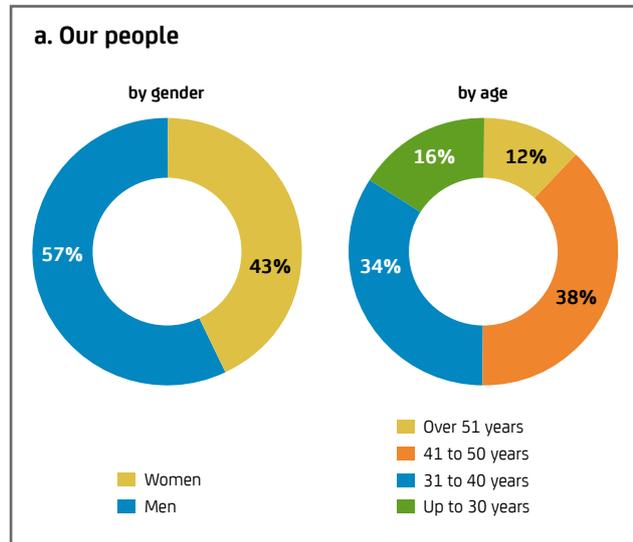
The commitment of our people is fundamental to the proper functioning of our business; we want our employees to be aware of their contribution and believe in supporting the company in pursuing this path.

The Bank invests in developing a sustainable, trust-based environment.

The *People Survey* - an annual initiative - is the most important communication and listening tool we have, and broad participation demonstrates the involvement of our employees. Based on the 2017 survey, our Engagement Index¹⁴ stands at 81% - a very positive result that is typical of successful companies.

One of our main objectives is to create an environment in which people can create sustainable value for customers through total commitment to the company. Fineco’s people have a wide range of technical and managerial skills, abilities and experience, but above all they have an innovative and entrepreneurial mindset. We share a common vision and values and work each day in accordance with the five Fundamental Principles (customer-centricity, personal development, cooperation and synergies, risk management, execution and discipline). Our values are the backbone of our activities and one of our company’s main

objectives is to translate Values and Strategy into results, through a very pragmatic approach.



The average age of employees at the end of 2017 is 40 years.

We invest in attracting, managing and fostering the development of millennials, which makes Fineco one of the most desired companies to work at. We want to be a company where people can make full use of their own skills, abilities and potential. That is why we believe in developing our employees by investing in them, offering opportunities for rapid growth and to become a specialist in any field.

We contact talented young people through their favourite communication channels: social media. To this end, the Bank has launched a new *social branding initiative* called *#FinecoPeople*, which offers engaging content on LinkedIn for specific targets; in addition, FinecoBank’s pages on Facebook and Twitter are constantly updated with targeted news.

The main entry point for new recruits to FinecoBank is Customer Care, which acts as a “talent incubator” where young people have the opportunity to acquire a deep knowledge of the Bank’s products, services and processes. At the end of the hands-on training course (about 2 years), they have the opportunity to further specialise within Customer Care or to undertake a horizontal growth process at Fineco or elsewhere in the Group thanks to an intense internal job rotation program. By the end of 2017, 16% of the total workforce¹⁵ was employed by Customer Care.

14. The Engagement Index is the main indicator of a work environment and is based on six questions related to the level of satisfaction / commitment, pride, loyalty and desire to support the company.

15. Full Time Equivalent (FTE)

b. Performance management

As part of the UniCredit Group, UniCredit's Competency Model¹⁶ and Global Job Model¹⁷ are also the foundations for the management and development of Fineco employees.

In particular, the UniCredit Competency Model acts as the ground on which all employees are assessed through UniCredit Performance Management (UPM), while Executives and Talented Employees are assessed through the Executive Development Plan (EDP) and the *Talent Management Review (TMR)*.

UniCredit Performance Management is the groupwide performance assessment and development process that, once a year, assesses and keeps track of individual and team results against a predefined set of expected performance and behaviours.

The *Talent Management Review (TMR)* is the annual Leadership development process for the Group's talents, whose objective is to promote professional and managerial growth and define individual development plans, while the Executive Development Plan (EDP) is the Leadership development process dedicated to all Executives.

For Executives who have a significant impact on our risk profile (the so-called Identified Personnel), specific performance targets are selected from our "KPI Bluebook" catalogue of key performance indicators.

The *KPI Bluebook* provides the framework for setting and evaluating objectives within the Group's incentive system and provides general guidelines for the assignment of objectives as well as a dashboard of the Group's approved KPIs. According to these guidelines, half of the strategic performance objectives must be based on sustainability factors (e.g. KPIs that incorporate the concept of creating value over time, taking into account different stakeholders) and at least one performance target must be risk-adjusted or risk-related. This approach ensures that the sustainability of all actions is taken into account in leadership assessments and remuneration decisions.

During 2017, we promoted a culture of feedback at all levels, working on transparency in evaluation processes, training and professional development in order to improve motivation and commitment.

The annual review allows us to plan, manage and develop a sustainable leadership pipeline that results in career and succession plans and identifies actions to be taken in support of leadership development. Our learning and development initiatives are designed to meet colleagues' professional growth needs.

c. Diversity and inclusion

In order to run a sustainable and successful business, we are investing in a highly diversified workforce and an inclusive working environment.

The aim is that the talents, skills, experiences and diverse perspectives of our people can be fully expressed in this environment, in order to promote greater innovation, identify and manage risks more effectively, and improve collaboration and workforce flexibility.

We have adopted a comprehensive policy on gender equality since 2013. The policy sets out principles and guidelines to ensure a level playing field in which all employees can realise their full potential, regardless of gender. At December 31, 2017, 43% of FinecoBank employees were women.

Fineco has always stressed the importance of gender pay equality at all levels; we added this KPI to all the performance evaluation sheets of the Significant Identified Personnel in 2017. The analysis carried out in 2017 shows that there is no gender pay gap in Fineco.

We are committed at all times to promoting gender balance, bridging generation gaps in the workplace and supporting people with disabilities. In 2017, we participated in a Diversity Day organised by the Politecnico di Milano - a project that promotes diversity management and the recruitment of people with disabilities and those in protected categories. This event was attended by more than 400 people and was organised in partnership with private companies, universities, public institutions, the media and communities.

d. Work-life balance

We also promote the wellbeing of our employees and their families by providing welfare and work-life balance support services that meet their needs throughout their lives, delivered through an integrated welfare system that provides, for example, enhanced public health care with specific coverage provided by the Group.

We have also introduced a flexible working project to help improve the work-life balance of our employees and offer them greater flexibility in how they manage their time. In 2017, more than 250 colleagues were able to work remotely from home, which had a positive impact on their level of engagement and performance. This new way of working provides greater empowerment and ability to work towards goals.

To "create a better workplace", we are investing in the renovation of workspaces at our Reggio Emilia office, where we have changed the layout of the offices and common areas to make them more comfortable. This process is also currently underway at the Milan office.

In addition, by installing a BikeMI station outside Fineco's offices (see point 8 - "Local communities and environmental impact" "for more details), we have set ourselves the goal of simplifying how our employees get to work with a new way to reduce pollution and promote a healthy lifestyle.

16. UniCredit's Competency Model describes how all UniCredit people must behave in their day-to-day work.

17. The Global Job Model is a cutting-edge system that describes and assesses describes all roles within UniCredit and assists in the comprehensive, simple and consistent management of people and processes.

4. Personal financial advisors (PFA)

Fineco's network of personal financial advisors is the third largest in Italy by size and assets under management. It is a strategic business channel for the Bank, both for acquiring new customers and for managing and increasing the loyalty of existing customers.

The focus of the network is based on two parallel tracks: growth and asset quality.

GROWTH



Net Sales

- Organically generated
- Generated by new recruits of the year

Our business model is primarily based on organic growth. We believe that this strategy is sustainable in the long term - also from a cost point of view - and positions the Bank perfectly to deal with possible future pressure on margins and other potential challenges. It is easier for us to pursue this path because we can rely on highly satisfied customers and high quality services. In 2017, out of net sales of €6.0 billion, 90% was generated organically and 10% through new PFAs recruited in the year. For our Bank, recruitment is focused exclusively on improving the quality of the existing network. We mainly look for experienced professionals in the network sector, as well as in traditional banks and private banking. We aim to attract professionals who make the relationship with customers one of the core aspects of their work and who want to test themselves against the market and expand the area they work in. We offer them a comprehensive joining program, aimed at enabling them to analyse their portfolios adequately and consequently to be fast and agile in making transfers and providing flexible and personalised financial support, so as to ensure customer satisfaction and meet individual needs. Fineco also invests in "millennials" - the advisors of tomorrow - by adding them to our commercial network through a recruitment programme that uses social channels, partnerships with universities and traditional channels. To help them develop in their careers, Fineco provides three types of tools: training support from the qualifying exam preparation stage to two years after joining the network; ad-hoc economic support for 24 months; operational support from a local trainer.

QUALITY



Quality is something that has to be considered from different angles.

First and foremost, there is the quality of the relationship with the customer. It is extremely important that our customers trust their advisors, which is why they aim to provide 360° advisory services; starting from the analysis of the customer's needs, requirements and expectations, advisors follow an approach based on finding solutions, without aiming purely to make sales but to respond to the customer's expectations and build a long-term trusting relationship.

Then there is the quality of the services offered, which is by no mean less important. Thanks to cutting-edge investment solutions, our financial advisors are able to offer portfolios that meet clients' needs and ensure constant monitoring of risk over time, while taking objectives as well as risk tolerance into account.

Growth and quality are also driven by efficiency. To support our advisors in their work, we adopt a cyborg-advisory approach: thanks to a consulting platform that is highly technologically advanced and extremely "modern" in terms of the investment solutions offered, we enable our advisors to manage more and more customers, including remotely. The platform guarantees prompt assistance when needed and the ability to make new proposals or to carry out rebalancing during the life of the relationship, depending on different market scenarios and on any changes in customer needs. In addition, starting from our open architecture platform - which

is one of the most comprehensive on the market - investment solutions ("Guided Products & Services") enable advisors to work without conflicts of interest, ensuring that customers get the best solutions for them.

Therefore, taking advantage also of our experience in innovation, we allow our advisors to devote much more time to the management of customer relations, to analyse and investigate their needs and how they can change over time, constantly increasing the quality of the services offered and strengthening the relationship of mutual trust. We have developed *X-Net*, the new *Cyborg Advisory Platform*

dedicated to personal financial advisors, which is based on Fineco's leading digital retail technology. X-Net is a state-of-the-art, easy-to-use platform that provides Fineco advisors with an integrated solution featuring intuitive and customisable technology. Financial advisors are therefore placed at the heart of a system of advanced digital services, which simplify their work and help to strengthen client relationships. The new *X-net* platform is one of the pillars of the future advice model because it follows the cyborg advisory approach, which - unlike robot advisory - retains the central role of consultants, but with the fundamental assistance of technology. In addition, with the *Web and Mobile Collaboration* service, Fineco customers can easily, quickly, securely and remotely manage the investment suggestions from their financial advisor, from their mobile or PC, making it even easier for personal financial advisors and customers to interact. Thanks to *Web and Mobile Collaboration*, advisors benefit from faster and paperless management of forms, which also gives customers the advantage of a more convenient and flexible service. The service is completely integrated with *X-Net*.

This business model has also made us attractive in the Private customer segment. At the end of 2017, 39% of customer TFA were from customers with over €500 thousand with us: this totalled €25.9 billion, up 16% compared to the end of 2016, confirming the Private segment as the area where the Bank is growing fastest.

5. Training

a. Employees

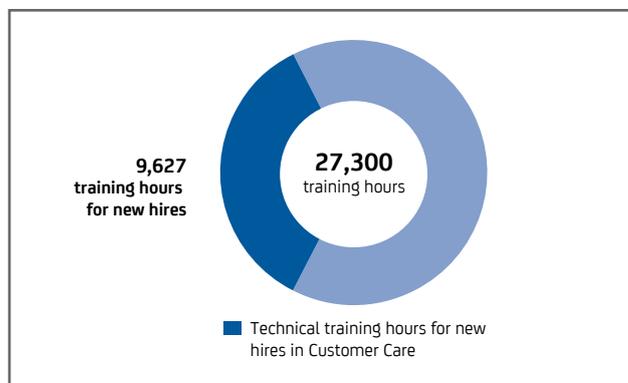
The Human Resources function plays an important role in helping the Bank to ensure that all employees have or acquire the right skills. FinecoBank provided 27,300 hours of training in 2017, reaching all employees.

Training is constantly evolving and continually adapted to the challenges our company faces on a daily basis. In recent years, one of our main objectives has been to strengthen our risk and compliance culture in order to make our business sustainable and well protected.

For this reason, 2017 again saw the Bank pay particular attention to mandatory training for all employees, who attended courses both through e-learning - using the Group's *MyLearning* training platform - and where necessary through live seminars.

The main topics covered were: anti-money laundering, anti-corruption, operational risk, privacy and data security, and conflicts of interest. The results were monitored to ensure that all employees learned the subject matter, thereby protecting the Bank from operational, legal and reputational risks.

In addition, to improve business development and enhance employee specialisation, numerous training sessions were organised on technical skills, in collaboration with external suppliers, strategic partners and universities.



In Customer Care, where the average age is the lowest in the Bank, technical training hours for new hires totalled 9,627; in addition, to maintain a high quality of service and customer focus, frequent soft-skills training courses are organised on communication.

In 2017, FinecoBank organised a training course for *CRM Team Leaders* consisting of seminars, coaching and hands-on training. The aim of this initiative was to strengthen their managerial skills and manage their role in a coherent and effective manner.

Since 2017, we have enhanced English learning with the introduction of a course available to all colleagues through an e-learning platform that offers over 5,000 business English segments and virtual classrooms.

Fineco also offers seminars and telephone training courses according to professional requirements. In some cases, one-to-one business English courses have been provided.

b. Personal financial advisors (PFA)

Personal financial advisors play an increasingly important role as qualified professionals who support their customers in achieving their life goals.

For this reason, training in 2017 focused first of all on awareness of the role of personal financial advisors, concentrating on the development of their skills through sessions that combined both the purely technical point of view and the commercial point of view, including group work and business workshops.

PFA training then focused on ensuring full awareness of the market scenario and its possible evolution, in order to provide the consultant with a genuine competitive advantage. This was also aided by training on the available technological tools, which have been developed in-house by the Bank and are continually being improved and rolled out as a way to increase productivity and the quality of the services offered.

The training sessions were organised and developed in full cooperation with Network management and were aimed at driving up performance and fostering a sense of belonging.

More than 112 thousand hours of training were provided in 2017 (seminars and online, including through webinars):

- more than 82 thousand hours of mandatory training;
- more than 30 thousand hours of business training;

Finally, to drive the growth and development of advisory services, a range of training courses were organised based on the profile of the personal financial advisors and their ability to represent the Bank's strategy. These were high-level training opportunities held both in Italy and abroad (in some cases involving prestigious international business schools) for consultants identified according to a specific internal process, and were held in addition to the ordinary training for all consultants.

The Bank has also invested in young personal financial advisors through a two-year training course allowing them to acquire the technical and soft skills needed in the profession. In particular, 50 courses were provided for a total of over 1,000 training days.

c. Customers

Training for customers, meanwhile, is aimed at giving them greater knowledge of the financial markets, market movers, available financial products, and the services offered by the Bank as a lead-in to trading and investments. In line with our role as a market leader in trading, we feel a strong sense of responsibility for building greater financial knowledge and investment awareness among our customers and in the wider community. Therefore, we start with basic issues such as placing an order, before moving on to leveraging and short selling. We also look closely at techniques and ways to make the customer increasingly aware of the transactions they carry out in the financial markets: technical and fundamental analysis, analysis of the risk/return ratio of the various trading strategies, and money management.

Particular attention is paid to the most common "emotional errors" in behavioural finance that often lead investors to make irrational decisions, which can have highly detrimental effects on the performance of their portfolios and which can jeopardise long-term planning. These initiatives are aimed at strengthening the financial culture of our clients and focus on the three rules for professional financial planning: have clear objectives and a clear time horizon, diversify your investments, and finally manage emotion in complex market phases to avoid making emotional and irrational choices.

The in-depth discussion of these issues, carried out with the support of external professionals and on an integrated multi-channel platform, forms a genuine learning and growth path that is designed to provide the participant with a structured way approach the markets and to be able to correctly assess the risk/opportunity ratio.

To put it into figures, in 2017 16,000 people participated in Fineco courses across various channels:

- 127 seminars across the country: these are not only held in the main Italian cities, but also rotated each year between new towns and cities to assess the level of interest in this type of initiative;
- 123 webinars, enabling participants to chat directly with experts;
- 163 short videos, which are always available and explain the various subjects in a few minutes.

6. Shareholders

Fineco proactively promotes constant and effective communication with investors and the global financial community, emphasising its commitment to transparency. The relationship is managed through periodic meetings and conference calls with institutional shareholders and analysts. The *Investor Relations* team provides accurate, effective and timely communications on the Bank's financial performance, strategy and development, in order to facilitate a fair valuation of the Bank and build its shareholder base in the long term.

In 2017 we engaged with the financial community through:

- 16 days spent attending international conferences,
 - 11 days of roadshows around the world,
 - one-to-one meetings / group meetings / conference calls,
- making contact with 394 institutional investors (+10% y/y). The Bank also held four official conference calls to present quarterly financial results to the market.

In 2017, we launched a proactive dialogue with socially responsible investors (SRI) and sustainability rating agencies, with a view to improving our communication with the market and disclosure of non-financial information. Our goal is to interact and communicate constantly with investors, to discuss not only our financial performance but also our social and environmental results, as results in both areas are closely linked. This is just the beginning of a long-term sustainability journey.

In July 2017, Standard Ethics - an independent agency that assigns sustainability ratings on demand - updated our Standard Ethics Rating to "EE", which is "full investment grade" and assigned to sustainable companies with a low reputational risk profile and strong long-term growth prospects. The Standard Ethics Rating is a sustainability and governance assessment based on the voluntary principles and guidelines of the United Nations, the Organisation for Economic Cooperation and Development (OECD) and the European Union. FinecoBank is also on the *Standard Ethics Italian Banks Index*[®] and the *Standard Ethics Italian Index* (comprising the largest 40 companies listed on the Borsa italiana FTSE-MIB), and among the leading indexes and benchmarks for environmental, social and governance performance.

In 2017, we also took part in the first Italian Sustainability Day organised by Borsa Italiana to support dialogue between listed companies and financial stakeholders, exploring issues relating to ESG (environmental, social and governance) metrics.

7. Regulators

We work constantly with regulators to foster a competitive and sustainable financial market.

Relations with regulatory authorities are based on the principles of integrity, transparency, fairness, professionalism and cooperation, and comply with current legal procedures by using and transmitting complete documents and declarations.

In July 2017, Fineco and UniCredit were the first banks in Italy to be admitted to the optional "collaborative compliance scheme" with the Italian Revenue Agency, following an application filed at the end of 2016. This important outcome was achieved by meeting subjective and objective requirements, which principally included the presence of an effective system to identify, measure, manage and control the tax risk, as required by the law and the Italian Revenue Agency's instructions, which are based largely on the OECD's recommendations on the subject. The system establishes a closer relationship of trust and cooperation with the Italian Revenue Agency, increasing the level of certainty on the most significant tax issues under fully transparent arrangements, through constant and preventive dialogue on situations that could generate tax risks.

8. Local communities and environmental impact

Our increased commitment to minimising our environmental impact has been focused on dematerialisation, leveraging innovations such as "remote digital signatures" and "electronic signatures", which significantly reduce paper usage and mailouts.

In particular, we have rolled out new digital ways of signing contracts and orders. These functions are available both to customers operate directly through the Bank's website and to customers who operate through the network of personal financial advisors. As at December 31, 2017, more than 70% of account opening applications sent through personal financial advisors were signed by the customer using electronic signatures, in what has become a completely digital process.

In addition, requests to sign up for certain services such as debit cards, personal loans or new credit facilities using remote digital signatures have reached utilisation rates well above 85% compared to traditional methods, freeing the customer from the need to print and send paper forms to the Bank.

More in general, the creation and delivery of new services for customers takes place through a process shared among all the project structures involved, which are aimed at creating highly automated processes, end-to-end services and digital document flows, to eliminate the need for printing by customers, personal financial advisors and the back office structures involved, effectively reducing emissions and helping the environment.

As regards relations with the local community, Fineco is in constant dialogue with the city of Milan, where it has its headquarters. Most recently, we made a commitment to sustainable mobility in the delivery of Milan's bike-sharing service (BikeMi) by paying for the installation of a bike docking station at the main entrance of the Bank. The aim of the initiative is to help reduce traffic and pollution and promote physical well-being.

We have also provided the municipal and local authorities with access to a large advertising screen outside Fineco headquarters, which can be used not only for marketing, but also for public communications and local emergencies.

Sustainability (CONTINUED)

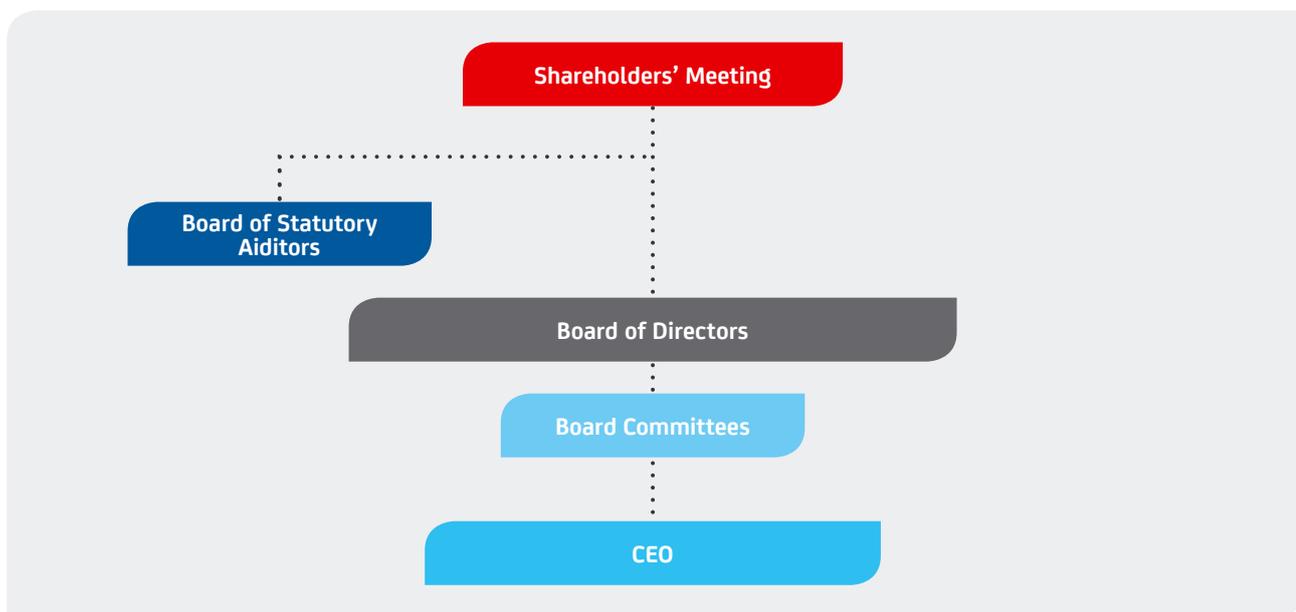
We believe that making workplaces nice, as well as functional, can have a positive impact on employees' everyday activities, helping to improve their daily working lives. That is why we started renovation work at both the Reggio Emilia and Milan offices. The Reggio Emilia office has been completely refurbished and work was completed in 2017: energy consumption is estimated to be down by about 20% thanks to the changes. Renovations are in progress at the Milan office, due to be completed by 2018. New offices, meeting rooms and training rooms have been created with a more modern layout, which will be extended to the rest of the areas as the works continue. The changes brought a 15% reduction in energy consumption at the end of December 2017.

9. Corporate Governance

Our Corporate Governance system promotes clear and responsible banking business, contributing to the creation of sustainable long-term value. It is based on principles that are recognised in international best practice as fundamental to good governance: the central role of the Board of Directors, the correct management of conflicts of interest, an efficient internal control system and transparency in relations with the market, with particular reference to reporting corporate management decisions¹⁸.

In particular, we adopt a traditional management and control system based on two bodies appointed by the Shareholders' Meeting: the Board of Directors, which exercises the powers of strategic supervision and management of the Company, and the Board of Statutory Auditors, which performs administrative supervisory functions. This traditional system awards certain mandatory powers to the Shareholders' Meeting and enables appropriate engagement between management and shareholders on fundamental elements of governance, such as: the appointment and dismissal of directors; the appointment of the members of the Board of Statutory Auditors; and the appointment of external auditors to audit the accounts, setting the remuneration it is paid. The Shareholders' Meeting's powers also include approving the financial statements, the distribution of profits, resolutions on remuneration and incentive policies and practices, and the approval of the criteria for determining the compensation to be paid in the event of early termination of the employment relationship or early termination of office.

The Board of Directors is supported by the following internal committees: (i) Risk and Related Parties Committee; (ii) Remuneration Committee; (iii) Appointment Committee. The governance structure of FinecoBank as at December 31, 2017 is illustrated in the following diagram:



¹⁸ The Bank's overall corporate governance structure was designed taking into account the laws in force and the recommendations contained in the Corporate Governance Code for Listed Companies approved in July 2015 by the Italian Corporate Governance Committee. The Company must also comply with the requirements of the Supervisory Provisions issued by the Bank of Italy and in particular, with regard to corporate governance, the Supervisory Provisions on Corporate Governance. Under these provisions, FinecoBank - as a listed bank and subject to prudential supervision by the European Central Bank (ECB) - is considered a large or highly operationally complex bank and therefore complies with the provisions applicable to these financial institutions.

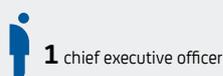
a. Composition of the Board

Our Board of Directors consists of 9 members, including the Chairman and Chief Executive Officer (CEO). It was appointed by the Shareholders' Meeting of April 11, 2017 and its term of office will end at the Shareholders' Meeting called to approve the annual financial statements as at December 31, 2019¹⁹

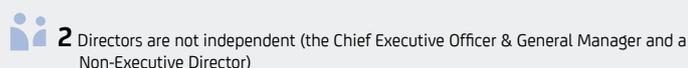
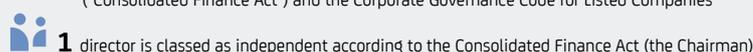
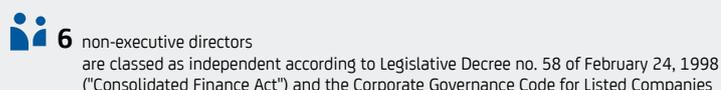
The composition of the Board in office is quantitatively and qualitatively consistent with the theoretical profile approved by the Board of Directors²⁰, including with regard to the limits on the number of offices held. In addition, the Board of Directors meets the requirements of integrity, experience and independence (including suitability) set forth in the articles of association and current regulations.

b. The Board of Directors in figures

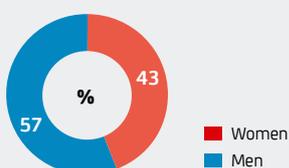
Executive and non-executive directors



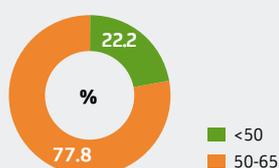
Independent Directors



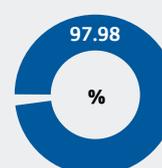
Breakdown by gender



Average age of the Board of Directors

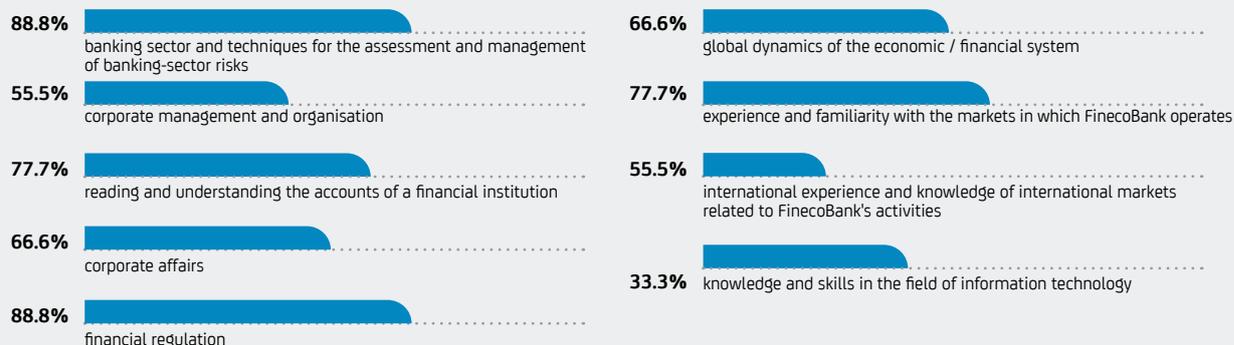


Average attendance rate at BoD meetings - 2017



Areas of competency of the Board of Directors

Each director satisfies at least 2 of the required areas of competence:



19. The members of the Board of Directors (and of the Board of Statutory Auditors) are appointed by the Shareholders' Meeting according to the list voting mechanism. This voting system, which uses lists of competing candidates, ensures that representatives of minority shareholders are appointed.

20. In order to reappoint the administrative body, FinecoBank's Board of Directors had to identify the theoretical profile of the candidates for appointment (including in terms of professional competence and independence, where applicable). To this end, by resolution of February 7, 2017, the Board of Directors approved the document entitled "Assessment of the qualitative and quantitative composition of the Board of Directors of FinecoBank S.p.A." (published on the company website), which contains the results of the preliminary analysis conducted by the Board of Directors on its optimal qualitative/quantitative composition for the purposes of the proper performance of its functions, in specific compliance with the Supervisory Provisions on the subject.

10. Risk management and compliance

a. Risk Management

Our Bank cultivates a solid risk culture based on shared values and consistent behaviour, which is necessary to ensure long-term sustainable profitability.

Fineco's Risk Management function is responsible for identifying, quantifying and mitigating the Bank's risks, using a series of rules, methodologies, policies and strategies in line with the regulatory requirements established by the Supervisory Authorities, while at the same time supporting the Bank's strategic planning.

To ensure maximum risk-return alignment, the Risk Management function adopts a Risk Appetite Framework (RAF) that establishes the level of risk acceptable to the Bank, in line with business objectives. The RAF is geared towards achieving sustainable profitability and steady business growth.

The Risk Management function is therefore responsible for assisting the Board of Directors in defining a risk appetite proposal for the Bank. This proposal comes before and feeds into the annual and multiannual budgeting process, and is in line with the strategy of the Bank and the Group. Aligning the incentive schemes for top management and the network of personal financial advisors with the RAF encourages a conservative approach to risk-taking and the maintenance of adequate risk levels.

In its lending business, the Bank has followed all the fundamental values contained in the "Charter of Integrity and the Code of Conduct of the UniCredit Group", adopted as of May 2012, refraining from transactions involving:

- financing individuals or businesses which have been found guilty of crimes (where known), including economic/financial crimes and crimes against property, or whose shareholders have been found guilty of said crimes;
- financing transactions that are not in line with the guidelines on banking set out in the Global Rules on reputational risk;
- exploiting customers with low knowledge levels or special situations, in order to obtain advantages by applying particularly onerous conditions/interest rates.

In the expansion of our Lending business, we have a strong focus on building a low-risk, high-quality portfolio.

Risk Management is also involved in cultivating and improving the risk culture as part of training activities at all levels. The Bank provides specific Board-induction training for members of the Board of Directors and the Board of Statutory Auditors. Following the appointment of the Board of Directors and the Board of Statutory Auditors, Board-induction sessions were held in 2017 that were attended by the members of the Board of Directors and the Board of Statutory Auditors.

Finally, to reinforce the company's risk culture, the Bank participates in the Group's Risk Academy initiatives, which are planned and managed by the Group's Risk Management function in conjunction with learning and training competence centres. This approach results in deeper and more uniform understanding and knowledge of risk.

b. Compliance

We proactively monitor and manage compliance risks by carrying on our business in accordance with applicable laws, internal procedures, best practice standards and ethical principles. In doing so, our compliance function regularly defines, develops and monitors the implementation and compliance of our Bank's rules, procedures, methodologies and other compliance standards. Senior management oversees this process and promotes a robust compliance culture. If business is at the heart of our operations, then compliance is the way in which we do business.

Compliance is essential for the legitimacy and sustainability of our business. Respect for all laws, regulations and internal rules in force, both at local and Group level, allows us to prevent illegal behaviour and contribute to the fight against financial crimes. As we are committed to promoting compliance in every employee, it is essential to maintain a close relationship between Compliance and our business units.

We aim to build and implement a shared compliance culture that involves all levels of our organisation. The Group's Global Compliance Culture Policy - approved and adopted in November 2016 - defines the key principles of the compliance culture at Group level and at Fineco, as well as the roles and responsibilities of the internal functions responsible for implementing this policy (e.g. Compliance, Human Capital and Communications).

Whistleblowing

Reporting any irregularities helps to protect the company and its reputation as well as all our colleagues. We adopted a system in 2011 through which employees and personal financial advisors can report any conduct in violation of the law or the Bank's internal rules. Any employee or financial advisor can use this mechanism if he/she has reasonable suspicion that an illegal act or potentially harmful conduct has occurred or may occur.

If an employee or personal financial advisor has reason to suspect that unacceptable conduct has occurred or is likely to occur, he or she reports this to the Fineco Compliance Officer (local anti-corruption officer), who is responsible for internal reporting systems, who ensures that the procedure is properly conducted.

If the Compliance Officer is hierarchically and functionally subordinate to the person to whom the complaint relates or if he or she is accused of the violation or has a potential interest in the report such as to

compromise his or her impartiality and independence of judgement, the employee or financial advisor may contact the Internal Audit department directly as a “reserve function”, sending the report to the Head of Fineco’s Internal Audit Department.

This process is designed to guarantee the maximum possible confidentiality with regard to the identity of the whistleblower and the accused person and to prevent any possible retaliation or discriminatory behaviour following the report.

The channels made available to employees and personal financial advisors by the Bank to report irregularities - including anonymously - are as follows (some available 24 hours a day):

- by telephone, via the FinecoBank SpeakUp line, where employees and personal financial advisors can leave a voice message, including anonymously
- on the website, via the FinecoBank SpeakUp service, where employees and personal financial advisors can leave a written message, including anonymously
- using the dedicated e-mail address
- by writing to the dedicated postal address.

Information on whistleblowing is also made available to employees and personal financial advisors in a specific section of the company intranet dedicated to the importance of this issue, which specifies in detail how and when to make the report.

Anti corruption (anti-bribery)

Our approach to prevent bribery and corruption is defined in the Global Anti-Corruption Compliance Policy and the related Operating Instructions adopted by the Bank. The Policy sets minimum standards for anti-corruption compliance and applies to officers and members of strategic, supervisory and executive bodies, employees and PFAs.

The anti-corruption policy aims to:

- establish principles and rules to identify and prevent potential acts of corruption in order to protect the integrity and reputation of the Bank;
- provide general information for employees on the measures taken by the Bank to identify, mitigate and manage corruption risks.

The following mechanisms have been put in place to monitor the effectiveness of the Bank’s approach to combating corruption and bribery: escalation procedures for significant and strategic issues, quarterly information requests from management, analysis and testing of the results of activities relating to managing second-level controls, compliance risk assessment processes carried out for each regulatory area of the Compliance Function and internal audit inspections. The final two mechanisms (the compliance risk

assessment process and the internal audit inspections) result in actions to be taken to mitigate risks, which must be completed within the established timeframe in order to ensure that the identified risks are managed.

Compliance risks are managed through a dedicated risk assessment process and second-level controls. In the event of non-compliance, specific corrective actions are implemented to mitigate any significant risks.

Our Bank has zero tolerance for corruption, prohibits “facilitation payments” and does not allow any transfer of goods to public officials without approval; political donations are also banned.

Code of Ethics, Code of Conduct and Charter of Integrity

Our Bank has adopted a Code of Ethics to mitigate operational and reputational risk and promote a widespread culture of internal control. The Code also plays a role in the prevention of offences covered by Legislative Decree 231/2001, as it contains a series of corporate ethical principles that recommend, promote or prohibit specific actions, independent of the contents of regulatory provisions. The Code contains rules aimed at ensuring that everyone’s conduct is always guided by criteria of fairness, cooperation, loyalty, transparency and mutual respect.

The Charter of Integrity affirms the principles of ethics and conduct that we recognise as our own.

The Code of Conduct defines the general principles of conduct, with the aim of promoting our culture of compliance and our commitment to sustainability.

All these documents reflect the Bank’s ethical values and principles, as well as providing a robust response to stakeholders - employees, suppliers, customers, partners, local communities and institutions - by setting out specific commitments to them in terms of conduct and controls. However, our stakeholders are also asked to respect these values, thus forging a mutual bond.

The documents focus on the values of freedom, excellence, respect, transparency, integrity and fairness; they identify rules of conduct that make up specific and mandatory commitments for each employee, helping to build a corporate culture consistent with our fundamental values. This approach is intended to highlight the key values that underpin our business, as well as the rules by which our values are put into practice on a daily basis.

11. IT and Cyber Risk

Our Bank has a strong internal culture of IT and Operations, meaning that efficiency and innovation are part of our DNA. As at December 31, 2017, approximately 19% of our staff work in the IT Department and 24% in the Back Office.

We took a strategic decision since the beginning to manage most of the activities in these areas internally, with the dual objective of achieving better control of processes, reaching high levels of efficiency, and at the same time creating a deep internal know-how that translates into a strong competitive advantage.

The strategy of developing products and services internally allows us to offer customised and distinctive products, reducing risks while at the same time reducing the time needed to resolve any problems, while still deploying well-established technologies that guarantee stability and time-to-market.

The constant effort to offer increasingly complex products and services while maintaining ease-of-use for customers, who can access them through different channels, means we can offer flexibility through customer mobility and a superb customer experience.

The Bank also manages all security services internally. Great attention is paid to the issues of Security, to ensure complete safety for the customer while also maintaining ease-of-use.

Cyber risk

As a multi-channel bank, managing Cyber Risk is essential for us. Given the growing digital complexity of the world we live in, information security has become crucial for the banking industry. Cybercrime, online fraud, identity theft and hacktivism are without doubt very hot topics at the moment. Our goal is to protect our customers and our business by ensuring data security. The steps we are taking help to mitigate our exposure to operational and reputational risks, so we devote considerable resources to maintaining the security of our customers' assets and data.

Unfortunately, as the world becomes increasingly connected and moves at an ever faster pace, criminals gain many opportunities to abuse the global financial system. That is why we have invested in training employees to understand their role in the fight against financial crime. We have also put processes in place to deal with these situations quickly and effectively.

Our security strategy follows a multi-tiered approach based on deep customer knowledge, behavioural analysis and risk assessment. This enhances and makes our anti-fraud process more effective, while maintaining a high level of practicality and usability. Knowing our customers better is key to protecting them from financial crime. We must ensure that all information we have about our customers is accurate, up-to-date and complete. This helps our systems for detecting criminal activity to operate more effectively.

As regards information security, we are using a well-established risk-based internal security process, comprising qualified personnel, an advanced technological infrastructure and robust procedures.

Fineco has a strong internal IT culture, which facilitates effective operation of IT security issues. In addition, we also make limited use of external IT partners, which allows us to better understand our applications and systems.

Last but not least, we are working together with Italian law enforcement agencies, national and international security associations and well-known security firms. It should not be forgotten that a systemic approach to cybercrime can be much more effective than a one-to-one fight.

In terms of customer protection, we have adopted clear policies, structures and governance rules that cover all of our processes - from product and service design to training, incentives and customer interaction. Fineco guarantees compliance with data protection regulations by implementing the principles set out in Italian legislation and implementing Directive 95/46/EC through a new Global Privacy Policy. In April 2016, the EU Parliament adopted Regulation (EU) No 2016/679 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (the General Data Protection Regulation "GDPR"). The new data protection regime - which replaces the current Directive - will enter into force on May 25, 2018 and will be directly applicable in all EU Member States without the need for specific national implementing legislation. Within the activities relating to data protection, the Compliance Risk Assessment ("CRA") and the second-level checks are designed to identify, monitor and manage compliance risks in this regulatory area.

The Bank has adopted a formal and comprehensive Security Incident Response Plan. The plan is detailed and has a number of different levels (governance, organisation, operation and reporting). In detail:

Persons and procedures

- Internal CSIRT (Computer Security Incident Response Team)
- A systematic vulnerability assessment process is in place for systems and applications (internal and external evaluations and penetration tests)
- System security is verified as standard when testing the application

Anti-fraud measures:

- Dedicated anti-fraud team
- Real-time transaction monitoring solution implemented
- Close cooperation with law enforcement agencies, banking association and security partners

12. Awards

Fineco received several high-profile awards once again in 2017, confirming the Bank's excellent position on the market. These awards add to others obtained in the past, such as the survey "What really shapes the Customer Experience" by the consulting firm BCG, which in 2015 defined Fineco as the most recommended banking brand worldwide through word of mouth.

One particular highlight was the survey "The Customer Experience Era", in which consulting firm KPMG named FinecoBank the leading financial brand in Italy for the quality of its customer experience and sixth overall out of over 140 domestic and global players. This was an important award for Fineco, because it confirms the success of a model that, building on pillars of operational efficiency, transparency and innovation, aims to meet the day-to-day needs of our customers, simplifying banking and making their lives easier. During the year, the authoritative magazine Institutional Investor also named Alessandro Foti the best CEO in Europe in 2017 for the

banking industry, in the Small & Mid-Cap category. The 2017 "All-Europe Executive Team" survey involved more than 1,600 institutional investors and about 1,000 analysts, operating in more than 800 companies. The recognition of Institutional Investor strengthens the positioning of Fineco as one of the most important players in the banking and financial industry at the international level.

A number of awards were also received from Global Brands Magazine, a magazine on the world's best brands. In particular, for the fourth consecutive year Fineco was the best Italian company in the Banking & Finance sector, and was named in the "Best Financial Brand, Italy" and "Most Innovative Financial Advisory Brand, Italy" categories, and for the first time in the "Best Custom Financial Advisory Brand, Italy" and "Most Trusted Financial Advisory Brand, Italy" categories. Among the various Italian banking and financial sector players nominated for the prize, Fineco stood out for the quality and innovation of its services. It was also ranked among the best companies in the advisory sector, for its advanced and personalised advisory services, and among the brands with the highest levels of trust and customer satisfaction.



Fineco among international leaders

An independent research by KPMG placed Fineco sixth in the 2016 ranking of best companies for Customer Experience in Italy. In the banking sector, Fineco is in the absolute first place.

Data source: KPMG Nunwood.



The best CEO of Europe in Fineco

In 2017 Alessandro Foti was named best CEO in Europe for the Small & MidCap category of the Banking industry.

Data source: Research conducted by Institutional Investor.



Global Brands Magazine 2017

Global Brands Magazine awarded Fineco as:

- Best Financial Brand, Italy
- Most Innovative Financial Advisory Brand, Italy
- Best Custom Financial Advisory Brand, Italy
- Most Trusted Financial Advisory Brand, Italy

Source: Global Brands Magazine, the international website on the world's leading brands.



The most recommended bank

Fineco is the world's most recommended bank by word of mouth, according to a survey by the The Boston Consulting Group.

Source: The Boston Consulting Group.

Other information

Report on corporate governance and proprietary structures

Pursuant to Article 123-bis, paragraph 3 of Legislative Decree no. 58 of February 24, 1998, the Report on Corporate Governance and Proprietary Structures is available at the "Governance" section of the FinecoBank website (<http://www.fineco.it>).

Report on remuneration

Pursuant to Art. 84-quater, paragraph 1, of the Issuers' Regulations implementing the Legislative Decree no. 58 of February 24, 1998, the "Report on remuneration" is available on FinecoBank's website (<http://www.fineco.it>).

Research and development

To promote technical solutions in line with the company mission, research and development is focused on developing software that enables the provision of increasingly innovative financial advice together with exclusive own-account trading.

More specifically, the main software applications that have been developed over the years are:

- Advice, a computer program through which the Bank enables its personal financial advisors to offer a professional advisory service to customers who want a personalised financial plan;
- Internaliser, a computer program through which the Bank executes customer orders in its own account relating to trading on financial markets as an alternative counterparty to the market;
- Powerdesk and Webtrading, software that allows the Bank to, respectively, offer customers sophisticated and efficient tools for online trading on the main international financial markets and simple solutions to complement the direct banking services.

The activities were split between developing new applications and strengthening/maintaining existing features to meet customer needs increasingly efficiently.

Lastly, in 2017, activities continued for the development of the X-Net platform (used by personal financial advisors) including the graphic overhaul of the existing tools, improving and enhancing the features of the existing tools, and the release of the "tool for customer needs".

Information on the time limits for convening the ordinary Shareholders' Meeting

Pursuant to Article 2364, paragraph 2, of the Italian Civil Code and Art. 6, paragraph 4, of FinecoBank's Articles of Association, the draft Annual Accounts will be submitted to the Ordinary Shareholders' Meeting for approval within 120 days from the end of the financial year.

Non-financial declaration pursuant to article 6, paragraph 1, Legislative Decree 254 of December 30, 2016

The Bank has availed of the right to waive preparation of the Non-financial declaration pursuant to article 6, paragraph 1, Legislative Decree 254 of December 30, 2016 as both FinecoBank and Fineco AM Limited are included in the Integrated Report prepared by the Parent Company UniCredit S.p.A..

Certification by the administrative body as to satisfaction of the conditions set out in article 16 of the Markets Regulation adopted by CONSOB resolution no. 20249 of December 28, 2017 (which replaced the regulation implementing Legislative Decree no. 58 of February 24, 1998 on markets, approved by resolution no. 16191 of October 29, 2007 as amended).

In relation to the provisions of art. 2.6.2, paragraph 9, of the Regulation on Markets Organised and Managed by Borsa Italiana S.p.A., it is hereby certified that FinecoBank - subject to management and coordination by UniCredit S.p.A. - meets all the requirements of art. 16 of the Markets Regulation adopted by CONSOB resolution no. 20249 of December 28, 2017, for the listing of shares of the subsidiaries subject to the management and coordination of other companies. In particular, the Bank has fulfilled the disclosure obligations set forth in Art. 2497-bis of the Italian Civil Code, has an independent negotiating capacity in its relations with customers and suppliers, has a Board of Directors consisting mainly of independent directors, and has a Risk and Related Parties Committee composed of independent directors (which is assigned, among other things, the functions that the Corporate Governance Code for Listed Companies assigns to the Internal Control and Risk Management Committee).

Subsequent events and outlook

Subsequent Events

The Board of Directors' meeting of FinecoBank held on January 10, 2018 - in consideration of the favourable opinion of the Remuneration Committee which met on January 9, 2018 - approved the following incentive systems that will be submitted to the Shareholders' Meeting called for April 11, 2018:

- 2018 Incentive System for Employees categorised as Key Personnel;
- Long-Term Incentive Plan 2018-2020 for employees;
- 2018 Incentive System for Personal Financial Advisors identified as "Key Personnel";
- Long-Term Incentive Plan 2018-2020 for Personal Financial Advisors identified as "Key Personnel".

On January 23, 2018, the Board of Directors of FinecoBank authorised the issue of an Additional Tier 1 Perp Non Call June 2023 notes issue (5.5 years) (Non-Cumulative Temporary Write-Down Deeply Subordinated Fixed Rate Resettable Notes). The financial instrument is a perpetual private placement²¹, issued for a total of €200 million and entirely subscribed by UniCredit S.p.A. The coupon for the first 5.5 years has been fixed at 4.82%.

The decision to carry out an intra-group issuance has many advantages: effective cost savings relating, for example, to the underwriting syndicate, and shorter issue times so as not to miss the right moment, maximising the benefits of the transaction.

In view of the particularly favourable market conditions and spread levels, the Bank decided to issue an Additional Tier 1 in order to improve the diversification of its investment portfolio.

Finally, the Board of Directors of FinecoBank on 6 February 2018, taking into account the positive opinion of the Remuneration Committee meeting on 5 February 2018, approved the implementation of the following incentive / loyalty systems:

- 2014-2017 multi-year plan top management for employees. In particular, the assignment of n. 494,493 free ordinary shares to the beneficiaries of the second tranche of the Plan, granted in 2015, and consequently a free share capital increase for a total amount of 163,182.69 euros with immediate effect;
- Incentive Systems 2014, 2015, 2016 and 2017 for employees. In particular, it was approved:
 - the assignment of n. 196,557 free ordinary shares to beneficiaries of the second tranche of the 2014 Incentive Systems and of the first tranche of the 2015 Incentive Systems, and consequently a free share capital increase for a total amount of € 64,863.81 euros effective from March 30, 2018;

- the assignment of the fourth cash tranche related to the 2016 Incentive Systems and of the third cash tranche related to the 2017 Incentive Systems;
- Incentive Systems 2015, 2016 and 2017 for Financial Advisors identified Staff. In particular, it was approved:
 - the assignment of n. 27.103 phantom shares to the beneficiaries of the 2015 Incentive System;
 - the assignment of cash tranches related to the 2016 and 2017 Incentive Systems;
- 2015-2017 Plan PFA Stock Granting Plan for Financial Advisors. In particular, it was approved:
 - the grant of the shares underlying the plan (as envisaged in the Plan rules, the number of shares to be allocated will be determined on the basis of the arithmetic mean of the official closing price of the shares of each day of listing on the electronic stock market organized and managed by Borsa Italiana SpA, in the period starting from the day before the date of assignment of the shares to the Financial Advisors on the same day of the previous month - both included - meaning by assignment date July 31, 2018);
 - the assignment to the beneficiaries of the first tranche of shares, equal to one third of the total amount.

Outlook

As described above, in the last quarter of 2017 the Bank set up an Irish-law investment firm (Fineco Asset Management Company), which is a wholly owned subsidiary dedicated to asset management activities. Its objective is to offer its customers a range of UCITs with a strategy focused on the definition of strategic asset allocation and selection of the best international managers and, therefore, diversify and improve the offer of asset management products and further increase the Bank's competitiveness through a vertically integrated business model. Authorisation processes are underway with the competent regulatory authorities, which will presumably allow the company to be presumably operational at the end of the second quarter 2018.

Specifically, the necessary application for authorisation to carry out asset management operations was submitted to the Bank of Ireland on December 5, 2017. Furthermore, to ensure maximum tax compliance on transfer pricing, it was agreed that a bilateral tax ruling would be submitted; the pre-filing phase was completed in 2017 and the application is due to be filed by the end of February 2018.

21. Unrated e unlisted.

Subsequent events and outlook (CONTINUED)

In response to the main trends that are redrawing customer behavioural models, Fineco confirms its focus on offering advanced financial advisory services and the digitalisation of its offerings. This includes the cyborg advisory model, aimed at improving the productivity of the Network and at the same time increasing the quality of the service provided to customers. FinecoBank remains committed to developing the Credit area, with

an increasing focus on personal loans, first- and second-home mortgages, and Credit Lombard.

The Bank will continue to pursue its strategy aimed at further strengthening its competitive positioning in the sector of integrated banking, brokerage and investing services, through the high quality and completeness of the financial services offered, which can be summed up in the concept of “one-stop solution”.

Proposal for the approval of the accounts and allocation of profit for the year

The Bank closed the year 2017 with net profit for the year of €214,283,600.37.

It is proposed to allocate the net profit for the year as follows:

- €45,609.30 to the Legal Reserve, corresponding to 0.02% of the profit for the year, having reached the limit of a fifth of the share capital;
- €40,842,738.49 to the Extraordinary Reserve;
- €173,395,252.58 to Shareholders, corresponding to a dividend of €0.285 for each of the 608,404,395 ordinary shares with a par value of €0.33 euro, constituting the share capital including the 691,050 shares relating to the capital increase approved by the Board of Directors on February 6, 2018.

The dividends not distributed in relation to treasury shares held by the Bank at the record date will be transferred to the Extraordinary reserve.

The Board of Directors

Milan, February 6, 2018

FinecoBank S.p.A.
Chief Executive Officer and General Manager
Alessandro Foti



FinecoBank S.p.A.
Chairman
Enrico Cotta Ramusino



In conclusion, the Shareholders Meeting is invited to approve:

- the Separate Annual Report and Accounts for the year 2017 in their entirety;
- the allocation of the profit for the year of €214.283.600,37 as follows:
 - €45,609.30 to the Legal Reserve, corresponding to 0.02% of the profit for the year, having reached the limit of a fifth of the share capital;
 - €40,842,738.49 to the Extraordinary Reserve;
 - €173,395,252.58 to Shareholders, corresponding to a dividend of €0.285 for each of the 608,404,395 ordinary shares with a par value of €0.33 euro, constituting the share capital including the 691,050 shares relating to the capital increase approved by the Board of Directors on February 6, 2018.

Payment of the aforesaid dividend amount, in accordance with legal regulations, will take place with the value date of April 25, 2018.

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Consolidated balance sheet

BALANCE SHEET - ASSETS	31.12.2017	31.12.2016
10. Cash and cash balances	613,033	5,077
20. Financial assets held for trading	10,878,797	6,044,381
40. Available-for-sale financial assets	1,047,689,459	1,319,752,248
50. Held-to-maturity investments	4,826,390,118	2,437,777,200
60. Loans and receivables with banks	13,878,117,291	15,735,539,575
70. Loans and receivables with customers	2,129,219,267	1,016,798,235
80. Hedging derivatives	458,102	552,163
90. Changes in fair value of portfolio hedged items (+/-)	9,590,000	8,658,970
120. Property, plant and equipment	15,205,122	14,450,553
130. Intangible assets	97,511,341	97,333,284
of which		
- goodwill	89,601,768	89,601,768
140. Tax assets	9,249,002	13,165,245
a) current tax assets	1,765,333	1,570,652
b) deferred	7,483,669	11,594,593
Pursuant to Law 214/2011	3,827,710	4,179,683
160. Other assets	315,413,615	336,298,929
Total assets	22,340,335,147	20,986,375,860

BALANCE SHEET - LIABILITIES AND SHAREHOLDERS' EQUITY	31.12.2017	31.12.2016
10. Deposits from banks	926,001,336	1,111,106,252
20. Deposits from customers	20,205,035,993	18,801,073,396
40. Financial liabilities held for trading	2,616,556	2,625,818
60. Hedging derivatives	12,693,848	10,913,534
70. Changes in fair value of portfolio hedged items (+/-)	(3,772,231)	457,488
80. Tax liabilities	10,233,645	10,048,263
a) current tax liabilities	10,233,645	10,048,263
100. Other liabilities	338,287,009	251,843,036
110. Provisions for employee severance pay	4,998,596	5,253,109
120. Provisions for risks and charges	112,413,921	111,755,540
b) other reserves	112,413,921	111,755,540
140. Revaluation reserves	(8,340,274)	(6,794,389)
170. Reserves	323,932,039	278,407,921
180. Share premium reserve	1,934,113	1,934,113
190. Share capital	200,545,404	200,245,794
200. Treasury shares (-)	(365,178)	(4,337,809)
220. Net Profit (Loss) for the year	214,120,370	211,843,794
Total liabilities and Shareholders' equity	22,340,335,147	20,986,375,860

Consolidated Income statement

INCOME STATEMENT	2017	2016
10. Interest income and similar revenues	269,746,119	253,306,254
20. Interest expenses and similar charges	(5,165,001)	(3,918,420)
30. Net interest margin	264,581,118	249,387,834
40. Fee and commission income	533,314,118	472,840,353
50. Fee and commission expense	(263,230,897)	(229,959,174)
60. Net fee and commission income	270,083,221	242,881,179
70. Dividend income and similar revenue	54,580	19,805
80. Gains (losses) on financial assets and liabilities held for trading	47,413,142	48,590,105
90. Fair value adjustments in hedge accounting	19,195	68,969
100. Gains (losses) from disposal or repurchase of:	4,711,990	20,382,021
<i>a) loans and receivables</i>	<i>3,951,003</i>	<i>34</i>
<i>b) available-for-sale financial assets</i>	<i>760,987</i>	<i>20,381,987</i>
120. Operating income	586,863,246	561,329,913
130. Impairment losses/writebacks on:	(18,042,404)	(9,507,033)
<i>a) loans and receivables</i>	<i>(5,157,695)</i>	<i>(4,206,369)</i>
<i>b) available-for-sale financial assets</i>	<i>(12,891,185)</i>	<i>(6,724,389)</i>
<i>d) other financial assets</i>	<i>6,476</i>	<i>1,423,725</i>
140. Net profit from financial activities	568,820,842	551,822,880
170. Net profit from financial and insurance activities	568,820,842	551,822,880
180. Administrative costs	(323,524,419)	(314,208,394)
<i>a) payroll costs</i>	<i>(78,886,341)</i>	<i>(79,201,124)</i>
<i>b) other administrative expenses</i>	<i>(244,638,078)</i>	<i>(235,007,270)</i>
190. Net provisions for risks and charges	(8,458,948)	(783,846)
200. Net impairment/write-backs on property, plant and equipment	(5,569,276)	(4,853,453)
210. Net impairment/write-backs on intangible assets	(4,799,956)	(5,098,895)
220. Other net operating income	90,304,163	79,458,523
230. Operating costs	(252,048,436)	(245,486,065)
270. Gains (losses) on disposal of investments	(507,788)	234
280. Total profit (loss) before tax from continuing operations	316,264,618	306,337,049
290. Tax expense (income) related to profit or loss from continuing operations	(102,144,248)	(94,493,255)
300. Total profit (loss) before tax from continuing operations	214,120,370	211,843,794
320. Net Profit (Loss) for the year	214,120,370	211,843,794
340. Net profit (loss) for the year attributable to the parent	214,120,370	211,843,794

	2017	2016
Earnings per share (euro)	0,35	0,35
Diluted earnings per share (euro)	0,35	0,35

Note:

For further information on "Earnings per share" and "Diluted earnings per share" please see Notes to the Consolidated Accounts, Part C - Information on the Income Statement, Section 21.

Consolidated statement of comprehensive income

	2017	2016
10. Net Profit (Loss) for the year	214,120,370	211,843,794
Other comprehensive income after tax without reclassification through profit or loss		
40. Defined benefit plans	(3,473,350)	(1,061,600)
Other comprehensive income after tax with reclassification through profit or loss		
100. Available-for-sale financial assets	1,927,465	(17,359,033)
130. Total other comprehensive income after tax	(1,545,885)	(18,420,633)
140. Comprehensive income (item 10+130)	212,574,485	193,423,161
160. Consolidated comprehensive income attributable to the parent	212,574,485	193,423,161

Statement of changes in consolidated shareholders' equity

Statement of Changes in Consolidated Shareholders' Equity as at 12.31.2017

	BALANCE AS AT 12.31.2016	CHANGE IN OPENING BALANCE	BALANCE AS AT 01.01.2017	ALLOCATION OF PROFIT FROM PREVIOUS YEAR		CHANGE DURING THE YEAR										SHAREHOLDERS' EQUITY GROUP AS AT 12.31.2017	SHAREHOLDERS' EQUITY MINORITIES AS AT 12.31.2017
				RESERVES	DIVIDENDS AND OTHER DISTRIBUTIONS	CHANGES IN RESERVES	SHAREHOLDERS' EQUITY TRANSACTIONS							COMPREHENSIVE INCOME YEAR 2017			
							ISSUES OF NEW SHARES	PURCHASE OF OWN SHARES	DISTRIBUTION OF EXTRAORDINARY DIVIDENDS	CHANGES IN EQUITY INSTRUMENTS	OWN SHARE DERIVATIVES	STOCK OPTIONS	CHANGES IN OWNERSHIP INTERESTS				
Share capital:																	
a) ordinary shares	200,245,794		200,245,794				299,610									200,545,404	-
b) other shares																	
Share premium reserve	1,934,113		1,934,113													1,934,113	-
Reserves:																	
a) from profits	250,247,571		250,247,571	41,684,057		208,837						(299,610)			291,840,855	-	
b) other	28,160,350		28,160,350									3,930,834			32,091,184	-	
Revaluation reserves	(6,794,389)		(6,794,389)										(1,545,885)		(8,340,274)	-	
Equity instruments																	
Treasury shares	(4,337,809)		(4,337,809)				4,144,410	(171,779)							(365,178)	-	
Profit (loss) for the year	211,843,794		211,843,794	(41,684,057)	(170,159,737)								214,120,370		214,120,370	-	
Shareholders' Equity Group	681,299,424	-	681,299,424	-	(170,159,737)	208,837	4,444,020	(171,779)	-	-	-	3,631,224	212,574,485		731,826,474	-	
Shareholders' Equity Minorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

The amount of the dividend paid to shareholders in 2017, totalling €170,159,736.60, corresponds to €0.28 per share.

The column "Stock options" includes the incentives plans serviced by FinecoBank shares.

The "Changes in reserves" column includes dividends not distributed in relation to any treasury shares held by the Bank at the record date, transferred to the Extraordinary reserve.

Statement of changes in consolidated shareholders' equity

Statement of Changes in Consolidated Shareholders' Equity as at 12.31.2016

	BALANCE AS AT 12.31.2015	CHANGE IN OPENING BALANCE	BALANCE AS AT 01.01.2016	ALLOCATION OF PROFIT FROM PREVIOUS YEAR		CHANGE DURING THE YEAR									SHAREHOLDERS' EQUITY GROUP AS AT 12.31.2016	SHAREHOLDERS' EQUITY MINORITIES AS AT 12.31.2016	
				RESERVES	DIVIDENDS AND OTHER DISTRIBUTIONS	CHANGES IN RESERVES	SHAREHOLDERS' EQUITY TRANSACTIONS						COMPREHENSIVE INCOME YEAR 2016				
							ISSUES OF NEW SHARES	PURCHASE OF OWN SHARES	DISTRIBUTION OF EXTRAORDINARY DIVIDENDS	CHANGES IN EQUITY INSTRUMENTS	OWN SHARE DERIVATIVES	STOCK OPTIONS		CHANGES IN OWNERSHIP INTERESTS			
Share capital:																	
a) ordinary shares	200,150,192		200,150,192				95,602									200,245,794	-
b) other shares																	
Share premium reserve	1,934,113		1,934,113													1,934,113	-
Reserves:																	
a) from profits	214,666,022		214,666,022	35,676,658		493						(95,602)				250,247,571	-
b) other	21,923,555		21,923,555									6,236,795				28,160,350	-
Revaluation reserves	11,626,244		11,626,244											(18,420,633)		(6,794,389)	-
Equity instruments																	
Treasury shares	(8,555,284)		(8,555,284)				4,217,475									(4,337,809)	-
Profit (loss) for the year	191,052,791		191,052,791	(35,676,658)	(155,376,133)									211,843,794		211,843,794	-
Shareholders' Equity Group	632,797,633	-	632,797,633	-	(155,376,133)	493	4,313,077	-	-	-	-	6,141,193		193,423,161		681,299,424	-
Shareholders' Equity Minorities	-	-	-	-	-	-	-	-	-	-	-	-		-		-	-

The amount of the dividend paid to shareholders in 2016, totalling €154,376,133.61, corresponds to €0.255 per share.
The column "Stock options" includes the incentives plans serviced by FinecoBank shares.

Consolidated statements of cash flows

Indirect method

A. OPERATING ACTIVITIES	AMOUNT	
	2017	2016
1. Operations	361,011,174	293,153,682
- profit (loss) for the year (+/-)	214,120,370	211,843,794
- unrealised gains/losses on financial assets/liabilities held for trading and on assets/liabilities at fair value through profit or loss (-/+)	(1,795,053)	(3,213,058)
- capital gains/losses on hedging transactions (-/+)	(19,195)	(68,969)
- impairment losses/write-backs (+/-)	10,052,616	9,753,897
- impairment losses/write-backs on tangible and intangible assets (+/-)	10,369,232	9,952,348
- provisions for risks and charges and other income/expenses (+/-)	22,691,175	21,089,047
- premiums earned (net) not collected (-)	-	-
- other insurance income/expense not collected (-/+)	-	-
- duties, taxes and tax credits not paid (+/-)	2,728,516	(5,054,227)
- net impairment losses/write-backs on disposal groups classified as held for sale after tax (+/-)	-	-
- other adjustments (+/-)	102,863,513	48,850,850
2. Cash flows from/used by financial assets	669,059,301	(1,381,160,674)
- financial assets held for trading	(3,192,436)	(567,806)
- financial assets at fair value through profit or loss	-	-
- available-for-sale financial assets	246,011,519	(1,313,292,726)
- loans and receivables with banks: on demand	-	-
- loans and receivables with banks: other loans and receivables	1,514,464,034	(1,827,055)
- loans and receivables with customers	(1,108,949,383)	(98,959,296)
- other assets	20,725,567	33,486,209
3. Cash flows from/used by financial liabilities	1,295,521,503	2,646,815,393
- deposits from banks: on demand	-	-
- deposits from banks: other payables	(175,626,539)	(295,219,062)
- deposits from customers	1,404,593,717	2,980,283,349
- debt securities in issue	-	-
- financial liabilities held for trading	143,908	245,403
- financial liabilities at fair value through profit and loss	-	-
- other liabilities	66,410,417	(38,494,297)
Net cash flows from/used in operating activities	2,325,591,978	1,558,808,401
B. INVESTMENT ACTIVITIES		
1. Cash flows from		
- sales of equity investments	-	-
- collected dividends on equity investments	-	-
- sales of financial assets held to maturity	-	-
- sales of tangible assets	256,331	234
- sales of intangible assets	-	-
- sales of subsidiaries and divisions	-	-
2. Cash flows used in		
- purchases of equity investments	-	-
- purchases of held-to-maturity investments	(2,430,228,291)	(291,362,650)
- purchases of tangible assets	(7,083,818)	(6,884,309)
- purchases of intangible assets	(4,978,013)	(4,618,092)
- purchases of subsidiaries and divisions	-	-
Net cash flows from/used in investing activities	(2,442,033,791)	(302,864,817)
C. FUNDING ACTIVITIES		
- issue/purchase of treasury shares	3,972,631	4,217,475
- issue/purchase of equity instruments	299,610	95,602
- dividends and other distributions	(174,394,920)	(159,688,717)
Net cash flows from/used in financing activities	(170,122,679)	(155,375,640)
NET CASH FLOWS FROM/USED DURING THE YEAR	(286,564,492)	1,100,567,944

RECONCILIATION

Balance Sheet Items		
Cash and cash balances at the beginning of the year	2,284,274,859	1,182,228,221
Net cash flows generated/used during the year	(286,564,492)	1,100,567,944
Cash and cash balances: effect of changes in exchange rates	(46,714,855)	1,478,694
Cash and cash balances at the end of the year	1,950,995,512	2,284,274,859

Key:

(+) generated

(-) used

The term "Cash and cash balances" means cash recorded under item 10 of assets "Cash and cash balances" and the equivalent liquid assets recorded under item 60 of assets "Loans and receivables with banks" (consisting of current accounts and deposits maturing within 3 months) net of the equivalent liquid liabilities recorded under item 10 of liabilities "Deposits from banks" (represented by current accounts and deposits maturing within 3 months).

The item "Cash and cash balances" at the end of the year 2017 consisted of:

- Cash recognised under asset item 10 "Cash and cash balances" in the amount of €613 thousand;
- Current accounts and demand deposits recognised under asset item 60 "Loans and receivables with banks" in the amount of €1,993,139 thousand;
- net of the Current accounts and demand deposits recognised under liability item 10 "Deposits from banks" in the amount of €42,756 thousand.

The item "Cash and cash balances" at the end of the prior year consisted of:

- Cash recognised under asset item 10 "Cash and cash balances" in the amount of €5 thousand;
- Current accounts and demand deposits recognised under asset item 60 "Loans and receivables with banks" in the amount of €2,336,579 thousand;
- net of the Current accounts and demand deposits recognised under liability item 10 "Deposits from banks" in the amount of €52,309 thousand.

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Part A - Accounting Policies

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Part A - Accounting Policies

A.1 General

Section 1 - Statement of Compliance with IFRS

In implementation of Legislative Decree no. 38 of February 28, 2005, these consolidated Accounts of FinecoBank Banca Fineco S.p.A. (hereinafter, FinecoBank or Fineco) have been prepared in accordance with the IAS/IFRS issued by the International Accounting Standards Board (IASB), including the SIC and IFRIC interpretation documents, as endorsed by the European Commission until December 31, 2017, pursuant to EU Regulation 1606/2002 of July 19, 2002 and applicable to financial reports for the periods starting on or after January 1, 2017.

They are an integral part of the Annual Financial Report as required by art. 154-ter, paragraph 1 of the Consolidated Finance Act (TUF, Italian Legislative Decree no. 58 of February 24, 1998).

In its circular 262 of December 22, 2005 as amended, the Bank of Italy laid down the formats for the consolidated financial statements and consolidated notes to the accounts of banks and regulated financial companies that are parents of banking groups, which have been used to prepare these consolidated Accounts.

Section 2 - Preparation criteria

As mentioned above, these consolidated Accounts have been prepared in accordance with the IFRS endorsed by the European Commission. The following documents have been used to interpret and support the application of IFRS, even though not all of them have been endorsed by the European Commission:

- The Conceptual Framework for Financial Reporting;
- Implementation Guidance, Basis for Conclusions, IFRICs and any other documents prepared by the IASB or International Financial Reporting Interpretations Committee (IFRIC) supplementing the IFRS;
- Interpretation documents on the application of IFRS in Italy prepared by the *Organismo Italiano di Contabilità* (Italian Accounting Body);
- ESMA (European Securities and Markets Authority) and Consob documents on the application of specific IFRS provisions;
- the documents prepared by the Italian Banking Association (ABI).

The consolidated accounts comprise the Consolidated Balance Sheet, the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Shareholders' Equity, the Consolidated Cash Flow Statement (compiled using the indirect method), and these Notes to the Consolidated Accounts, together with the Directors' Report on Operations and the Attachments.

Pursuant to Art. 123-bis par. 3 of Consolidated Finance Act, as noted in the "Other Information" section of the Report on Operations, the Report on Corporate Governance and Ownership Structures is available in the "Governance" section of the FinecoBank website.

The figures in the financial statements are provided in euros, and in thousands of euros in the notes to the consolidated accounts, unless otherwise indicated. In accordance with the Bank of Italy Circular 262/2005, items in the Consolidated Balance Sheet, Consolidated Income Statement and Consolidated Statement of Comprehensive Income for which there is no significant information to be disclosed for the reporting period and the previous year, are not provided.

In addition, the tables in the Consolidated Notes that do not have any significant information to be disclosed are not shown either for the reporting period or the previous year.

Any discrepancies between the figures shown in the tables of the consolidated notes to the accounts is solely due to roundings.

FinecoBank presents consolidated financial statements for the first time for the year ended December 31, 2017, as required by law, as it controls Fineco AM Limited, an Irish company incorporated on October 26, 2017, and is an issuer of financial instruments traded on a public market. As these are the first consolidated financial statements, the figures from the previous year's separate financial statements of the Bank are provided for comparative purposes.

With reference to IAS 1, these consolidated financial statements have been prepared on a going concern basis, as there are no doubts or uncertainties as to the ability of the Bank and the subsidiary Fineco AM Limited to continue its business operations and to continue operating for the foreseeable future (at least for the next 12 months).

The measurement criteria adopted are therefore consistent with this assumption and with the principles of accrual based accounting, the relevance and materiality of accounting information, and the prevalence of economic substance over legal form. These criteria have not changed with respect to the previous year.

Section 3 - Consolidation Procedures and Scope

The following was used in order to prepare the consolidated Accounts at December 31, 2017:

- the draft accounts at December 31, 2017 of FinecoBank S.p.A.;
- the accounting records at December 31, 2017, approved by the competent bodies and functions, of Fineco AM Limited, which will end its first financial year with the preparation of the financial statements as at December 31, 2018, fully consolidated.

1. The accounting value of the investment in the fully-consolidated companies is eliminated - as a result of assuming their assets and liabilities - as a contra-entry to the relevant quota of Shareholders' Equity of the Bank. Assets and liabilities, off-balance sheet transactions, revenues and charges, as well as any profits and losses incurred between companies are fully eliminated, in line with the consolidation methods adopted. A subsidiary's costs and revenues are consolidated starting from the date on which control over it was acquired, coinciding with the date on which the company was incorporated.

1. Interests in fully-owned subsidiaries

COMPANY NAME	HEADQUARTERS:	REGISTERED OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP		VOTING RIGHTS % (2)
				HELD BY	HOLDING %	
1. Fineco AM Limited	Dublin	Dublin	1	FinecoBank	100%	100%

It should be noted that Fineco AM Limited was not operational on December 31, 2017.

Key:

(1) Type of relationship:

- 1 = majority of voting rights and the ordinary Shareholders' Meeting
- 2 = dominant influence at Shareholders' Meetings
- 3 = agreements with other shareholders
- 4 = other types of control
- 5 = unified management pursuant to Article 26, paragraph 1, of "Italian legislative decree 87/92"
- 6 = unified management pursuant to Article 26, paragraph 2, of "Italian legislative decree 87/92"

(2) Availability of votes in the ordinary Shareholders' Meeting, with a distinction between actual and potential votes.

2. Valuations and key assumptions to define the scope of consolidation

No data to report.

3. Interests in fully-owned subsidiaries with major minority interests

3.1 *Minority interests, availability of minority votes and dividends distributed to minority shareholders*

No data to report.

3.2 *Significant minority interests: accounting data*

No data to report.

4. Significant restrictions

No data to report.

5. Other information

No data to report.

Section 4 - Subsequent events

No significant events have occurred after the balance sheet date that would make it necessary to change any of the information given in the consolidated Accounts as at December 31, 2017.

The Consolidated Financial Statements at December 31, 2017 were approved by the Board of Directors of February 6, 2018, which authorised their publication also pursuant to IAS10.

Part A - Accounting Policies (CONTINUED)

Section 5 - Other matters

In 2017, the following accounting standards, amendments and interpretations become effective for reporting periods beginning on or after January 1, 2017:

- Amendments to IAS 7: Disclosure Initiative (EU Regulation 2017/1989);
- Amendments to IAS 12: Recognition of deferred tax assets for unrealised losses (EU Regulation 2017/1990);

Where applicable, these accounting standards, amendments and interpretations had no impact on the consolidated financial position and results of the Bank as at December 31, 2017.

In 2017, moreover, the European Commission approved the following accounting standards, amendments and interpretations become effective and mandatory for reporting periods beginning on or after January 1, 2018:

- Amendments to IFRS 4: Implementation of IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (EU Regulation 2017/1988);
- Clarifications on IFRS 15: Income from customer contracts (EU Regulation 2017/1987);

on or after January 1, 2019:

- IFRS 16 - Leasing (EU Regulation 2017/1986).

These standards and amendments have not been applied in advance by the Bank; with particular reference to the new IFRS 16 standard, refer to the information below.

With regard to accounting standards:

- IFRS 15 - Revenue from contracts with customers (EU Regulation 2016/1905);
- IFRS 9 - Financial Instruments (EU Regulation 2016/2067).

approved by the European Commission in 2016, mandatorily applicable to financial statements relating to periods beginning on or after January 1, 2018 and not applied in advance by the Bank, see below.

Finally, as at December 31, 2017, the IASB issued the following accounting standards and interpretations or revisions thereof, whose application is subject to completion of the approval process by the European Union, which is still ongoing:

- IFRS 14 - Rate-regulated activities (January 2014);
- Amendments to IFRS 10 and IAS 28: Sale or transfer of assets to a joint venture or associate (September 2014);
- Amendments to IFRS 2: Classification and measurement of share-based payments (June 2016);
- Annual Improvements to International Financial Reporting Standards, 2014-2016 Cycle (December 2016);
- IFRIC 22 - Interpretation on foreign currency transactions and advance consideration (December 2016);
- Amendments to IAS 40: Transfers of investment property (December 2016);
- IFRS 17 - Insurance contracts (May 2017);
- IFRIC 23 - Uncertainty over Income Tax Treatments (June 2017);
- Amendments to IFRS 9 - Prepayment Features with Negative Compensation (October 2017);
- Amendments to IAS 28 - Long-term Interests in Associates and Joint Ventures (October 2017);
- Annual Improvements to International Financial Reporting Standards, 2015-2017 Cycle (December 2017);

The possible effects of the future adoption of these standards, interpretations and amendments, when applicable and relevant for the Bank, are reasonably estimated as not significant; the related analyses, also in relation to pending approvals, are still to be completed.

IFRS 9 Financial Instruments

In July 2014, the IASB issued the new accounting standard IFRS 9 Financial Instruments, endorsed by the European Commission on November 22, 2016 through Regulation (EU) 2016/2067, which is mandatorily applicable for annual periods beginning on or after January 1, 2018, that will replace IAS 39 Financial Instruments: recognition and measurement.

The new standard provides for a revised model for classifying and measuring financial assets and liabilities, an "expected loss" based impairment model for loans and a reformed approach to hedge accounting.

As of January 1, 2018, the application of IFRS 9 has impacts both on the Bank's consolidated income and balance sheet and the related information in the financial statements, as well as purely operational impacts.

During 2017, as part of a specific project launched for this purpose, the Bank completed the analysis and recognition of the impacts resulting from the adoption of the standard; the project activities aimed at the necessary implementations (IT architecture, processes and organisational procedures) are in their final phase.

The project - in coordination with a similar project carried out at UniCredit Group level and developed with the involvement of the Bank's reference functions and, most recently, the Board of Directors - was organised through specific work-streams, in particular:

- "Classification and Measurement" work-stream, aimed at reviewing the classification of financial instruments in line with the new criteria of IFRS9;
- "Impairment" work-stream, aimed at developing and implementing models and methodologies for the calculation of impairment losses.

Classification and measurement of financial assets and liabilities

With regard to IAS 39, the new standard for the classification and measurement of financial assets provided for by IFRS 9 is based on the "business model" and the financial instrument's contractual cash flows (SPPI criterion - Solely Payments of Principal and Interests).

Based on the entity's business model for managing financial instruments, the assets may be classified as:

1. "held to collect" contractual cash flows ("HTC", measured at amortised cost and subject to impairment based on expected losses);
2. "held to collect cash flows and for sale" ("HTCS", measured at fair value through comprehensive income, in an equity reserve, and subject to impairment on the basis of expected losses);
3. "held as part of other business models", e.g. held for trading ("FVTPL", measured at fair value through profit and loss).

It is also possible upon initial recognition to:

- irrevocably designate a financial asset as measured at fair value through profit or loss if this eliminates or significantly reduces a mismatch ("accounting mismatch") that would otherwise arise from a different measurement of assets or liabilities or from the recognition of gains and losses on different bases;
- irrevocably designate particular investments in equity instruments, which would otherwise be measured at fair value through profit or loss, as measured at fair value through other comprehensive income items. Upon disposal, the fair value changes recognised in a specific shareholders' equity reserve are not transferred to profit or loss, but to another shareholders' equity reserve.

With regard to financial liabilities, IFRS 9 changes the accounting of the effects of changes in the so-called "own credit risk", i.e. changes in the value of financial liabilities measured at fair value linked to fluctuations of one's own credit rating. The new standard entails that the aforementioned changes shall be recognised in a Shareholders' equity reserve through other comprehensive income rather than through profit and loss, as provide for by the IAS39 standard, thus eliminating a source of volatility for economic statement results.

With regard to classification and measurement activities, the Bank finalised the identification of the business model applicable to its financial assets and completed the analysis of the existing securities and loans portfolio in order to ascertain whether contractual cash flows enable their classification as HTC assets and amortised cost valuation, where provided for. The analysis was performed both on a contract by contract basis (securities portfolio) and by defining specific clusters based on transaction features (loan portfolio).

At the end of this analysis, the Bank included the following financial assets in the HTC Business model, according to the purposes for which they are held and their expected turnover:

- customer loans (mortgages, personal loans, unsecured loans, revolving credit cards, current account credit lines and, usually, overdraft facilities);
- cash-secured securities loans to "*multi-day leverage*" retail customers;
- credit cards full payment of balance;
- deposits, loans and repurchase agreements;
- other trade receivables;
- proprietary securities for which the Objective pursued by the bank as part of its investment policy is the ownership of financial assets aimed at the collection of contractual cash flows with the aim of achieving medium/long-term profitability.

The "HTCS Business Model" includes own securities for which the Bank pursues - as part of its investment policy - the management of the its current liquidity, the maintenance of a set interest margin or the alignment of the terms of financial assets and liabilities. Sales are an integral part of this business model and, therefore, there is no turnover threshold for portfolio sales, both in terms of frequency and amount. Nevertheless, trading activity is not allowed in order to pursue the business model and any purchases must be effected taking into account a medium to long-term time horizon.

The "Other Business Models" include any assets that do not fall into the aforementioned macro-classes: these are financial assets that are not held as part of a business model whose objective is the holding of assets aimed at the collection of contractual cash flows or whose objective is pursued through both the collection of financial cash flows and the sale of financial activities.

In particular, it involves are the following activities identified by the Bank:

- financial assets connected to internalisation
- financial assets held for trading
- securities withdrawn from customers
- other securities (not included in the above points).

In order to assess whether the features of contractual cash flows support either an amortised cost valuation (HTC) or a fair value valuation with an impact on total profitability (HTCS), i.e. whether the contractual terms of financial assets provide for, at given dates, financial flows consisting solely of principal and interest payments on the outstanding capital share (SPPI criterion - Solely Payments of Principal and Interests), systems and processes have been developed to analyse the debt securities and outstanding loans portfolio (SPPI test), in compliance and in line with the parent company UniCredit S.p.A. The tests were carried out on the securities and loans portfolio in existence at the date of the initial implementation of the accounting principle with reference to the date of their initial recognition ("inception date") and shall be carried out when a security is purchased, a new loan is marketed or the standard conditions of an existing product are changed, or when a loan with contractual conditions other than those stated in standard term sheets is issued. A potential negative result of the SPPI test ("not passed") results in the fair value measurement of the asset, with consequent different treatment compared to the standard amortised cost treatment and hedge accounting.

It should be noted that the Bank did not set minimum or false thresholds considering any clause contractual cash flow characteristics that does not comply with the SPPI requirement as a trigger that result in the test's failure, taking into account the nature of its loans and securities portfolio, consisting of plain vanilla financial assets.

Part A - Accounting Policies (CONTINUED)

With regard to non-trading equity instruments, IFRS 9 provides for the possibility of measuring them at the fair value recognised through other comprehensive income (so-called FVTOCI - fair value through Other Comprehensive Income). On first-time application of the standard, the Bank intends to exercise this option for equity instruments consisting of interests in UniCredit Business Integrated Solutions S.C.p.A., recognised in these financial statements for a total amount of €172, and in Consorzio Patti Chiari, for an amount of €5,000.

With regard to financial liabilities, no differences were recorded in terms of classification and measurement compared with IAS 39.

Impairment

With regard to the credit impairment model based on the "expected loss" ("Expected Credit Loss" or "ECL") under the new standard, the IASB developed this method in order to ensure - as required by the G20 following the financial crisis - early recognition of credit losses compared to IAS 39, which is based on actual evidence that an impairment has occurred ("incurred loss"). The new impairment accounting model is also based on the concept of "lifetime" expected loss, which can also lead to the anticipation of impairment losses and their structural increase.

In this regard, for impaired assets according to IAS 39, no significant impacts are envisaged for the Bank because there are no significant conceptual differences between the incurred losses method, according to IAS 39, and the ECL method, required by IFRS 9, as the same indicators for recognition of the loss and for classification as non-performing loans required by IAS 39 shall continue to apply. However, there are significant differences in the calculation of the ECL of receivables that experienced a significant increase in the credit risk since initial recognition (receivables classified as in "Stage 2"); however, given the amount of these exposures in the Bank's consolidated financial statements, no material impacts are expected.

The standard states that the impairment model applies to all financial instruments, i.e. financial assets recognised at amortised cost, those recognised at fair value through other comprehensive income, rental receivables and trade receivables. For the Bank, the impairment model introduced by IFRS 9 will be applied to a perimeter that will include owned securities issued by Governments and exposures towards the UniCredit Group.

The calculation model for the expected impairment loss was developed considering default exposure, the probability of default of the counterparty and its repayment capability. The valuation time-horizon differs depending on the instrument's classification: 12 months for Stage 1 receivables and for the entire term of the receivable for instruments at Stage 2 and 3. Another novelty introduced by IFRS9 for the valuation of expected losses consists in considering also future economic estimates (prospective data) available without unreasonable cost or effort, in addition to existing historical information.

The classification into the three "Stages" envisaged is carried out considering the importance of the changes in credit risk ratings compared to when they were first recognised. "Stage 1" includes exposures that did not experience a significant increase in credit risk or whose increase is deemed as being low. This Stage applies to financial instruments included in the Bank's proprietary portfolio with an "Investment Grade" rating. "Stage 2" includes exposures for which, at the valuation date, the credit risk increased significantly compared to the time they were first recognised. Finally, "Stage 3" includes exposures that show signs of objective deterioration (non-performing loans).

In defining the scope of impaired exposures, the default definition currently applied within the UniCredit Group has been adopted, which already incorporates some key principles of the "Guidelines on the application of the definition of default" issued by the EBA, such as the assessment of impairment and/or default on the basis of a given debtor's overall exposure (so-called "debtor approach").

The methodological approach applied was agreed with the Parent Company UniCredit, as were the central assessments of the credit parameters of institutional counterparties.

At the date of first application, the key expected impacts deriving from the application of the new impairment model based on expected losses relate to unimpaired assets, with an increase in write-downs particularly for financial instruments in the Bank's own portfolio.

Hedge accounting

With regard to hedges, the requirements of the new standard have been amended to make them more suitable to reflect companies' risk management policies; the new hedge accounting model extends the types of transactions eligible for hedge accounting, changes to the effectiveness test and different methods of accounting for forward contracts and options in a hedge accounting relationship. With regard to hedge accounting, the Bank plans to exercise the option established in paragraph 6.1.3 of IFRS 9 and, therefore, it will continue to apply IAS 39 for fair value hedges of interest rate risk on financial assets and liabilities, until the IASB has completed the accounting rules on hedge accounting.

In fact, the Bank only has these types of hedges in place and, at present, does not envisage other types of hedging.

Final remarks

On the date of first application of IFRS 9, negative impacts resulting from the implementation of the new impairment model based on expected losses are anticipated, which - as mentioned above - will determine an increase in write-downs on unimpaired assets, particularly in the item "Loans and receivables with banks" for the portion consisting of debt securities issued by the Parent Company UniCredit and subscribed by the Bank, which is estimated to range - net of taxes - between 55 and 65 basis points of the Bank's CET1 at December 31, 2017. Positive impacts resulting from the classification and fair value measurement of a debt security issued by UniCredit, subscribed by the Bank in prior years, with a coupon in arrears, hedged from interest rate risk through a derivative entered into with the same Parent Company, whose contractual features do not allow it to pass the SPPI Test; these impacts are estimated, gross of the tax effect, at approximately 40 basis points of the Bank's CET1 at December 31, 2017.

The effects on the carrying amount of financial instruments and impairment losses linked to the transition to IFRS9 will be recognised on January 1, 2018, as a contra-entry in Shareholders' equity.

For the sake of completeness, it should also be noted that UniCredit shares valued at fair value in IFRS 9 transition were restructured on January 2, 2018, including the contractual features of the derivative used up to that date to hedge the interest rate risk. The Bank therefore derecognised the old financial instrument recognised at December 31, 2017 and recognise the new one, whose characteristics support compliance with the SPPI Test, with consequent classification of the instrument to assets measured at amortised cost.

As a result of the implementation of IFRS9, a review of prudential rules (CRD/CRR) for the calculation of capital absorption is anticipated. In this regard, EU Regulation 2017/2395 issued on December 27, 2017 provides, as an option, that financial institutions may adopt a transition regime in order to add to CET1 the changes resulting from the adoption of the new impairment model according to the new accounting standard, with a gradual mechanism (so-called "phase-in") over 5 years starting from 2018; the Bank, in line with the choice made by the UniCredit Group, will not adopt the transition regime.

IFRS 15 - Revenue from contracts with customers

IFRS 15 - Revenue from Contracts with Customers (published by the IASB on May 28, 2014), was endorsed by the European Commission on September 22, 2016 through EU Regulation 2016/1905.

The principle will replace IAS 18 - Revenue and IAS 11 - Construction Contracts, and IFRIC 13 - Customer Loyalty Programmes, IFRIC 15 - Agreements for the Construction of Real Estate, IFRIC 18 - Transfers of Assets from Customers and SIC 31 - Revenues-Barter Transactions Involving Advertising Services, for annual periods starting on or after January 1, 2018 (early adoption is permitted).

The standard establishes a new revenue recognition model according to two alternative approaches ("at point in time" or "over time") to be applied to all contracts with customers except those that fall within the scope of other IAS/IFRS standards such as finance leases, insurance contracts and financial instruments. The recognition of revenue under the new model for analysing transactions, based on the transfer of control, has the following basic steps:

- identification of the contract with the customer;
- identification of performance obligations under the contract;
- determination of the price;
- allocation of price to the contract performance obligations;
- the revenue recognition criteria when the entity satisfies each performance obligation.

In order to assess the anticipated impacts of IFRS 15 on the Bank's consolidated income statement and financial position, also taking account of the clarifications on the standard published by the IASB in April 2016 and endorsed by the European Union on 6 November, 2017, the chart of accounts was analysed solely with regard to income items included in the implementation scope of the standard, identified in Item 40. "Fee and commission income" and Item 220. "Other management charges and income" (for Other income only).

The analysis performed did not highlight any significant impacts on the Bank's consolidated income statement and financial position.

IFRS 16 - Leasing

IFRS16, applicable from January 1, 2019 replaces the current set of international accounting principles and interpretations on leasing and, in particular, IAS17. IFRS16 introduces a new definition of leasing and a criterion based on control ("right of use") of an asset to distinguish leasing agreements from service agreements and eliminates the current distinction between operational and financial leases. With regard to the accounting model to be applied by the lessee, the new principle provides that an asset representing the right to use the leased asset shall be recognised, together with - at the same time - the financial liability for the fees set out in the agreement.

Upon initial recognition of the aforementioned asset, when calculating the right of use, the following is included: the initial amount of the liability provided in the leasing agreement, any fees paid on or before the date on which the leased asset is made available, any initial direct costs incurred for the lease and the estimate of any costs required to remove the leased asset or restore it at the end of the agreement and under the conditions provided for therein. The debt to be recognised as a contra-entry is posted at the current net present value of outstanding fees.

The new standard also allows the possibility of not recognising contracts for "low-value assets" and leases with a contractual term of 12 months or less as leasing contracts. By contrast, the new standard does not include significant changes for the lessor.

This analysis and survey of the impacts and effects resulting from the first-time adoption of the standard by the Bank, which in any case is expected for January 1, 2019 and not early, as is permitted, together with the mandatory application of IFRS 15, and the implementation and/or adoption of any required administrative and accounting processes, will be completed in 2018.

Interbank Deposit Guarantee Fund - Voluntary Scheme

The Bank has subscribed to the Voluntary Scheme, introduced in November 2015, through an amendment to the bylaws of the Interbank Deposit Guarantee Fund ("IDGF"). The Voluntary Scheme is an instrument for resolving bank crises through support measures in favour of banks subscribing to it, when specific conditions established by the regulations apply. The Voluntary Scheme has its own independent financial resources and the banks subscribing to it have committed to provide funds on request for implementation of the measures. On June 17, 2016, the General Meeting of the IDGF strengthened the financial resources of the Voluntary Scheme from €300 million to €700 million (with a total commitment for FinecoBank of €16.8 million).

In June 2016, the Voluntary Scheme approved a measure in favour of Cassa di Risparmio di Cesena, in relation to the capital increase approved by the latter on June 8, 2016 for €280 million.

In September 2016, the Voluntary Scheme of the IDGF made a payment for the capital increase of Cassa di Risparmio di Cesena and at the same time debited the amount pertaining to the member. Fineco's contribution to the Voluntary Scheme was recognised by the Bank, in accordance with the instructions of the Bank of Italy, amounted to €6.7 million, was recognised in equity instruments classified in the "Available-for-sale financial assets": portfolio and fully written-down in the separate accounts at December 31 2016, the notes to which the reader is referred.

Part A - Accounting Policies (CONTINUED)

During the meeting of July 28, 2017 the Management Board of the Voluntary Scheme approved Crédit Agricole Cariparma's proposal in favour of Caricesena, Carim and Carismi and resolved on the support measure for the reorganisation of the three banks pursuant to Article 48, paragraph 5, letter a) of Chapter II of the Articles of Association.

Following this resolution, the Extraordinary Shareholders' Meeting of the participating banks, held on September 7, 2017, approved to increase of the Scheme's resources by €95 million (from €700 million to €795 million), bringing Fineco's total commitment, net of the contribution already paid in relation to Caricesena in 2016, to €13.3 million (calculated on the basis of funds due on March 31, 2017).

The measure approved by the Management Board entailed using the Voluntary Scheme's funds to recapitalise the three banks and underwrite the tranche of their NPLs securitisation. Considering the time scale required to perfect the transaction, on September 18 and 19, 2017 Carim and Carismi, based on the resolutions adopted by the respective Boards of Directors, asked the Voluntary Schemed to effect payments for future capital increases of €55 million (€25 million for Carim and €30 million for Carismi), in order to ensure compliance with asset requirements at September 30, 2017 and provide the two banks with a capital buffer as provided for by regulatory provisions, until the closing of the transaction. On September 25, 2017, as required by the IDGF, Fineco paid its share, equal to €1.4 million, calculated by applying to the total amount of €55 million the percentage share determined based on the amounts repayable on March 31, 2017, thus reducing its share (€11.9 million). This contribution was also recognised, in accordance with the relevant instructions issued by the Bank of Italy in October 2016, under the equity instruments classified in the "Available-for-sale financial assets" portfolio.

On September 29, 2017 the National Interbank Deposit Guarantee Fund, in implementation of the resolution of the Voluntary Scheme's Management Board of September 28, 2017, signed the Framework Agreement between Crédit Agricole Cariparma, the Voluntary Scheme, Caricesena, Carim and Carismi.

On December 7, 2017 the Voluntary Scheme's Management Board therefore withdrew €455 million in order to provide the Voluntary Scheme with the financial resources required to effect payments at the time of the transaction's closing, anticipated on December 21, 2017.

On December 13, 2017 Fineco paid its share, equal to €12.2 million, calculated by applying to the total amount of €455 million the percentage share determined based on the amounts due on September 30, 2017, thus reducing its share (€0.1 million remaining). The contribution paid was recognised, as previously, as capital instruments classified in the "Available-for-sale financial assets" portfolio.

At the end of Crédit Agricole Cariparma's purchase of the three banks the Voluntary Scheme held in its balance sheet mezzanine and junior NPL securitisation securities of €170 million and cash and cash equivalents of €6 million, whilst the recapitalisations of the three banks effected were a non-recoverable expense for the Voluntary Scheme, as a result of the sale of the banks to Crédit Agricole Cariparma.

In relation to the above, in the Accounts closed at December 31, 2017 Fineco partially derecognised the equity instruments recognised in "Available-for-sale financial assets" as a result of the periodic contributions, for a total amount of €15.6 million, of which €6.7 million paid in 2016 and fully written-down in the accounts closed on December 31, 2016 and €8.9 million paid in 2017, corresponding to the share of contribution paid by the Bank and used by the Voluntary Scheme to recapitalise the three banks.

The residual amount of equity instruments that were not derecognised, equal to €4.7 million, corresponding to the share of the contribution paid by the Bank in 2017 and held by the Voluntary Scheme as cash and cash equivalents or used to subscribe the tranches of the securitisation, were impaired by €4 million in the Financial Statements at December 31, 2017 in order to align the fair value of the securities provided by the IDGF and resulting from the analysis of the advisor tasked by the aforementioned IDGF with valuing the loans and receivables underlying the aforesaid mezzanine and junior securities, calculated based on the evidence of a discounted cash flow model based on the recovery forecasts formulated by special servicers.

As at December 31, 2017, the residual commitment to the Voluntary Scheme amounts to €0.1 million and shall be used, only if actually required, to cover the operating expenses for the management of the measure.

Contributions to guarantee and resolution funds

With regard to contribution obligations pursuant to Directive 2014/49/EU (Deposit Guarantee Schemes - DGS), the IDGF Board, during its meeting of November 15, 2017, set the amount of €406.7 million as the total ordinary contribution for 2017 pursuant to Italian Legislative Decree no. 30/2016, implementing Directive 2014/49/EU, instead of the original amount of €506.7 million. The €100 million difference, to be paid in subsequent financial years in order to reach the target level, was earmarked by the Board for flat-rate compensation of the Solidarity Fund (established by the Stability Law 2016), whose management and supply was allocated to the IDGF by law.

The reduction in the amount of ordinary DGS contributions enables allows one to limit the expenditure for the banks during the year 2017, taking into account the trend and any additional costs for members for contributions to the Solidarity Fund in 2016-2018.

The thus defined ordinary contribution is supplemented, pursuant to Article 25, paragraph 2 of the Articles of Association of the IDGF, with additional contributions of €0.6 million in total, aimed at the gradual recovery over 2017-2024 of the funds used up to now (€5.2 million).

Overall, therefore, the total contribution of member banks (standard + additional) for 2017, including funds for the Solidarity Fund, amounts to €507.3 million, of which €0.6 million relating to the additional contribution.

In implementation of the new risk-based model adopted by the IDGF for the calculation of contributions, approved by the Bank of Italy with note of June 1, 2017, pursuant to Article 96.2, paragraph 2 of TUB, the share of each Member was calculated based on the amount of protected deposits at September 30, 2017 and risk-adjusted based on each of their management ratios at June 30, 2017, pursuant to Article 28, paragraph 2, of the Articles of Association. This calculation model also involved the remeasurement of the contributions made by the members with reference to the financial years 2016 and 2015.

The share for 2017 was paid and accounted for by the Bank under item 180. Management Expenses, amounts to €10.6 million, as follows:

- €11.8 million total contribution FY 2017;
of which
 - €9.5 million ordinary contribution;
 - €0.01 million additional contribution;
 - €2.3 million for the Solidarity Fund;
- -€0.9 million adjustment in favour of the Bank for the 2016 contribution;
- -€0.4 million adjustment in favour of the Bank for the 2015 contribution.

No contribution was however requested from the Bank by the Single Resolution Board, for 2017, with regard to contribution obligations pursuant to Directive 2014/59/EU (Single Resolution Fund).

Risks and uncertainties related to the use of estimates

In the application of the accounting policies, the management is required to make judgements, estimates and assumptions about the carrying amounts of certain assets and liabilities as well as the information regarding potential assets and liabilities. Estimates and related assumptions are based on previous experience and other factors considered reasonable under the circumstances and have been used to estimate the carrying values of assets and liabilities not readily available from other sources.

Estimated figures have been used for the recognition of some of the largest value-based items in the consolidated financial statements as at December 31, 2017, as required by the accounting standards and regulations. These estimates are largely based, as regards assets, on calculations of future recoverability of the values recognised in the accounts and, as regards liabilities, on estimates of the probability of using resources to meet its obligations and the amount of resources necessary to that end, according to the rules laid down in current legislation and standards and have been made on the assumption of a going concern, on which basis these consolidated accounts have been prepared, i.e. without contemplating the possibility of the forced sale of the estimated items.

The processes adopted support the carrying values at December 31, 2017. For some of the above items the valuation is particularly complex given the uncertainty of the macroeconomic and market situation, characterised by the significant volatility of financial indicators used in the valuation process and still high levels of credit quality impairment, as well as, more generally, the uncertainty and instability in the banking sector.

For other items, however, the complexity and subjectivity of estimates is influenced by the structure of the underlying assumptions and assumptions, the number and variability of available information and the uncertainties connected with possible future outcomes of proceedings, disputes and litigation.

The parameters and information used to determine the above-mentioned values are therefore significantly affected by multiple factors, which could change rapidly in ways that are currently unforeseeable, which means that consequent future effects on the book values cannot be ruled out.

At the date of preparing these consolidated accounts we believe that there are no uncertainties such as to give rise to significant adjustments to the carrying amounts within one year.

Estimates and underlying assumptions are regularly reviewed. Any changes resulting from these reviews are recognised in the period in which the review was carried out, provided the change only concerns that period. If the revision concerns both current and future periods it is recognised accordingly in both current and future periods.

Uncertainty affecting estimates is inherent, among other factors, in the determination of:

- fair value of financial instruments not listed in active markets;
- receivables, and in general, all other financial assets/liabilities;
- employee severance pay provision (Italy) and other employee and financial advisor benefits;
- provisions for risks and charges;
- goodwill;
- deferred tax assets;
- tax liabilities.

This quantification can vary over time, also to a significant extent, according to the evolution of the national and international social and economic environment and the consequent impacts on the Bank's earnings and customer solvency and the credit quality of the counterparties, the performance of the financial markets, which influence the fluctuation in rates, prices and actuarial assumptions used to determine the estimates, as well as the evolution and developments in existing or potential disputes.

With specific reference to future cash flow projections used in the valuation of the recoverability of goodwill recorded in the balance sheet, it should be noted that the parameters and information used are significantly influenced by the macro-economic market situation, which may change unpredictably. For further information please refer to Part B - Consolidated Balance Sheet - Section 12 - Intangible assets. With specific reference to valuation techniques, unobservable inputs used in the fair value measurement and sensitivities to changes in those inputs, please refer to Section A.4. Information on fair value of this Part A. With particular regard to provisions for risks and charges for risks arising from legal disputes, see Part E - Information on risks and hedging policies - Section 1.4 - Banking Group - Operating risk).

Part A - Accounting Policies (CONTINUED)

Other information

The Consolidated Financial Statements as at December 31, 2017 are subject to audit by Deloitte & Touche S.p.A. pursuant to Italian Legislative Decree no. 39 of January 27, 2010, which is responsible for the statutory audit of the Bank's accounts in implementation of the Shareholders' Meeting resolution of April 16, 2013.

The entire document is lodged with the competent offices and entities as required by law.

A.2 The main items of the accounts**1 - Financial Assets held for trading (HfT)**

A financial asset is classified as held for trading if it is:

- acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking;
- a derivative (except for derivatives which constitute financial guarantees, see Section 18 - Other information, and derivatives designated as hedging instruments - see Section 6 - Hedge Accounting).

Like other financial instruments, on initial recognition, at settlement date, a held-for-trading financial asset is measured at its fair value, usually equal to the amount paid, excluding transaction costs and income, which are recognised through profit or loss even when directly attributable to the financial assets. Trading book derivatives are recognised at trade date.

After initial recognition these financial assets are measured at their fair value through consolidated profit or loss. An exception is the derivatives settled by delivery of an unlisted equity instrument whose fair value cannot be reliably measured, and which are measured at cost like the underlying.

A gain or loss arising from sale or redemption or a change in the fair value of a HfT financial asset is recognised in consolidated profit or loss in item 80 "Gains (losses) on financial assets and liabilities held for trading", with the exception of financial derivatives relating to a fair value option of which gains and losses, whether realised or measured, are booked in item 110. "Gains (losses) on financial assets and liabilities at fair value through profit and loss" (Please see Ch.5 - Financial Instruments at Fair Value through Profit or Loss) If the fair value of an instrument falls below zero, which may happen with derivative contracts, it is recognised in item 40. "Financial liabilities held for trading".

A derivative is a financial instrument or other contract with all three of the following characteristics:

- its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable (usually called the 'underlying') provided that in case of non-financial variable, this is not specific of one of the parties;
- it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors;
- it is settled at a future date.

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract, with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

An embedded derivative is separated from the host contract and recognised as a derivative if:

- the economic characteristics and risks of the embedded derivative are not closely related to those of the host contract;
- a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative;
- the hybrid (combined) instrument is not measured entirely at fair value through profit or loss.

If it is necessary to separate an embedded derivative from its host contract, but it is not possible to measure the embedded derivative separately either at acquisition or at a subsequent financial reporting date, the entire combined contract is treated as a financial asset or financial liability at fair value through profit or loss.

When an embedded derivative is separated, the host contract is recognised according to its accounting classification.

A derivative that is attached to a financial instrument but is contractually transferable independently of that instrument, or has a different counterparty from that instrument, is not an embedded derivative, but a separate financial instrument.

2 - Available-for-sale Financial Assets (AfS)

Available-for-sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as loans and receivables, held-to-maturity investments, financial assets held for trading or financial assets at fair value through profit or loss. These assets are held for an indefinite period of time and may meet the need to ensure liquidity and face changes in interest rates, exchange rates and prices.

AfS financial assets are money market instruments, other debt instruments (included host contract of hybrid instruments from which embedded derivative has been bifurcated) or equity instruments; they include shares held as minority stakes where these do not constitute controlling, or joint control, or associate interests.

On initial recognition, at settlement date, an AfS financial asset is measured at fair value, which is usually equal to the consideration of the transaction, plus transaction costs and income directly attributable to the instrument.

In subsequent periods these assets are measured at fair value, with interest recognised at amortised cost in the income statement. Gains or losses arising out of changes in fair value are recognised in equity item 140. Consolidated "Revaluation reserves" except losses due to significant impairment and exchange rate gains or losses on monetary items (debt instruments) which are recognised under item 130.b) "Impairment losses/writebacks on AfS financial assets" and item 80. "Gains (losses) on financial assets and liabilities held for trading" in the consolidated income statement, respectively - until the financial asset is sold, at which time cumulative gains and losses are recognised in consolidated profit or loss in item 100.b) "Gains (losses) on disposal or repurchase of AfS financial assets".

The fair value changes recorded in item 140. "Revaluation reserves" in equity are also reported in the Consolidated Statement of Comprehensive Income. Equity instruments not listed in an active market and whose fair value cannot be reliably determined due to lack or unreliability of information for the fair value measurement are valued at cost, equivalent to the last fair value reliably measured.

If there is objective evidence of impairment on an available-for-sale financial asset, the cumulative loss that had been recognised directly in consolidated equity item 140. "Revaluation reserves", is removed from equity and recognised in consolidated profit or loss under item 130.b) "Impairment losses/writebacks on available-for-sale financial assets".

In respect of debt instruments, any circumstances indicating that the borrower/issuer is experiencing financial difficulties which could prejudice the collection of the principal or interest, represent an impairment.

The impairment of equity instruments is assessed on the basis of indicators such as fair value below cost and adverse changes in the environment in which the company operates, as well as the issuer's debt service difficulties, if any.

The loss of value is normally considered as impairment, if fair value falls to less than 50% of cost or lasts for more than 18 months.

If, however, the fall in the fair value of the instrument is over 20% but less than or equal to 50% or continues for no less than 9 but no longer than 18 months, further income and market indicators shall be reviewed. If the results of the review are such as to prejudice the recovery of the amount originally invested, a lasting loss of value is recognised.

The amount taken to profit and loss is the difference between the carrying amount (value of initial recognition less any impairment loss already recognised in profit or loss) and current fair value.

Where instruments are valued at cost, the amount of the loss is determined as the difference between their carrying value and the present value of estimated future cash flows, discounted at the current market yield on similar financial assets (the recoverable amount).

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event such as an improvement in the debtor's credit worthiness occurring after the impairment loss was recognised in consolidated profit or loss, the impairment loss is reversed and the amount of the reversal is recognised in the same consolidated profit or loss item. The reversal cannot result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised. Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available for sale are not reversed through profit or loss, but recognised in consolidated equity under the revaluation reserve.

3 - Held-to-Maturity Investments (HtM)

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity, other than those that have the characteristics to be classified under loans and receivables with banks and loans and receivables with customers, for which there is the positive intention and ability to hold them to maturity (included the host contract of hybrid instruments after the embedded derivative has been bifurcated).

If, during the financial year, more than an insignificant amount of held-to-maturity investments are sold or reclassified before maturity, the remaining HtM financial assets shall be reclassified as available-for-sale and no financial assets shall be classified as HtM investments for the two following financial years, unless the sales or reclassifications:

- are so close to maturity or the financial asset's call date that changes in the market rate of interest would not have a significant effect on the financial asset's fair value;
- occur after substantially all of the financial asset's original principal has been collected through scheduled payments or prepayments;
- are attributable to an isolated event that is beyond the entity's control, is non-recurring and could not have been reasonably anticipated by the entity.

After initial recognition at its fair value, which will usually be the price paid including transaction costs and income directly attributable to the acquisition or provision of the financial asset (even if not yet settled), a held-to-maturity financial asset is measured at amortised cost using the effective interest method. The difference between the carrying value of the asset and the amount received is taken to consolidated profit and loss under item 100.c) "Gains (losses) on disposal or repurchase of HtM financial assets" when the financial asset is derecognised.

Part A - Accounting Policies (CONTINUED)

If there is objective evidence that a held-to-maturity investment is impaired, the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted using the original effective interest rate of the financial asset. The carrying amount of the asset is reduced accordingly and the loss is recognised in consolidated profit or loss under item 130.c) "Impairment losses/writebacks on held-to-maturity investments".

If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event such as an improvement in the debtor's credit worthiness occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed. The reversal cannot result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised. The amount of the reversal is recognised in the same consolidated profit or loss item. Held-to-maturity investments cannot be hedged for other than the credit/non performance risk and exchange rate risk.

In 2016, the Bank reclassified the Available-for-sale financial assets consisting of Italian and Spanish government securities to the Held-to-maturity investments portfolio. In this regard, see the information in the Separate Financial Statements for the period ended December 31, 2016, and section A.3 Disclosure on transfers between portfolios of financial assets in these notes to the consolidated financial statements.

4 - Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are recognised on the date of disbursement to the borrower, which can coincide with the contract signing date.

These items include debt instruments with the above characteristics (including the primary component of structured instruments after the embedded derivative has been unbundled) or that are subject to portfolio reclassification in accordance with the rules of IAS 39.

After initial recognition at fair value, which is usually the price paid including transaction costs and income directly attributable to the acquisition or issuance of the financial asset (even if not yet paid), a loan or receivable is measured at amortised cost, which can be adjusted to take account of any write-downs/write-backs resulting from the valuation process.

A profit (or loss) on loans and receivables is recognised through consolidated profit or loss:

- when a loan or receivable is derecognised: in item 100.a) "Gains (losses) on disposal or repurchase";
- or
- when a financial asset is impaired (or the impairment loss previously recognised is reversed: in item 130.a) "Net impairment losses/writebacks on (a) loans and receivables".

Interest on loans and receivables is recognised in profit or loss on an accrual basis using the effective interest rate method under item 10. "Interest income and similar revenue".

Delay interest is taken to the income statement on collection or receipt.

To measure credit exposures, the Bank refers to the reference regulations supplemented by internal and Group provisions and policies governing the classification of loans and their transfer within the various categories.

In particular, loans and receivables are reviewed in order to identify those that, following events occurring after initial recognition, show objective evidence of possible impairment. These impaired loans are reviewed and analysed periodically at least once a year.

A loan or receivable is deemed impaired when it is considered that it will probably not be possible to recover all the amounts due according to the contractual terms, or equivalent value.

Allowances for impairment of loans and receivables are based on the present value of expected cash flows of principal and interest; in determining the present value of future cash flows, the basic requirement is the identification of estimated collections, the timing of collections and the discount rate used.

The amount of the loss on impaired exposures classified as non-performing and unlikely to pay according to the categories specified below, is the difference between the carrying value and the present value of estimated cash flows discounted at the original interest rate of the financial asset. If the original interest rate cannot be identified directly, or if identifying it would be excessively onerous, the best approximation is used.

For all fixed-rate positions, the interest rate determined in this manner is also held constant in future years, while for floating rate positions the interest rate is updated according to contractual terms.

If the original interest rate is not directly available, or if finding it would be excessively onerous, the interest rate that best approximates the original one is applied, including through practical expedients that do not affect the substance and ensure consistency with international accounting standards.

Recovery times are estimated on the basis of business plans or forecasts based on historical recovery experience observed for similar classes of loans, taking into account the customer segment, type of loan, type of security and any other factors considered relevant.

Any subsequent change with respect to initial expectations of the amount or timing of expected cash flows of principal and interest causes a change in allowances for impairment and is recognised in consolidated profit or loss in item 130.(a) "Impairment losses/writebacks on loans and receivables".

In the Notes to the Consolidated Accounts, write-downs of impaired loans are classified as specific in the relevant Consolidated Income Statement item even when the calculation is flat-rate or statistical, as indicated below.

When the reasons for the value adjustments are no longer deemed to exist, and this assessment is objectively attributable to an event connected to the improvement in the financial solvency of the debtor after the adjustment, a reversal is made in the same consolidated income statement item, within the amount of the amortised cost that there would have been if there had been no impairments.

Derecognition of a loan or receivable in its entirety is made when the underlying cause of the loan or receivable no longer exists, or when the loan or receivable is deemed to be irrecoverable or is written off. Write-offs are recognised directly in consolidated profit or loss under item 130(a) "Impairment losses/writebacks on loans and receivables" and reduce the amount of the principal of the loan or receivable. Reversals of all or part of amounts previously written off are recognised in the same item.

According to Bank of Italy regulations, set out in Circular no. 272 of July 30, 2008 as amended, impaired exposures, i.e. those with the characteristics mentioned in paragraphs 58-62 of IAS 39, correspond to the Non-Performing Exposures aggregate referred to in the EBA ITS.

Specifically, the EBA has identified non-performing exposures as those that satisfy either or both of the following criteria:

- material exposures which are more than 90 days past due;
- exposures for which it is assessed that the debtor is unlikely to pay its credit obligations, without the enforcement and realisation of collateral, regardless of the existence of any past due and/or overdrawn impaired exposures or of the number of days past due.

The EBA standards have also introduced the definition of forbore exposures. Credit exposures are defined as forbore whose original contractual terms and conditions are modified or for which a total or partial refinancing of the debt is granted, as a result of financial difficulties of the debtor. Forborne exposures may be classified in the impaired loans category (non-performing, unlikely to pay, past-due loans and overdrawn impaired exposures) or as unimpaired loans. The accounting policies regarding provisions and assessments of forbore exposures are in line with the general principle set out by IAS 39, with the clarifications given below regarding renegotiated loans classified as unlikely to pay.

The aforementioned Circular 272 establishes that the impaired assets aggregate is divided into the following categories:

- **Non-performing loans:** i.e., the on-balance-sheet and off-balance-sheet exposures to insolvent borrowers, even if the insolvency has not been recognised in a court of law. They are measured individually (including by verifying statistically defined coverage levels for some loan portfolios below a predefined threshold) or, for individually insignificant amounts, on a flat basis by type of homogeneous exposures;
- **Unlikely to pay:** i.e. on- and off-balance sheet exposures, which do not meet the conditions for classifying the borrower as non-performing loans and for which, in the absence of actions such as the enforcement of collateral, the debtor's ability to fully meet its credit obligations (principal and/or interest) is assessed as unlikely. This assessment is made independently of any past due and unpaid amount (or instalment). The classification of an exposure as unlikely to pay is not necessarily tied to evident issues (non-repayment), but is rather linked to indicators of a potential default of the borrower. The "unlikely to pay" exposures are measured in the accounts individually (including by verifying statistically defined coverage levels for some loan portfolios below a predefined threshold) or by applying a percentage on a flat basis by type of homogeneous exposures. Exposures classified as unlikely to pay and identified as forbore, may only be reclassified to unimpaired loans after at least one year has passed from the time of the forbearance and the conditions established in paragraph 157 of the EBA Implementing and Technical Standards have been met. With regard to their measurement:
 - they are generally measured on an individual basis and the resulting allowance may include the discounted cost due to renegotiation of the interest rate at a rate lower than the original contractual rate;
 - loans under renegotiation involving a debt/equity swap are valued, pending swap finalisation, on the basis of the conversion agreements entered into at the reporting date. Any differences between the value of the loans and the fair value of the equity instruments on initial recognition are recognised through consolidated profit or loss as write-downs.
- **Past-due and/or overdrawn impaired exposures:** i.e. on-balance sheet exposures, other than those classified as non-performing or unlikely to pay, that are past due or overdrawn at the reporting date. The past due and/or overdrawn impaired exposures may be determined, alternatively, with respect to the individual debtor or the individual transaction. Specifically, they represent the total exposure to any borrower not included in the unlikely to pay and non-performing loans categories, who at the reporting date has expired facilities or unauthorised overdrafts that are more than 90 days past due and meet the requirements set out by local supervisory regulations for their classification under the "past due exposures" category (TSA banks) or "defaulted exposures" (IRB banks). Past-due and/or overdrawn impaired exposures are valued at a flat rate on a historical/stochastic basis by applying where available the risk rating referred to Loss Given Default (LGD) under Regulation (EU) No. 575/2013 (CRR) on prudential requirements for credit institutions and investment firms. Past due and/or overdrawn impaired exposures are calculated with respect to the individual debtor. Total exposure is recognised in this category if, at the reporting date, either of the following amounts, whichever is larger, is equal to or more than 5%:
 - the expired/overdrawn portion out of the entire exposure as at the reporting dateand
 - the average of the past-due and/or overdrawn portions out of the entire exposure, as measured daily in the last preceding quarter.

Part A - Accounting Policies (CONTINUED)

The collective assessment of performing loans is used for groups of loans for which individually there are no indicators of impairment: to these portfolios a latent impairment can be attributed, according to the method described below, inter alia on the basis of the risk factors used under CRR prudential regulations.

Loans with similar characteristics in terms of credit risk - in relation to loan type, technical features, the borrower's sector of economic activity, geographical location, type of security or other relevant factors - are assigned different classes to which a PD (Probability of Default) and LGD (Loss Given Default) is associated for each loan; these are uniform for each class of loan.

The methods used combine the CRR prudential regulation recommendations and IFRS. The latter (IAS 39) exclude future loan losses not yet sustained, but include losses already sustained even if they were not manifest at the time of measurement, on the basis of past experience of losses on assets having a similar risk profile to the assets being measured.

The parameter for the average period from deterioration of a borrower's financial condition and its classification as an impaired loan is the Loss Confirmation Period.

The portfolio valuation is the product of the risk factors derived from the parameters used under CRR prudential regulation requirements, with a one-year time horizon, and the above loss confirmation periods (LCP) expressed as part of a year and diversified according to classes of loans and receivables on the basis of customer segments/portfolios characteristics. The confirmation period is assumed to be equal to a maximum of 12 months, at which existing accounting provisions and expected losses are equivalent.

If these indicators are not available, estimated value and standard loss percentages, based on internal historical and sectoral series, shall be used. Allowances for unsecured loans to residents of countries experiencing debt service difficulties, where the transfer risk is not included in the rating system applied, are generally determined, country by country, with the aim of attributing latent impairment on the basis of shared parameters.

Impairment losses are recognised as a reduction of the carrying amount of the loan or receivable, whereas the risk arising from off-balance sheet items, e.g. loan commitments and loan commitments and write-downs for impairment of guarantees given, is recognised in consolidated profit and loss under item 130.d) "Impairment Losses/writebacks on other financial assets" with contra item 100. "Other Liabilities").

5 - Financial Instruments at Fair Value through Profit or Loss (FiaFV)

Any financial asset may be designated, in accordance with the provisions of IAS 39 as a financial instrument measured at fair value through profit and loss on initial recognition, except for the following:

- investments in equity instruments for which there is no price quoted in active markets and whose fair value cannot be reliably determined;
- derivatives.

FiaFV includes financial assets:

- (i) not belonging to regulatory trading book, whose risk is:
 - connected with debt positions measured at fair value (see also item 15 "Financial liabilities at fair value through profit or loss");
 - managed by the use of derivatives not treatable as accounting hedges.
- (ii) represented by hybrid (combined) instruments containing embedded derivatives that otherwise would have been separated from the host contract.

FiaFV are accounted for in a similar manner to HFT financial assets (see Section 1 - Financial assets held for trading), however gains and losses, both realised and unrealised, are recognised in item 110. "Gains (losses) on financial assets and liabilities at fair value through profit and loss".

At the balance sheet date, no financial assets classified as "Financial assets at fair value through profit and loss" were held.

6 - Hedge Accounting

Hedging derivatives are those created to hedge market risks (interest-rate, currency and price) to which the hedged positions are exposed. They may be described as follows:

- fair value hedge: a hedge of the exposure to changes in fair value of a recognised asset or liability, or an identifiable portion of such an asset or liability;
- cash flow hedge: a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction which could affect profit or loss in future periods;
- hedge of a net investment in a foreign entity, whose operations are presented in a currency other than euro.

Hedging derivatives are initially recognised on trade date and are valued at their fair value.

A hedging relationship qualifies for hedge accounting if there is formal designation and documentation of the hedging relationship including the risk management objective, the strategy for undertaking the hedge, and how the hedging instrument's prospective and retrospective effectiveness will be assessed. It is necessary to assess the hedge's effectiveness, at inception and in subsequent periods, in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk.

A hedge is regarded as highly effective if, at the inception of the hedge and in subsequent periods, it is determined prospectively to remain highly effective, and the retrospectively verified that the hedge ratio (i.e. the changes in fair value of hedged items and hedging instruments) is within a range of 80-125 per cent. The hedge is assessed on an ongoing basis and thus must prospectively remain highly effective throughout the financial reporting periods for which the hedge has been designated.

The assessment of effectiveness is made at each balance-sheet date or other reporting date. If the assessment does not confirm the effectiveness of the hedge, from that time on hedge accounting is discontinued in respect of the hedge and the hedging derivative is reclassified as a held-for-trading instrument.

In addition, the hedging relationship ceases when the hedging instrument expires or is sold, terminated or exercised; the hedged item is sold, expires or is repaid; or it is no longer highly probable that the forecast transaction will occur.

Hedging derivatives are measured at fair value. In particular:

- **Fair Value Hedging** - an effective fair value hedge is accounted for as follows: the gain or loss from remeasuring the hedging instrument at fair value is recognised through consolidated profit or loss in item 90. "Fair value adjustments in hedge accounting". The gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of the hedged item and is recognised through profit or loss in the same item. Hedging ineffectiveness is represented by the difference between the change in the fair value of hedging instruments and the change in the fair value of hedged item. If the hedging relationship is terminated for reasons other than the sale of the hedged item, this is measured according to the original criterion dictated by the accounting standard applied to the relevant portfolio. In the case of interest-bearing instruments, the difference between the carrying amount of the hedged item on termination of the hedging and the carrying amount it would have had if the hedge had never existed, is recognised through profit or loss in interest receivable or payable over the residual life of the original hedge. If the hedged item is sold or repaid, the portion of fair value which is still unamortised is recognised immediately under item 100. "Gains (losses) on disposal or repurchase" in the consolidated income statement. The difference in fair value of the hedging derivative since the latest effectiveness testing date is recognised in consolidated profit or loss under item 90. "Fair value adjustments in hedge accounting". With regard to specific Fair Value hedging derivatives of securities included in the portfolio of "Available-for-sale financial assets", the fair value changes of the hedging instrument were recognised through consolidated profit or loss in item 90. "Fair value adjustments in hedge accounting"; fair value changes of the hedged item attributable to the hedged risk (interest rate risk) were recognised through consolidated profit or loss in the same item 90; the fair value changes of the hedged item relating to the unhedged risk (essentially the credit risk) are recognised in the Consolidated Statement of Comprehensive Income and shown in item 140. "Revaluation reserves" in consolidated equity;
- **Cash Flow Hedging** - hedges are valued at fair value. Change in the fair value of a hedging instrument that is considered effective is recognised in consolidated equity item 140 "Revaluation reserves". The ineffective portion of the gain or loss is recognised through consolidated profit or loss in item 90. "Fair value adjustments in hedge accounting". If a cash flow hedge is determined to be no longer effective or the hedging relationship is terminated, the cumulative gain or loss on the hedging instrument that remains recognised in "Revaluation reserves" from the period when the hedge was effective remains separately recognised in "Revaluation reserves" until the forecast hedged transaction occurs or is determined to be no longer possible; in the latter case, the gains or losses are transferred from consolidated shareholders' equity to item 80. "Gains and losses on financial assets and liabilities held for trading" in the consolidated income statement. The overall fair value changes recorded in item 140. "Revaluation reserves" are reported in the Consolidated Statement of Comprehensive Income;
- **Hedging a Net Investment in a Foreign entity** - hedges of a net investment in a foreign entity, whose operations are presented in a currency other than euro, are accounted for similarly to cash flow hedges. The gain or loss on the hedging instrument relating to the effective portion of the hedge that has been recognised directly in equity is recognised through profit or loss on disposal of the foreign entity. The fair value changes recorded in item 130. "Revaluation reserves" are also reported in the Consolidated Statement of Comprehensive Income. The ineffective portion of the gain or loss is recognised through consolidated profit or loss in item 90. "Fair value adjustments in hedge accounting";
- **Macro-hedged financial assets (liabilities)** - IAS 39 allows a fair-value item hedged against interest rate fluctuations to be not only a single asset or liability but also a monetary position contained in a number of financial assets or liabilities (or parts of them); accordingly, a group of derivatives can be used to offset fair-value fluctuations in hedged items due to changes in market rates. Macro hedging may not be used for net positions resulting from the offsetting of assets and liabilities. As for fair value micro hedging, macro hedging is considered highly effective if, at the inception of the hedge and throughout its life, changes in the fair value attributable to the hedged position are offset by changes in fair value of the hedging instrument and if the hedge ratio is retrospectively assessed falling within the range of 80-125 per cent. Net changes - gains or losses - in the value of the macro-hedged assets and liabilities attributable to the hedged risk are recognised in asset item 90 and liability item 70 respectively and offset the profit and loss item 90 "Fair value adjustments in hedge accounting" in the consolidated income statement. The gain or loss from remeasuring the hedging instrument at fair value is recognised in the same consolidated profit and loss item. The ineffectiveness of the hedging arises to the extent that the change in the fair value of the hedging item differs from the change in the fair value of the hedged monetary position. The extent of hedge ineffectiveness is in any case recognised in profit and loss item 90. "Fair value adjustments in hedge accounting" in the consolidated income statement.

If the hedging relationship is terminated, for reasons other than the sale of the hedged items, cumulative gain or loss in items 90 (Assets) and 70 (Liabilities) is recognised through profit or loss in interest income or expenses, along the residual life of the hedged financial assets or liabilities.

If the latter are sold or repaid, unamortised fair value is at once recognised through profit and loss in item 100. "Gains (Losses) on disposals/repurchase" in the consolidated income statement.

The Bank had in place at the reporting date only macro-hedges against the interest rate risk of personal loans to retail customers, bonds issued by UniCredit subscribed by the Bank and classified under the "Loans and receivables" category and fixed-rate direct deposits.

Part A - Accounting Policies (CONTINUED)

7 - Equity Investments

The initial recognition and subsequent valuation criteria for interests governed by IFRS10 Consolidated Financial Statements, IAS27 Separate Financial Statements, IAS28 Investments in associates and joint ventures and IFRS11 Joint Arrangements, are detailed to the applicable extent in Section 3. Consolidation scope and methods of Section A.1 of the Notes to the Consolidated Accounts, which also provides information on valuation and key assumptions made to establish the presence of control, joint control or significant influence in compliance with the provisions of IFRS12 (paragraphs 7-9).

The remaining Interests - other than subsidiaries, associates and joint ventures, and interests recognised in items 150. "Non-current assets and disposal groups held for sale" and 90. "Liabilities included in disposal groups classified as held for sale" (see Section 10 - Non-current assets and disposal groups held for sale) - are classed as available-for-sale financial assets and treated accordingly (see Section 2 - Available-for-sale financial assets).

8 - Property, Plant and Equipment (Tangible Assets)

The item includes:

- land and buildings
- furniture and fixtures
- plant and machinery
- other machinery and equipment

and is divided between:

- assets used in the business;
- assets held as investments.

Tangible assets used in the business are held for use in the production or supply of goods or services or for administrative purposes and are expected to be used during more than one period.

Property, plant and equipment also include leasehold improvements relating to assets which can be separately identified. They are classified according to the specific sub-items relating to the asset type (e.g. plants). Leasehold improvements are usually borne in order to make leased premises fit for the expected use. Improvements and additional expenses relating to property, plant and equipment identifiable but not separable are recognised in item 160. "Other assets".

Tangible assets held for investment purposes are properties covered by IAS 40, i.e. properties held in order to derive rentals and/or a capital gain.

Property, plant and equipment are initially recognised at cost including all costs directly attributable to bringing the asset into use (transaction costs, professional fees, direct transport costs incurred in bringing the asset to the desired location, installation costs and dismantling costs).

Subsequent costs are added to the carrying amount or recognised as a separate asset only when it is probable that there will be future economic benefits in excess of those initially foreseen and the cost can be reliably measured. Other expenses borne at a later time (e.g. normal maintenance costs) are recognised in the year they are incurred in consolidated profit and loss items:

- 180.b) "Other administrative expenses", if they refer to assets used in the business;

or:

- 220. "Other net operating income", if they refer to property held for investment.

After being recognised as an asset, an item of property, plant and equipment is carried at cost less any accumulated depreciation and any cumulative impairment losses.

An item with a finite useful life is subject to straight-line depreciation.

The depreciation rates used for the main categories of property, plant and equipment are as follows, reflecting their estimated useful lives:

• Furnishings	15%
• Motor vehicles	25%
• Buildings	3%
• Alarm and safety systems	30%
• Lifts and lifting equipment	7,5%
• Electronic equipment	20%
• Ordinary office equipment	12%
• Machinery, appliances and equipment	15%
• Office furniture and fittings	12%
• Mobile phones and photographing systems	20%
• Tablets	33,33%

Land and buildings, if separately quantifiable, are recognised separately, even if acquired together. Land is not depreciated since it usually has an indefinite useful life. Buildings, conversely, have a finite useful life and are therefore subject to depreciation.

The estimate of the useful life of an asset is reviewed at least at each accounting period-end on the basis inter alia of the conditions of use of the asset, of maintenance conditions and expected obsolescence, and, if expectations differ from previous estimates, the depreciation amount for the current and subsequent financial years is adjusted accordingly.

If there is objective evidence that an asset has been impaired, the carrying amount of the asset is compared with its recoverable value, equal to the greater of its fair value less selling cost and its value in use, i.e. the present value of future cash flows expected to originate from the asset. Any impairment loss is recognised in profit and loss item 200. "Net impairment/Write-backs on property, plant and equipment" in the consolidated income statement.

If the value of a previously impaired asset is restored, its increased carrying amount cannot exceed the net carrying amount it would have had if there had been no losses recognised on the prior-year impairment.

An intangible asset is de-recognised from the consolidated balance sheet (i) on disposal or (ii) when no future economic benefits are expected from its use or sale; and any difference between sale proceeds or recoverable value and carrying value is recognised in the consolidated profit and loss item 270. "Gains (losses) on disposal of investments" or 200. "Net impairment/write-backs on property, plant and equipment".

9 - Intangible assets

An intangible asset is an identifiable non-monetary without physical substance, controlled by the Company, which is expected to be used during more than one period and from which future economic benefits are probable.

Intangible assets mainly consist of goodwill, software and costs incurred for the creation of the new Fineco website.

Intangible assets other than goodwill are recognised at purchase cost, i.e. including any cost incurred to bring the asset into use, less accumulated amortisation and any recognised impairment losses.

An intangible asset with a finite life is subject to straight-line amortisation over its estimated useful life.

Residual useful life is usually assessed as follows:

- software maximum 3 years;
- other intangible assets maximum 5 years.

There are no intangible assets with an indefinite life, except for goodwill.

If there is objective evidence that an asset has been impaired, the carrying amount of the asset is compared with its recoverable value, equal to the greater of its fair value less selling cost and its value in use, i.e. the present value of future cash flows expected to originate from the asset. Any impairment loss is recognised in profit and loss item 210. "Net impairment/write-backs on intangible assets" in the consolidated income statement.

If the value of a previously impaired intangible asset, other than goodwill is restored, its increased carrying amount cannot exceed the net carrying amount it would have had if there were no losses recognised on the prior-year impairment.

An intangible asset is de-recognised from the consolidated balance sheet (i) on disposal or (ii) when no additional future economic benefits are expected from its use or sale; and any difference between sale proceeds or recoverable value and carrying value is recognised in the consolidated profit and loss item 270. "Gains (losses) on disposal of investments" or 210. "Net impairment/write-backs on intangible assets".

Goodwill

In accordance with IFRS3, goodwill is the excess of the cost of a business combination over the interest acquired in the net fair value, at the acquisition date, of the assets and liabilities acquired.

Goodwill arising from the acquisition of subsidiaries and joint ventures (consolidated proportionately) is recognised as an intangible asset; whereas goodwill arising from the acquisition of associates is included in the acquisition cost and, then, shown as an increase in the value of the investments.

Specifically, the goodwill recorded under intangible assets in these consolidated financial statements - corresponding to the goodwill recorded in the Bank's annual financial statements - derives from the acquisitions of merged or acquired companies.

At a subsequent financial reporting date, goodwill is recognised net of any cumulative impairment losses and is not amortised.

Goodwill is tested for impairment annually. Impairment losses on goodwill are recognised in consolidated profit and loss item 260. "Impairment of goodwill". In respect of goodwill, no write-backs are allowed.

Goodwill relates to buy-outs of divisions or companies engaged in trading activities or the distribution of financial, banking and insurance products through personal financial advisors. These activities have been fully integrated with the Bank's ordinary operations; as a result, it is not possible to isolate the contribution of each company/business division from the Bank's overall business. This means that to establish the reasonableness of the value of goodwill recognised in the financial statements it is necessary to take account of FinecoBank's comprehensive income. The cash generating unit (CGU) is the Bank as a whole.

In view of the specific business model adopted by the Bank, which involves a high level of integration between personal financial advisors and the trading and banking platform, so that the personal financial advisors network is an integral part of the overall offer, which includes banking, brokerage and investing services, an allocation of costs/revenues to the macro areas of activity is not considered relevant or meaningful.

Please see Section 13.3 Intangible assets - Other information in Part B below for further information on goodwill and related impairment tests.

Part A - Accounting Policies (CONTINUED)

10 - Non-current assets classified as held for sale

These categories include individual assets held for disposal (tangible, intangible and financial assets) or groups of assets held for sale, with the associated liabilities, as required by IFRS 5.

Individual assets (or groups of assets held for sale) are recognised in item 150. "Non-current assets and disposal groups held for sale" and 90. "Liabilities included in disposal groups classified as held for sale", respectively, at the lower of their carrying amounts and fair values less costs to sell. The revaluation reserves relating to Non-current assets held for sale, which are recorded as a contra item to changes in value relevant for this purpose), are reported separately in the Consolidated Statement of Comprehensive Income (see Part D - Consolidated Comprehensive Income). The net balance of profits (dividends, interest income, etc.) and losses (interest expense, etc.) attributable to groups of assets or liabilities held for sale are recognised in the income statement under item 310. "Profit (Loss) after tax from discontinued operations" in the consolidated income statement. Profits and losses attributable to individual assets held for disposal are recognised in the consolidated income statement under the most appropriate item.

At the balance sheet date, the Bank held no non-current assets classified as held for sale.

11 - Current and Deferred Tax

Tax assets and liabilities are recognised in the consolidated balance sheet respectively in item 140. "Tax assets" and in liability item 80. "Tax liabilities".

In compliance with the "Balance sheet liability method", current and deferred tax items are:

- current tax assets, i.e. amount of tax paid in excess of income tax due under the current national tax regulations;
- current tax liabilities, i.e. tax payables due under the current Italian tax regulations;
- deferred tax assets, i.e. amounts of income tax recoverable in future fiscal years and relating to:
 - deductible temporary differences;
 - the carry-forward of unused tax losses;
 - the carry-forward of unused tax credits;
- deferred tax liabilities, i.e. the payables for income tax due in future fiscal years in respect of taxable temporary differences.

Current and deferred tax assets and tax liabilities are calculated in accordance with local tax regulations (with reference to each company consolidated on line-by-line basis) and are recognised in profit or loss on an accrual basis. More specifically, for current IRES income tax, a rate of 27.50% has been calculated; for IRAP corporate tax, the rate applied was 5.57%.

With regard to the investee Fineco AM Limited, taxes were calculated using a rate of 12.5% (as per tax legislation).

In general, deferred tax assets and liabilities arise when there is a difference between the accounting treatment and the tax treatment of the carrying amount of an asset or liability.

Deferred tax assets and liabilities are recognised applying tax rates that at the balance sheet date are expected to apply in the period when the carrying amount of the asset will be recovered or the liability will be settled on the basis of tax regulations in force, and are periodically reviewed in order to reflect any changes in regulations.

In this regard, it should be noted that the effects of the reduction in the IRES income tax rate from 27.50% to 24% introduced, with effect from January 1, 2017 effective for tax periods after the period to December 31, 2016, introduced by the Stability Law for 2016 were "neutralised" for the Bank as a result of the introduction, by the same Law, of an additional 3.5 percentage points for credit institutions effective for the same tax periods. Furthermore, deferred tax assets are recognised only to the extent that it is probable that sufficient future taxable profit will be generated. In accordance with the provisions of IAS12, the probability that sufficient future taxable profit will be available, against which the deferred tax assets can be utilised, is reviewed periodically. The carrying amount of deferred tax assets should be reduced to the extent that it is not probable that sufficient taxable profit will be available.

Deferred tax liabilities are always recognised.

Current and deferred taxes are recognised in consolidated profit and loss item 290. "Tax expense (income) related to profit or loss from continuing operations", except for tax referred to items that in the same or in another fiscal year are credited or charged directly to equity, such as those relating to valuation gains or losses on available-for-sale financial assets, whose changes in value are recognised, after tax, under the revaluation reserves directly in the consolidated statement of comprehensive income.

Current tax assets are shown in the consolidated balance sheet net of related current tax liabilities, where the following requirements are met:

- there is a right to offset the recognised amounts; and
- there is an intention to settle the asset and liability positions with a single payment on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets are shown in the consolidated balance sheet net of related deferred tax liabilities, where the following requirements are met:

- there is a right to offset the underlying current tax assets with the current tax liabilities; and
- deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or different taxable entities which intend to settle current tax assets and liabilities on a net basis (usually under a tax consolidation agreement).

12 - Provisions for Risks and Charges

Retirement Payments and Similar Obligations

Retirement provisions - i.e. provisions for employee benefits paid after leaving employment - are defined as defined contribution plans or defined benefit plans according to the economic nature of the plan.

In particular:

- defined-benefit plans provide a series of benefits depending on factors such as age, years of service and compensation policies. Under this type of plan actuarial and investment risks are borne by the company;
- defined-contribution plans are plans under which the company makes fixed contributions. Benefits are the result of the amount of contributions paid and return on contributions invested. The employer bears no actuarial and/or investment risks connected with this type of plan as it has no legal or implicit obligation to make further contributions, should the plan not be sufficient to provide benefit to all employees.

Defined-benefit plans are present-valued by an external actuary using the unit credit projection method.

This method distributes the cost of the benefit evenly over the employee's working life. The liability is determined as the present value of average future payments adjusted according to the ratio of years of service to theoretical total years of service at the time of payment of the benefit.

More specifically, the amount recognised according to IAS 19 Revised, as a net liability/asset in item 120. Provisions for risks and charges - a) Post-retirement benefit obligations is the present value of the obligation at the balance sheet date, less any pension charges relating to benefits already provided but not yet recognised, less the fair value at the balance sheet date of plan assets other than those due to directly settle the obligations adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. Actuarial gains or losses from the defined-benefit liabilities are recognised as a contra-entry to consolidated equity under item 140. Revaluation reserves are reported in the Consolidated Statement of Comprehensive Income.

The discount rate used to discount obligations (whether financed or not) relating to benefits to be provided after retirement varies according to the currency of denomination and country where the liabilities are allocated and is determined on the basis of market yield at the balance sheet date of prime issuers' bonds with an average life in keeping with that of the relevant liability.

At the balance sheet date, there were no provisions for retirement payments and similar obligations.

Other provisions

Provisions for risks and charges consist of liabilities recognised when:

- the entity has a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

The amounts recognised as provisions are the best estimate of the expenditure required to settle the present obligation. The risks and uncertainties that inevitably surround the relevant events and circumstances are taken into account in reaching the best estimate of a provision.

As regards provisions for legal disputes, the estimate includes the costs of proceedings borne by the Bank in the event of an adverse conclusion of the dispute plus the expenses to be paid to lawyers, technical advisors and/or experts who assist the Bank, to the extent that it is believed that they will not be reimbursed by the counterparties.

This estimate was determined by the Bank, in relation to the current dispute, based on the analysis of the historical trend of legal expenses incurred, by type of litigation and degree of judgment.

In addition, where the effect of the time value of money is significant (usually when the expense is expected to materialise more than 18 months after its recognition), the amount of the provision should be the present value of the best estimate of the cost required to settle the obligation. The discount rate used reflects the current market assessments.

Provisions are reviewed periodically and adjusted to reflect the current best estimate. If it becomes clear that it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

Provisions are used only for expenses for which they were originally recognised. Provisions for the year are recognised in the income statement item 190. Consolidated "Net provisions for risks and charges" include increases due to the passage of time; they are also net of any re-attributions.

"Other provisions" also include obligations relating to benefits due to personal financial advisors, specifically supplementary customer portfolio payments and contractual payments, which can be considered defined benefit plans; accordingly, these obligations are calculated by an actuary using the unit credit projection method (see paragraph "Retirement Payments and Similar Obligations"), and payments under non-competition agreements.

In certain cases, provisions for risks and charges (for example related to staff expenses and administrative costs) have been recognised under their own item in the consolidated income statement to better reflect their nature.

Part A - Accounting Policies (CONTINUED)

13 - Liabilities and Securities in Issue

The items Deposits from banks, Deposits from customers and Debt securities in issue are used for all forms of third-party funding other than trading liabilities or those valued at fair value.

These financial liabilities are recognised on the settlement date principle initially at fair value, which is normally the consideration received less transaction costs directly attributable to the financial liability. Subsequently these instruments are measured at amortised cost using the effective interest method.

Hybrid debt instruments relating to equity instruments, foreign exchange, credit instruments or indexes, are treated as structured instruments. The embedded derivative is separated from the host contract and recognised as a derivative, provided that separation requirements are met, and recognised at fair value. The embedded derivative is initially recognised at fair value and subsequently reassessed. Any subsequent changes in fair value are recognised in profit and loss item 80. "Gains (losses) on financial assets and liabilities held for trading". The difference between the total amount received and the initial fair value of the embedded derivative is attributed to the host contract.

Instruments convertible into treasury shares require the recognition, at the issuing date, of a financial liability and an equity component recognised in item 160. "Equity instruments", whenever the contractual terms provide for physical delivery. The equity component is initially measured at residual value, i.e., the overall value of the instrument less the separately determined value of a financial liability with no conversion clause and the same cash flow. The financial liability is initially recognised at amortised cost using the effective interest method.

Securities in issue are recognised net of repurchased amounts; the difference between the carrying value of the liability and the amount paid to buy it in is taken to consolidated profit and loss under item 100.d) "Gains (losses) on disposals or buy-ins of financial liabilities". Subsequent disposal by the issuer is considered as a new issue which doesn't produce gains or losses.

The Bank's consolidated debts do not include covenants (see glossary in the attachments) that would cause default or restructuring events. There are no debt instruments involving convertibility to equity instruments (under IASB IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments).

At the balance sheet date, there were no debt securities in issue, hybrid debt instruments or instruments convertible into treasury shares.

14 - Financial liabilities held for trading

Financial liabilities held for trading include:

- derivatives that are not designated as hedging instruments;
- obligations to deliver financial assets borrowed by a short seller (i.e., an entity that sells financial assets it does not yet own);
- financial liabilities issued with an intention to repurchase them in the near term;
- financial liabilities that are part of a portfolio of financial instruments considered as a unit and for which there is evidence of a recent pattern of trading.

HFT financial liabilities, including derivatives, are measured at fair value initially and for the life of the transaction, except for derivative liabilities settled by delivery of an unlisted equity instrument whose fair value cannot reliably be measured, and which are therefore measured at cost.

15 - Financial Liabilities at Fair Value through Profit or Loss

According to IAS 39, financial liabilities, as well as financial assets, may also be designated on initial recognition as measured at fair value, provided that:

- this designation eliminates or considerably reduces the discrepancy that could arise from the application of different methods of measurement of assets and liabilities and related gains or losses;

or

- a group of financial assets, financial liabilities or both are managed and measured at fair value under risk management or investment strategy which is internally documented with the entity's Board of Directors or equivalent body.

This category may also include financial liabilities represented by hybrid (combined) instruments containing embedded derivatives that otherwise should have been separated from the host contract.

These transactions are recognised in the same way as the HFT financial liabilities, with gains and losses, both realised and unrealised, recognised in item 110. "Gains (losses) on financial assets and liabilities at fair value through profit and loss".

At the balance sheet date, no financial liabilities classified as "Financial liabilities at fair value through profit and loss" were held.

16 - Foreign currency transactions

A foreign currency transaction is recognised at the spot exchange rate of the transaction date.

Foreign currency monetary assets and liabilities are translated at the closing rate of the period.

Exchange differences arising from settlement of monetary items at rates different from those of the transaction date and unrealised exchange rate differences on foreign currency assets and liabilities not yet settled, other than assets and liabilities designated as measured at fair value and hedging instruments, are recognised in profit and loss item 80. "Gains and losses on financial assets and liabilities held for trading" in the consolidated income statement.

Non-monetary assets and liabilities recognised at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated at the closing rate. The exchange differences are recognised:

- in consolidated profit and loss if the financial asset is HFT;
- in the consolidated statement of comprehensive income and shown in revaluation reserves if the financial asset is AfS.

All exchange differences recorded under revaluation reserves in consolidated shareholders' equity are also reported in the Consolidated Statement of Comprehensive Income.

17 - Insurance assets and liabilities

IFRS4 defines insurance contracts as those agreements based on which a party (the insurer) accepts a significant insurance risk from a third party (the insured), agreeing to pay the latter in the event of damages arising from a specific future uncertain event.

These policies are recognised briefly as follows:

- item "160. Other income (net) from insurance activities" from the consolidated income statement, of gross premiums, inclusive of any amounts accrued during the financial year as a result of the underwriting of insurance contracts, net of any cancellations. Premium transferred to reinsurers during the year is also recognised in this item;
- item "130. Technical provisions" of Liabilities, any commitments to insured parties, calculated for each contract with the projection method based on standard market demographic/financial assumptions;
- item "110. Technical provisions for re-insurers" of Assets, commitments for re-insurers.

At the Accounts date, no insurance assets and liabilities were held.

18 - Other information

Business Combinations

A business combination is a transaction through which an entity obtains control of a company or of a business segment, thus bringing together different businesses into one reporting entity.

A business combination may result in a Parent-subsidary relationship in which the acquirer is the Parent and the acquiree a subsidiary of the acquirer.

A business combination may involve the purchase of the net assets of another entity, in which case goodwill can arise, or the purchase of the equity of the other entity (mergers).

IFRS 3 requires that all business combinations shall be accounted for by applying the purchase method, that involves the following steps:

- identifying an acquirer;

- measuring the cost of the business combination;

and

- allocating, at the acquisition date, the cost of the business combination to the assets acquired and liabilities and contingent liabilities assumed.

The cost of a business combination is the aggregate of the fair value, at the date of exchange, of assets given, liabilities incurred or assumed and equity instruments issued by the acquirer, in exchange for control of the acquiree.

The acquisition date is the date on which the acquirer effectively obtains control of the acquiree. When this is achieved through a single exchange transaction, the date of exchange coincides with the acquisition date.

A business combination may involve more than one exchange transaction; nevertheless, the cost of the business combination remains equal to the fair value of the total shareholding acquired. This involves the revaluation at fair value - and the recognition of the effects in the Income Statement - of the equity investments previously held in the acquired entity.

Part A - Accounting Policies (CONTINUED)

The cost of a business combination is allocated by recognising the assets, the liabilities and the identifiable contingent liabilities of the acquired company at their acquisition-date fair value. Exceptions to this principle are deferred income tax assets and liabilities, employee benefits, indemnification assets, reacquired rights, non-current assets held for sale, and share-based payment transactions that are subject to review in accordance with the principle applicable to them.

The positive difference between the cost of the business combination and the acquirer's interest at fair value, net of the identifiable assets, liabilities and contingent liabilities, must be accounted for as goodwill.

After initial recognition, goodwill is tested for impairment at least annually.

If the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the acquirer shall reassess the fair values and immediately recognise any excess remaining after that reassessment in profit or loss. If the acquisition concerns a percentage less than 100% of the assets of the acquired company, minorities are recognised.

At the acquisition date, minorities are valued:

- at fair value, or
- as a share of minority interests in the assets, liabilities and potential liabilities that can be identified for the company acquired.

Derecognition of financial assets

Derecognition is the removal of a previously recognised financial asset from an entity's consolidated balance sheet.

Before evaluating whether, and to what extent, derecognition is appropriate, under IAS 39 an entity should determine whether the relevant conditions apply to a financial asset in its entirety or to a part of a financial asset. The standard is applied to a part of financial assets being transferred if, and only if, the part being considered for de-recognition meets one of the following conditions:

- the part comprises only specifically identified cash flows from a financial asset (or a group of assets), e.g. interest cash flows from an asset;
- the part comprises a clearly identified percentage of the cash flows from a financial asset, e.g., a 90 per cent share of all cash flows from an asset;
- the part comprises only a fully proportionate (pro rata) share of specifically identified cash flow, e.g. 90 per cent share of interest cash flows from an asset.

In all other cases, the standard is applied to the financial asset in its entirety (or to the group of similar financial assets in their entirety).

An entity shall derecognise a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the contractual rights to receive the cash flows of the financial asset to a third party.

Rights to cash flow are considered to be transferred even if contractual rights to receive the asset's cash flow are retained but there is an obligation to pay this cash flow to one or more entities and all the following conditions are fulfilled (pass-through agreement):

- there is no obligation on the Company to pay uncollected amounts associated with the original asset;
- sale or pledge of the original asset is not allowed, unless it secures the obligation to pay cash flow;
- there is an obligation to transfer forthwith all cash flows received and may not invest them, except for liquidity invested for the short period between the date of receipt and that of payment, provided that the interest accrued in that period is paid on.

Recognition is also subject to verification of effective transfer of all the risks and rewards of ownership of the financial asset. If the entity transfers substantially all the risks and rewards of ownership of the financial asset, the entity shall de-recognise the asset (or group of assets) and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer.

Conversely, if the entity substantially retains all the risks and rewards of ownership of the asset (or group of assets), the entity shall continue to recognise the transferred asset(s). In this case it is necessary to recognise a liability corresponding to the amount received under the transfer and subsequently recognise all income accruing on the asset or expense accruing on the liability.

The main transactions that do not allow, under the above rules, total derecognition of a financial asset are securitisations, repurchase (sell and buy-backs) and securities lending transactions.

In the case of securitisations, the company does not de-recognise the financial asset on purchase of the equity tranche or provision of other forms of support of the structure which result in retention by the company of the credit risk of the securitised portfolio.

In the case of repurchase transactions and stock lending, the assets transacted are not derecognised since the terms of the transaction entail the retention of all their risks and rewards.

Lastly, it should be noted that securities lending transactions collateralised by other securities or not collateralised were recorded as off-balance sheet items.

At the reporting date, no loan securitisation transactions were present.

Repos and securities lending

Securities received in a transaction that entails a contractual obligation to sell them at a later date or delivered under a contractual obligation to repurchase are neither recognised nor derecognised. In respect of securities purchased under an agreement to resell, the consideration is recognised as a loan to customers or banks, or as an asset held for trading; in respect of securities held in a repurchase agreement, the liability is recognised as due to banks or customers, or as financial liabilities held for trading. Revenue from these loans, being the coupons accrued on the securities and the difference between the sale/purchase and resale/repurchase prices, is recognised in profit or loss through interest income and expenses on an accruals basis.

These transactions can only be offset if, and only if, they are carried out with the same counterparty and provided that such offset is provided for in the underlying contracts.

The same rules apply to securities lending transactions collateralised by cash fully available to the lender.

The profit or loss items connected with these transactions are booked respectively:

- in the item Interest, for the positive component (borrower) and the negative component (lender) related to the return on cash paid to the lender;
- in the item Fees and commissions, for the negative component (borrower) and the positive component (lender) related to the service received (provided) through the provision of the security by the lender.

With reference to securities lending transactions collateralised by other securities, or not collateralised, the security lent or the security put up as collateral are still recognised as assets in the consolidated balance sheet, depending on the role - lender or borrower, respectively - played in the transaction.

Counterparty risk related to the latter types of securities lending or borrowing transactions is shown under the off-balance sheet exposures in the tables of Part E - Section 1 - Credit risk - A. Credit quality.

Equity instruments

Equity instruments represent a residual interest in assets of the Company, net of liabilities. An instrument is classified as equity instrument if there are no contractual obligations to make payments in the form of principal, interest or other types of returns.

Specifically, instruments that meet the following requirements are classified as equity instruments:

- unlimited term or at least equal to the term of the company;
- full discretion of the issuer in coupon payments and redemptions, also advanced, of the principal outstanding.

Equity instruments include Additional Tier 1 instruments under Regulation (EU) No. 575/2013 (CRR) on prudential requirements for credit institutions and investment firms, which in addition to the above characteristics:

- (i) maintain the issuer's full discretion as to the reinstatement of the nominal value (write-up) following a capital event that resulted in a write-down;
- (ii) do not include provisions that require the issuer to make payments (must pay clauses) as a result of actual events under the control of the parties.

Equity instruments other than ordinary or savings shares, are classified in item 160. "Equity instruments" for the amount received including transaction costs attributable to the transaction. Any coupons paid, net of related taxes, are deducted from Item 170. "Reserves".

Any difference between the amount paid for extinguishing or repurchasing these instruments and their book value is recognised in item 170. "Reserves". At the reporting date, no "Equity instruments" were issued.

Treasury Shares

Changes in treasury shares are reported as a direct contra item to shareholders' equity, i.e. as a reduction to the latter in the amount of any purchases, and as an increase in the amount of any sales proceeds. This entails that, if treasury shares are subsequently sold, the difference between the sale price and the related post-tax repurchase cost is recognised entirely as a contra item to shareholders' equity.

Provisions for employee severance pay

The "TFR" provision for Italy-based employee benefits is to be construed as a "post-retirement defined benefit". It is therefore recognised on the basis of an actuarial estimate of the amount of benefit accrued by employees discounted to present value. This benefit is calculated by an external actuary using the unit credit projection method (see Section 12 - under Provisions for Risks and Charges - Retirement Payments and Similar Obligations). This method distributes the cost of the benefit evenly over the employee's working life. The liability is determined as the present value of average future payments adjusted according to the ratio of years of service to total years of service at the time of payment of the benefit.

Following pension reform by Law 252 of December 5, 2005, TFR instalments accrued to December 31, 2006 (or to the date between January 1, 2007 and June 30, 2007 on which the employee opted to devolve their TFR to a supplementary pension fund) stay in the employer and are considered a post-employment defined benefit plan therefore incurring actuarial valuation, though with simplified actuarial assumptions, i.e., forecast future pay rises are not considered.

TFR instalments accrued since January 1, 2007 (date of Law 252 coming into effect) (or since the date between January 1, 2007 and June 30, 2007) are, at the employee's discretion, either paid into a pension fund or left in the company and (where the company has in excess of 50 employees) paid into an INPS Treasury fund by the employer, and are assimilated to a defined-contribution plan.

Costs relating to TFR are recognised in the Consolidated Income Statement in item 180.a) "Administrative costs: staff expenses" and include, for the part of the defined benefit plan: (i) interest cost accrued in the year, for the part of plan considered defined contribution plan (ii) the accrued instalments for the year paid into the complementary pension scheme or to the Treasury fund of INPS.

Actuarial gains and losses, defined as the difference between the carrying amount of the liability and the present value of obligations at period end, are recognised in Shareholders' equity under the Revaluation reserves in accordance with IAS 19 Revised and are also shown in the Consolidated Statement of Comprehensive Income.

Share-Based Payment

Equity-settled payments made to employees or other staff (in particular, personal financial advisors) in consideration of work services rendered or other goods received or services rendered, using shares of FinecoBank or the Group parent, which consist of:

- stock options;
- rights to receive shares upon attainment of certain objectives ("performance shares"), which are settled with equity instruments;
- Performance shares (i.e. awarded on attainment of certain objectives) settled in cash.

Part A - Accounting Policies (CONTINUED)

Considering the difficulty of reliably measuring the fair value of the services acquired against equity-settled payments, reference is made to the fair value of the instruments, measured at the date of their allocation.

The fair value of equity-settled payments or the purchase on the market of shares in FinecoBank in exchange of work or services is recognised as cost in consolidated profit and loss item 180. "Administrative costs" or 50. "Fee and commission expense" as a contra-entry to item 170. "Reserves" in consolidated equity, on an accruals basis over the period in which the services are acquired.

As for share-based payments settled in cash in favour of personal financial advisors, the services acquired and the liabilities assumed are measured at the latter's fair value, recognised in Item 100. "Other Liabilities". Until the liability is settled, the fair value is recalculated at each balance sheet date until the settlement date, and all changes in fair value are recognised in item 50. "Fee and commission expense".

Share based payments consisting in the payment of shares of the Parent Company directly allocated to employees of the Group Companies that involve settlement with shares of the Parent Company, under arrangements between the Company and the Parent Company for their cash settlement, are measured at fair value, calculated when the related rights are assigned, recognised as a cost in consolidated profit and loss item 180 "Administrative costs", as a contra entry to item. 100. "Other Liabilities", on an accruals basis over the period in which the services are acquired.

Other Long-term Employee Benefits

Long-term Employee Benefits are recognised in item 100. "Other liabilities" on the basis of the measurement of the liability at the balance sheet date.

Guarantees given and credit derivatives treated as equivalent

Guarantees given and credit derivatives treated as equivalent, in accordance with IAS 39 (contracts that require the issuer to make specified payments to the holder to indemnify the latter for actual losses borne due to the default of a specific debtor on payment at a maturity set by a debt instrument) are recognised in item 100. "Other Liabilities".

On first recognition guarantees given are recognised at fair value, which usually corresponds to the amount received when the guarantee is issued. After initial recognition, guarantees given are recognised at the greater of the initially recognised value, net of any amortised portion, and the estimated amount required to meet the obligation.

The effects of valuation, related to any impairment of the underlying, are recognised in the same balance-sheet item contra item 130.d) "Impairment losses/write-backs on other financial transactions" in the consolidated income statement.

Offsetting Financial assets and Financial liabilities

The accounting offsetting of assets and liabilities items has been performed according to IAS 32, assessing the fulfilment of the following requirements:

- current legal enforceable right to set off the recognised amounts;
- intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In accordance with IFRS 7, further information has been included in the table of the Notes to the consolidated accounts, in Part B - Other information.

Those tables show the following in particular:

- the carrying amounts, before and after the accounting offsetting effects, related to the financial assets and liabilities that meet the criteria for applying those effects;
- the amount of the exposures that do not meet the above mentioned criteria, but are included in master netting agreements, or similar agreements, that create the right to set-off only under specific circumstances (e.g., default events);
- the amount of the related collateral.

RECOGNITION OF INCOME AND EXPENSES

Interest Income and Expense

Interest income and expense and similar income and expense items relate to monetary items - i.e., liquidity and debt, financial instruments held for trading, measured at fair value through profit or loss or available for sale -, HTM financial assets, loans and receivables, deposits, and debt securities in issue.

Interest income and expense are recognised through profit or loss with respect to all instruments measured at amortised cost, using the effective interest method.

Interest also includes the net credit or debit balance of differentials and margins on financial derivatives:

- hedging interest-bearing assets and liabilities;
- HFT but linked for business purposes to assets and liabilities designated as measured at fair value (fair value option);
- linked for business purposes to HFT assets and liabilities paying differentials or margins on different maturities.

Fees and Commissions

Fees and commissions are recognised according to the provision of the services from which they have arisen.

Securities trading commission is recognised at the time the service is rendered. Advisory fees and investment fund management fees are recognised on a pro-rata temporis basis.

Fees included in amortised cost used to calculate effective interest rates are not included under fees and commissions, since they are part of the effective interest rate.

Dividends

Dividends are recognised in consolidated profit or loss in the financial year in which their distribution has been approved.

RELEVANT IFRS DEFINITIONS

The main definitions introduced by IFRS are described below, other than those dealt with in previous sections.

Amortised cost

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

The effective interest method is a method of allocating the interest income or interest expense over the life of a financial asset or liability. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the net carrying amount of the financial asset or financial liability. The calculation includes all fees and basis points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Commissions forming an integral part of the effective interest rate include loan drawdown fees or underwriting fees relating to a financial asset not designated at fair value, e.g., fees received as compensation for the assessment of the issuer's or borrower's financial situation, for valuation and registration of security, and generally for the completion of the transaction (management fees).

Transaction costs include fees and commissions paid to agents (including employees acting as selling agents), advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Transaction costs do not include debt premiums or discounts, financing costs or internal administrative or holding costs.

Impairment of financial assets

At each balance sheet date an entity assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

It may not be possible to identify a single, discrete event that caused the impairment. Rather the combined effect of several events may have caused the impairment. Losses expected as a result of future events, no matter how likely, are not recognised.

Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to our attention about the following loss events:

- a) significant financial difficulty of the issuer or obligor;
- b) a breach of contract, such as a default or delinquency in interest or principal payments;
- c) the lender, for economic or legal reasons relating to the borrower's financial difficulty, granting a concession to the borrower which the lender would not otherwise consider;
- d) it becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- e) the disappearance of an active market for that financial asset because of financial difficulties; however, the disappearance of an active market due to the fact that a company's financial instruments are no longer traded publicly is no evidence of impairment;
- f) observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets, including:
 - adverse changes in the payment status of borrowers;
 - or
 - national or local economic conditions that correlate with defaults on the assets.

Objective evidence of impairment for an investment in an equity instrument includes information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment may not be recovered. A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost is also objective evidence of impairment.

If there is objective evidence that an impairment loss on loans and receivables or held-to-maturity investments carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account. The amount of the loss is recognised in consolidated profit and loss item 130. "Impairment losses/writebacks" and the asset's carrying value is reduced.

For instruments classified as available-for-sale financial assets that amount is equal to the balance of the negative valuation Reserve (see chapter 2 - Available-for-sale financial assets).

If the terms of a loan, receivable or held-to-maturity investment are renegotiated or otherwise modified because of financial difficulties of the borrower or issuer, impairment is measured using the original effective interest rate before the modification of terms. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. If a loan, receivable or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Part A - Accounting Policies (CONTINUED)

The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

A reduction in the fair value of a financial asset below its cost or amortised cost is not necessarily an indication of impairment (e.g. reduction in the fair value of an investment in a debt instrument resulting from an increase in the risk-free interest rate).

Objective evidence of impairment is initially assessed individually; however, if it is determined that there is no objective evidence of individual impairment, the asset is included in a group of financial assets with similar credit risk characteristics and assessed collectively.

Formula-based approaches and statistical methods may be used to assess impairment losses on a group of financial assets. Models used incorporate the time value of money, and consider cash flows over the entire residual life of the asset (not just the following year) and do not give rise to an impairment loss on initial recognition of a financial asset. They take into account losses already sustained but not manifest in the group of financial assets at the time of measurement, on the basis of past experience of losses on assets having a similar credit risk to the group of assets being measured.

The process of estimating impairment losses considers all credit exposures, not only those of low credit quality, which reflect a serious impairment.

Reversals of impairment losses

If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed. The amount of the reversal is recognised in consolidated profit and loss item 130. "Impairment losses/writebacks" except in the case of AFS equity instruments (see Section 2 - Available-for-sale financial assets).

The reversal shall not result - at the date the impairment is reversed - in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised.

A.3 Disclosure on transfers between portfolios of financial assets

IAS 39 and IFRS 7 allow certain financial assets to be reclassified, after initial recognition, from the "Financial assets held for trading" and "Available-for-sale financial assets" portfolios.

Specifically, the following may be reclassified:

- the financial assets held for trading or available for sale that would have satisfied the definition established by the international accounting standards for the loan portfolio (if those assets had not been respectively classified as held for trading or available for sale on initial recognition) if the entity intends, and is able, to hold them for the foreseeable future or until maturity;
- "only in rare circumstances" the financial assets held for trading that did not satisfy the definition of loans upon initial recognition.

The Bank has not reclassified any financial assets from the "held-for-trading" or the portfolio to the loan portfolio.

In 2016, the Bank reclassified the "Available-for-sale financial assets" consisting of Italian and Spanish government securities to the Held-to-maturity investments portfolio, for a fair value, at the reclassification date, of €2,121,923 thousand. The reclassification was consistent with the Bank's objective of obtaining stable income flows over the medium/long-term and in line with the business and financial outlooks stated by the Bank in its planning.

The tables below show the book value and the fair value as at December 31, 2017 of the assets reclassified in 2016, as well as the profit or loss items relating to those assets, distinguishing between those that would have been recorded if the transfer had not been made and those that were actually recorded in consolidated profit or loss or in consolidated equity, and the effects on consolidated comprehensive income.

The profit or loss items, before tax, are further separated between those arising "from measurement" (including any write-downs) and "other" (including interest and gains/losses on the disposal of the transferred assets).

The net result that would have been recognised through consolidated profit or loss for the year 2017 after the transfer, if these assets had not been reclassified, would have been a gain of €11,325 thousand, whereas the impact actually recognised after the transfer was a gain of €11,332 thousand. The result of the valuations that would have been recognised in consolidated equity for the year 2017 after the transfer, if these assets had not been reclassified, would have been a gain of €8,875 thousand.

A.3.1 Reclassified financial assets: book value, fair value and effects on comprehensive income

(Amounts in € thousand)

TYPE OF FINANCIAL INSTRUMENT (1)	SOURCE PORTFOLIO (2)	TARGET PORTFOLIO (3)	BOOK VALUE	FAIR VALUE	INCOME ITEMS WITHOUT TRANSFER (BEFORE TAX)		INCOME ITEMS RECOGNISED DURING THE YEAR (BEFORE TAX)	
			AS AT 12.31.17	AS AT 12.31.17	VALUATION (6)	OTHER (7)	VALUATION (8)	OTHER (9)
Debt securities	Available-for-sale financial assets	Held-to-maturity investments	2,098,744	2,122,498	8,875	11,325	-	11,332

A.3.2 Reclassified financial assets: Impact on comprehensive income before transfer

No data to report.

A.3.3 Transfer of financial assets held for trading

No data to report.

A.3.4 Effective interest rate and cash flows expected from reclassified assets

No data to report.

A.4 Information on fair value

Qualitative information

This section presents a disclosure on fair value hierarchy as required by IFRS 13.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal market at the measurement date (i.e. an exit price).

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

For financial instruments listed in active markets, fair value is determined on the basis of official prices in the principal market (most advantageous) to which the Bank has access (Mark to Market).

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from a pricing service, dealer, broker, agency that determines prices or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If a published price quotation in an active market does not exist for a financial instrument in its entirety, but active markets exist for its component parts, fair value is determined on the basis of the relevant market prices for the component parts.

If market quotations or other observable inputs, such as the quoted price of a similar instrument in an inactive market, are not available, the Bank should use other valuation techniques, such as:

- (i) a market approach (e.g. using quoted prices for similar liabilities or equity instruments held by other parties as assets);
- (ii) cost approach (e.g. it reflects the amount that would be required currently to replace the service capacity of an asset, that is the current replacement cost);
- (iii) An income approach (e.g. a present value technique that takes into account the future cash flows that a market participant would expect to receive from holding the liability or equity instrument as an asset).

The Bank uses valuation models (Mark to Model) in keeping with the methods generally accepted and used by the market. Valuation models include techniques based on the discounting of future cash flows and on volatility estimates, and they are subject to revision both during their development and periodically in order to ensure their consistency with the objectives of the valuation.

These methods use inputs based on prices set in recent transactions for the instrument being valued and/or prices/quotations for instruments having similar characteristics in terms of risk profile.

Part A - Accounting Policies (CONTINUED)

Indeed, these prices/quotations are relevant for determining significant parameters in terms of the credit risk, liquidity risk and price risk of the instrument being valued. Reference to these "market" parameters makes it possible to limit the discretionary nature of the valuation, and ensures that the resulting fair value can be verified.

If, for one or more risk factors it is not possible to refer to market data, the valuation models employed use estimates based on historical data as inputs.

As a further guarantee of the objectivity of valuations derived from valuation models, the Bank employs:

- independent price verifications (IPVs);
- fair Value Adjustment or FVAs.

Independent price verification requires that the prices are verified monthly by Risk Management units that are independent from the units that assume the risk exposure. This verification calls for comparing and adjusting the daily price in line with valuations obtained from independent market participants. For instruments not listed in active markets, the above verification process uses prices contributed by infoproviders as a reference, and assigns a greater weighting to those prices that are considered representative of the instrument being valued. This valuation includes: the "executability" of the transaction at the price observed, the number of contributors, the degree of similarity of the financial instruments, the consistency of prices from different sources, and the process followed by the infoprovider to obtain the information.

A.4.1 Fair value levels 2 and 3: valuation techniques and input used

To determine the fair value of Level 2 and Level 3 financial instruments that are not listed and actively traded on the market, the Bank utilises the valuation techniques widely-used in the market that are described below.

Discounted cash flow

Discounted cash flow valuation techniques generally consist of developing an estimate of future cash flows that are expected to occur over the life of an instrument. The model requires the estimation of the cash flow and the adoption of market's parameters for the discounting: discount rate or discount margin reflects the credit and / or funding spreads required by the market for instruments with similar risk and liquidity profiles to produce a "present value". The fair value of the contract is given by the sum of the present values of future cash flow.

Internal valuation models - Market multiples

The market multiples approaches based on the price of comparable assets (listed companies belonging to the same industry sector) applied to the fashion and shall statement figures and therefore represents the relationship between the price (capitalisation) and the financial statement figures. The financial statements most commonly used are earnings, shareholders' equity and sales.

Fair Value Adjustments (FVAs)

Fair value adjustment is defined as the amount to be added either to the market observed mid-price or to the theoretical price generated by a valuation model with the aim of obtaining a fair value of the position. The FVA thus ensure that fair value reflects the realisation amount from an actual possible market transaction.

A.4.2 Valuation processes and sensitivity of fair value measurements

The Bank verifies that the value attributed to each trading position reflects the current fair value in an appropriate way. The fair value measurement of assets and liabilities is calculated using various techniques, including discounted cash flow models and internal measurement models. On the basis of the observability of the input used, all instruments are classified as Level 1, Level 2 or Level 3 of the fair value hierarchy. When a position is characterised by one or more significant inputs that are not directly observable, a further price verification procedure is implemented. These procedures include the revision of relevant historical data, the analysis of profits and losses, the individual valuation of each component for structural products and benchmarking. According to the Parent Group Market Risk Governance guidelines, in order to ensure the appropriate level of separation between the functions in charge of development activities and those in charge of validation processes, all valuation models developed by the front offices of Group companies are independently and centrally tested and validated by the Group Internal Validation functions. The aim of this independent control structure is to evaluate the model risk deriving from theoretical robustness, calibration techniques where applicable and appropriateness of the model for a specific product in a defined market point of views. In addition to the daily mark to market or mark to model valuation, the Independent Price Verification (IPV) is applied monthly by the Bank's Market Risk with the aim of guaranteeing an independent fair value.

A.4.3 Fair value hierarchy

The IFRS 13 principle establishes a fair value hierarchy according to the observability of the input used in the valuation techniques adopted.

In particular, three levels are considered:

- Level 1: the fair value of instruments classified in this level is determined based on quotation prices observed in active markets;
- Level 2: fair value for instruments classified within this level is determined according to the valuation models which use observable market inputs;
- Level 3: fair value for instruments classified within this level is determined according to valuation models which prevalently use significant inputs not observable on active markets.

A.4.4 Other information

Hereby we provide IFRS 13 disclosure requirements.

Assets and liabilities measured at fair value on recurring basis

Fixed Income Securities

Fixed Income Securities are priced in a two-tier process depending on the liquidity in the respective market. Liquid instruments in active markets are marked to market and consequently positions in these instruments are disclosed in reference to Fair Value Hierarchy under Level 1.

Instruments not traded in active markets are marked to model based on implied credit spread curves derived from the former Level 1 instruments. The model maximises the use of observable input and minimises the use of unobservable inputs. With this respect, depending on the proximity of the credit spread curve applied, the bonds are disclosed as Level 2 or Level 3 respectively; Level 3 is applied in case a significant unobservable credit spread is used.

In the global bond Independent Price Verification (IPV) process market prices of Level 1 bonds and pricing models for illiquid bonds are regularly verified for accuracy.

Structured Financial Products

The Bank determines the fair value of structured financial products using the appropriate valuation methodology given the nature of the embedded structure. Such instruments are classified as Level 2 or Level 3 depending on the observability of significant inputs to the model.

OTC derivatives

Fair value of derivatives not traded in an active market is determined using a valuation technique. In such cases, where active markets exist for the components of the derivative, fair value is determined on the basis of the market prices for the individual components. Valuation techniques that are based on significant inputs that are observable are referred to as Level 2 valuations, while those based on techniques that use unobservable inputs are referred to as Level 3 valuations.

Equity Instruments

Equity Instruments are assigned to Level 1 when a quoted price is available on an active market and to Level 3 when no quotations are available or quotations have been suspended indefinitely. These instruments are classified as Level 2 only when trading volume on the market where the instrument is quoted has decreased significantly. For equity instruments measured at cost an impairment is given, if the carrying amount exceeds the recoverable amount significantly and/or over a prolonged period of time.

For the measurement of the Visa INC class "C" preferred shares, the Bank has adopted the model developed by the Parent Company to determine the fair value that converts the market price in dollars of the Visa INC class "A" shares into euro and applies a discount factor of 16%, determined by estimating the litigation risk (8%) and the illiquidity risk (8%). The litigation risk component was extracted from historical series of data provided by Visa INC, whereas the illiquidity risk component was derived from the illiquidity of the shares, which have limitations on their transferability for a particular period. The Visa INC class "C" preferred shares were assigned a fair value hierarchy of 3.

The equity instruments recognised in relation to the result of the contribution made to the Voluntary Scheme set up by the Interbank Deposit Guarantee Fund, net of the amount derecognised in the year as earmarked for the recapitalisation of the three banks and deemed to be no longer recoverable as a result of their sale to Crédit Agricole Cariparma, were valued by aligning the fair value of the mezzanine and junior securities issued to securitise the NPLs of the three banks, provided by the IDGF and resulting from the analysis of the advisor tasked with the valuation of underlying receivables, calculated using a discounted cash flow model based on recovery forecasts formulated by special servicers. These equities were classed as fair value 3.

Investment Funds

The investment funds calculate the Net Asset Value (NAV) per unit and may include investments in funds managed by the Group.

Assets and liabilities not measured fair value or measured at fair value on a non-recurring basis

For these financial instruments fair value is calculated for disclosure purposes only and does not impact the balance sheet or the profit or loss. Additionally, since these assets and liabilities are not generally traded, there is significant management judgment required to determine their fair values as defined by IFRS 13.

Loans and receivables with banks and customers

Fair value for performing Loans and Receivables from customers and banks, recorded at amortised cost, is determined using the discounted cash flow model adjusted for credit risk. Some portfolios are valued using simplified approaches, which however take into account their financial characteristics. Loans and receivables with banks and customers with a duration of less than 12 months for which the fair value was estimated to be equal to the book value have been assigned the level 3 fair value hierarchy.

For the UniCredit securities classified in the "Loans and Receivables" portfolio, fair value level 2 has been calculated using the Group's methodology based on discounted cash flow, which consists of producing an estimate of the estimated cash flows over the life of the instrument and discounting at a rate that incorporates the credit spread. The credit spread is calculated based on the credit spread curve of the issuer, constructed by selecting issues, also from the second market, with the same specific characteristics.

Part A - Accounting Policies (CONTINUED)

Liabilities

Fair value for liabilities, recorded at amortised cost, is determined using the discounted cash flow model adjusted for UniCredit credit risk. The Credit Spread is determined using UCG's subordinated and non-subordinated risk curves. Deposits from banks and customers with a duration of less than 12 months for which the fair value was estimated to be equal to the book value have been assigned the level 3 fair value hierarchy.

Cash and cash balances

Cash and cash balances are not carried at fair value on the Balance Sheets, but they are carried at amounts that approximate fair value, due to their short term nature and generally negligible credit risk.

A.4.5.1 Assets and liabilities measured at fair value on a recurring basis: breakdown by level of fair value

(Amounts in € thousand)

ASSETS/LIABILITIES DESIGNATED AT FAIR VALUE	12.31.2017			12.31.2016		
	L1	L2	L3	L1	L2	L3
1. Financial assets held for trading	6,030	4,834	15	2,920	3,114	10
2. Financial assets designated at fair value through profit or loss	-	-	-	-	-	-
3. Available-for-sale financial assets	1,042,465	-	5,224	1,316,221	-	3,531
4. Hedging derivatives	-	458	-	-	552	-
5. Property, plant and equipment	-	-	-	-	-	-
6. Intangible assets	-	-	-	-	-	-
Total	1,048,495	5,292	5,239	1,319,141	3,666	3,541
1. Financial liabilities held for Trading	2,032	579	6	2,004	622	-
2. Financial liabilities designated at fair value through profit or loss	-	-	-	-	-	-
3. Hedging derivatives	-	12,694	-	-	10,914	-
Total	2,032	13,273	6	2,004	11,536	-

Key:

L1 = Level 1

L2 = Level 2

L3 = Level 3

In 2017 there were no transfers between levels of fair value hierarchy (level 1 and level 2).

Credit Value Adjustment (CVA) and/or Debit Value Adjustment (DVA) have not been applied in determining the fair value of derivative financial instruments.

A.4.5.2 Annual changes in assets measured at fair value on a recurring basis (level 3)

(Amounts in € thousand)

	FINANCIAL ASSETS DESIGNATED AT FAIR VALUE				HEDGING DERIVATIVES	PROPERTY, PLANT AND EQUIPMENT	INTANGIBLE ASSETS
	FINANCIAL ASSETS HELD FOR TRADING	AT FAIR VALUE THROUGH PROFIT OR LOSS	AVAILABLE-FOR-SALE FINANCIAL ASSETS				
1. Opening balance	10	-	3,531	-	-	-	
2. Increases							
2.1 Purchases	5,393	-	13,609	-	-	-	
2.2 Profits recognised in:							
2.2.1 Income Statement	16	-	-	-	-	-	
- of which Unrealised gains	6	-	-	-	-	-	
2.2.2 Shareholders' Equity	X	X	975	-	-	-	
2.3 Transfers from other levels	-	-	-	-	-	-	
2.4 Other increases	-	-	-	-	-	-	
3. Decreases							
3.1 Sales	(5,396)	-	-	-	-	-	
3.2 Redemptions	-	-	-	-	-	-	
3.3 Losses recognised in:							
3.3.1 Income Statement	(8)	-	(12,891)	-	-	-	
- of which Unrealised losses	(1)	-	(3,995)	-	-	-	
3.3.2 Shareholders' Equity	X	X	-	-	-	-	
3.4 Transfers to other levels	-	-	-	-	-	-	
3.5 Other decreases	-	-	-	-	-	-	
4. Closing balances	15	-	5,224	-	-	-	

The sub-items 2.2.1 Profits through profit and loss and 3.3.1 Losses through profit and loss are included, where present, in Consolidated Profit and Loss in the following items:

- Item 80: Gains (losses) on financial assets and liabilities held for trading;
- Item 110: Gains (losses) on financial assets and liabilities at fair value through profit and loss;

- Item 90: Fair value adjustments in hedge accounting.

The sub-items 2.2.2 Profits recognised in equity and 3.3.2 Losses recognised in equity arising from changes in fair value of Available-for-sale financial assets are recognised, if any, in equity item 140. Consolidated "Revaluation reserves" - except losses due to impairment and exchange rate gains or losses on monetary items (debt instruments) which are recognised under item 130. b) "Impairment losses/writebacks on AfS financial assets" and item 80. "Gains (losses) on financial assets and liabilities held for trading" of the consolidated income statement, respectively - until the financial asset is sold, at which time cumulative gains and losses are recognised in consolidated profit or loss in item 100.b) "Gains (losses) on disposal or repurchase of AfS financial assets".

A.4.5.3 Annual changes in financial liabilities measured at fair value level 3 on a recurring basis

(Amounts in € thousand)

	FINANCIAL LIABILITIES HELD FOR TRADING	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	HEDGING DERIVATIVES
1. Opening balance	-	-	-
2. Increases			
2.1 Issues	-	-	-
2.2 Losses allocated to:			
2.2.1 Income Statement	6	-	-
- of which capital losses	6	-	-
2.2.2 Shareholders' Equity	X	X	-
2.3 Transfers from other levels	-	-	-
2.4 Other increases	-	-	-
3. Decreases			
3.1 Reimbursements	-	-	-
3.2 Repurchases	-	-	-
3.3 Profits recognised:			
3.3.1 Income statement	-	-	-
- of which capital gains	-	-	-
3.3.2 In equity	X	X	-
3.4 Transfers to other levels	-	-	-
3.5 Other decreases	-	-	-
4. Closing balances	6	-	-

The sub-items 2.2.1 Losses through profit and loss and 3.3.1 Profits through profit and loss from financial liabilities are included, where present, in Consolidated Profit and Loss in the following items:

- Item "80: Gains (losses) on financial assets and liabilities held for trading";
- Item "110: "Gains (losses) on financial assets and liabilities at fair value through profit and loss";
- Item "90: Fair value adjustments in hedge accounting".

A.4.5.4 Assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis: breakdown by level of fair value

(Amounts in € thousand)

ASSET/LIABILITIES NOT MEASURED AT FAIR VALUE OR MEASURED AT FAIR ON A NON-RECURRING BASIS	12.31.2017				12.31.2016			
	BV	L1	L2	L3	BV	L1	L2	L3
1. Held to maturity investments	4,826,390	4,855,200	-	-	2,437,777	2,454,979	-	-
2. Loans and receivables with banks	13,878,117	-	11,311,889	3,039,207	15,735,540	-	12,330,314	3,680,608
3. Loans and receivables with customers	2,129,219	-	-	2,204,926	1,016,798	-	-	1,044,613
4. Property, plant and equipment held for investment	2,304	-	-	3,491	2,397	-	-	4,535
5. Non-current assets and disposal groups classified as held for sale	-	-	-	-	-	-	-	-
Total	20,836,030	4,855,200	11,311,889	5,247,624	19,192,512	2,454,979	12,330,314	4,729,756
1. Deposits from banks	926,001	-	-	926,001	1,111,106	-	-	1,111,106
2. Deposits from customers	20,205,036	-	9,622	20,195,477	18,801,073	-	21,894	18,779,261
3. Debt securities in issue	-	-	-	-	-	-	-	-
4. Liabilities included in disposal groups classified as held for sale	-	-	-	-	-	-	-	-
Total	21,131,037	-	9,622	21,121,478	19,912,179	-	21,894	19,890,367

Legenda:

L1 = Level 1 - L2 = Level 2 - L3 = Level 3 - BV = Book Value

Property, plant and equipment held for investment consist of two properties held by the Bank, the fair value of which corresponds to the market value as determined by an appraisal carried out by an external and independent valuation firm.

Part A - Accounting Policies (CONTINUED)

A.5 Day-one profit/loss

Financial instruments are initially recognised at fair value on the recognition date.

The fair value of financial instruments, other than those measured at fair value through consolidated profit or loss, at the recognition date is usually assumed to be equal to the amount collected or paid.

For financial instruments held for trading and financial instruments measured at fair value, any difference from the amount collected or paid is recognised in the appropriate line items of the consolidated income statement upon initial measurement of the financial instrument.

The use of prudent valuation models, the review processes of these models and their parameters and value adjustments to reflect model risk ensure that the amount recognised in the consolidated income statement is not derived from the use of unobservable valuation parameters. In particular, the quantification of the value adjustments relating to the risk model ensures that the part of the fair value of these instruments that refers to the use of subjective parameters is not recognised through consolidated profit or loss, but rather as an adjustment to the equity value of those instruments. Accordingly, this item is only subsequently recognised through consolidated profit or loss when there is a predominance of objective parameters and, consequently, when the mentioned adjustments are no longer required.

There are no day-one profits/losses to disclose in accordance with paragraph 28 of IFRS 7.

Part B - Consolidated Balance Sheet

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Part B - Consolidated Balance Sheet

Assets

Section 1 - Cash and cash balances - Item 10

1.1 Cash and cash balances: breakdown

(Amounts in € thousand)

	TOTAL 12.31.2017	TOTAL 12.31.2016
(a) Cash	613	5
(b) Demand deposits with central banks	-	-
Total	613	5

Section 2 - Financial assets held for trading - Item 20

2.1 Financial assets held for trading: product breakdown

(Amounts in € thousand)

ITEM/AMOUNT	TOTAL 12. 31.2017			TOTAL 12. 31.2016		
	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
A. On-balance sheet assets						
1. Debt securities	18	30	-	44	-	-
1.1 Structured securities	3	-	-	4	-	-
1.2 Other debt securities	15	30	-	40	-	-
2. Equity instruments	2,288	-	9	1,125	-	10
3. Units in investment funds.	2,019	-	-	1	-	-
4. Loans	-	-	-	-	-	-
4.1 Reverse repos	-	-	-	-	-	-
4.2 Others	-	-	-	-	-	-
Total A	4,325	30	9	1,170	-	10
B. Derivatives						
1. Financial derivatives	1,705	4,804	6	1,750	3,114	-
1.1 trading derivatives	1,705	4,804	6	1,750	3,114	-
1.2 related to the fair value option	-	-	-	-	-	-
1.3 other	-	-	-	-	-	-
2. Credit derivatives	-	-	-	-	-	-
2.1 trading derivatives	-	-	-	-	-	-
2.2 related to the fair value option	-	-	-	-	-	-
2.3 other	-	-	-	-	-	-
Total B	1,705	4,804	6	1,750	3,114	-
Total (A+B)	6,030	4,834	15	2,920	3,114	10

Financial derivatives refer to the positive valuation of CFD contracts on Forex, indices, shares and interest rates and Futures used for the operational hedging of CFDs on indices and interest rates. They amounted to €4,756 thousand (€3,009 thousand as at December 31, 2016).

Sub-item B.1.1 Derivative instruments - Trading financial derivatives includes the positive valuations of spot contracts for securities classified in the HFT portfolio and currencies to be settled in times established by market practices ("regular way"). They amounted to €1,758 thousand (€1,855 thousand as at December 31, 2016).

2.2 Financial assets held for trading: breakdown by issuer/borrower

(Amounts in € thousand)

ITEM/AMOUNT	TOTAL 12.31.2017	TOTAL 12.31.2016
A. ON-BALANCE SHEET ASSETS		
1. Debt securities	48	44
a) Governments and central banks	11	6
b) Other public entities	-	-
c) Banks	37	38
d) Other issuers	-	-
2. Equity Instruments	2,297	1,135
a) Banks	1	113
b) Other issuers:	2,296	1,022
- insurance companies	-	10
- financial companies	95	47
- non-financial companies	2,201	965
- other	-	-
3. Units in investment funds.	2,019	1
4. Loans	-	-
a) Governments and central banks	-	-
b) Other public entities	-	-
c) Banks	-	-
d) Other entities	-	-
Total A	4,364	1,180
B. DERIVATIVES		
a) Banks		
- fair value	346	270
b) Customers		
- fair value	6,169	4,594
Total B	6,515	4,864
Total (A+B)	10,879	6,044

Item B. Derivative instruments also includes the positive valuations of spot contracts for securities classified in the HFT portfolio and currencies to be settled within times established by market practices ("regular way").

Equity securities of issuers in default were classified by the Bank as non-performing in the financial statements for a total amount of €6 thousand.

Section 3 - Financial assets at fair value through profit or loss - Item 30

No financial assets were recorded under the balance-sheet item "Financial assets designated at fair value through profit or loss".

Section 4 - Available-for-sale financial assets - Item 40

4.1 Available-for-sale financial assets: product breakdown

(Amounts in € thousand)

ITEM/AMOUNT	TOTAL 12.31.2017			TOTAL 12.31.2016		
	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
1. Debt securities	1,042,465	-	-	1,316,221	-	-
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	1,042,465	-	-	1,316,221	-	-
2. Equity Instruments	-	-	5,224	-	-	3,531
2.1 Carried at fair value	-	-	5,219	-	-	3,526
2.2 Carried at cost	-	-	5	-	-	5
3. Units in investment funds.	-	-	-	-	-	-
4. Loans	-	-	-	-	-	-
Total	1,042,465	-	5,224	1,316,221	-	3,531

"Available-for-sale financial assets" consisted of debt securities issued by governments and equity instruments not listed on an active market.

Part B - Consolidated Balance Sheet - Asset (CONTINUED)

Investments in debt securities consisted of:

- Spanish government securities, with a book value of €725,220 thousand (€982,434 million as at December 31, 2016);
- French government securities, with a book value of €10,124 thousand (€10,296 million as at December 31, 2016);
- Spanish government securities, with a book value of €242,451 thousand (€249,940 million as at December 31, 2016);
- American government securities, with a book value of €64,671 thousand (€73,549 million as at December 31, 2016).

A portion of debt securities classified in the Available-for-sale financial assets portfolio are entirely used as collateral for bankers' drafts or guarantees with third parties for a book value of €131,101 thousand (€128,882 thousand as at December 31, 2016).

Equity instruments carried at cost refer to equity investments in companies in which the Bank does not exercise control or have a significant influence, for an amount equal to €5 thousand. These instruments are not listed, therefore the fair value may not be reliably determined.

Equity instruments recorded at fair value refer to Class "C" Visa INC preferred shares, for an amount of €4,501 thousand and to the exposure in equity instruments recognised as a result of the contribution paid to the Voluntary Scheme established by the Interbank Deposit Guarantee Fund with respect to the latter's intervention in favour of Cassa di Risparmio di Cesena, Carim and Carismi, for an amount, net of de-recognitions and value adjustments recorded through consolidated profit and loss, of €718 thousand. For further details, see Section A - Account policies, of the Notes to the Consolidated Accounts.

4.2 Available-for-sale financial assets: breakdown by issuer/borrower

(Amounts in € thousand)

ITEM/AMOUNT	12.31.2017	12.31.2016
1. Debt securities	1,042,465	1,316,221
a) Governments and central banks	1,042,465	1,316,221
b) Other public entities	-	-
c) Banks	-	-
d) Other issuers	-	-
2. Equity Instruments	5,224	3,531
a) Banks	-	-
b) Other issuers:	5,224	3,531
- insurance companies	-	-
- financial companies	4,501	3,526
- non-financial companies	5	5
- other	718	-
3. Units in investment funds.	-	-
4. Loans	-	-
a) Governments and central banks	-	-
b) Other public entities	-	-
c) Banks	-	-
d) Other entities	-	-
Total	1,047,689	1,319,752

4.3 Available-for-sale financial assets: subject to micro-hedging

(Amounts in € thousand)

ITEM/AMOUNT	12.31.2017	12.31.2016
Financial assets subject to micro-hedging of fair value	-	342,290
a) Interest rate risk	-	342,290
b) Price risk	-	-
c) Exchange	-	-
d) Credit	-	-
e) Multiple risks	-	-
Financial assets subject to micro-hedging of cash flows	-	-
a) Interest rate risk	-	-
b) Exchange	-	-
c) Other	-	-
Total	-	342,290

The debt security micro-hedged at December 31, 2016 was repaid in 2017, as it reached its maturity.

Section 5 - Held-to-maturity investments - Item 50

5.1 Held-to-maturity investments: product breakdown

(Amounts in € thousand)

	12.31.2017				12.31.2016			
	BV	FV			BV	FV		
		LEVEL 1	LEVEL 2	LEVEL 3		LEVEL 1	LEVEL 2	LEVEL 3
1. Debt securities	4,826,390	4,855,200	-	-	2,437,777	2,454,979	-	-
- Structured	-	-	-	-	-	-	-	-
- Other	4,826,390	4,855,200	-	-	2,437,777	2,454,979	-	-
2. Loans	-	-	-	-	-	-	-	-
Total	4,826,390	4,855,200	-	-	2,437,777	2,454,979	-	-

Key

FV = fair value

BV = book value

"Held-to-maturity investments" consisted of debt securities issued:

- by the Italian Government, for a book value of €2,557,575 thousand (€1,499,270 thousand at December 31, 2016);
- by the Spanish Government, for a book value of €2,120,318 thousand (€938,508 thousand at December 31, 2016);
- by Instituto de Credito Oficial ICO, with a book value of €99,924 thousand (not present as at December 31, 2016);
- by the Polish State, with a book value of €48,572 thousand (not present as at December 31, 2016).

5.2 Held-to-maturity investments: issuer/borrower

(Amounts in € thousand)

TYPE OF TRANSACTION/AMOUNT	12.31.2017	12.31.2016
1. Debt securities	4,826,390	2,437,777
a) Governments and central banks	4,726,466	2,437,777
b) Other public entities	99,924	-
c) Banks	-	-
d) Other issuers	-	-
2. Loans	-	-
a) Governments and central banks	-	-
b) Other public entities	-	-
c) Banks	-	-
d) Other entities	-	-
Total	4,826,390	2,437,777
Total fair value	4,855,200	2,454,979

5.3 Held-to-maturity investments: assets subject to micro-hedging

As at December 31, 2017, there were no "Held to maturity investments" subject to micro hedging.

Part B - Consolidated Balance Sheet - Asset (CONTINUED)

Section 6 - Loans and receivables with banks - Item 60

6.1 Loans and receivables with banks: product breakdown

(Amounts in € thousand)

TYPE OF TRANSACTION/AMOUNT	12.31.2017				12.31.2016			
	BV	FV			BV	FV		
		LEVEL 1	LEVEL 2	LEVEL 3		LEVEL 1	LEVEL 2	LEVEL 3
A. Loans and receivables with Central Banks	-	-	-	-	-	-	-	-
1. Time deposits	-	X	X	X	-	X	X	X
2. Compulsory reserves	-	X	X	X	-	X	X	X
3. Reverse repos	-	X	X	X	-	X	X	X
4. Other	-	X	X	X	-	X	X	X
B. Loans and receivables with banks	13,878,117	-	11,311,889	3,039,207	15,735,540	-	12,330,314	3,680,608
1. Loans	3,039,207	-	-	3,039,207	3,680,609	-	-	3,680,608
1.1 Current accounts and demand deposits	1,993,139	X	X	X	2,336,579	X	X	X
1.2 Time deposits	1,028,152	X	X	X	1,285,414	X	X	X
1.3 Other loans:		X	X	X		X	X	X
- Reverse repos	54	X	X	X	53	X	X	X
- Finance leases	-	X	X	X	-	X	X	X
- Other	17,862	X	X	X	58,563	X	X	X
2. Debt securities	10,838,910	-	11,311,889	-	12,054,931	-	12,330,314	-
2.1 Structured securities	-	X	X	X	-	X	X	X
2.2 Other debt securities	10,838,910	X	X	X	12,054,931	X	X	X
Total	13,878,117	-	11,311,889	3,039,207	15,735,540	-	12,330,314	3,680,608

Key

FV = fair value

BV = book value

Loans and receivables with banks for current accounts and demand deposits mainly consist of accounts held with UniCredit, with a book value of €1,958,602 thousand (€2,302,659 thousand as at December 31, 2016), and to a lesser extent, of current accounts held with other banks not belonging to UniCredit group for transactions in securities.

Time deposits consist of the deposit held with UniCredit for compulsory reserves, totalling €199,104 thousand (€172,461 thousand as at December 31, 2016), in addition to time deposits held with UniCredit for a book value of €829,049 thousand (€1,112,953 thousand as at December 31, 2016), opened to invest the liquidity raised through repos with retail customers and credit institutions, with the same maturities.

The debt securities held in the portfolio and included in the category "Loans and receivables" solely consist of debt securities issued by UniCredit S.p.A. for an amount of €10,838,910 (€12,054,929 thousand as at December 31, 2016).

"Other loans: Other" relates to the amount of the initial and variance margins and collateral deposits placed with credit institutions for derivative transactions and repos, for a total amount of €14,647 thousand, of which €9,030 thousand with UniCredit (€55,660 thousand at December 31, 2016, of which €48,567 thousand with UniCredit and €3,060 thousand with UniCredit Bank AG Monaco), as well as current receivables associated with the provision of financial services for an amount of €3,215 thousand (€2,903 thousand as at December 31, 2016).

At the reporting date there were no impaired assets with respect to banks.

6.2 Loans and receivables with banks: assets subject to micro-hedging

No data to report.

6.3 Finance leases

No data to report.

Section 7 - Loans and receivables with customers - Item 70

7.1 Loans and receivables with customers: product breakdown

(Amounts in € thousand)

TYPE OF TRANSACTION/ AMOUNT	12.31.2017						12.31.2016					
	BOOK VALUE			FAIR VALUE			BOOK VALUE			FAIR VALUE		
	UNIMPAIRED	IMPAIRED		L1	L2	L3	UNIMPAIRED	IMPAIRED		L1	L2	L3
		PURCHASED	OTHER					PURCHASED	OTHER			
Loans	2,126,366	-	2,853	-	-	2,204,926	1,013,140	-	3,658	-	-	1,044,613
1. Current accounts	639,726	-	1,828	X	X	X	296,927	-	2,445	X	X	X
2. Reverse repos	202,620	-	81	X	X	X	87,348	-	1	X	X	X
3. Mortgages	516,237	-	14	X	X	X	860	-	24	X	X	X
4. Credit cards, personal loans and wage assignment loans	632,249	-	799	X	X	X	503,533	-	1,166	X	X	X
5. Finance leases	-	-	-	X	X	X	-	-	-	X	X	X
6. Factoring	-	-	-	X	X	X	-	-	-	X	X	X
7. Other loans	135,534	-	131	X	X	X	124,472	-	22	X	X	X
Debt securities	-	-	-	-	-	-	-	-	-	-	-	-
8. Structured securities	-	-	-	X	X	X	-	-	-	X	X	X
9. Other debt securities	-	-	-	X	X	X	-	-	-	X	X	X
Total	2,126,366	-	2,853	-	-	2,204,926	1,013,140	-	3,658	-	-	1,044,613

7.2 Loans and receivables with customers: breakdown by issuer/borrower

(Amounts in € thousand)

TYPE OF TRANSACTION/AMOUNT	12.31.2017			12.31.2016		
	UNIMPAIRED	IMPAIRED		UNIMPAIRED	IMPAIRED	
		PURCHASED	OTHER		PURCHASED	OTHER
1. Debt securities	-	-	-	-	-	-
a) Governments	-	-	-	-	-	-
b) Other public entities	-	-	-	-	-	-
c) Other issuers:	-	-	-	-	-	-
- non-financial companies	-	-	-	-	-	-
- financial companies	-	-	-	-	-	-
- insurance companies	-	-	-	-	-	-
- other	-	-	-	-	-	-
2. Loans to:	2,126,366	-	2,853	1,013,140	-	3,658
a) Governments	-	-	-	-	-	2
b) Other public entities	-	-	-	-	-	-
c) Other entities:	2,126,366	-	2,853	1,013,140	-	3,656
- non-financial companies	20,492	-	99	14,666	-	24
- financial companies	107,681	-	5	98,744	-	8
- insurance companies	16,651	-	-	12,174	-	-
- other	1,981,542	-	2,749	887,556	-	3,624
Total	2,126,366	-	2,853	1,013,140	-	3,658

7.3 Loans and receivables with customers: assets subject to micro-hedging

No data to report.

7.4 Finance leases

No data to report.

Part B - Consolidated Balance Sheet - Asset (CONTINUED)

Section 8 - Hedging derivatives - Item 80

8.1 Hedging derivatives: breakdown by type of hedge and by level

(Amounts in € thousand)

	FV 12.31.2017			NA 12.31.2017	FV 12.31.2016			NA 12.31.2016
	L1	L2	L3		L1	L2	L3	
A. Financial derivatives	-	458	-	151,109	-	552	-	250,000
1) Fair value	-	458	-	151,109	-	552	-	250,000
2) Cash flows	-	-	-	-	-	-	-	-
3) Net investment in foreign subsidiaries	-	-	-	-	-	-	-	-
B. Credit derivatives	-	-	-	-	-	-	-	-
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	-	458	-	151,109	-	552	-	250,000

Key:

NA = notional amount

FV = fair value

L1 = Level 1

L2 = Level 2

L3 = Level 3

8.2 Hedging derivatives: breakdown by hedged assets and risk (balance sheet value)

(Amounts in € thousand)

TRANSACTION/TYPE OF HEDGE	FAIR VALUE					CASH FLOWS			NET INVESTMENT IN FOREIGN SUBSIDIARIES
	MICRO					MACRO	MICRO	MACRO	
	INTEREST RATE RISK	EXCHANGE RATE RISK	CREDIT RISK	PRICE RISK	MULTIPLE RISK				
1. Available-for-sale assets	-	-	-	-	-	X	-	X	X
2. Loans and receivables	-	-	-	X	-	X	-	X	X
3. Held-to-maturity investments	X	-	-	X	-	X	-	X	X
4. Portfolio	X	X	X	X	X	400	X	-	X
5. Other transactions	-	-	-	-	-	X	-	X	-
Total assets	-	-	-	-	-	400	-	-	-
1. Financial liabilities	-	-	-	X	-	X	-	X	X
2. Portfolio	X	X	X	X	X	58	X	-	X
Total liabilities	-	-	-	-	-	58	-	-	-
1. Expected transactions	X	X	X	X	X	X	-	X	X
2. Financial assets and financial liabilities	X	X	X	X	X	-	X	-	-

Section 9 - Changes in fair value of portfolio hedged financial assets - Item 90

9.1 Adjustments to the value of hedged assets: breakdown by hedged portfolio

(Amounts in € thousand)

ADJUSTMENTS TO THE VALUE OF HEDGED ASSETS/COMPONENTS OF THE GROUP	12.31.2017	12.31.2016
1. Positive changes	10,130	8,659
1.1 of specific portfolios	10,130	8,659
a) loans and receivables	10,130	8,659
b) available-for-sale financial assets	-	-
1.2 overall	-	-
2. Negative changes	(540)	-
2.1 of specific portfolios	(540)	-
a) loans and receivables	(540)	-
b) available-for-sale financial assets	-	-
2.2 overall	-	-
Total	9,590	8,659

9.2 Assets macro-hedged against interest rate risk

(Amounts in € thousand)

HEDGED ASSETS	12.31.2017	12.31.2016
1. Loans and receivables	666,447	777,368
2. Available-for-sale financial assets	-	-
3. Portfolio	-	-
Total	666,447	777,368

Receivables subject to macro-hedging of interest rate risk consist of mortgages to retail customers and debt securities issued by UniCredit S.p.A. and classified as "Loans and Receivables".

Section 10 - Equity investments - Item 100

No data to report.

Section 11 - Technical provisions for re-insurers - Item 110

No data to report.

Section 12 - Property, plant and equipment - Item 120

12.1 Property, plant and equipment used in the business: breakdown of assets carried at cost

(Amounts in € thousand)

ASSET/AMOUNT	12.31.2017	12.31.2016
1. Owned assets	12,901	12,054
a) land	-	-
b) buildings	-	-
c) office furniture and fittings	1,480	1,131
d) electronic systems	9,798	9,560
e) other	1,623	1,363
2. Assets under financial lease	-	-
a) land	-	-
b) buildings	-	-
c) office furniture and fittings	-	-
d) electronic systems	-	-
e) other	-	-
Total	12,901	12,054

A description of the methods used to calculate depreciation is provided in Part A - Accounting Policies of the notes to the consolidated accounts.

12.2 Property, plant and equipment held for investment: breakdown of assets carried at cost

(Amounts in € thousand)

ASSET/AMOUNT	12.31.2017				12.31.2016			
	BOOK VALUE	FAIR VALUE			BOOK VALUE	FAIR VALUE		
		L1	L2	L3		L1	L2	L3
1. Owned assets	2,304	-	-	3,491	2,397	-	-	4,535
a) land	-	-	-	-	-	-	-	-
b) buildings	2,304	-	-	3,491	2,397	-	-	4,535
2. Assets under finance lease	-	-	-	-	-	-	-	-
a) land	-	-	-	-	-	-	-	-
b) buildings	-	-	-	-	-	-	-	-
Total	2,304	-	-	3,491	2,397	-	-	4,535

12.3 Property, plant and equipment used in the business: breakdown of revalued assets

No data to report.

12.4 Property, plant and equipment held for investment: breakdown of assets measured at fair value

No data to report.

Part B - Consolidated Balance Sheet - Asset (CONTINUED)

12.5 Property, plant and equipment used in the business: annual changes

(Amounts in € thousand)

	LAND	BUILDINGS	OFFICE FURNITURE AND FITTINGS	ELECTRONIC SYSTEMS	OTHER	TOTAL
A. Gross opening balance	-	-	12,559	28,301	9,875	50,735
A.1 Total net reduction in value	-	-	(11,428)	(18,741)	(8,512)	(38,681)
A.2 Net opening balance	-	-	1,131	9,560	1,363	12,054
B. Increases:	-	-	1,589	4,750	738	7,077
B.1 Purchases	-	-	1,579	4,748	737	7,064
B.2 Capitalised expenditure on improvements	-	-	-	-	-	-
B.3 Write-backs	-	-	-	-	-	-
B.4 Increase in fair value recognised						
a) in equity	-	-	-	-	-	-
b) through profit or loss	-	-	-	-	-	-
B.5 Positive exchange differences	-	-	-	-	-	-
B.6 Transfers from properties held for investment	-	-	-	-	-	-
B.7 Other changes	-	-	10	2	1	13
C. Decreases:	-	-	(1,240)	(4,512)	(478)	(6,230)
C.1 Sales	-	-	(7)	(249)	-	(256)
C.2 Depreciation	-	-	(1,233)	(3,745)	(457)	(5,435)
C.3 Impairment losses recognised						
a) in equity	-	-	-	-	-	-
b) through profit or loss	-	-	-	(1)	(20)	(21)
C.4 Decreases in fair value recognised						
a) in equity	-	-	-	-	-	-
b) through profit or loss	-	-	-	-	-	-
C.5 Negative exchange differences	-	-	-	-	-	-
C.6 Transfers to:						
a) property, plant and equipment held for investment	-	-	-	-	-	-
b) assets held for sale	-	-	-	-	-	-
C.7 Other changes	-	-	-	(517)	(1)	(518)
D. Net closing balance	-	-	1,480	9,798	1,623	12,901
D.1 Total net reduction in value	-	-	(12,393)	(20,912)	(8,794)	(42,099)
D.2 Gross closing balance	-	-	13,873	30,710	10,417	55,000
E. Carried at cost	-	-	1,480	9,798	1,623	12,901

The asset classes specified in the table above are carried at cost.

12.6 Property, plant and equipment held for investment: annual changes

(Amounts in € thousand)

	LAND	BUILDINGS
A. Gross opening balance	-	3,745
A.1 Total net reduction in value	-	(1,348)
A.2 Net opening balance	-	2,397
B. Increases:	-	20
B.1 Purchases	-	-
B.2 Capitalised expenditure on improvements	-	20
B.3 Net increases in fair value	-	-
B.4 Write-backs	-	-
B.5 Positive exchange differences	-	-
B.6 Transfer from properties used in the business	-	-
B.7 Other changes	-	-
C. Decreases:	-	(113)
C.1 Sales	-	-
C.2 Depreciation	-	(113)
C.3 Decreases in fair value	-	-
C.4 Impairment losses	-	-
C.5 Negative exchange differences	-	-
C.6 Transfers to other asset portfolios	-	-
a) properties used in the business	-	-
b) non-current assets classified as held for sale	-	-
C.7 Other changes	-	-
D. Net closing balance	-	2,304
D.1 Total net reduction in value	-	(1,461)
D.2 Gross closing balance	-	3,765
E. Fair value measurement	-	3,491

The buildings specified in the table above are carried at cost.

12.7 Commitments to purchase property, plant and equipment

As at December 31, 2017 the Bank had contractual commitments to purchase property, plant and equipment amounting to €629 thousand.

We also report that there are no restrictions on the ownership of tangible assets and there are no tangible assets pledged as security for liabilities.

Section 13 - Intangible assets - Item 130

13.1 Intangible assets: breakdown by type assets

(Amounts in € thousand)

ASSET/AMOUNT	12.31.2017		12.31.2016	
	FINITE LIFE	INDEFINITE LIFE	FINITE LIFE	INDEFINITE LIFE
A.1 Goodwill	X	89,602	X	89,602
A.1.1 attributable to the group	X	89,602	X	89,602
A.1.2 attributable to minorities	X	-	X	-
A.2 Other intangible assets	7,909	-	7,731	-
A.2.1 Assets carried at cost:	7,909	-	7,731	-
a) Intangible assets generated internally	-	-	-	-
b) Other assets	7,909	-	7,731	-
A.2.2 Assets carried at fair value:	-	-	-	-
a) Intangible assets generated internally	-	-	-	-
b) Other assets	-	-	-	-
Total	7,909	89,602	7,731	89,602

The useful life of software, considered for the calculation of amortisation, is 3 years, while the useful life of other intangible assets with definite life is 5 years. A description of the methods used to calculate depreciation is provided in Part A - Accounting Policies of the notes to the consolidated accounts.

Part B - Consolidated Balance Sheet - Asset (CONTINUED)

13.2 Intangible assets: annual changes

(Amounts in € thousand)

	GOODWILL	OTHER INTANGIBLE ASSETS: GENERATED INTERNALLY		OTHER INTANGIBLE ASSETS: OTHER		TOTAL
		FIN	INDEF	FIN	INDEF	
A. Gross opening balance	124,729	-	-	74,833	-	199,562
A.1 Total net reduction in value	(35,127)	-	-	(67,102)	-	(102,229)
A.2 Net opening balance	89,602	-	-	7,731	-	97,333
B. Increases	-	-	-	4,978	-	4,978
B.1 Purchases	-	-	-	4,978	-	4,978
B.2 Increases in internal intangible assets	X	-	-	-	-	-
B.3 Write-backs	X	-	-	-	-	-
B.4 Increases in fair value recognised:						
- in equity	X	-	-	-	-	-
- through profit or loss	X	-	-	-	-	-
B.5 Positive exchange differences	-	-	-	-	-	-
B.6 Other changes	-	-	-	-	-	-
C. Decreases	-	-	-	(4,800)	-	(4,800)
C.1 Sales	-	-	-	-	-	-
C.2 Impairment losses						
- Amortisation	X	-	-	(4,800)	-	(4,800)
- Write-downs						
+ in equity	X	-	-	-	-	-
+ through profit or loss	-	-	-	-	-	-
C.3 Decreases in fair value						
- in equity	X	-	-	-	-	-
- through profit or loss	X	-	-	-	-	-
C.4 Transfers to non-current assets and discontinued operations	-	-	-	-	-	-
C.5 Negative exchange differences	-	-	-	-	-	-
C.6 Other changes	-	-	-	-	-	-
D. Net closing balance	89,602	-	-	7,909	-	97,511
D.1 Total net impairments	(35,127)	-	-	(71,902)	-	(107,029)
E. Gross closing balance	124,729	-	-	79,811	-	204,540
F. Carried at cost	89,602	-	-	7,909	-	97,511

Key

FIN: finite life

INDEF: indefinite life

The asset classes specified in the table above are carried at cost.

13.3 Other information

As at December 31, 2017 the Bank had contractual commitments to purchase intangible assets amounting to €13 thousand.

We also report that there were no intangible assets acquired through government concession; no intangible assets were used as collateral for own debts; no intangible assets were held under a finance lease; and there were no revalued intangible assets.

Other information - Impairment test

Under IAS 36, impairment testing of intangible assets with indefinite useful lives must be performed at least annually and, in any case, whenever there is objective evidence of the occurrence of events that may have reduced their value.

Recoverable value is the greater of the value in use (present value of future cash flows generated by the asset being valued) and the associated fair value, net of sales costs.

The recoverable value of the assets subject to impairment testing must be determined for the individual assets, unless both of the following conditions exist:

- the value in use of the asset is not estimated to be close to the fair value net of selling costs;
- the asset does not generate incoming cash flows largely independent of those coming from other assets (or group of assets).

If these conditions exist, the impairment test is conducted at the level of the Cash Generating Unit (CGU) of the asset, as required by the accounting principle.

According to IAS 36, when determining the value in use of assets subject to impairment testing, reference must be made to the cash flows of assets in their current conditions at the testing date and representing the best estimate by the management of the overall economic conditions in place during the residual useful life of the asset.

For the purposes of impairment testing, the value in use of the cash generating unit (CGU) to which the intangible assets have been assigned must be calculated considering the cash flows for all the assets and liabilities included in the CGU and not just those for which goodwill and/or the intangible asset has been recognised upon application of IFRS 3.

Definition of CGU

Estimating the value in use for the purposes of any impairment testing of intangible assets, including goodwill, which do not independently generate cash flows, but only in conjunction with other business assets, requires that these assets first be attributed to operating units that are relatively autonomous in the business context (from the points of view of independent cash flows generated and of internal planning and reporting). These operating units are defined as Cash Generating Units (CGU).

Goodwill recorded in these consolidated financial statements, deriving from the separate financial statements of the Bank, relates to buy-outs of divisions or companies engaged in trading activities or the distribution of financial, banking and insurance products through personal financial advisors. These activities have been fully integrated with FinecoBank's ordinary operations, as a result it is not possible to isolate the contribution of each company/business division from the Bank's overall income; this means that to establish the recoverability of the value of goodwill recognised in the financial statements it is necessary to take account of the Bank's comprehensive income.

The cash generating unit (CGU) to be considered for the impairment test is therefore the Bank as a whole. In view of the specific business model adopted by FinecoBank, which envisages a high level of integration between personal financial advisors and the trading and banking platform, so that the personal financial advisors network is an integral part of the overall offering of the Bank, which includes banking, brokerage and investing services, an allocation of costs/revenues per business units is not considered relevant or meaningful.

Estimating cash flows to determine the value in use of the CGU

The applicable accounting principles require that the impairment test be carried out by comparing the book value of the CGU to its recoverable value. When the latter proves to be less than the book value, a write-down must be recorded in the financial statements. The recoverable value is the greater of its fair value (net of sales costs) and the related value in use.

The recoverable amount of the CGU in this case is the greater of its fair value (net of costs to sell) and the related value in use.

Impairment test model

The calculation of the value in use for the purposes of impairment testing is made using the Discounted Cash Flow (DCF) model. The cash flows are determined by subtracting the annual capital requirement generated by the change in the risk-weighted assets from net profit. This capital requirement is determined by considering the long-term capitalisation to be achieved, also in light of the minimum regulatory capital requirements.

Cash flows

The discounted cash flow model used is based on future cash flows estimated by management in four steps:

- year 2018, in which the budget figures were considered (subject to approval by the Board of Directors on December 5, 2017);
- period from 2019 to 2020, which considers the financial projections of the Strategic Plan (submitted for approval by the Board of Directors of December 5, 2017);
- intermediate period of five years from 2021 to 2025, for which the projections of the financial flows are extrapolated by applying beginning in the last explicit estimate period (2020) rates of growth decreasing (from 4% to 2%) to the terminal value;
- terminal value calculated using a nominal growth rate of 2%. The average Eurozone actual GDP rate from 1996 to 2016 was 1.5%. The choice of nominal 2% as "terminal value" growth rate, i.e. corresponding to ~ 0% real growth, was made for prudential reasons.

Discount rates of cash flows

Future financial flows were discounted using a conservative estimate of the discount rate, incorporating the various risk factors linked to the business sector into the cost of equity (Ke). The discount rate is a nominal rate, net of taxes.

The main assumptions used by management in determining the discount rate to calculate the value in use are summarised below:

- Initial discount rate net of tax (Ke); 8.61%
- Final discount rate net of tax (Ke); 9.09%

In particular, the cost of capital for the Bank is the sum of the following:

- Risk-free rate: the average of the last 6 years of the 5-year Bund. The six-year horizon was adopted in line with the average economic cycle in the eurozone;
- Debt risk premium: the average over the last six years of the Credit Default Swap paid by UniCredit;
- Risk premium on own equity: calculated using the option-based model, based on the average volatility of over the last six years of the shares of banks operating predominantly in the same sector.

Part B - Consolidated Balance Sheet - Asset (CONTINUED)

Moreover, for prudential reasons, the cost of capital for the Bank 2018 to the Terminal Value was raised to the level of the Germany Commercial Banking, which was considered to be the floor value at Group level.

The cost of capital used for the impairment testing has 4 target points (2018 budget, 2019 Multi Year Plan, 2020 Multi Year Plan and Terminal Value) within which a linear convergence is calculated.

Impairment test results

The methodology for calculating the value in use described above (model, assumptions and parameters used) was approved by the Board of Directors on January 10, 2018. For the impairment testing the carrying amount of the goodwill and Shareholders' equity was compared with its value in use calculated using that methodology. The outcome of the tests (approved by the Board of Directors of February 6, 2018) confirmed the sustainability of the goodwill recognised in the financial statements as at December 31, 2017, with the value in use significantly higher than the carrying amount.

Sensitivity analysis

Given the complexity of the measurement process and the uncertainty involved in making forecasts on future profitability, especially in the long term, some sensitivity analyses were carried out assuming changes to the main parameters used in the impairment test.

The table below shows the change in the value in use, net of book value and of shareholders' equity, in relation to changes in the main parameters used in the DCF model underlying the impairment test.

	1% INCREASE OF THE DISCOUNT RATE AFTER TAXES (KE)	1% INCREASE OF CORE TIER 1 RATIO TARGET	1% DECREASE OF THE NOMINAL GROWTH RATE FOR THE CALCULATION OF TERMINAL VALUE	5% DECREASE OF ANNUAL EARNINGS
Change of value in use	-16.9%	-0.8%	-11.2%	-6.4%

The results confirm the sustainability of the goodwill recognised in the financial statements, as none of the scenarios hypothesised revealed the need for a write-down, as the value in use, calculated applying those variations, was much higher than the book value.

It should also be noted, that the impairment test reaches the break-even assuming changes in the above parameters that are currently unreasonable. The impairment test reached a break-even with an absolute positive change in the discount rate after tax (Ke) of over 20 percentage points, i.e. with a reduction of over 75% of annual earnings (while maintaining all the other parameters and information used unchanged, in both scenarios).

It should be noted that the value of "FinecoBank" shares resulted in a market capitalisation of €5.2 billion at December 31, 2017, markedly higher than the Bank's assets and the results provided by the internal model, which confirms the implementation of prudent criteria for calculation of the value in use.

Section 14 - Tax Assets and Tax Liabilities - Asset Item 140 and liability Item 80

The item "Tax assets" amounting to €9,249 thousand comprises:

- "Current tax assets" of €1,765 thousand;
- "Deferred tax assets" of €7,484 thousand. Deferred tax assets are shown in the consolidated balance sheet net of the related deferred tax liabilities; the detail is as follows:
 - "Deferred tax assets" of €30,530 thousand recognised as a balancing entry in the income statement;
 - "Deferred tax assets" of €6,225 thousand recognised as a balancing entry of shareholders' equity.
 - "Deferred tax liabilities" of €23,982 thousand recognised as a balancing entry in the income statement;
 - "Deferred tax liabilities" of €5,289 thousand recognised through other comprehensive income.

The item "Tax liabilities" amounting to €10,234 thousand, consists exclusively of "Current tax liabilities".

Current Tax Assets and Liabilities

(Amounts in € thousand)

ASSET/AMOUNT	12.31.2017	12.31.2016
Current tax assets	1,765	1,571
Current tax liabilities	10,234	10,048

Prepaid/deferred tax assets/liabilities

In accordance with the law and regulations currently in force:

- the recognition of deferred tax assets for IRES income tax purposes takes into account the expected income figures of the Bank for future years, according to the decisions made by the competent company bodies;

- the recognition of deferred tax assets for IRAP corporate tax purposes takes place on the basis of the Bank's expected income figures for future years, and takes into account changes in the legal context;
- deferred tax liabilities are recognised whenever the relevant requirements are satisfied.

When calculating prepaid/deferred tax assets/liabilities, a 27.5% IRES rate was used (24% standard rate and 3.5% additional rate for banking institutions), as well as IRAP rate of 5.57% for Italy.

With regard to Fineco AM Limited, taxes were calculated using a 12.5% rate; in particular, deferred tax assets have been recognised on the loss for the period (from incorporation to December 31, 2017) taking into account the expected profit/loss of the same in view of the expected development of the business.

There were no tax-loss carry-forwards.

14.1 Deferred tax assets: breakdown

(Amounts in € thousand)

ASSET/AMOUNT	12.31.2017	12.31.2016
Allocations through profit or loss	26,702	29,043
Allocations through other comprehensive income	6,225	7,617
Impairment losses on receivables (of which pursuant to Law 214/2011)	3,828	4,180
Total before IAS 12 offset	36,755	40,840
Offset against deferred tax liabilities - IAS 12	(29,271)	(29,246)
Total	7,484	11,594

14.2 Deferred tax liabilities: breakdown

(Amounts in € thousand)

ASSET/AMOUNT	12.31.2017	12.31.2016
Allocations through profit or loss	23,982	23,278
Allocations through other comprehensive income	5,289	5,968
Total before IAS 12 offset	29,271	29,246
Offset against deferred tax liabilities - IAS 12	(29,271)	(29,246)
Total	-	-

14.3 Changes in deferred tax assets (through profit or loss)

(Amounts in € thousand)

	12.31.2017	12.31.2016
1. Opening balance	33,223	39,024
2. Increases	3,936	4,281
2.1 Deferred tax assets recognised in the year	3,532	4,281
a) relating to prior years	-	-
b) due to changes in accounting policies	-	-
c) write-backs	-	-
d) other	3,532	4,281
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	404	-
3. Decreases	(6,629)	(10,082)
3.1 Deferred tax assets cancelled in the year	(6,629)	(9,367)
a) reversals of temporary differences	(6,629)	(9,367)
b) write-downs of non-recoverable items	-	-
c) change in accounting policies	-	-
d) other	-	-
3.2 Reduction in tax rates	-	-
3.3 Other decreases	-	(715)
a) conversion of tax credits as per Law 214/2011	-	-
b) other	-	(715)
4. Closing balance	30,530	33,223

Increases/decreases in deferred tax assets recognised in the year through profit or loss mainly refer to the following items:

- allocations to and use of provisions for risks and charges.
- allocations to and use of provisions for future personnel costs.

Part B - Consolidated Balance Sheet - Asset (CONTINUED)

14.3.1 Changes in deferred tax assets under Law 214/2011 (through profit or loss)

(Amounts in € thousand)

	12.31.2017	12.31.2016
1. Opening balance	4,180	4,401
2. Increases	-	-
3. Decreases	(352)	(221)
3.1 Reversals	(352)	(220)
3.2 Conversion into tax credits		
a) resulting from operating losses	-	-
b) resulting from tax losses	-	-
3.3 Other decreases	-	(1)
4. Closing balance	3,828	4,180

14.4 Changes in deferred tax liabilities (through profit or loss)

(Amounts in € thousand)

	12.31.2017	12.31.2016
1. Opening balance	23,278	22,877
2. Increases	712	467
2.1 Deferred tax liabilities arising during the year	704	467
a) relating to prior years	-	-
b) due to changes in accounting policies	-	-
c) other	704	467
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	8	-
3. Decreases	(8)	(66)
3.1 Deferred tax liabilities de-recognised during the year	(8)	(66)
a) reversals of temporary differences	(8)	(66)
b) due to changes in accounting policies	-	-
c) other	-	-
3.2 Reduction in tax rates	-	-
3.3 Other decreases	-	-
4. Closing balance	23,982	23,278

Increases in deferred tax liabilities recorded in the financial year as a balancing item of the income statement refer to the recognition of deferred tax liabilities resulting from the accounting and tax treatment of goodwill.

14.5 Changes in deferred tax assets (through equity)

(Amounts in € thousand)

	12.31.2017	12.31.2016
1. Opening balance	7,617	2,440
2. Increases	270	6,510
2.1 Deferred tax assets recognised in the year	270	6,510
a) relating to prior years	-	-
b) due to changes in accounting policies	-	-
c) other	270	6,510
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	-
3. Decreases	(1,662)	(1,333)
3.1 Deferred tax assets cancelled in the year	(1,662)	(1,333)
a) reversals of temporary differences	(1,619)	(1,333)
b) write-downs of non-recoverable items	-	-
c) due to changes in accounting policies	-	-
d) other	(43)	-
3.2 Reduction in tax rates	-	-
3.3 Other decreases	-	-
4. Closing balance	6,225	7,617

The increase in deferred tax assets recognised during the year through Shareholders' equity refers to the recognition of deferred tax assets on actuarial gains recognised in equity revaluation reserves as per IAS 19 Revised.

The decrease in deferred tax assets recognised during the year through equity mainly refer to the fair value valuation of debt securities classed as "Available-for-sale financial assets".

14.6 Changes in deferred tax liabilities (through equity)

(Amounts in € thousand)

	12.31.2017	12.31.2016
1. Opening balance	5,968	4,895
2. Increases	1,104	5,101
2.1 Deferred tax liabilities arising during the year	1,104	5,101
a) relating to prior years	-	-
b) due to change in accounting policies	-	-
c) other	1,104	5,101
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	-
3. Decreases	(1,783)	(4,028)
3.1 Deferred tax liabilities de-recognised during the year	(1,783)	(4,028)
a) reversals of temporary differences	(1,783)	(4,028)
b) due to change in accounting policies	-	-
c) other	-	-
3.2 Reduction in tax rates	-	-
3.3 Other decreases	-	-
4. Closing balance	5,289	5,968

The increase and decreases in deferred tax assets recognised during the year in equity related to the recognition and reversal of deferred tax assets as a result of the fair value measurement of debt securities classified under the "Available-for-sale financial assets" category.

14.7 Other information

No information to report.

Part B - Consolidated Balance Sheet - Asset (CONTINUED)

Section 15 - Non-current assets and disposal groups classified as held for sale and associated liabilities - Assets Item 150 and liabilities Item 90

15.1 Non-current assets and disposal groups classified as held for sale: breakdown by type assets

No data to report.

15.2 Other information

No information to report.

15.3 Information on equity investments in companies subject to significant influence not valued according to the equity method

No information to report.

Section 16 - Other assets - Item 160

16.1 Other assets: breakdown

(Amounts in € thousand)

	12.31.2017	12.31.2016
Accrued income other than income to be capitalised on the related financial assets	1,982	-
Items in transit not allocated to relevant accounts	18	-
items awaiting settlement:		
- notes, cheques and other documents	4,498	11,558
Items in processing:		
- other items in processing	99	27
Current receivables not associated with the provision of financial services	4,721	2,290
Definitive items not recognised under other items:		
- securities and coupons to be settled	4,617	321
- fees to be charged to customers	4,985	30,426
- other transactions	16,016	11,465
Tax items other than those included in item 140:		
- tax advances	242,539	240,923
- tax credit	6,875	9,132
- tax advances on employee severance indemnities	28	22
Receivables due to disputed items not deriving from lending	119	119
Prepayments	22,143	22,754
Improvement and incremental expenses incurred on leasehold assets	6,774	7,262
Total	315,414	336,299

Liabilities

Section 1 - Deposits from banks - Item 10

1.1 Deposits from banks: product breakdown

(Amounts in € thousand)

TRANSACTION TYPE/COMPONENTS OF THE GROUP	12.31.2017	12.31.2016
1. Deposits from central banks	-	-
2. Deposits from banks	926,001	1,111,106
2.1 Current accounts and demand deposits	42,756	52,309
2.2 Time deposits	-	-
2.3 Loans	868,651	1,058,565
2.3.1 Repos	868,651	1,058,565
2.3.2 Other	-	-
2.4 Liabilities in respect of commitments to repurchase treasury shares	-	-
2.5 Other liabilities	14,594	232
Total	926,001	1,111,106
<i>Fair value - level 1</i>	-	-
<i>Fair value - level 2</i>	-	-
<i>Fair value - level 3</i>	<i>926,001</i>	<i>1,111,106</i>
Total fair value	926,001	1,111,106

1.2 Breakdown of item 10 "Deposits from banks": subordinated debts

No data to report.

1.3 Breakdown of item 10 "Deposits from banks": structured debts

No data to report.

1.4 Deposits from banks subject to micro-hedging

No data to report.

1.5 Amounts payable under finance leases

No data to report.

Section 2 - Deposits from customers - Item 20

2.1 Deposits from customers: product breakdown

(Amounts in € thousand)

TRANSACTION TYPE/COMPONENTS OF THE GROUP	12.31.2017	12.31.2016
1. Current accounts and demand deposits	19,935,285	18,319,307
2. Time deposits	9,631	159,124
3. Loans	146,410	231,376
3.1 Repos	146,410	231,376
3.2 Other	-	-
4. Liabilities in respect of commitments to repurchase treasury shares	-	-
5. Other liabilities	113,710	91,266
Total	20,205,036	18,801,073
<i>Fair value - level 1</i>	-	-
<i>Fair value - level 2</i>	<i>9,622</i>	<i>21,894</i>
<i>Fair value - level 3</i>	<i>20,195,477</i>	<i>18,779,261</i>
Total fair value	20,205,099	18,801,155

2.2 Breakdown of item 20 "Deposits from customers": subordinated debts

No data to report.

2.3 Breakdown of item 20 "Deposits from customers": structured debts

No data to report.

Part B - Consolidated Balance Sheet - Liabilities (CONTINUED)

2.4 Deposits from customers subject to micro-hedging

No data to report.

2.5 Amounts payable under finance leases

No data to report.

Section 3 - Debt securities in issue - Item 30

No data to report.

Section 4 - Financial liabilities held for trading - Item 40**4.1 Financial liabilities held for trading: product breakdown**

(Amounts in € thousand)

TYPE OF TRANSACTION/AMOUNT	12.31.2017					12.31.2016				
	FV					FV				
	NA	L1	L2	L3	FV*	NA	L1	L2	L3	FV*
A. On-balance sheet liabilities										
1. Deposits from banks	-	-	-	-	-	-	-	-	-	-
2. Deposits from customers	578	382	-	-	382	687	239	-	-	239
3. Debt securities	-	-	-	-	X	-	-	-	-	X
3.1 Bonds	-	-	-	-	X	-	-	-	-	X
3.1.1 Structured	-	-	-	-	X	-	-	-	-	X
3.1.2 Other bonds	-	-	-	-	X	-	-	-	-	X
3.2 Other securities	-	-	-	-	X	-	-	-	-	X
3.2.1 Structured	-	-	-	-	X	-	-	-	-	X
3.2.2 Others	-	-	-	-	X	-	-	-	-	X
Total A	578	382	-	-	382	687	239	-	-	239
B. Derivatives										
1. Financial derivatives	X	1,650	579	6	X	X	1,765	622	-	X
1.1 Trading derivatives	X	1,650	579	6	X	X	1,765	622	-	X
1.2 Related to the fair value option	X	-	-	-	X	X	-	-	-	X
1.3 Other	X	-	-	-	X	X	-	-	-	X
2. Credit derivatives	X	-	-	-	X	X	-	-	-	X
2.1 Trading derivatives	X	-	-	-	X	X	-	-	-	X
2.2 Related to the fair value option	X	-	-	-	X	X	-	-	-	X
2.3 Other	X	-	-	-	X	X	-	-	-	X
Total B	X	1,650	579	6	X	X	1,765	622	-	X
Total (A+B)	X	2,032	579	6	X	X	2,004	622	-	X

Key

FV = fair value

FV* = Fair value calculated excluding the changes in value due to the change in the issuer's credit rating since the issue date

NA = Nominal or Notional amount

L1 = Level 1

L2 = Level 2

L3 = Level 3

Financial derivatives refer to the negative valuation of CFD contracts on Forex, indices, shares and interest rates and Futures used for the operational hedging of CFDs on indices and interest rates. They amounted to €565 thousand (€590 thousand as at December 31, 2016).

Sub-item B.1.1 Derivative instruments - Trading financial derivatives includes the negative valuations of spot contracts for securities classified in the HFT portfolio and currencies to be settled in times established by market practices ("regular way"). They amounted to €1,670 thousand (€1,797 thousand as at December 31, 2016).

4.2 Breakdown of item 40 "Financial liabilities held for trading": subordinated liabilities

No data to report.

4.3 Breakdown of item 40 "Financial liabilities held for trading": structured debts

No data to report.

Section 5 - Financial liabilities at fair value through profit or loss - Item 50

As at December 31, 2017, no financial liabilities were recognised under the balance-sheet item "Financial Liabilities at fair value through profit or loss".

Section 6 - Hedging derivatives - Item 60

6.1 Hedging derivatives: breakdown by type of hedge and by level

(Amounts in € thousand)

ITEM/AMOUNT	FAIR VALUE 12.31.2017			NA 12.31.2017	FAIR VALUE 12.31.2016			NA 12.31.2016
	L1	L2	L3		L1	L2	L3	
A. Financial derivatives	-	12,694	-	1,085,339	-	10,914	-	1,107,368
1) Fair value	-	12,694	-	1,085,339	-	10,914	-	1,107,368
2) Cash flows	-	-	-	-	-	-	-	-
3) Net investment in foreign subsidiaries	-	-	-	-	-	-	-	-
B. Credit derivatives	-	-	-	-	-	-	-	-
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	-	12,694	-	1,085,339	-	10,914	-	1,107,368

Key:

NA = notional amount

L1 = Level 1

L2 = Level 2

L3 = Level 3

The hedging derivatives as at December 31, 2017 included the negative fair value of derivatives entered into with UniCredit for €9,320 thousand (€7,849 thousand with UniCredit and €3,065 with UniCredit Bank AG Milano as at December 31, 2016).

6.2 Hedging derivatives: breakdown by hedged assets and risk

(Amounts in € thousand)

TRANSACTION/TYPE OF HEDGE	FAIR VALUE					CASH FLOWS			NET INVESTMENT IN FOREIGN SUBSIDIARIES
	MICRO					MACRO	MICRO	MACRO	
	INTEREST RATE RISK	EXCHANGE RATE RISK	CREDIT RISK	PRICE RISK	MULTIPLE RISK				
1. Available-for-sale assets	-	-	-	-	-	X	-	X	X
2. Loans and receivables	-	-	-	X	-	X	-	X	X
3. Held-to-maturity investments	X	-	-	X	-	X	-	X	X
4. Portfolio	X	X	X	X	X	9,568	X	-	X
5. Other transactions	-	-	-	-	-	X	-	X	-
Total assets	-	-	-	-	-	9,568	-	-	-
1. Financial liabilities	-	-	-	X	-	X	-	X	X
2. Portfolio	X	X	X	X	X	3,126	X	-	X
Total liabilities	-	-	-	-	-	3,126	-	-	-
1. Expected transactions	X	X	X	X	X	X	-	X	X
2. Financial assets and financial liabilities	X	X	X	X	X	-	X	-	-

Section 7 - Changes in fair value of portfolio hedged financial liabilities - Item 70

7.1 Adjustments to the value of hedged financial liabilities

(Amounts in € thousand)

ADJUSTMENTS TO THE VALUE OF HEDGED LIABILITIES/COMPONENTS OF THE GROUP	12.31.2017	12.31.2016
1. Positive changes to financial liabilities	-	457
2. Negative changes to financial liabilities	(3,772)	-
Total	(3,772)	457

Part B - Consolidated Balance Sheet - Liabilities (CONTINUED)

7.2 Financial liabilities subject to macro-hedging of interest rate risk: breakdown

(Amounts in € thousand)

HEDGED LIABILITIES	12.31.2017	12.31.2016
1. Customer deposits	570,000	250,000
Total	570,000	250,000

Section 8 - Tax liabilities - Item 80

See section 14 of assets.

Section 9 - Liabilities included in disposal groups classified as held for sale - Item 90

See section 15 of assets.

Section 10 - Other liabilities - Item 100**10.1 Other liabilities: breakdown**

(Amounts in € thousand)

	12.31.2017	12.31.2016
Accrued expenses other than those to be capitalised for the financial liabilities concerned	148	141
Other liabilities relative to employees	11,378	7,259
Other liabilities due to directors and statutory auditors	148	140
Sums available to be paid to customers	4,650	242
Items in processing:		
- incoming bank transfers	423	1,487
- other items in processing	57	34
items awaiting settlement:		
- outgoing bank transfers	75,288	52,009
- POS and ATM cards	16,581	7,155
Current payables not related to the provision of financial services	23,690	18,941
Definitive items not recognised under other items:		
- securities and coupons to be settled	30,351	4,069
- payment authorisations	19,068	20,480
- other items	12,373	10,435
Payables for share-based payments or shares of the Parent Company UniCredit	938	957
Illiquid items for portfolio transactions	18,097	18,486
Tax items other than those included in item 80:		
- sums withheld from third parties as withholding agent	22,173	18,398
- other	94,342	85,066
Prepayments	1,737	600
Social security contributions payable	6,845	5,944
Total	338,287	251,843

Section 11 - Provisions for employee severance pay - Item 110

11.1 Provisions for employee severance pay: annual changes

(Amounts in € thousand)

	12.31.2017	12.31.2016
A. Opening balance	5,253	4,846
B. Increases	125	502
B.1 Provisions for the year	65	83
B.2 Other increases	60	419
<i>of which adjustments for actuarial losses on Employee Severance Fund (IAS19R)</i>	-	365
C. Decreases	(379)	(95)
C.1 Payments made	(155)	(43)
C.2 Other decreases	(224)	(52)
<i>of which adjustments for actuarial gains on Employee Severance Fund (IAS19R)</i>	(211)	-
D. Closing balance	4,999	5,253

11.2 Other information

The "TFR" provision for Italy-based employee benefits is considered to be a "post-retirement defined benefit". It is therefore recognised on the basis of an actuarial estimate of the amount of benefit accrued by employees discounted to present value. This benefit is calculated by an external actuary using the unit credit projection method (see Part A.2 - The Main Items of the Accounts).

The Provision for employee severance pay covers the amount of the rights accrued in that respect up to December 31, 2017 by employees, under current legal regulations, as well as national collective bargaining agreements and supplementary company agreements.

The financial year under review was characterised by:

- 1) normal events relating to the employee severance pay provision in accordance with legal provisions and company agreements in force;
- 2) changes associated with employment contracts pursuant to Article 1406 and following of the Civil Code dealing with individual mobility within the Group.

In 2007, the new supplementary pension reform pursuant to Legislative Decree no. 252/2005 became effective and, as a result the amounts accrued up to December 31, 2006 were kept with the Company, whilst the amounts of employee severance pay provision accruing as of 1 January 2007 were transferred to the supplementary pension funds or the INPS Treasury fund according to the option adopted by the employees (within June 30, 2007). The result is that:

- the employee severance fund accrued up to December 31, 2006 (or until the date of the option - falling between January 1, 2007 and June 30, 2007 - adopted by the employees if they decided to transfer their employee severance pay provision to a supplementary pension fund) continues to be a "defined-benefit" plan and therefore subject to actuarial valuation, although based on simplified actuarial assumptions which no longer take account of estimated future pay rises;
- the amounts accrued from January 1, 2007 (or from the date of the option - falling between 1 January 2007 and June 30, 2007 - by the employees if they decided to transfer their employee severance pay provision to a supplementary pension fund), were considered as a "defined-contribution" plan (as the Company's liability ceases at the time it pays the employee severance pay provision accrued to the pension fund chosen by the employee) and therefore the related cost for the period is equal to the amounts paid to the Supplementary Pension fund or the INPS Treasury fund.

The following table shows the main actuarial assumptions used to remeasure the liability.

DESCRIPTION OF THE MAIN ACTUARIAL ASSUMPTIONS	12.31.2017	12.31.2016
Discount rate	1.45%	1.25%
Expected inflation rate	1.40%	1.10%

(Amounts in € thousand)

EMPLOYEE SEVERANCE PAY PROVISION: OTHER INFORMATION	12.31.2017	12.31.2016
Provisions for the year	65	83
- Current service cost	-	-
- Interest expense on defined benefit obligations	65	83
- Gains and losses on curtailments and settlements	-	-
- Past service cost	-	-
Actuarial gains (losses) recognised in revaluation reserves (OCI)	(211)	365
- Actuarial gains (losses) for the year	(202)	383
- Actuarial gains/losses on demographic assumptions	-	-
- Actuarial gains/losses on financial assumptions	(9)	(18)

Part B - Consolidated Balance Sheet - Liabilities (CONTINUED)

As required by IAS 19 Revised, a sensitivity analysis was conducted aimed at identifying how the present value of the liability changes when the actuarial assumptions considered most significant are changed, while keeping the other actuarial assumptions constant. A change of -25 basis points in the discount rate would result in an increase in the liability of €160 thousand (+3.20%), whereas an equivalent increase in the rate would result in a reduction of the liability of €155 thousand (-3.09%). A change of -25 basis points in the inflation rate would result in a decrease in the liability of €96 thousand (-1.93%), whereas an equivalent increase in the rate would result in an increase in the liability of €98 thousand (+1.96%).

Section 12 - Provisions for risks and charges - Item 120

12.1 - Provisions for risks and charges: breakdown

(Amounts in € thousand)

ITEM/COMPONENTS	12.31.2017	12.31.2016
1. Pensions and other post-retirement benefit obligations	-	-
2. Other provisions for risks and charges	112,414	111,756
2.1 legal disputes	31,056	33,699
2.2 staff expenses	5,690	10,043
2.3 other	75,668	68,014
Total	112,414	111,756

Item 2.1 "legal disputes" includes provisions made to cover complaints and disputes for damage to customers arising from the unlawful behaviour of the Bank's personal financial advisors, provisions relating to pending disputes with personal financial advisors (generally employment-related) and other ongoing court and out-of-court litigation with customers, in relation to normal banking activities, and other parties. This provision includes the costs of proceedings borne by the Bank in the event of an adverse conclusion of the dispute plus the estimated expenses to be paid to lawyers, technical advisors and/or experts who assist the Bank, to the extent that it is believed that they will not be reimbursed by the counterparties.

Item 2.2 "staff expenses" includes the provisions made for the variable remuneration to be paid to employees in subsequent years, which have an uncertain due date and/or amount. At December 31, 2016 the item also included integration costs provided for the Bank by the UniCredit Group Business Plan. During 2017, after entering into an agreement on February 4, 2017, these costs were reallocated to the item "Other liabilities" for the share pertaining to the subscriptions receive, whilst the share pertaining to outstanding subscriptions was recognised through consolidated profit and loss.

The item "Other" includes the Supplementary customer indemnity provision, of €64,983 thousand (€56,054 thousand as at December 31, 2016), the Provision for tax disputes (penalties and interest, of €3,931 thousand (€4,078 thousand as at December 31, 2016), the Provision for contractual payments, of €2,311 thousand (€2,184 thousand as at December 31, 2016) and other provisions made for risks related to the Bank's business and operations, of €4,443 thousand (€5,698 thousand as at December 31, 2016).

12.2 Provisions for risks and charges: annual changes

(Amounts in € thousand)

	PENSION FUNDS	OTHER PROVISIONS	TOTAL
A. Opening balance	-	111,756	111,756
B. Increases	-	19,929	19,929
B.1 Provisions for the year	-	19,251	19,251
B.2 Changes due to the passage of time	-	665	665
B.3 Changes due to variations in the discount rate	-	10	10
B.4 Other increases	-	3	3
C. Decreases	-	(19,271)	(19,271)
C.1 Amounts used in the year	-	(14,641)	(14,641)
C.2 Changes due to variations in the discount rate	-	(1)	(1)
C.3 Other decreases	-	(4,629)	(4,629)
D. Closing balance	-	112,414	112,414

"Other decreases" include the integration costs allocated to "Other liabilities" for the share pertaining to subscriptions received, as already mentioned.

12.3 Pensions and other post-retirement defined-benefit obligations

No data to report.

12.4 Provisions for risks and charges - other provisions

(Amounts in € thousand)

	12.31.2017	12.31.2016
Legal disputes	31,056	33,699
- Pending cases	25,525	26,673
- Complaints	5,531	7,026
Staff expenses	5,690	10,043
Other	75,668	68,014
- Supplementary customer indemnity provision	64,983	56,054
- Provision for contractual payments and payments under non-competition agreements	2,311	2,184
- Tax disputes	3,931	4,078
- Other provisions	4,443	5,698
Total provisions for risks and charges	112,414	111,756

(Amounts in € thousand)

PROVISIONS FOR RISKS AND CHARGES	TOTAL 12.31.2016	USES	TRANSFERS AND OTHER CHANGES	ACTUARIAL GAINS (LOSSES) IAS 19R *	NET PROVISIONS **	TOTAL 12.31.2017
Legal disputes	33,699	(6,467)	-	-	3,824	31,056
- Pending cases	26,673	(3,326)	234	-	1,944	25,525
- Complaints	7,026	(3,141)	(234)	-	1,880	5,531
Staff expenses	10,043	(3,779)	(4,626)	-	4,052	5,690
Other	68,014	(4,395)	-	5,373	6,676	75,668
- Supplementary customer indemnity provision	56,054	(1,464)	-	5,385	5,008	64,983
- Contractual payments and payments under non-competition agreements	2,184	-	-	(12)	139	2,311
- Tax disputes	4,078	(147)	-	-	-	3,931
- Other provisions	5,698	(2,784)	-	-	1,529	4,443
Total provisions for risks and charges	111,756	(14,641)	(4,626)	5,373	14,552	112,414

* The item "IAS 19R actuarial gains (losses)" includes the actuarial gains (losses) recognised in the item "Revaluation reserves" in application of IAS 19R.

** The item "Net provisions" includes the costs recognised in their own income statement item to better reflect their nature (e.g. "Staff expenses", "Administrative costs" and "Interest expenses and similar charges").

The following table shows the main actuarial assumptions used to measure the liability for the supplementary customer indemnity provision and the provision for contractual payments.

DESCRIPTION OF THE MAIN ACTUARIAL ASSUMPTIONS	12.31.2017	12.31.2016
Discount rate	1.45%	1.25%
Salary increase rate	2.60%	2.60%

As required by IAS 19 Revised, a sensitivity analysis was conducted aimed at identifying how the present value of the liability changes when the actuarial assumptions considered most significant are changed, while keeping the other actuarial assumptions constant.

With reference to the supplementary customer indemnity provision, a change of -25 basis points in the discount rate would result in an increase in liabilities of €1,866 thousand (+2.87%); an equivalent increase in the rate, on the other hand, would reduce the liability by €1,787 thousand (-2.75%). A change of -25 basis points in the salary base would result in a reduction in the liability of €610 thousand (-0.94%); an equivalent increase in the rate, on the other hand, would result in an increase in liabilities of €626 thousand (+0.96%).

With reference to the provision for contractual payments, a change of -25 basis points in the discount rate would result in an increase in liabilities of €38 thousand (+1.89%); an equivalent increase in the rate, on the other hand, would reduce the liability by €37 thousand (-1.82%). A change of -25 basis points in the salary base would result in a reduction in the liability of €1 thousand (-0.07%); an equivalent increase in the rate, on the other hand, would result in an increase in liabilities of €1 thousand (+0.07%).

In addition, for the other provisions recognised in the financial statements on the basis of IAS 37, where the effect of the time value of money is significant (generally when payment is to be made more than 18 months from recognition), the amount of the provision should be the present value of the best estimate of the cost required to settle the obligation. The discount rate used reflects the current market assessments. As at December 31, 2017 an analysis was conducted to assess the impact on the provision is made of a variation of +/- 25 basis points in the discount rate and no significant impacts were found.

Part B - Consolidated Balance Sheet - Liabilities (CONTINUED)

The **Provision for legal disputes** includes provisions made to cover complaints and disputes for damage to customers arising from the unlawful behaviour of the Bank's personal financial advisors, provisions relating to pending disputes with personal financial advisors (generally employment-related) and other ongoing court and out-of-court litigation with customers, in relation to normal banking activities, and other parties. This provision includes the costs of proceedings borne by the Bank in the event of an adverse conclusion of the dispute plus the estimated expenses to be paid to lawyers, technical advisors and/or experts who assist the Bank, to the extent that it is believed that they will not be reimbursed by the counterparties.

The **Supplementary customer indemnity provision** is accrued to cover the amount of severance indemnity to be paid to the PFA network pursuant to art. 1751 of the Italian Civil Code, in the event of termination of the contract for reasons not attributable to the advisor, such as, for example, when reaching retirement age.

The amount of the obligation at the end of the period was assessed with the aid of an independent actuary.

The **Provision for staff expenses** includes provisions made in relation to the variable remuneration to be paid to employees in subsequent years which have an uncertain due date and amount.

The **Provision for contractual payments and payments under non-competition agreements** is related to a limited number of personal financial advisors; these payments are contractually provided. More specifically, the non-competition agreement is an extension of the loyalty obligation at the end of the employment contract which protects the Bank from competition from former personal financial advisors; contractual payments are a special indemnity that the Bank agrees to pay to personal financial advisors, who opted to transfer the rights and obligations arising from their contract with the Bank to third parties, where these advisors continue to keep an ethical and professional conduct with the Bank after termination of employment, with specific regard to the customer portfolio. The amount of the obligation at the end of the period relating to contractual payments was assessed with the aid of an independent actuary.

The **Provision for tax disputes** is allocated to cover tax demands received from the Italian Revenue Agency following tax audits carried out on the Bank over the years, in relation to which the Bank considers it has calculated the tax correctly and legitimately and has therefore submitted an appeal at various levels of proceedings.

The above provisions for risks and charges include the allocations for fines and interest for the additional tax being contested and requested by the Tax Authorities through tax bills or payment notices paid and for the estimated amount of legal expenses to be incurred in the various proceedings. For more details, see Part E - Information on risks and hedging policies - Section 1.4 - Banking Group - Operational risk - paragraph "Risks arising from tax disputes and audits" of these Notes to the Consolidated Accounts.

The **Other Provisions** are mainly allocated to cover the risks related to the business and operations of the Bank. The provision specifically includes provisions for marketing and customer loyalty campaigns and the provision for training events for the personal financial advisors.

Section 13 - Technical provisions - Item 130

13.1 Technical provisions: breakdown

No data to report.

13.2 Technical provisions: annual changes

No data to report.

Section 14 - Redeemable shares - Item 150

14.1 Redeemable shares: breakdown

No data to report.

Section 15 - Group Shareholders' equity - Items 140, 160, 170, 180, 190, 200 and 220

15.1 "Share capital" and "Treasury shares": breakdown

As at December 31, 2017, FinecoBank's share capital came to €200,545 million, comprising 607,713,345 ordinary shares with a par value of €0.33 each.

As at December 31, 2017 the Bank held 60,397 treasury shares, corresponding to 0.01% of the share capital, for an amount of €365 thousand. It should be noted that the shares were purchased in 2015, for a total number of 1,408,834, as part of the "2014 PFA Plan" stock granting plan in favour of Personal Financial Advisors and Network Managers of Fineco, and in the first quarter of 2017, for a total number of 31,519, with regard to the "2016 PFA Plan" incentive plan for Personal Financial Advisors identified as "key personnel", in compliance with the provisions authorised by Fineco's Ordinary Shareholders' Meeting of April 12, 2016. In implementation of the "2014 PFA Plan", during FY2016 and FY2017, Personal Financial Advisors and Network Managers were allocated, respectively, 694,509 shares and 685,447 shares.

The Bank does not hold shares of its Parent Company UniCredit S.p.A., even through other companies or third parties.

(Amounts in € thousand)

ITEM/AMOUNT	12.31.2017	12.31.2016
1. Share capital	200,545	200,246
2. Share premium reserve	1,934	1,934
3. Reserves	323,932	278,407
- Legal reserve	40,109	40,049
- Extraordinary reserve	251,367	205,860
- Treasury shares reserve	365	4,338
- Other reserves	32,091	28,160
4. (Treasury shares)	(365)	(4,338)
5. Revaluation reserves	(8,340)	(6,794)
6. Equity instruments	-	-
7. Net Profit (Loss) for the year	214,120	211,844
Total	731,826	681,299

On February 7, 2017, in view of the positive outcome of the verification of the minimum entry conditions (at Bank level and UniCredit Group level, where applicable) and the individual conditions (compliance of conduct and continued employment) and the favourable opinion provided by the Remuneration and Appointments Committee in its meeting of February 2, 2017, the Board of Directors of FinecoBank approved:

- for the "Group Executive Incentive System 2014 (Bonus Pool)" plan: a free capital increase, for a total amount of €5,237.76 corresponding to a total of 15,872 FinecoBank ordinary shares with a nominal value of €0.33 each (with the same characteristics as those in circulation and with regular dividend entitlement), impartial exercise of the authority granted to the Board of Directors by the Extraordinary Shareholders' Meeting of June 5, 2014, in accordance with Article 2443 of the Italian Civil Code. The dilution effect resulting from the above free capital increase has been quantified as 0.003% of the fully diluted capital;
- for the "2014-2017 Top Management Multi-Year Plan": a free capital increase, for a total amount of €208,180.50 corresponding to a total of 630,850 FinecoBank ordinary shares with a nominal value of €0.33 each (with the same characteristics as those in circulation and with regular dividend entitlement), in partial exercise of the authority granted to the Board of Directors by the Extraordinary Shareholders' Meeting of June 5, 2014, in accordance with Article 2443 of the Italian Civil Code. The dilution effect resulting from the above free capital increase has been quantified as 0.10% of the fully diluted capital;
- for the "2014 Key People Plan": a free capital increase, for a total amount of €86,191.71 corresponding to a total of 261,187 FinecoBank ordinary shares with a nominal value of €0.33 each (with the same characteristics as those in circulation and with regular dividend entitlement), in partial exercise of the authority granted to the Board of Directors by the Extraordinary Shareholders' Meeting of June 5, 2014, in accordance with Article 2443 of the Italian Civil Code. The dilution effect resulting from the above free capital increase has been quantified as 0.04% of the fully diluted capital.

The Shareholders' Meeting of April 11, 2017 approved the allocation of profit for the year 2016, amounting to €211,844 thousand, as follows:

- €60 thousand to the Legal reserve, corresponding to 0.03% of the profit for the year, having reached the limit of a fifth of the share capital;
- €41,624 thousand to the extraordinary reserve;
- to the 607,713,345 ordinary shares with a par value of €0.33, a unit dividend of €0.28 for a total amount of €170,160 thousand.

The share of dividends not distributed to treasury shares held by the bank on the record date, equal to €209 thousand, was allocated to the Extraordinary Reserve.

Part B - Consolidated Balance Sheet - Liabilities (CONTINUED)

15.2 Share capital - Number of shares of the Parent Company: annual changes

ITEMS/TYPE	ORDINARY	OTHER
A. Shares outstanding at the beginning of the year		
- fully paid	606,805,436	-
- not fully paid	-	-
A.1 Treasury shares (-)	(714,325)	-
A.2 Shares outstanding: opening balance	606,091,111	-
B. Increases		
B.1 New issues		
- against payment:		
- business combinations	-	-
- bonds converted	-	-
- warrants exercised	-	-
- other	-	-
- free		
- to employees	907,909	-
- to directors	-	-
- other	-	-
B.2 Sale of treasury shares	-	-
B.3 Other changes	685,447	-
C. Decreases		
C.1 Cancellation	-	-
C.2 Purchase of treasury shares	(31,519)	-
C.3 Business transfers	-	-
C.4 Other changes	-	-
D. Shares outstanding: closing balance	607,652,948	-
D.1 Treasury shares (+)	60,397	-
D.2 Shares outstanding at the end of the year		
- fully paid	607,713,345	-
- not fully paid	-	-

The item B.3 Other changes reports the shares allocated to the personal financial advisors under the stock granting plan ("2014 PFA Plan") for FinecoBank's Personal Financial Advisors and Network Managers.

15.3 Share capital: other information

The shares are not subject to any right, privilege or constraint; there are no shares reserved for issue under option and sales contracts.

15.4 Reserves from allocation of profit from previous years: other information

The reserves from profits consist of the:

- Legal reserve, amounting to €40,109 thousand;
- Extraordinary reserve, amounting to €251,367 thousand;
- Reserve for treasury shares held, amounting to €365 thousand.

Following the allocation of FinecoBank ordinary shares held as treasury shares to the Bank's Personal Financial Advisors and Network Managers, under the third-tranche of the stock granting "2014 PFA Plan", the "Reserve for treasury shares held" was released and reclassified to the "Extraordinary reserve" by an amount of €4,144 thousand.

15.5 Other information

No data to report.

Section 16 - Minority interests - Item 210

Section 16.1 Breakdown of Item 210 "Minority interests"

No data to report.

16.2 Equity instruments: breakdown and annual changes

No data to report.

Other information

1. Guarantees issued and commitments

(Amounts in € thousand)

TRANSACTIONS	AMOUNT 12.31.2017	AMOUNT 12.31.2016
1) Financial guarantees given	256,732	256,752
a) Banks	256,065	256,065
b) Customers	667	687
2) Commercial guarantees given	4	4
a) Banks	4	4
b) customers	-	-
3) Irrevocable commitments to lend funds	2,324,759	1,241,574
a) Banks	2,125,790	1,018,155
i) certain to be called on	790	155
ii) not certain to be called on	2,125,000	1,018,000
b) Customers	198,969	223,419
i) certain to be called on	198,862	223,419
ii) not certain to be called on	107	-
4) Commitments underlying credit derivatives: protection sales	-	-
5) Assets given as collateral for third-party obligations	-	-
6) Other commitments	-	-
Total	2,581,495	1,498,330

Financial guarantees given to banks include 5 guarantees issued in 2012 on request of UniCredit, with indefinite duration, for a total amount of €256,065 thousand.

Irrevocable commitments to lend funds certain to be called on mainly consisted of spot contracts for the purchase and sale of securities to be settled in times established by market practices ("regular way"), for an amount of €165,987 thousand, repurchase agreements to be disbursed, for an amount of €33,262 thousand.

The irrevocable commitments with Banks to lend funds not certain to be called refer to the "Liquidity Framework Agreement" entered during 2016 and renewed during the first half of 2017, under which the Bank has made a commitment to provide UniCredit a certain amount of eligible securities for the period of one month; the securities may be requested by UniCredit through repos with a maximum duration of three months. The Bank is also committed to investing the liquidity, received through the repos, in term deposits with the Parent Company with the same expiry date.

2. Assets given as collateral for own liabilities and commitments

(Amounts in € thousand)

PORTFOLIOS	AMOUNT 12.31.2017	AMOUNT 12.31.2016
1. Financial assets held for trading	-	-
2. Financial assets at fair value through profit or loss	-	-
3. Available-for-sale financial assets	-	-
4. Held-to-maturity investments	-	-
5. Loans and receivables with banks	-	54,909
6. Loans and receivables with customers	-	-
7. Property, plant and equipment	-	-
Total	-	54,909

As at December 31, 2017, the Bank has also committed securities owned by it as collateral for bankers' drafts, as a guarantee for transactions in foreign markets, as a guarantee for transactions in derivatives, and as a guarantee for securities lending transactions.

With regard to the securities used as collateral for banker's drafts, as guarantee with third parties in relation to transactions on foreign markets: more specifically, the Bank used bonds issued by governments, classified as "Available-for-sale financial assets", for a book value of €131,101 thousand (€128,882 thousand as at December 31, 2016). Securities are used as collateral until the Bank decides to stop the transactions for which the collateral or guarantees are granted.

With regard to the securities lending transactions with customers, UniCredit securities have been committed, belonging to the "Loans and receivables" category, for a carrying amount of €890,325 thousand (€1,042,126 thousand as at December 31, 2016). For more details, see section 8. Securities lending transactions.

Part B - Consolidated Balance Sheet - Liabilities (CONTINUED)

3. Information on operating leases

With regard to outstanding non-cancellable leases, the future payments amount to:

- €1,969 thousand up to twelve months;
- €50 thousand from one to five years.

There are no sub-leases in place.

4. Breakdown of investments for unit-linked and index-linked policies

No data to report.

5. Asset management and trading on behalf of others

(Amounts in € thousand)

TYPE OF SERVICE	AMOUNT 12.31.2017	AMOUNT 12.31.2016
1. Execution of orders for customers	326,780,204	330,212,411
Securities	85,472,068	85,036,522
a) purchases	42,872,997	42,701,792
1. <i>Settled</i>	42,495,048	42,346,469
2. <i>Unsettled</i>	377,949	355,323
b) sales	42,599,071	42,334,730
1. <i>Settled</i>	42,288,571	41,973,535
2. <i>Unsettled</i>	310,500	361,195
Derivative contracts	241,308,136	245,175,889
a) purchases	120,730,831	122,572,275
1. <i>Settled</i>	120,378,702	122,309,410
2. <i>Unsettled</i>	352,129	262,865
b) sales	120,577,305	122,603,614
1. <i>Settled</i>	120,242,383	122,335,440
2. <i>Unsettled</i>	334,922	268,174
2. Segregated accounts	-	-
a) individual	-	-
b) collective	-	-
3. Custody and administration of securities		
a) third party securities on deposits: relating to custodian bank activities (excluding segregated accounts)	-	-
1. <i>securities issued by the bank preparing the accounts</i>	-	-
2. <i>other securities</i>	-	-
b) third party securities held in deposits (excluding segregated accounts): other	13,393,452	11,399,554
1. <i>securities issued by the bank preparing the accounts</i>	2,568	4,827
2. <i>other securities</i>	13,390,884	11,394,727
c) third-party securities deposited with third parties	13,393,452	11,399,550
d) own securities deposited with third parties	16,236,634	15,461,745
4. Other transactions	25,223,404	18,342,788
Order receipt and transmission	25,223,404	18,342,788
a) <i>purchases</i>	12,603,177	9,216,044
b) <i>sales</i>	12,620,227	9,126,744

6. Assets subject to accounting offsetting, to master netting agreements or similar agreements

(Amounts in € thousand)

TYPE	GROSS AMOUNT OF FINANCIAL ASSETS (A)	AMOUNT OF FINANCIAL LIABILITIES OFFSET IN THE FINANCIAL STATEMENTS (B)	NET AMOUNT OF FINANCIAL ASSETS SHOWN IN THE FINANCIAL STATEMENTS (C=A-B)	RELATED AMOUNTS NOT SUBJECT TO ACCOUNTING OFFSETTING			NET AMOUNT 12.31.2017 (F=C-D-E)	NET AMOUNT 12.31.2016
				FINANCIAL INSTRUMENTS (D)	CASH DEPOSITS RECEIVED AS GUARANTEE (E)			
1. Derivatives	-	-	-	-	-	-	-	552
2. Reverse repos	-	-	-	-	-	-	-	-
3. Securities lending	179	-	179	-	-	179	-	-
4. Other	-	-	-	-	-	-	-	-
Total December 31, 2017	179	-	179	-	-	179	-	X
Total December 31, 2016	552	-	552	-	-	X	-	552

7. Financial liabilities subject to accounting offsetting or under master netting agreements and similar ones

(Amounts in € thousand)

TYPE	GROSS AMOUNT OF FINANCIAL LIABILITIES (A)	AMOUNT OF FINANCIAL ASSETS OFFSET IN THE FINANCIAL STATEMENTS (B)	NET AMOUNT OF FINANCIAL LIABILITIES SHOWN IN THE FINANCIAL STATEMENTS (C=A-B)	RELATED AMOUNTS NOT SUBJECT TO ACCOUNTING OFFSETTING			NET AMOUNT 12.31.2017 (F=C-D-E)	NET AMOUNT 12.31.2016
				FINANCIAL INSTRUMENTS (D)	CASH DEPOSITS RECEIVED AS GUARANTEE (E)			
1. Derivatives	10,523	-	10,523	-	9,350	1,173	-	
2. Reverse repos	764,353	-	764,353	-	-	764,353	-	
3. Securities lending	177,878	-	177,878	-	-	177,878	-	
4. Other	-	-	-	-	-	-	-	
Total December 31, 2017	952,754	-	952,754	-	9,350	943,404	X	
Total December 31, 2016	7,849	-	7,849	-	7,849	X	-	

It should also be noted that, at December 31, 2017 there were swap derivative contracts with a positive fair value of €458 thousand and a negative fair value of €2,171 thousand, for which a positive variance margin of €1,711 thousand was paid, not shown in the table above as it is cleared at a Central Counterparty since it refers to client-trade exposures. Such exposures were subject to the prudential treatment set out in Article 305 of (EU) Regulation no. 575/2013.

8. Securities lending transactions

The Bank conducts securities lending transactions on a continuous and systematic basis, with the objective of optimising the returns of customer portfolios, satisfying the requests of institutional counterparties and obtaining a profit for the Bank. The Bank operates as the borrower, borrowing the securities of its customers and using them in repos and securities lending transactions guaranteed by cash amounts with retail and institutional customers interested in the temporary ownership of the securities. Against securities lending transactions guaranteed by other securities that are not shown in Liabilities or Other balance sheet commitments, the Bank issued as collateral UniCredit bonds belonging to the "Loans and Receivables" category, held in a dedicated dossier at the custodian bank for an amount higher than that of the securities borrowed by the customers, with the aim of providing a collective guarantee.

The face value of the underlying securities not recognised as assets in the accounts totalled €772,854 thousand, while their fair value was €949,550 thousand, broken down as follows:

(Amounts in € thousand)

SECURITIES RECEIVED ON LOAN FROM:	TYPE OF SECURITIES (NOMINAL VALUE DECEMBER 31, 2017)		
	SOLD	SOLD IN REPOS	OTHER PURPOSES
Banks	-	-	-
Financial companies	-	1,006	-
Insurance companies	-	-	-
Non-financial companies	-	3,036	45
Other entities	578	767,369	820
Total nominal value	578	771,411	865

(Amounts in € thousand)

SECURITIES RECEIVED ON LOAN FROM:	TYPE OF SECURITIES (FAIR VALUE DECEMBER 31, 2017)		
	SOLD	SOLD IN REPOS	OTHER PURPOSES
Banks	-	-	-
Financial companies	-	1,323	-
Insurance companies	-	-	-
Non-financial companies	-	3,580	102
Other entities	382	943,073	1,090
Total fair value	382	947,976	1,192

9. Disclosure on joint control activities

No data to report.

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Part C - Consolidated Income Statement

Section 1 - Interest income and expense - Items 10 and 20

1.1 Interest income and similar revenues: breakdown

(Amounts in € thousand)

ITEMS/TYPE	DEBT SECURITIES	LOANS	OTHER TRANSACTIONS	TOTAL 12.31.2017	TOTAL 12.31.2016
1. Financial assets held for trading	1	-	-	1	1
2. Financial assets at fair value through profit or loss	-	-	-	-	-
3. Available-for-sale financial assets	8,505	-	-	8,505	20,658
4. Held-to-maturity investments	23,066	-	-	23,066	1,575
5. Loans and receivables with banks	186,029	2,824	-	188,853	198,814
6. Loans and receivables with customers	-	41,029	-	41,029	29,109
7. Hedging derivatives	-	-	8,215	8,215	3,080
8. Other assets	-	-	77	77	69
Total interest income	217,601	43,853	8,292	269,746	253,306

Interest accrued on impaired assets, relating exclusively to the item Loans and receivables with customers, amounted to €325 thousand (€360 thousand as at December 31, 2016).

1.2 Interest income and similar revenues: hedging differentials

(Amounts in € thousand)

ITEMS	12.31.2017	12.31.2016
A. Positive hedging differentials	20,102	35,458
B. Negative hedging differentials	(11,887)	(32,378)
C. Balance (A-B)	8,215	3,080

1.3 Interest income and similar revenues: other information

No information to report.

1.3.1 Interest income from financial assets denominated in currency

(Amounts in € thousand)

ITEMS/TYPE	12.31.2017	12.31.2016
Interest income on foreign currency financial assets	15,100	12,459

1.3.2 Interest income on finance lease transactions

No data to report.

1.4 Interest expenses and similar charges: breakdown

(Amounts in € thousand)

ITEMS/TYPE	PAYABLES	SECURITIES	OTHER TRANSACTIONS	TOTAL 12.31.2017	TOTAL 12.31.2016
1. Deposits from central banks	-	-	-	-	-
2. Deposits from banks	3,070	-	-	3,070	3,006
3. Deposits from customers	(8,235)	-	-	(8,235)	(6,924)
4. Debt securities in issue	-	-	-	-	-
5. Financial liabilities held for trading	-	-	-	-	-
6. Financial Liabilities at fair value through profit or loss	-	-	-	-	-
7. Other liabilities and provisions	-	-	-	-	-
8. Hedging derivatives	-	-	-	-	-
Total interest expense	(5,165)	-	-	(5,165)	(3,918)

1.5 Interest expenses and similar charges: hedging differentials

This table has been omitted as the balance of hedging differentials is positive (please refer to the above table 1.2).

1.6 Interest expenses and similar charges: other information

No information to report.

1.6.1 Interest expense on liabilities denominated in currency

(Amounts in € thousand)

ITEMS/TYPE	12.31.2017	12.31.2016
Interest expense on liabilities denominated in currency	(4,882)	(2,479)

1.6.2 Interest expense on finance leases

No data to report.

Section 2 - Fee and commission income and expense - Items 40 and 50

2.1 Fee and commission income: breakdown

(Amounts in € thousand)

TYPE OF SERVICE/AMOUNT	12.31.2017	12.31.2016
(a) guarantees given	67	67
(b) credit derivatives	-	-
(c) management, brokerage and consulting services:	484,259	436,906
1. securities trading	71,072	75,599
2. currency trading	-	-
3. segregated accounts	-	-
3.1. individual	-	-
3.2. collective	-	-
4. custody and administration of securities	1,079	964
5. custodian bank	-	-
6. placement of securities	14,307	14,492
7. reception and transmission of orders	11,862	10,732
8. advisory services	43,233	33,078
8.1. related to investments	43,233	33,078
8.2. related to financial structure	-	-
9. distribution of third-party services:	342,706	302,041
9.1. segregated accounts	280,210	252,873
9.1.1 individual	28	53
9.1.2 collective	280,182	252,820
<i>of which maintenance commissions for UCIT units</i>	<i>277,309</i>	<i>250,480</i>
9.2. insurance products	62,495	49,159
9.3. other products	1	9
(d) collection and payment services	28,761	21,758
(e) securitisation servicing	-	-
(f) factoring	-	-
(g) tax collection services	-	-
(h) management of multilateral trading systems	-	-
(i) management of current accounts	4,716	5,019
(j) other services	9,798	5,450
(k) securities lending transactions	5,713	3,640
Total	533,314	472,840

2.2 Fee and commission expense: breakdown

(Amounts in € thousand)

SERVICE/AMOUNT	12.31.2017	12.31.2016
(a) guarantees received	-	-
(b) credit derivatives	-	-
(c) management and brokerage services:	(239,360)	(208,909)
1. securities trading	(7,018)	(7,510)
2. currency trading	-	-
3. segregated accounts:	-	-
3.1 own	-	-
3.2 delegated to third parties	-	-
4. custody and administration of securities	(4,692)	(4,126)
5. placement of financial instruments	-	-
6. cold-calling to offer securities, products and services	(227,650)	(197,273)
(d) collection and payment services	(21,674)	(19,022)
(e) other services	(399)	(304)
(f) securities lending transactions	(1,798)	(1,724)
Total	(263,231)	(229,959)

Part C - Consolidated Income Statement (CONTINUED)

Section 3 - Dividend income and similar revenue - Item 70

3.1 Dividend income and similar revenue: breakdown

(Amounts in € thousand)

ITEM/INCOME	12.31.2017		12.31.2016	
	DIVIDENDS	INCOME FROM UCITS UNITS	DIVIDENDS	INCOME FROM UCITS UNITS
A. Financial assets held for trading	26	-	14	-
B. Available-for-sale financial assets	29	-	6	-
C. Financial assets designated at fair value through profit or loss	-	-	-	-
D. Equity investments	-	X	-	X
Total	55	-	20	-

Section 4 - Gains (losses) on financial assets and liabilities held for trading - Item 80

4.1 Gains (losses) on financial assets and liabilities held for trading: breakdown

As at December 31, 2017

(Amounts in € thousand)

TRANSACTION/INCOME ITEM	UNREALISED GAINS (A)	REALISED PROFITS (B)	UNREALISED LOSSES (C)	REALISED LOSSES (D)	NET PROFIT (LOSS) [(A+B)-(C+D)]
1. Financial assets held for trading	28	84,293	(36)	(76,448)	7,837
1.1 Debt securities	1	3,080	(1)	(2,604)	476
1.2 Equity instruments	9	80,165	(26)	(72,960)	7,188
1.3 UCITS units	18	1,048	(9)	(884)	173
1.4 Loans	-	-	-	-	-
1.5 Other	-	-	-	-	-
2. Financial liabilities held for trading	1	12	(1)	(8)	4
2.1 Debt securities	-	-	-	-	-
2.2 Payables	-	-	-	-	-
2.3 Other	1	12	(1)	(8)	4
3. Other financial assets and liabilities: exchange differences	X	X	X	X	6,210
4. Derivatives	5,541	53,513	(5,280)	(35,134)	33,362
4.1 Financial derivatives:	5,541	53,513	(5,280)	(35,134)	33,362
- On debt securities and interest rates	176	1,465	(187)	(1,049)	405
- On equity securities and share indices	5,365	47,244	(5,093)	(31,822)	15,694
- On currencies and gold	X	X	X	X	14,722
- Other	-	4,804	-	(2,263)	2,541
4.2 Credit derivatives	-	-	-	-	-
Total	5,570	137,818	(5,317)	(111,590)	47,413

As at December 31, 2016

(Amounts in € thousand)

TRANSACTION/INCOME ITEM	UNREALISED GAINS (A)	REALISED PROFITS (B)	UNREALISED LOSSES (C)	REALISED LOSSES (D)	NET PROFIT (LOSS) [(A+B)-(C+D)]
1. Financial assets held for trading	4	103,097	(22)	(93,411)	9,668
1.1 Debt securities	-	6,825	-	(6,065)	760
1.2 Equity instruments	4	93,309	(22)	(84,683)	8,608
1.3 UCITS units	-	2,963	-	(2,663)	300
1.4 Loans	-	-	-	-	-
1.5 Other	-	-	-	-	-
2. Financial liabilities held for trading	7	129	-	(28)	108
2.1 Debt securities	-	-	-	-	-
2.2 Payables	-	-	-	-	-
2.3 Other	7	129	-	(28)	108
3. Other financial assets and liabilities: exchange differences	X	X	X	X	4,211
4. Derivatives	4,510	62,942	(3,720)	(39,076)	34,603
4.1 Financial derivatives:	4,510	62,942	(3,720)	(39,076)	34,603
- On debt securities and interest rates	96	1,364	(80)	(904)	476
- On equity securities and share indices	4,414	56,725	(3,640)	(36,091)	21,408
- On currencies and gold	X	X	X	X	9,947
- Other	-	4,853	-	(2,081)	2,772
4.2 Credit derivatives	-	-	-	-	-
Total	4,521	166,168	(3,742)	(132,515)	48,590

Section 5 - Fair value adjustments in hedge accounting - Item 90

5.1 Fair value adjustments in hedge accounting: breakdown

(Amounts in € thousand)

INCOME ITEM/AMOUNT	12.31.2017	12.31.2016
A. Gains on:		
A.1 Fair value hedging instruments	10,865	17,018
A.2 Hedged asset items (in fair value hedge relationship)	10,036	3,621
A.3 Hedged liability items (in fair value hedge relationship)	4,230	-
A.4 Cash-flow hedging derivatives	-	-
A.5 Assets and liabilities denominated in currency	-	-
Total gains on hedging activities (A)	25,131	20,639
B. Losses on:		
B.1 Fair value hedging instruments	(20,727)	(9,693)
B.2 Hedged asset items (in fair value hedge relationship)	(4,385)	(10,419)
B.3 Hedged liability items (in fair value hedge relationship)	-	(458)
B.4 Cash-flow hedging derivatives	-	-
B.5 Assets and liabilities denominated in currency	-	-
Total losses on hedging activities (B)	(25,112)	(20,570)
C. Fair value adjustments in hedge accounting (A-B)	19	69

Section 6 - Gains (Losses) on disposals/repurchases - Item 100

6.1 Gains (Losses) on disposals/repurchases: breakdown

(Amounts in € thousand)

ITEM/INCOME ITEM	12.31.2017			12.31.2016		
	PROFIT	LOSS	NET PROFIT (LOSS)	PROFIT	LOSS	NET PROFIT (LOSS)
Financial assets						
1. Loans and receivables with banks	3,951	-	3,951	-	-	-
2. Loans and receivables with customers	-	-	-	-	-	-
3. Available-for-sale financial assets	761	-	761	20,382	-	20,382
3.1 Debt securities	761	-	761	5,038	-	5,038
3.2 Equity instruments	-	-	-	15,344	-	15,344
3.3 UCITS units	-	-	-	-	-	-
3.4 Loans	-	-	-	-	-	-
4. Held-to-maturity investments	-	-	-	-	-	-
Total assets	4,712	-	4,712	20,382	-	20,382
Financial liabilities						
1. Deposits from banks	-	-	-	-	-	-
2. Deposits from customers	-	-	-	-	-	-
3. Debt securities in issue	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-

Income from the sale of receivables from banks, equal to €3,951 thousand, pertain to the sale of debt securities issued by UniCredit (for further details refer to the Consolidated Report on Operations), whereas income from the sale of Available-for-sale financial assets, equal to €761 thousand, pertain to the sale of government securities.

Section 7 - Gains (losses) on financial assets and liabilities measured at fair value - Item 110

7.1 Gain (losses) on financial assets and liabilities measured at fair value through profit and loss: breakdown

No data to report.

Part C - Consolidated Income Statement (CONTINUED)

Section 8 - Impairment losses - Item 130

8.1 Impairment losses on loans and receivables: breakdown

(Amounts in € thousand)

TRANSACTION/INCOME ITEM	IMPAIRMENTS (1)			WRITE-BACKS (2)				TOTAL 12.31.2017	TOTAL 12.31.2016
	MICRO		MACRO	MICRO		MACRO			
	WRITE-OFFS	OTHER		A	B	A	B		
A. Loans and receivables with banks	-	-	-	-	-	-	-	-	-
- Loans	-	-	-	-	-	-	-	-	-
- Debt securities	-	-	-	-	-	-	-	-	-
B. Loans and receivables with customers	(200)	(4,857)	(2,053)	200	1,275	-	477	(5,158)	(4,206)
Impaired related to purchase agreements	-	-	-	-	-	-	-	-	-
- Loans	-	-	X	-	-	-	X	-	-
- Debt securities	-	-	X	-	-	-	X	-	-
Other loans	(200)	(4,857)	(2,053)	200	1,275	-	477	(5,158)	(4,206)
- Loans	(200)	(4,857)	(2,053)	200	1,275	-	477	(5,158)	(4,206)
- Debt securities	-	-	-	-	-	-	-	-	-
C. Total	(200)	(4,857)	(2,053)	200	1,275	-	477	(5,158)	(4,206)

Key

A = From interest

B = Other write-backs

8.2 Impairment losses on available-for-sale financial assets: breakdown

(Amounts in € thousand)

TRANSACTION/INCOME ITEM	IMPAIRMENTS (1)		WRITE-BACKS (2)		TOTAL 12.31.2017	TOTAL 12.31.2016
	SPECIFIC		SPECIFIC			
	WRITE-OFFS	OTHER	A	B		
A. Debt securities	-	-	-	-	-	-
B. Equity Instruments	(8,896)	(3,995)	-	-	(12,891)	(6,724)
C. UCITS units	-	-	-	-	-	-
D. Loans to banks	-	-	-	-	-	-
E. Loans to customers	-	-	-	-	-	-
F. Total	(8,896)	(3,995)	-	-	(12,891)	(6,724)

Key

A = From interest

B = Other write-backs

The specific impairments consisted exclusively of the full impairment write-down recorded on the exposure in equity instruments recognised as result of the contribution paid to the Interbank Deposit Guarantee Fund Voluntary Scheme. For further details, see Section A - Account policies, of the Notes to the Consolidated Accounts.

8.3 Impairment losses on held-to-maturity investments: breakdown

No data to report.

8.4 Net value adjustments for the impairment of other financial assets: breakdown

(Amounts in € thousand)

TRANSACTION/INCOME ITEM	IMPAIRMENTS (1)			WRITE-BACKS (2)				TOTAL 12.31.2017	TOTAL 12.31.2016
	MICRO		MACRO	MICRO		MACRO			
	WRITE-OFFS	OTHER		A	B	A	B		
A. Guarantees given	-	-	-	-	-	-	-	-	1,416
B. Credit derivatives	-	-	-	-	-	-	-	-	-
C. Commitments to disburse funds	-	-	-	-	-	-	-	-	-
D. Other transactions	-	-	-	-	6	-	-	6	8
E. Total	-	-	-	-	6	-	-	6	1,424

Key

A = From interest

B = Other write-backs

Section 9 - Net premiums - Item 150

9.1 Net premiums: breakdown

No data to report.

Section 10 - Balance of other net operating income and charges from insurance management - Item 160

10.1 Balance of other net operating income and charges from insurance management: breakdown

No data to report.

10.2 Breakdown of the sub-item "Net changes to technical provisions"

No data to report.

10.3 Breakdown of the sub-item "Claims for the year"

No data to report.

10.4 Breakdown of the sub-item "Other income and charges from insurance management"

No data to report.

10.4.1 Life insurance

No data to report.

10.4.2 Damages

No data to report.

Section 11 - Administrative costs - Item 180

11.1 Payroll costs: breakdown

(Amounts in € thousand)

TYPE OF EXPENSE/SECTORS	12.31.2017	12.31.2016
1) Employees	(77,232)	(77,847)
a) wages and salaries	(52,734)	(49,621)
b) social security contributions	(13,927)	(13,061)
c) severance pay	(912)	(918)
d) pension costs	-	-
e) allocation to employee severance pay provision	(98)	(106)
f) provision for retirements and similar provisions:		
- defined contribution	-	-
- defined benefit	-	-
g) payments to external pension funds:		
- defined contribution	(3,082)	(2,861)
- defined benefit	-	-
h) costs related to share-based payments	(2,739)	(3,471)
i) other employee benefits	(3,972)	(8,076)
l) recovery payments seconded employees	232	267
2) Other staff	(363)	(218)
3) Directors and statutory auditors	(1,291)	(1,136)
4) Early retirement costs	-	-
Total	(78,886)	(79,201)

Item 1 h) Employees: costs related to share-based payments, includes costs incurred by the Bank in relation to payment agreements based on financial instruments issued by the Bank and on financial instruments issued by UniCredit to employees.

Part C - Consolidated Income Statement (CONTINUED)

11.2 Average number of employees by category

	12.31.2017	12.31.2016
Employees	1,100	1,066
(a) executives	27	26
(b) managers	330	317
(c) remaining employees	743	723
Other personnel	15	13

11.3 Pensions and other post-retirement defined-benefit obligations costs and revenues

No data to report.

11.4 Other employee benefits

(Amounts in € thousand)

TYPE OF EXPENSE/AMOUNT	12.31.2017	12.31.2016
Leaving incentives	385	(5,517)
Medical plan	(1,477)	(939)
Luncheon vouchers	(936)	(926)
Seniority premiums	-	1,116
Other	(1,944)	(1,810)
Total	(3,972)	(8,076)

11.5 Other administrative expenses: breakdown

(Amounts in € thousand)

	12.31.2017	12.31.2016
1) INDIRECT TAXES AND DUTIES	(98,543)	(90,568)
2) MISCELLANEOUS COSTS AND EXPENSES		
A) Advertising expenses - Marketing and communication	(16,041)	(16,840)
Mass media communications	(11,420)	(12,340)
Marketing and promotions	(4,488)	(4,251)
Sponsorships	(95)	(182)
Conventions and internal communications	(38)	(67)
B) Expenses related to credit risk	(1,586)	(1,403)
Credit recovery expenses	(457)	(520)
Commercial information and company searches	(1,129)	(883)
C) Expenses related to personnel	(26,167)	(28,851)
Personnel training	(479)	(320)
Car rental and other staff expenses	(84)	(75)
Personal financial adviser expenses	(25,003)	(27,822)
Travel expenses	(534)	(564)
Premises rentals for personnel	(67)	(70)
D) ICT expenses	(32,079)	(31,501)
Lease of ICT equipment and software	(2,467)	(3,017)
Software expenses: lease and maintenance	(8,092)	(6,847)
ICT communication systems	(5,723)	(5,078)
ICT services: external personnel/outsourced services	(6,723)	(7,416)
Financial information providers	(9,074)	(9,143)
E) Consultancies and professional services	(4,247)	(2,641)
Consultancy on ordinary activities	(2,665)	(1,578)
Consultancy for one-off regulatory compliance projects	(86)	-
Consultancy for strategy, business development and organisational optimisation	(385)	(216)
Legal expenses	(61)	(25)
Legal disputes	(1,050)	(822)
F) Real estate expenses	(19,373)	(19,793)
Real estate services	(720)	(801)
Repair and maintenance of furniture, machinery, and equipment	(200)	(459)
Maintenance of premises	(1,379)	(1,491)
Premises rentals	(14,387)	(14,289)
Cleaning of premises	(509)	(495)
Utilities	(2,178)	(2,258)
G) Other functioning costs	(36,036)	(32,796)
Surveillance and security services	(347)	(412)
Postage and transport of documents	(3,396)	(3,428)
Administrative and logistic services	(18,772)	(16,160)
Insurance	(3,923)	(3,630)
Printing and stationery	(511)	(794)
Association dues and fees	(8,695)	(8,080)
Other administrative expenses	(392)	(292)
H) Ex-ante contribution to the Single Resolution Fund and Interbank Deposit Guarantee Fund	(10,566)	(10,614)
Total	(244,638)	(235,007)

The costs posted in 2017 for contributions paid to Deposit Guarantee Schemes (DGS) during the year, shown in item "Other administrative expenses" (point H) of Table 11.5, amounted to €10,566 in total and pertain to the ordinary and additional contribution and to the contribution to the Solidarity Fund for 2017, net of adjustments for the 2015 and 2016 contributions recalculated by the IDGF as a result of the introduction of the new risk-based model for the calculation of DGS contributions. For further details, see Section A - Account policies, of the Notes to the Consolidated Accounts.

No cost was recorded for the Single Resolution Fund (no contribution due).

Part C - Consolidated Income Statement (CONTINUED)

Section 12 - Net provisions for risks and charges - Item 190

12.1 Net provisions for risks and charges: breakdown

(Amounts in € thousand)

	12.31.2017			12.31.2016		
	PROVISIONS	REALLOCATIONS	TOTAL	PROVISIONS	REALLOCATIONS	TOTAL
Legal disputes	(8,836)	5,012	(3,824)	(7,140)	7,212	72
Supplementary customer indemnity provision	(5,008)	-	(5,008)	(4,964)	-	(4,964)
Other provisions for risks and charges	(330)	703	373	(588)	4,696	4,108
Total	(14,174)	5,715	(8,459)	(12,692)	11,908	(784)

Section 13 - Net impairment/write-backs on property, plant and equipment - Item 200

13.1 Impairment/write-backs on property, plant and equipment: breakdown

(Amounts in € thousand)

ASSET/INCOME ITEM	DEPRECIATION (A)	WRITE-DOWNS (B)	WRITE-BACKS (C)	NET PROFIT (LOSS) 12.31.2017 (A+B-C)	NET PROFIT (LOSS) 12.31.2016
A. Property, plant and equipment					
A.1 Owned	(5,548)	(21)	-	(5,569)	(4,853)
- Used in the business	(5,435)	(21)	-	(5,456)	(4,741)
- Held for investment	(113)	-	-	(113)	(112)
A.2 Held under finance lease	-	-	-	-	-
- Used in the business	-	-	-	-	-
- Held for investment	-	-	-	-	-
Total	(5,548)	(21)	-	(5,569)	(4,853)

Impairment losses were recognised in the year for insignificant amounts and mainly in relation to office furniture and fittings for which a zero value in use was determined.

A description of the methods used to calculate depreciation is provided in Part A - Accounting Policies of the Notes to the Consolidated Accounts.

Section 14 - Net impairment/write-backs on intangible assets - Item 210

14.1 Impairment on intangible assets: breakdown

(Amounts in € thousand)

ASSET/INCOME ITEM	DEPRECIATION (A)	WRITE-DOWNS (B)	WRITE-BACKS (C)	NET PROFIT (LOSS) 12.31.2017 (A+B-C)	NET PROFIT (LOSS) 12.31.2016
A. Intangible assets					
A.1 Owned	(4,800)	-	-	(4,800)	(5,099)
- Generated internally by the company	-	-	-	-	-
- Other	(4,800)	-	-	(4,800)	(5,099)
A.2 Held under finance lease					
Total	(4,800)	-	-	(4,800)	(5,099)

Impairments on intangible assets relate to software, amortised over three years and the costs incurred to create the Fineco website, amortised over 5 years.

For the disclosures required by IAS 36 paragraph 134, d), e), f) and 135, c), d), e), see Part B paragraph 13.3 Other information.

Section 15 - Other net operating income - Item 220

15.1 Other operating expenses: breakdown

(Amounts in € thousand)

TYPE/AMOUNT	12.31.2017	12.31.2016
Refunds and allowances	(141)	(199)
Penalties, fines and unfavourable rulings	(2,427)	(2,798)
Improvements and incremental expenses incurred on leasehold properties	(2,844)	(3,706)
Improvements and incremental expenses incurred on group properties	(29)	(19)
Exceptional write-downs of assets	(317)	(571)
Other operating expense	(244)	(7,321)
Total	(6,002)	(14,614)

Exceptional write-downs of assets include costs incurred for credit card fraud of €261 thousand (€518 thousand as at December 31, 2016).

15.2 Other operating income: breakdown

(Amounts in € thousand)

TYPE/AMOUNT	12.31.2017	12.31.2016
Recovery of expenses:	93,368	85,395
- recovery of ancillary expenses - other	334	442
- recovery of taxes	93,034	84,953
Rental income from real estate investments	155	232
Other income from current year	2,783	8,445
Total	96,306	94,072

Section 16 - Profit (loss) of associates - Item 240

16.1 Profit (Loss) of associates: breakdown

No data to report.

Section 17 - Gains (losses) on tangible and intangible assets measured at fair value - Item 250

17.1 Net gains (losses) on property, plant and equipment and intangible assets measured at fair value: breakdown

No data to report.

Section 18 - Impairment of goodwill - Item 260

18.1 Impairment of goodwill: breakdown

No data to report.

Part C - Consolidated Income Statement (CONTINUED)

Section 19 - Gains (losses) on disposal of investments - Item 270

19.1 Gains (losses) on disposal of investments: breakdown

(Amounts in € thousand)

INCOME ITEM/SECTORS	12.31.2017	12.31.2016
A. Properties		
- Gains on disposal	-	-
- Losses on disposal	-	-
B. Other assets		
- Gains on disposal	9	-
- Losses on disposal	(517)	-
Net profit (loss)	(508)	-

Section 20 - Tax expense (income) related to profit or loss from continuing operations - Item 290

20.1 Tax expense (income) related to profit or loss from continuing operations: breakdown

(Amounts in € thousand)

INCOME ITEM/SECTORS	12.31.2017	12.31.2016
1. Current tax (-)	(102,274)	(95,525)
2. Adjustment to current tax of prior years (+/-)	3,924	6,518
3. Reduction of current tax for the year (+)	-	-
3.bis Reduction of current tax for the year due to tax receivables pursuant to Law 214/2011 (+)	-	-
4. Changes in deferred tax assets (+/-)	(3,098)	(5,086)
5. Changes in deferred tax liabilities (+/-)	(696)	(400)
6. Tax expense for the year (-) (-1+/-2+3+ 3 bis +/-4+/-5)	(102,144)	(94,493)

20.2 Reconciliation of theoretical tax charge to actual tax charge

(Amounts in € thousand)

	TOTAL 2017	TOTAL 2016
Profit before tax	316,264	306,337

	IRES INCOME TAX	IRAP CORPORATE TAX	TAXES OVERSEAS	TOTAL 2017	TOTAL 2016
Amount corresponding to theoretical tax rate	(87,024)	(17,626)	23	(104,627)	(101,306)
+ Tax effects of charges not relevant to the calculation of taxable income	4,085	(1,263)	(23)	2,799	6,227
- Tax effects of income not relevant to the calculation of taxable income	-	-	-	-	-
- Tax effects deriving from the use of tax losses from previous years	-	-	-	-	-
- Tax effects deriving from the application of substitute taxes	(446)	-	-	(446)	(446)
Amount corresponding to actual tax rate	(83,385)	(18,889)	-	(102,274)	(95,525)

Section 21 - Profit (Loss) after tax from discontinued operations - Item 310

21.1 Profit (Loss) after tax from discontinued operations: breakdown

No data to report.

21.2 Breakdown of income tax on discontinued operations

No data to report.

Section 22 - Minority interests - Item 330

Section 22.1 - Breakdown of Item 330 "Minority interests profit (loss) for the year"

No data to report.

Section 23 - Other information

FinecoBank and Fineco AM Limited belong to the UniCredit Banking Group and are subject to management and co-ordination by UniCredit S.p.A.

1.1 Designation of Parent Company

UniCredit S.p.A.

Registration in the Companies' Register of Milan-Monza-Brianza-Lodi

Registered in the Register of Banking Groups and Parent Company of the UniCredit Banking Group with code 2008.1

1.2 Registered Office of Parent Company

Registered Office and Head Office: Piazza Gae Aulenti 3 - Tower A - 20154 Milan

1.3 Key figures for the Parent Company (income statement, balance sheet, structure)

FinecoBank and Fineco AM Limited are subject to management and coordination of UniCredit S.p.A.; therefore, in accordance with Article 2497 bis, paragraph 4 of the Italian Civil Code the key figures of the last approved financial statements of the parent company are provided below:

UniCredit S.p.A. - Reclassified balance sheet as at December 31, 2016

(Amounts in € million)

ASSETS	12.31.2016
Cash and cash balances	1,852
Financial assets held for trading	14,026
Loans and receivables with banks	22,349
Loans and receivables with customers	213,237
Financial investments	108,374
Hedging instruments	8,160
Property, plant and equipment	2,341
Goodwill	-
Other intangible assets	5
Tax assets	12,005
Non-current assets and disposal groups classified as held for sale	7,439
Other assets	4,400
Total assets	394,188

(Amounts in € million)

LIABILITIES AND SHAREHOLDERS' EQUITY	12.31.2016
Deposits from banks	44,381
Deposits from customers and debt securities in issue	279,648
Financial liabilities held for trading	14,557
Financial liabilities at fair value through profit or loss	2,103
Hedging instruments	8,920
Provisions for risks and charges	3,407
Tax liabilities	162
Liabilities included in disposal groups classified as held for sale	3
Other liabilities	8,310
Shareholders' equity	32,697
- capital and reserves	43,718
- revaluation reserves (available-for-sale financial assets - cash flow hedges - on defined benefit plans)	439
- net profit (loss)	(11,460)
Total liabilities and shareholders' equity	394,188

Part C - Consolidated Income Statement (CONTINUED)

UniCredit S.p.A. - Condensed Income Statement 2016

(Amounts in € million)

	12.31.2016
Net interest	3,693
Dividends and other income from equity investments	1,173
Net fee and commission income	3,574
Net trading, hedging and fair value income	360
Net other expenses/income	110
OPERATING INCOME	8,910
Payroll costs	(3,298)
Other administrative expenses	(2,839)
Recovery of expenses	586
Impairment/write-backs on intangible and tangible assets	(134)
Operating costs	(5,685)
OPERATING PROFIT (LOSS)	3,225
Net write-downs of loans and provisions for guarantees and commitments	(10,379)
NET OPERATING PROFIT (LOSS)	(7,154)
Provisions for risks and charges	(1,501)
Integration costs	(1,163)
Net income from investments	(1,444)
GROSS PROFIT (LOSS) FROM CONTINUING OPERATIONS	(11,262)
Income tax for the year	(198)
Goodwill impairment	-
NET PROFIT	(11,460)

1.4 Disclosure of auditing fees pursuant to art. 149 paragraph bis of Issuers' Regulation

The table below provides details of the fees (net of VAT and expenses) paid to the independent auditing firm Deloitte & Touche S.p.A. and entities within the network that the external auditors belongs to.

(Amounts in € million)

TYPE OF SERVICE	SERVICE PROVIDER	FEES
Accounting Audit	Deloitte & Touche S.p.A.	169,245
Certification services	Deloitte & Touche S.p.A.	95,000
Other Services	Deloitte Consulting S.r.l	30,000
		294,245

Section 24 - Earnings per share

24.1 Average number of diluted ordinary shares

Basic earnings per share are calculated by dividing the net profit by the average number of ordinary shares outstanding during the year.

	12.31.2017	12.31.2016
Net profit for the period (€ thousands)	214,120	211,844
Average number of outstanding shares	607,158,443	605,659,378
Average number of outstanding shares (including potential ordinary shares with dilution effect)	608,829,187	608,860,642
Basic earnings per share	0.35	0.35
Diluted Earnings Per Share	0.35	0.35

24.2 Other information

No data to report.

Part D - Consolidated Comprehensive Income

Statement of consolidated comprehensive income

(Amounts in € thousand)

ITEMS	GROSS AMOUNT	INCOME TAX	NET AMOUNT
10. Net Profit (Loss) for the year	X	X	214,120
Other comprehensive income without reclassification through profit or loss			
20. Property, plant and equipment	-	-	-
30. Intangible assets	-	-	-
40. Defined benefit plans	(5,162)	1,689	(3,473)
50. Non-current assets classified as held for sale	-	-	-
60. Revaluation reserve from investments accounted for using the equity method	-	-	-
Other comprehensive income with reclassification through profit or loss			
70. Hedges of foreign investments:			
a) fair value changes	-	-	-
b) reclassification through profit or loss	-	-	-
c) other changes	-	-	-
80. Exchange differences:			
a) fair value changes	-	-	-
b) reclassification through profit or loss	-	-	-
c) other changes	-	-	-
90. Cash flow hedges:			
a) fair value changes	-	-	-
b) reclassification through profit or loss	-	-	-
c) other changes	-	-	-
100. Available-for-sale financial assets:			
a) fair value changes	3,956	(1,054)	2,902
b) reclassification through profit or loss			
- due to impairment	-	-	-
- gains/losses on disposals	(2,352)	778	(1,574)
c) other changes	895	(296)	599
110. Non-current assets classified as held for sale:			
a) fair value changes	-	-	-
b) reclassification through profit or loss	-	-	-
c) other changes	-	-	-
120. Revaluation reserve from investments accounted for using the equity method:			
a) fair value changes	-	-	-
b) reclassification through profit or loss			
- due to impairment	-	-	-
- gains/losses on disposals	-	-	-
c) other changes	-	-	-
130. Total other comprehensive income	(2,663)	1,117	(1,546)
140. Comprehensive income (item 10+130)	(2,663)	1,117	212,574
150. Consolidated comprehensive income attributable to minorities	-	-	-
160. Consolidated comprehensive income attributable to Parent Company	(2,663)	1,117	212,574

Part E - Information on Risks and Hedging Policies

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Part E - Information On Risks And Hedging Policies

Introduction

First of all, as Fineco AM Limited has not yet commenced operations, the information contained in this Part E - Information on risks and hedging policies in the consolidated notes to the financial statements refers to FinecoBank.

In order to ensure lean and efficient management of risks, the risk management process is structured in accordance with the organisational choices made by the Group and the provisions of the Supervisory Instructions for Banks pertaining to the internal control system.

Risk management and control is performed by the Risk Management function of the Bank in collaboration with the same function of the Parent Company, which performs its role of guidance, coordination and control of risks at Group level. The organisational model provides for a specific contact person, the Chief Risk Officer (hereinafter, "CRO") of the Parent Company, who is responsible for credit risk, market risk, operating risk and reputational risk.

The Bank is responsible for first and second-level monitoring, especially for verifying that the risk level of individual companies is compatible with the guidelines set by the Parent Company, individual company equity, and prudential supervisory rules.

Organisational structure

The Board of Directors of FinecoBank is tasked with setting the strategic policies and the guidelines for the organisational and operational structures, overseeing and monitoring their timely execution within the risk profiles of assigned. The Board of Directors is responsible for establishing and approving the methods through which risks are detected and assessed and for approving the risk management strategic direction and policies. The Board of Directors also verifies that the internal control structure is consistent with the risk tolerance established and approves policies for the management of risks.

The Chief Executive Officer and General Manager has been assigned specific powers by the Board of Directors in all the Bank's areas of activity. These powers are to be exercised in accordance with the applicable regulations and within the limits of the Parent Company directives and the policies, instructions, limits, risk assumption procedures and using the operational methods governed by the applicable information notices. The Chief Executive Officer and General Manager puts in place the necessary measures to ensure the establishment and maintenance of an efficient and effective internal control system.

The CRO Department, in line with the instructions and the guidelines of the Parent Company, is responsible for credit operations and risk management. The disclosure, at various levels, is provided by the Strategic Bodies and Officers (Chief Executive Officer and General Manager, Board of Directors, Risk and Related Parties Committee). In relation to the Basel II Pillar 2 instructions, reputational and business risk and, in collaboration with the CFO, liquidity risk are also monitored and reported.

The CRO and the CFO are responsible for proposing and adapting the Group Risk Appetite Framework to FinecoBank and setting risk management strategies and policies, in line with the Bank's strategies and objectives, coordinating and monitoring their implementation by the units responsible, also in the various company areas.

The CRO Department ensures the control of the Bank's overall risk profile by monitoring the various types of risk exposure, in accordance with the methods established by the Parent Company.

The Risk Management Unit prevents and monitors different components of Bank risks. The function specifically controls credit, market and operational risks to which the Bank is exposed. The Risk Management function also monitors business, reputational and liquidity risk. The Risk Management Unit supports the CRO, in the area of responsibility of the Department, in monitoring and reporting to the Strategic Bodies and Officers.

Given the complexity of the Bank's activities and the significant risks involved, the Board of Directors of the Bank decided to establish an Risk and Related Parties Committee to carry out internal control tasks; the committee is made up of non-executive members of the same Board and its task is to carry out adequate investigations to support the Board of Directors in its assessments and decisions on the internal control system and risk management.

Lastly, the participation by the Chief Risk Officer and Head of Risk Management in the Products Committee ensures oversight of the operational risk associated with the Bank's new business activities, as well as creating and disseminating a risk culture in the various functional areas.

Section 1 - Banking Group risks

1.1 Credit risk

QUALITATIVE INFORMATION

1. General aspects

The Bank's objective is to provide an adequate range of products able to satisfy and encourage loyalty among customers, through a competitive and complete offer. The development of the products and of the product line must also seek to maintain portfolio quality and, in any event, adequate processes to monitor profitability.

The factors that generate credit risk are determined by acceptance and creditworthiness policies, which are always adequately correlated to the risk/return ratio and in line with the Risk Appetite defined by the Board of Directors.

The quality of the loan portfolio, which is constantly monitored and supported by risk mitigation instruments, is protected by scoring models that contribute to evaluation during the approval process, ensuring that it is consistent and controlled. In addition to adequate coverage of the risk levels, monitoring of the portfolio and its segmentation by product and seniority allow a better understanding of the best loan issue strategies. The identification of any high-risk areas permits intervention on the automated measurement systems as well as on disbursement standards, with the possibility to take measures to limit credit risk in advance.

In 2017 lending activity was characterised by the expansion of loan product offering, particularly through the marketing of property loans, launched in 2016, and the granting of current account credit facilities guaranteed by rotational liens on securities (Credit Lombard).

The mortgage offering mainly involves mortgages for the purchase of first and second homes (including subrogation), in addition to home-secured loans and, to a limited extent, non-residential mortgages. As at December 31, 2017, the carrying amount of mortgage loans amounted to €516 million.

Credit Lombard is the solution of FinecoBank suitable for high net worth clients who wish to obtain additional liquidity from their investments.

The Bank, moreover, continued to develop products already included in its catalogue by issuing convenience credit cards to current account holders and granting personal loans.

Choices concerning the investment of the Bank's liquidity are governed by a prudential approach aimed at containing credit risk and mainly involve deposits with UniCredit S.p.A. and the subscription of Eurozone government bonds. In order to optimise its portfolio by diversifying counterparty risk, in 2017 the Bank also increased its exposure to Spanish government securities by €1,100 million and to Italian government securities by €757 million and purchased €44 million of Polish government securities.

The Bank also issued and approved the policy "Issuer risk in bonds - Contingency Plan" aimed at defining principles and rules to efficiently and comprehensively evaluate, control and limit the issuer's risk associated with bonds in the banking book. In accordance with the policy, the Risk Management function monitors a series of indicators to analyse the exposure of the Bank's portfolio to issuer risk; through this analysis it is possible to identify the emergence of abnormal situations and assess the need for corrective actions to avoid deterioration of the portfolio position.

2. Credit Risk Management Policy

2.1 Organisational aspects

The credit process can be broken down into the following stages:

- assessment of creditworthiness;
- granting/disbursement of credit;
- credit monitoring;
- management of impaired loans;
- risk measurement and control.

The assessment of creditworthiness entails ascertaining the ability of the borrower to repay. It is performed by specific centralised and specialist operating units in the various product lines disbursed to customers (personal loans, credit cards, credit lines, and mortgages). On receipt of the request, the offices in question assess the reliability of documentation, evaluate the equity and income situation, and gather information, also by consulting public records, private banks and system data such as the information contained in the Bank of Italy's risk centre and in the Group archives.

In addition to an assessment of creditworthiness by the dedicated functions, credit approval also requires that they assess the compatibility of the request with the customer's overall situation, considering the amount requested and agreeing on a different amount with the customer, where necessary, evaluate and finalise guarantees, if any, linking them to credit facilities and filing them according to specific processes. Lastly, the decision-making parties approve or reject the application on the basis of their powers or send the application to a higher decision-making body.

Credit monitoring is carried out on credit lines to check that the economic situation of the customer and the guarantor that resulted in the approval has not changed. This check may entail collecting updated system data and information, as well as information from private banks. Checks are carried out according to established processes at set intervals, and may vary according to the amount of the credit line granted.

With regard to products with payment plans and in particular for mortgages, specific measurements of outstanding amounts are made for movement between statuses. This method is also accompanied by the collection of information on the debtor customer already used when granting credit lines.

In line with the general principles laid down by the Regulatory Authority, receivables are classified on the basis of the level of impairment, which may be established on the basis of qualitative or quantitative criteria.

The management of impaired loans entails taking all action necessary to restore them to normality or to recover the credits in situations where the relationship cannot be continued. All of these measures are established by specific processes based on the type and amount of the past-due loan and the past-due period as well as taking into account any financial assets of the customer, which may be offered as collateral. Credit collection is performed through payment reminders directly carried out by the Bank as well as through reminders and debt recovery carried out by specialised, authorised external companies.

Lastly, management also entails forecasting losses on an individual basis, which is continuously updated based on the progress of recovery actions for the amounts due or based on information collected during the recovery actions.

Part E - Information on Risks and Hedging Policies (CONTINUED)

The measurement and control of credit risk takes place at the assessment stage with the support of scoring tools that analyse the customers' socio-demographic profiles, making an assessment of individual counterparties on a statistical basis and supplementing the assessment, on one hand, with the support of credit bureaus for better knowledge of public and private data and on the other hand, with information contained in the Bank of Italy's risk centre.

Credit risk control is also performed through the systematic assessment of the performance of loan portfolios in order to estimate expected losses and intervene on disbursement policies where necessary.

2.1.1 Factors that generate Credit Risk

In the course of its credit business activities the Bank is exposed to the risk that its loans may, due to the deterioration of the debtor's financial condition, not be repaid at maturity, and thus result in a partial or full write-down. This risk is always inherent in traditional lending operations regardless of the form of the credit facility. The main reasons for default lie in the borrower's lack of autonomous ability to ensure the repayment of the debt.

In addition to the risk associated with the granting and disbursement of credit, the Bank is also exposed to counterparty risk for all clearing and pre-clearing operations with the institutional and banking counterparties necessary to conduct the Bank's business. Counterparty risk is defined as the risk that a counterparty to one of the transactions is in default prior to the final settlement of the cash flows involved in the transaction. The counterparties in these transactions could default as a result of insolvency, political and economic events, lack of liquidity, operating problems or other reasons.

Other transactions involving counterparty risk are:

- entering into derivative contracts;
- purchasing and selling securities, futures, or currencies;
- holding third-party securities.

In addition, "Non-Traditional Credit Risk" is generated by leverage/short transactions conducted through securities lending. Leverage/short transactions conducted through securities lending, also when there are automatic stop losses performed within the margins, can generate credit risk if the security lacks liquidity (for example, in the case of dramatic events that affect the normal functioning of markets) and/or the margin is insufficient. To anticipate such events, scenario analyses are conducted periodically to assess the impacts and implement appropriate mitigation policies.

The Bank monitors and manages the specific risk of each counterparty and the overall risk of loan portfolios through procedures, structures and rules that steer, govern and standardise the assessment and management of credit risk, in line with the Group principles and best practice, and which are capable of extending their effectiveness to all phases of the economic cycle.

The Bank reports all information to the Parent Company that can help it in its assessment of each FIBS counterparty ("Financial Institutions, Banks and Sovereigns") that the Bank intends to have dealings with and with respect to whom a risk limit (ceiling) is to be set within which the Group intends to operate.

The assessment is conducted within the risk limits assigned to the counterparty's Economic Group, i.e. considering the Group's exposure towards all the parties legally and economically linked to the counterparty. At the end of the assessment, the Parent Company assigns the Bank a risk limit that has to be monitored.

2.2 Management, measurement and control system

The measurement of credit risk during the issue process is supported by automated assessment systems (so-called credit scoring systems). These systems also incorporate all available information and facts: public and private data provided by Credit rating bureaus, Risk Center data flows or information requests submitted to the Bank of Italy, Group archives with data relating to positions shared with other Group banks and other performance information on customers, stored by the Bank. During the loan application process, attention is always focused on the possibility of optimising all information concerning customers that has been provided by the Bank, the Group and the System.

The collection of any guarantees, their assessment and the margins between the fair value of the guarantee and the amount of the loan granted are a simple kind of support to credit risk mitigation, but there is no relevant positive correlation between the value of the financial guarantee and the applicant's creditworthiness.

The collective write-downs of the "performing" loan portfolio are determined using migration rates, through transition matrices, both from performing loans to non-performing loans and for each classification status (past-due, unlikely to pay, non-performing) by combining the default rates with the expected recovery rates individually calculated for non-performing loans and taking account of any supporting guarantees. The project activities aimed at the necessary implementations (IT architecture, processes and organisational procedures) for the implementation of the new IFRS9 accounting system are in their final stage, which will entail significant changes to the system for the calculation of collective write-downs and classifications starting from January 1, 2018.

The global assessment of portfolio risks, in order to identify the sustainability of the asset and the remuneration margins, is made both with the assistance of a tool shared with the Parent Company (Credit Tableau de Board), which contains all the main risk indicators and the largest receivables of those listed, and with the support of specific product reports which identify the trend of default rates, broken down by disbursement period and default level.

The monitoring of credit risk as part of the management of the trading book is conducted by breaking it down into rating class and issuer sector, which determine the implicit risk of contracts.

2.3 Credit risk mitigation techniques

In order to mitigate risk when granting the different types of credit facilities, various types of collateral are obtained. Mortgages on property loans, liens on shares, bonds or investment funds, insurance contracts and government bonds are used to guarantee current account overdraft facilities.

The presence of collateral does not, however, relieve the Bank from the requirement to carry out an overall assessment of the credit risk, primarily centred around the customer's income capacity regardless of the additional guarantee provided. The valuation of the lien collateral is based on its actual value, i.e. the market value for the financial instruments listed in a regulated market. The resulting value is subject to percentage haircuts, differentiated based on the financial instruments used as security and the concentration of the instrument in the customer's portfolio provided as security.

For real estate collateral, the principles and rules are described in the policy on the granting of residential mortgages with property collateral to current account holders of FinecoBank S.p.A. The valuation of the assets is performed by external technical experts included in the Register of Engineers, Architects and Surveyors or industrial experts who are not therefore susceptible to conflict of interest.

Valuations, moreover, are subject to periodic reviews.

2.4 Impaired financial assets

Loans are classified as past due, unlikely to pay or non-performing in accordance with the criteria set forth by the Bank of Italy and the thresholds established by the Parent Company. The classification as non-performing, linked to the customer's insolvency, is always individual and defined on the basis of the progress of debt recovery actions. The loss estimate for positions classified as past due and unlikely to pay is also individual.

The classification criterion used for overdrawn accounts is related to the performance of debt recovery activity or the forced sale of securities to cover debts. The reclassification of loans to a category of lower risk exposure is only authorised if the amount past due has been paid in full in observance of the original payment schedule, or if considerable payments have been made leading the Bank to believe the debt exposure is very likely to be repaid.

The procedure for the management of irregularly performing loans involves actions that may be taken to recover debts by ranking them by seniority of expiration.

QUANTITATIVE INFORMATION

A. Credit quality

A.1 Impaired and unimpaired loans: amounts, write-downs, changes, distribution by business activity/region

A.1.1 Breakdown of financial assets by portfolio and credit quality (carrying value)

(Amounts in € thousand)

PORTFOLIO/QUALITY	NON-PERFORMING LOANS	UNLIKELY TO PAY	PAST DUE IMPAIRED EXPOSURES	PAST DUE UNIMPAIRED EXPOSURES	OTHER UNIMPAIRED EXPOSURES	TOTAL
1. Available-for-sale financial assets	-	-	-	-	1,042,465	1,042,465
2. Held to maturity investments	-	-	-	-	4,826,390	4,826,390
3. Loans and receivables with banks	-	-	-	-	13,878,117	13,878,117
4. Loans and receivables with customers	1,730	495	627	7,511	2,118,856	2,129,219
5. Financial assets designated at fair value through profit or loss	-	-	-	-	-	-
6. Financial instruments classified as held for sale	-	-	-	-	-	-
Total December 31, 2017	1,730	495	627	7,511	21,865,828	21,876,191
Total December 31, 2016	2,662	399	598	9,732	20,492,946	20,506,337

As at December 31, 2017 there were no impaired purchased loans.

Part E - Information on Risks and Hedging Policies (CONTINUED)

A.1.2 Breakdown of exposures by portfolio and credit quality (gross and net values)

(Amounts in € thousand)

PORTFOLIO/QUALITY	IMPAIRED ASSETS			UNIMPAIRED ASSETS			TOTAL (NET EXPOSURE)
	GROSS EXPOSURE	SPECIFIC IMPAIRMENT	NET EXPOSURE	GROSS EXPOSURE	PORTFOLIO IMPAIRMENT	NET EXPOSURE	
1. Available-for-sale financial assets	-	-	-	1,042,465	-	1,042,465	1,042,465
2. Held to maturity investments	-	-	-	4,826,390	-	4,826,390	4,826,390
3. Loans and receivables with banks	-	-	-	13,878,117	-	13,878,117	13,878,117
4. Loans and receivables with customers	24,313	(21,460)	2,853	2,137,439	(11,073)	2,126,366	2,129,219
5. Financial assets designated at fair value through profit or loss	-	-	-	X	X	-	-
6. Financial instruments classified as held for sale	-	-	-	-	-	-	-
Total December 31, 2017	24,313	(21,460)	2,853	21,884,411	(11,073)	21,873,338	21,876,191
Total December 31, 2016	22,370	(18,711)	3,659	20,512,175	(9,497)	20,502,678	20,506,337

(Amounts in € thousand)

PORTFOLIO/QUALITY	ASSETS WITH OF CLEARLY POOR CREDIT QUALITY		OTHER ASSETS
	ACCUMULATED UNREALISED LOSSES	NET EXPOSURE	
1. Financial assets held for trading	-	-	6,563
2. Hedging derivatives	-	-	458
Total December 31, 2017	-	-	7,021
Total December 31, 2016	-	-	5,460

A.1.3 Banking Group - On-balance sheet and off-balance-sheet credit exposures to banks: gross values, net values and past due bands

(Amounts in € thousand)

TYPE OF EXPOSURE/AMOUNT	GROSS EXPOSURE							
	IMPAIRED ASSETS				UNIMPAIRED ASSETS	SPECIFIC IMPAIRMENTS	PORTFOLIO IMPAIRMENTS	NET EXPOSURE
	UP TO 3 MONTHS	BETWEEN 3 AND 6 MONTHS	BETWEEN 6 MONTHS AND 1 YEAR	OVER 1 YEAR				
A. On-balance sheet exposures								
a) Non-performing loans	-	-	-	-	X	-	X	-
- of which: forborne exposures	-	-	-	-	X	-	X	-
b) Unlikely to pay	-	-	-	-	X	-	X	-
- of which: forborne exposures	-	-	-	-	X	-	X	-
c) Past-due impaired loans	-	-	-	-	X	-	X	-
- of which: forborne exposures	-	-	-	-	X	-	X	-
d) Past due non-impaired exposures	X	X	X	X	-	X	-	-
- of which: forborne exposures	X	X	X	X	-	X	-	-
e) Other unimpaired exposures	X	X	X	X	13,878,154	X	-	13,878,154
- of which: forborne exposures	X	X	X	X	-	X	-	-
Total A	-	-	-	-	13,878,154	-	-	13,878,154
B. Off-balance sheet exposures								
a) Impaired	-	-	-	-	X	-	X	-
b) Unimpaired	X	X	X	X	2,444,832	X	-	2,444,832
Total B	-	-	-	-	2,444,832	-	-	2,444,832
Total A+B	-	-	-	-	16,322,986	-	-	16,322,986

In the above table, item B. "Off-balance sheet exposures" includes the counterparty risk related to repos that can be classified as "Securities Financing Transactions" (SFT) defined in prudential regulations, amounting to €62,796 thousand, and the commitment to pay funds not certain to be called on relating to the Liquidity Framework Agreement signed in 2016 and renewed in 2017 with the Parent Company, amounting to €2,125,000 thousand. There were no securities lending transactions collateralised by other securities or without a cash guarantee with banks.

A.1.4 Banking Group - On-balance sheet credit exposures to banks: trend of gross impaired exposures:

No data to report.

A.1.4bis Banking Group - On-balance sheet credit exposures to banks: breakdown of gross forborne exposures by credit quality

No data to report.

A.1.5 Banking Group - On-balance sheet impaired credit exposures to banks: trend in total impairments

No data to report.

A.1.6 Banking Group - On-balance sheet and off-balance-sheet credit exposures to customers: gross values, net values and past due bands

(Amounts in € thousand)

TYPE OF EXPOSURE/AMOUNT	GROSS EXPOSURE							
	IMPAIRED ASSETS				UNIMPAIRED ASSETS	SPECIFIC IMPAIRMENTS	PORTFOLIO IMPAIRMENTS	NET EXPOSURE
	UP TO 3 MONTHS	BETWEEN 3 AND 6 MONTHS	BETWEEN 6 MONTHS AND 1 YEAR	OVER 1 YEAR				
A. On-balance sheet exposures								
a) Non-performing loans	23	32	903	19,890	X	(19,118)	X	1,730
- of which: forborne exposures	-	-	12	105	X	(99)	X	19
b) Unlikely to pay	395	249	720	745	X	(1,614)	X	495
- of which: forborne exposures	83	20	31	20	X	(107)	X	46
c) Past-due impaired loans	194	814	235	112	X	(728)	X	627
- of which: forborne exposures	-	7	14	5	X	(12)	X	15
d) Past due non-impaired exposures	X	X	X	X	7,770	X	(260)	7,511
- of which: forborne exposures	X	X	X	X	46	X	-	45
e) Other unimpaired exposures	X	X	X	X	7,998,537	X	(10,814)	7,987,723
- of which: forborne exposures	X	X	X	X	137	X	(1)	137
Total A	612	1,095	1,858	20,747	8,006,307	(21,460)	(11,074)	7,998,086
B. Off-balance sheet exposures								
a) Impaired	7	-	-	-	X	-	X	7
b) Unimpaired	X	X	X	X	277,873	X	-	277,873
Total B	7	-	-	-	277,873	-	-	277,880
Total A+B	619	1,095	1,858	20,747	8,284,180	(21,460)	(11,074)	8,275,966

As at December 31, 2017, there were no unimpaired loans to customers renegotiated under collective agreements and no impaired purchased loans.

Breakdown by maturity of unimpaired past-due loans, amounting to €7,770 thousand (€9,980 thousand as at December 31, 2016), is as follows:

- past due between 1 day and 90 days of €7,669 thousand (€9,919 thousand as at December 31, 2016);
- past due between 90 days and 180 days of €47 thousand (€58 thousand as at December 31, 2016);
- past due between 180 days and 1 year of €13 thousand (€3 thousand as at December 31, 2016);
- past due exposures over 1 year of €41 thousand (not present as at December 31, 2016).

In the above table, item B. "Off-balance sheet exposures" includes the counterparty risk related to securities lending transactions collateralised by other securities and to repos that can be classified as "Securities Financing Transactions" (SFT) defined in prudential regulations, amounting to €233,903 thousand.

There were no securities lending transactions without a cash guarantee or not collateralised by other securities with customers.

Part E - Information on Risks and Hedging Policies (CONTINUED)

A.1.7 Banking Group - On-balance sheet credit exposures to customers: trend of gross impaired exposures

(Amounts in € thousand)

SOURCE/CATEGORIES	NON-PERFORMING LOANS	UNLIKELY TO PAY	PAST-DUE IMPAIRED LOANS
A. Opening balance - gross exposure	19,334	1,906	1,130
of which: assets sold but not derecognised	-	-	-
B. Increases	3,276	4,320	6,947
B.1 transfers from performing exposures	76	294	6,168
B.2 transfers from other categories of impaired exposures	2,901	3,566	-
B.3 Other increases	299	460	779
C. Decreases	(1,762)	(4,117)	(6,721)
C.1 transfers to performing exposures	-	(213)	(1,114)
C.2 de-recognitions	(888)	(49)	(2)
C.3 collections	(874)	(881)	(1,838)
C.4 proceeds from disposals	-	-	-
C.5 losses on disposal	-	-	-
C.6 transfers to other categories of impaired exposures	-	(2,891)	(3,576)
C.7 other decreases	-	(83)	(191)
D. Gross exposure closing balance	20,848	2,109	1,356
of which: assets sold but not derecognised	-	-	-

A.1.7bis Banking Group - On-balance sheet credit exposures to customers: breakdown of gross forborne exposures by credit quality

(Amounts in € thousand)

SOURCE/CATEGORIES	FORBORNE EXPOSURES: NON PERFORMING EXPOSURES	FORBORNE EXPOSURES: PERFORMING EXPOSURES
A. Opening balance - gross exposure		
of which: assets sold but not derecognised	-	-
B. Increases	604	228
B.1 transfers from performing exposures not forborne	111	158
B.2 transfers from performing forborne exposures	78	X
B.3 transfers from impaired forborne exposures	X	30
B.4 other increases	415	40
C. Decreases	(564)	(209)
C.1 transfers to performing exposures not forborne	X	-
C.2 transfers to performing forborne exposures	(232)	X
C.3 transfers to impaired forborne exposures	X	(67)
C.4 de-recognitions	(10)	-
C.5 collections	(143)	(142)
C.6 proceeds from disposals	-	-
C.7 losses on disposal	-	-
C.8 other decreases	(179)	-
D Gross exposure closing balance	298	183
of which: assets sold but not derecognised	-	-

A.1.8 Banking Group - On-balance sheet impaired credit exposures: trend in total impairments

(Amounts in € thousand)

SOURCE/CATEGORIES	NON-PERFORMING LOANS		UNLIKELY TO PAY		PAST-DUE IMPAIRED LOANS	
	TOTAL	OF WHICH: FORBORNE EXPOSURES	TOTAL	OF WHICH: FORBORNE EXPOSURES	TOTAL	OF WHICH: FORBORNE EXPOSURES
A. Total opening impairment	(16,672)	(103)	(1,507)	(88)	(533)	(4)
of which: assets sold but not derecognised	-	-	-	-	-	-
B. Increases	(4,210)	(38)	(1,122)	(90)	(703)	(16)
B.1 Value adjustments	(3,376)	(13)	(1,071)	(73)	(699)	(12)
B.2 Losses on disposal	-	-	-	-	-	-
B.3 Transfers from other categories impaired exposures	(812)	(25)	(38)	(4)	-	-
B.4 Other increases	(22)	-	(13)	(13)	(4)	(4)
C. Decreases	1,764	42	1,015	71	508	8
C.1 write-backs from assessments	272	17	23	10	80	-
C.2 Write-backs from recoveries	604	15	366	36	136	4
C.3 Gains on disposal	-	-	-	-	-	-
C.4 Write-offs	888	10	49	-	2	-
C.5 Transfers to other categories of impaired exposures	-	-	564	25	286	4
C.6 Other decreases	-	-	13	-	4	-
D. Final overall impairment	(19,118)	(99)	(1,614)	(107)	(728)	(12)
of which: assets sold but not derecognised	-	-	-	-	-	-

A.2 Internal and external ratings

A.2.1 Banking Group - Breakdown of on-balance sheet and off-balance-sheet exposures by external rating class

(Amounts in € thousand)

EXPOSURES	EXTERNAL RATING CLASSES						NO RATING TOTAL	TOTAL
	CLASS 1	CLASS 2	CLASS 3	CLASS 4	CLASS 5	CLASS 6		
A. On-balance sheet exposures	78,702	62,917	19,581,606	2,557	-	-	2,152,476	21,878,258
B. Derivatives	265	545	-	-	-	-	6,163	6,973
B.1 Financial derivatives	265	545	-	-	-	-	6,163	6,973
B.2 Credit derivatives	-	-	-	-	-	-	-	-
C. Guarantees given	-	-	256,070	-	-	-	667	256,737
D. Other commitments to disburse funds	-	-	2,125,206	-	-	-	39,053	2,164,259
E. Other	-	22,153	54,173	-	-	-	220,374	296,700
Total	78,967	85,615	22,017,055	2,557	-	-	2,418,733	24,602,927

The table below shows the breakdown of on-balance sheet and off-balance-sheet exposures to counterparties with an external rating. Rating agencies provide a summary assessment on the creditworthiness of different type of counterparties: Countries, Banks, Public Bodies, Insurance Companies and Businesses, usually large-scale.

The table refers to the classification set forth in the Bank of Italy Circular no. 262/2005 regarding external ratings, which envisages 6 classes of creditworthiness.

The above presentation refers to the Standard and Poor's ratings, which are also associated to the ratings of the other two main Agencies, Moody's and Fitch. When there were two credit ratings for an individual exposure provided by two rating agencies the worst rating was recognised; if there were three different ratings the two best ratings were identified and, if they were different, the worst rating from these was recognised.

As part of the calculation of statutory requirements, by using the standard risk calculation method, FinecoBank relies on the rankings of rating agencies in order to determine the weighting coefficients for exposures to Sovereign states ("Central governments and central banks", "Entities" and "Public Sector Entities" portfolio). In general, a weighting factor of 100 percent is applied to the remaining credit exposures, subject to the main exceptions established by CRR 575/2013.

Credit exposures to retail customers (consisting in personal loans, mortgages credit cards spending - both full payment of balance or revolving -, unsecured and secured loans and securities lending at December 31, 2017) were not externally ranked. Exposures with ratings to non-retail customers mainly derive from amounts due to the Parent Company for treasury activities and for hedging banking book positions through interest-rate derivatives. The remaining exposures with ratings regard receivables relating to customer trading, whose counterparties are leading banks with a high credit rating.

In the above table, item E "Other" includes the counterparty risk related to securities lending transactions guaranteed by other securities and to repos. In the above table, equity instruments have been excluded whereas units in investment funds have been included, unlike the previous tables in this section in which both were excluded.

A.2.2 Banking Group - Breakdown of on-balance sheet and off-balance-sheet exposures by internal rating class

This table has not been included because internal ratings are not used to managed credit risk.

Part E - Information on Risks and Hedging Policies (CONTINUED)

A.3 Breakdown of secured exposures by type of collateral**A.3.1 Banking Group - Secured exposures to banks**

	REAL GUARANTEES (1)				
	NET EXPOSURE VALUE	PROPERTIES - MORTGAGES	PROPERTIES - FINANCE LEASES	SECURITIES	OTHER REAL GUARANTEES
1. Secured on-balance sheet exposures:					
1.1 totally secured	54	-	-	53	-
- of which impaired	-	-	-	-	-
1.2 partially secured	-	-	-	-	-
- of which impaired	-	-	-	-	-
2. Secured off- Balance Sheet credit exposures:					
2.1 totally secured	-	-	-	-	-
- of which impaired	-	-	-	-	-
2.2 partially secured	-	-	-	-	-
- of which impaired	-	-	-	-	-

A.3.2 Banking Group - Secured exposures to customers

	REAL GUARANTEES (1)				
	NET EXPOSURE VALUE	PROPERTIES - MORTGAGES	PROPERTIES - FINANCE LEASES	SECURITIES	OTHER REAL GUARANTEES
1. Secured on-balance sheet exposures:					
1.1 totally secured	1,168,917	515,767	-	645,547	7,530
- of which impaired	81	-	-	81	-
1.2 partially secured	3,299	415	-	2,174	-
- of which impaired	-	-	-	-	-
2. Secured off- Balance Sheet credit exposures:					
2.1 totally secured	38,174	-	-	33,774	4,399
- of which impaired	7	-	-	7	-
2.2 partially secured	1	-	-	-	1
- of which impaired	-	-	-	-	-

B. Distribution and concentration of credit exposures**B.1 Banking Group - Breakdown of on-balance sheet and off-balance-sheet exposures to customers by sector (carrying value)**

EXPOSURE/COUNTERPARTY	GOVERNMENTS			OTHER PUBLIC ENTITIES		
	NET EXPOSURE	SPECIFIC IMPAIRMENTS	PORTFOLIO IMPAIRMENTS	NET EXPOSURE	SPECIFIC IMPAIRMENTS	PORTFOLIO IMPAIRMENTS
A. On-balance sheet exposures						
A.1 Non-performing loans	-	-	X	-	-	X
- of which: forbore exposures	-	-	X	-	-	X
A.2 Unlikely to pay	-	-	X	-	-	X
- of which: forbore exposures	-	-	X	-	-	X
A.3 Impaired past-due exposures	-	-	X	-	-	X
- of which: forbore exposures	-	-	X	-	-	X
A.4 Non-impaired exposures	5,768,943	X	-	99,924	X	-
- of which: forbore exposures	-	X	-	-	X	-
TOTAL A	5,768,943	-	-	99,924	-	-
B. "Off-balance" sheet exposures						
B.1 Non-performing loans	-	-	X	-	-	X
B.2 Unlikely to pay	-	-	X	-	-	X
B.3 Other impaired assets	-	-	X	-	-	X
B.4 Non-impaired exposures	371	X	-	-	X	-
Total B	371	-	-	-	-	-
TOTAL (A + B) December 31, 2017	5,769,314	-	-	99,924	-	-
TOTAL (A + B) December 31, 2016	3,754,173	(2)	-	1	-	-

(Amounts in € thousand)

PERSONAL GUARANTEES (2)										TOTAL (1)+(2)
CREDIT DERIVATIVES					GUARANTEES, ETC.					
OTHER DERIVATIVES										
CLN	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC ENTITIES	BANKS	OTHER ENTITIES	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC ENTITIES	BANKS	OTHER ENTITIES		
-	-	-	-	-	-	-	-	-	-	53
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-

(Amounts in € thousand)

PERSONAL GUARANTEES (2)										TOTAL (1)+(2)
CREDIT DERIVATIVES					GUARANTEES, ETC.					
OTHER DERIVATIVES										
CLN	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC ENTITIES	BANKS	OTHER ENTITIES	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC ENTITIES	BANKS	OTHER ENTITIES		
-	-	-	-	-	-	-	-	44	-	1,168,888
-	-	-	-	-	-	-	-	-	-	81
-	-	-	-	-	-	-	-	-	-	2,589
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	38,173
-	-	-	-	-	-	-	-	-	-	7
-	-	-	-	-	-	-	-	-	-	1
-	-	-	-	-	-	-	-	-	-	-

(Amounts in € thousand)

FINANCIAL COMPANIES			INSURANCE COMPANIES			NON-FINANCIAL COMPANIES			OTHER ENTITIES		
NET EXPOSURE	SPECIFIC IMPAIRMENTS	PORTFOLIO IMPAIRMENTS	NET EXPOSURE	SPECIFIC IMPAIRMENTS	PORTFOLIO IMPAIRMENTS	NET EXPOSURE	SPECIFIC IMPAIRMENTS	PORTFOLIO IMPAIRMENTS	NET EXPOSURE	SPECIFIC IMPAIRMENTS	PORTFOLIO IMPAIRMENTS
4	(41)	X	-	-	X	9	(130)	X	1,717	(18,946)	X
-	(1)	X	-	-	X	-	-	X	19	(98)	X
1	(1)	X	-	-	X	79	(228)	X	416	(1,385)	X
-	-	X	-	-	X	-	-	X	46	(107)	X
-	-	X	-	-	X	11	(18)	X	616	(710)	X
-	-	X	-	-	X	-	-	X	15	(12)	X
107,681	X	(139)	16,651	X	-	20,492	X	(3,337)	1,981,542	X	(7,598)
-	X	-	-	X	-	16	X	-	166	X	(1)
107,686	(42)	(139)	16,651	-	-	20,591	(376)	(3,337)	1,984,291	(21,041)	(7,598)
-	-	X	-	-	X	-	-	X	-	-	X
-	-	X	-	-	X	-	-	X	-	-	X
-	-	X	-	-	X	-	-	X	7	-	X
3,290	X	-	-	X	-	423	X	-	39,886	X	-
3,290	-	-	-	-	-	423	-	-	39,893	-	-
110,976	(42)	(139)	16,651	-	-	21,014	(376)	(3,337)	2,024,184	(21,041)	(7,598)
102,105	(43)	(144)	12,174	-	-	15,155	(116)	(3,489)	927,066	(18,552)	(5,863)

Part E - Information on Risks and Hedging Policies (CONTINUED)

B.2 Banking Group - Breakdown of on-balance sheet and off-balance-sheet exposures to customers by geography (carrying value)

Exposures connected to the counterparty risk related to securities lending or borrowing transactions are not included.

(Amounts in € thousand)

EXPOSURE/ GEOGRAPHICAL AREA	ITALY		OTHER EUROPEAN COUNTRIES		AMERICA		ASIA		REST OF THE WORLD	
	NET EXPOSURE	TOTAL IMPAIRMENT	NET EXPOSURE	TOTAL IMPAIRMENT	NET EXPOSURE	TOTAL IMPAIRMENT	NET EXPOSURE	TOTAL IMPAIRMENT	NET EXPOSURE	TOTAL IMPAIRMENT
A. On-balance sheet exposures										
A.1 Non-performing loans	1,728	(19,103)	2	(15)	-	-	-	-	-	-
A.2 Unlikely to pay	493	(1,611)	2	(4)	-	-	-	-	-	-
A.3 Impaired past-due exposures	626	(726)	1	(2)	-	-	-	-	-	-
A.4 Non-impaired exposures	5,345,131	(11,068)	2,582,854	(3)	66,196	(1)	586	(1)	467	-
TOTAL	5,347,978	(32,508)	2,582,859	(24)	66,196	(1)	586	(1)	467	-
B. "Off-balance" sheet exposures										
B.1 Non-performing loans	-	-	-	-	-	-	-	-	-	-
B.2 Unlikely to pay	-	-	-	-	-	-	-	-	-	-
B.3 Other impaired assets	7	-	-	-	-	-	-	-	-	-
B.4 Non-impaired exposures	40,563	-	3,163	-	23	-	159	-	62	-
TOTAL	40,570	-	3,163	-	23	-	159	-	62	-
TOTAL December 31, 2017	5,388,548	(32,508)	2,586,022	(24)	66,219	(1)	745	(1)	529	-
TOTAL December 31, 2016	3,477,658	(28,200)	1,257,570	(7)	75,198	(2)	137	-	109	-

B.3 Banking Group - Breakdown of on-balance sheet and off-balance-sheet exposures to banks by geography (carrying value)

Exposures connected to the counterparty risk related to securities lending or borrowing transactions are not included.

(Amounts in € thousand)

EXPOSURE/ GEOGRAPHICAL AREA	ITALY		OTHER EUROPEAN COUNTRIES		AMERICA		ASIA		REST OF THE WORLD	
	NET EXPOSURE	TOTAL IMPAIRMENT	NET EXPOSURE	TOTAL IMPAIRMENT	NET EXPOSURE	TOTAL IMPAIRMENT	NET EXPOSURE	TOTAL IMPAIRMENT	NET EXPOSURE	TOTAL IMPAIRMENT
A. On-balance sheet exposures										
A.1 Non-performing loans	-	-	-	-	-	-	-	-	-	-
A.2 Unlikely to pay	-	-	-	-	-	-	-	-	-	-
A.3 Impaired past-due exposures	-	-	-	-	-	-	-	-	-	-
A.4 Non-impaired exposures	13,868,843	-	9,310	-	-	-	-	-	1	-
TOTAL	13,868,843	-	9,310	-	-	-	-	-	1	-
B. "Off-balance" sheet exposures										
B.1 Non-performing loans	-	-	-	-	-	-	-	-	-	-
B.2 Unlikely to pay	-	-	-	-	-	-	-	-	-	-
B.3 Other impaired assets	-	-	-	-	-	-	-	-	-	-
B.4 Non-impaired exposures	2,381,231	-	804	-	-	-	-	-	-	-
TOTAL	2,381,231	-	804	-	-	-	-	-	-	-
TOTAL December 31, 2017	16,250,074	-	10,114	-	-	-	-	-	1	-
TOTAL December 31, 2016	17,000,418	-	10,076	-	-	-	-	-	5	-

B.4 Significant exposures

At December 31, 2017 the following "risk positions" constituted "significant exposures" pursuant to Circular 286 of December 17, 2013, "Instructions for the prudential reporting of banks and securities firms" issued by the Bank of Italy:

- non-weighted value: €23,262,597 thousand, of which €17,070,673 with the UniCredit Group;
- weighted value: €111,177 thousand, none with the UniCredit Group;
- number of "risk positions": 7, including the UniCredit Group.

Please note that deferred tax assets within the exposure towards the Italian Central Government have been exempted and, therefore, their weighted value is null.

Part E - Information on Risks and Hedging Policies (CONTINUED)

C. Securitisation transactions

No data to report.

D. Disclosure on structured entities (other than securitisation companies)**D.1 Consolidated structured entities**

No data to report.

D.2 Non-consolidated structured entities

No data to report.

D.2.1 Consolidated structured entities for supervisory purposes

No data to report.

D.2.2 Other structured entities**QUALITATIVE INFORMATION**

The Bank has exposures towards unconsolidated structured entities as a result of investments in units issued by investment funds (UCITS) that qualify as structured entities according to IFRS 12.

QUANTITATIVE INFORMATION

The table below shows the assets, liabilities and off-balance sheet exposure to structured entities represented by unconsolidated UCITS units.

(Amounts in € thousand)

BALANCE SHEET ITEMS/TYPE OF STRUCTURED ENTITY	ACCOUNTING PORTFOLIOS OF THE ASSETS	TOTAL ASSETS (A)	ACCOUNTING PORTFOLIOS OF THE LIABILITIES	TOTAL LIABILITIES (B)	NET CARRYING AMOUNT (C=A-B)	MAXIMUM EXPOSURE TO LOSS (D)	DIFFERENCE BETWEEN EXPOSURE TO THE RISK OF LOSS AND THE CARRYING AMOUNT (E=D-C)
1. UCITS	HFT	2,019		-	2,019	2,019	-

Key:

HFT = Financial assets held for trading

E. Sales Transactions**A. Financial assets sold and partially derecognised****QUALITATIVE INFORMATION**

The Bank carries out repos on securities not recognised in the assets, received through reverse repos and securities lending, or on securities held in the Bank's portfolio.

In 2017 the Bank also carried out transactions on securities held in the Bank's portfolio, comprising bonds issued by UniCredit S.p.A., classified in the "Loans and Receivables category", which have not been eliminated from the financial statements because the Bank conducts repos with the obligation for the buyer to resell the assets covered by the transaction upon expiration of the transaction and maintains all the risks connected to the ownership of the securities.

QUANTITATIVE INFORMATION**E.1 Banking Group - Financial assets sold but not derecognised: book value and full value**

TYPE/PORTFOLIO	FINANCIAL ASSETS HELD FOR TRADING			FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS			AVAILABLE-FOR-SALE FINANCIAL ASSETS		
	A	B	C	A	B	C	A	B	C
A. On-balance sheet assets	-	-	-	-	-	-	-	-	-
1. Debt securities	-	-	-	-	-	-	-	-	-
2. Equity instruments	-	-	-	-	-	-	-	-	-
3. Units in investment funds	-	-	-	-	-	-	-	-	-
4. Loans	-	-	-	-	-	-	-	-	-
B. Derivative instruments	-	-	-	X	X	X	X	X	X
Total December 31, 2017	-	-	-	-	-	-	-	-	-
<i>of which impaired</i>	-	-	-	-	-	-	-	-	-
Total December 31, 2016	-	-	-	-	-	-	-	-	-
<i>of which impaired</i>	-	-	-	-	-	-	-	-	-

Key:

A = financial assets sold and fully recognised (book value)

B = financial assets sold and partially recognised (book value)

C = financial assets sold and partially recognised (entire value)

(Amounts in € thousand)

HELD TO MATURITY INVESTMENTS ^A			LOANS AND RECEIVABLES WITH BANKS			LOANS AND RECEIVABLES WITH CUSTOMERS			TOTAL	
A	B	C	A	B	C	A	B	C	12.31.2017	12.31.2016
-	-	-	-	-	-	-	-	-	-	54,909
-	-	-	-	-	-	-	-	-	-	54,909
X	X	X	X	X	X	X	X	X	-	-
X	X	X	X	X	X	X	X	X	-	-
-	-	-	-	-	-	-	-	-	-	-
X	X	X	X	X	X	X	X	X	-	-
-	-	-	-	-	-	-	-	-	-	X
-	-	-	-	-	-	-	-	-	-	X
-	-	-	54,909	-	-	-	-	-	X	54,909
-	-	-	-	-	-	-	-	-	X	-

Part E - Information on Risks and Hedging Policies (CONTINUED)

E.2 Banking Group - Financial liabilities relating to financial assets sold and not derecognised: book value

(Amounts in € thousand)

LIABILITY/ASSET PORTFOLIO	FINANCIAL ASSETS						TOTAL
	FINANCIAL ASSETS HELD FOR TRADING	DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS	AVAILABLE-FOR-SALE FINANCIAL ASSETS	HELD TO MATURITY INVESTMENTS	LOANS AND RECEIVABLES WITH BANKS	LOANS AND RECEIVABLES WITH CUSTOMERS	
1. Deposits from customers	-	-	-	-	-	-	-
a) from fully-recognised assets	-	-	-	-	-	-	-
b) from partially-recognised assets	-	-	-	-	-	-	-
2. Deposits from banks	-	-	-	-	-	-	-
a) from fully-recognised assets	-	-	-	-	-	-	-
b) from partially-recognised assets	-	-	-	-	-	-	-
Total December 31, 2017	-	-	-	-	-	-	-
Total December 31, 2016	-	-	-	-	55.013	-	55.013

E.3 Banking Group - Sales transactions relating to financial liabilities with repayment exclusively based on assets sold and not derecognised: fair value

The table below only shows own securities not derecognised and used for repos.

TYPE/PORTFOLIO	FINANCIAL ASSETS HELD FOR TRADING		FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS		AVAILABLE-FOR-SALE FINANCIAL ASSETS	
	A	B	A	B	A	B
A. On-balance sheet assets	-	-	-	-	-	-
1. Debt securities	-	-	-	-	-	-
2. Equity instruments	-	-	-	-	-	-
3. Units in investment funds	-	-	-	-	-	-
4. Loans	-	-	-	-	-	-
B. Derivative instruments	-	-	X	X	X	X
Total assets	-	-	-	-	-	-
C. Associated liabilities	-	-	-	-	-	-
1. Deposits from customers	-	-	-	-	-	-
2. Deposits from banks	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-
Net value as at December 31, 2017	-	-	-	-	-	-
Net value as at December 31, 2016	-	-	-	-	-	-

Key:

A = financial assets sold and wholly recognised

B = financial assets sold and partially recognised)

B. Assets sold and fully derecognised with recognition of continuing involvement

No data to report.

E.4 Banking Group - Covered bond transactions

No data to report.

(Amounts in € thousand)

HELD-TO-MATURITY INVESTMENTS (FAIR VALUE)		LOANS AND RECEIVABLES WITH BANKS (FAIR VALUE)		LOANS AND RECEIVABLES WITH CUSTOMERS (FAIR VALUE)		TOTAL	
A	B	A	B	A	B	12.31.2017	12.31.2016
-	-	-	-	-	-	-	55.291
-	-	-	-	-	-	-	55.291
X	X	X	X	X	X	-	-
X	X	X	X	X	X	-	-
-	-	-	-	-	-	-	-
X	X	X	X	X	X	-	-
-	-	-	-	-	-	-	55.291
-	-	-	-	-	-	-	55.013
-	-	-	-	-	-	-	55.013
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	X
-	-	278	-	-	-	X	278

Part E - Information on Risks and Hedging Policies (CONTINUED)

INFORMATION ON SOVEREIGN EXPOSURES

The Bank is exposed to the sovereign debt of some countries, having invested a portion of its assets in debt securities issued by governments and recognised in the "Available-for-sale financial assets" and "Held to maturity investments" portfolios. The following table shows the nominal value, the book value and the fair value of these exposures as at December 31, 2017.

We also underline that the Bank holds exposures to sovereign debt securities categorised as "Financial assets held for trading" for an amount of €11 thousand.

(Amounts in € thousand)

	NOMINAL VALUE AS AT 12.31.2017	BOOK VALUE AS AT 12.31.2017	FAIR VALUE AS AT 12.31.2017	% OF FINANCIAL STATEMENT ITEM
Exposures to the Italian government	3,080,000	3,282,795	3,300,504	
Available-for-sale financial assets	699,000	725,220	725,220	69.22%
Held-to-maturity investments	2,381,000	2,557,575	2,575,284	52.99%
Exposures to the Spanish government	2,100,000	2,362,769	2,373,266	
Available-for-sale financial assets	225,000	242,451	242,451	23.14%
Held-to-maturity investments	1,875,000	2,120,318	2,130,815	43.93%
Exposures to the Polish government	44,000	48,572	49,163	
Held-to-maturity investments	44,000	48,572	49,163	1.01%
Exposures to the French government	10,000	10,124	10,124	
Available-for-sale financial assets	10,000	10,124	10,124	0.97%
Exposures to the US government	66,706	64,671	64,671	
Available-for-sale financial assets	66,706	64,671	64,671	6.17%
Total Sovereign exposures	5,300,706	5,768,931	5,797,728	25.82%

As at December 31, 2017, investments in debt securities issued by sovereign states accounted for 25.82% of the Bank's total assets. There were no structured debt securities among the sovereign debt securities held by the Bank. The Bank is therefore exposed to fluctuations in the price of the public debt securities of the countries listed above. Tensions or volatility in the government bond market could negatively impact on the Bank's financial position and performance.

The following table shows the sovereign ratings as at December 31, 2017 for countries to which the Bank is exposed, provided by Fitch Ratings, Moody's and Standard & Poor's.

	ITALY	SPAIN	POLAND	FRANCE	USA
MOODY'S	Baa2	Baa2	A2	Aa2	Aaa
FITCH RATINGS	BBB	BBB+	A-	AA	AAA
STANDARD & POOR'S	BBB	BBB+	BBB+	AA	AA+

F. Banking Group - Credit Risk Measurement Models**1.2 - Banking Group - Market risk**

Market risk derives from the effect that changes in market variables (interest rates, securities prices, exchange rates, etc.) can cause to the economic value of the Bank's portfolio, if it includes the assets held in the trading book (assets held for trading) as well as those in the banking book, i.e. the transactions connected to strategic investment choices.

Risk Management Strategies and Processes

The Board of Directors of the Parent Company, as part of its powers of management and coordination powers, sets the strategic guidelines for the assumption of market risks by defining maximum risk appetite levels.

The Board of Directors of Bank, in line with the Group's approach, approves a general framework of reference for market risk and any significant changes, relating to the organisational structure, strategies, and methods.

The Bank's strategy is to keep the minimum level of market risk in line with business needs and the limits set by the Risk Appetite Framework approved by the Board of Directors.

Market risk in FinecoBank is defined through two sets of limits:

- Global measures of market risk (e.g. VaR): which are meant to establish a boundary to the economic capital absorption and to the economic loss accepted in trading activities; these limits must be consistent with assigned revenue targets and the defined risk taking capacity;

- Granular measures of market risk (Sensitivity limits, Stress scenario limits, Nominal limits); which exist independently of, but act in concert with the global limits; in order to control more effectively and more specifically different risk types, desks and products, these limits are generally granular sensitivity or stress-related limits. The levels set for granular limits aim at limiting the concentration in individual risk factors and the excessive exposure in risk factors which are not sufficiently covered under VaR.

Structure and Organisation

In order to ensure the effective implementation of operations and the consistency of policies, methods and practices related to market risk in the Group legal entities, the Group model for activities related to market risk is based on the definition of specific responsibilities.

In its relations with FinecoBank, the Parent Company is mainly responsible for:

- establishing, implementing and refining appropriate measures at global level for measuring exposure to market risk;
- setting risk limits, based on measurements identified, in line with the risk appetite approved by the Group.

The Market Risk function of the Bank, within the Risk Management Unit, in full compliance with local legal and regulatory obligations, works together with the Financial Risk Management Italy Function of the Parent Company and is tasked primarily - but not exclusively - with:

- calculating the risk measurements for the global and granular measures for the Bank's portfolios;
- checking that the measurements are compatible with the approved limits;
- initiating the escalation process when limits are exceeded, engaging the Financial Risk Italy function of the Parent Company;
- discussing and approving new products with innovative and complex market risk profiles, providing the Financial Risk Italy function of the Parent Company with adequate information in order for the said function to issue a non-binding opinion on the matter.

Risk measurement and reporting systems

Trading Book

The main tool used by the Bank to measure the market risk of trading positions is Value at Risk (VaR), calculated using the historic simulation approach. The historic simulation method involves the daily revaluation of positions on the basis of market price trends over an appropriate observation period. The resulting distribution of gains and losses is analysed to determine the effect of extreme market fluctuations on portfolios. The percentile value of the distribution corresponding to the set confidence level represents the VaR. The following parameters are used to calculate VaR: confidence level 99%; time horizon of 1 day; daily update of the time series; observation period of 500 days.

Banking Book

The primary responsibility for monitoring and controlling Market Risk management in the Banking Book lies with the Bank's competent Bodies. The Parent Company is responsible for monitoring market risk in the banking book at consolidated level, while sharing this responsibility with the relevant functions of the Legal Entities at local level.

The Parent Company, defines structure, data and frequency of the necessary Group and local level reporting.

Market risk in the banking book mainly consists of credit spread risk, interest rate risk and exchange rate risk. Credit spread risk mainly arises from investments in debt securities held for liquidity purposes. Market risk associated with the bond portfolio is monitored and subject to limits on the notional amount, the sensitivity to Economic Value and the Value at Risk.

The management of interest rate risk focuses on stabilising this second type of risk. The banking book interest rate risk measure covers the dual aspect of the value and the net interest income/expense of the Bank. More precisely, the different, and complementary, perspectives involve:

- Economic value perspective: variation in interest rates can affect the economic value of assets and liabilities. The economic value of the Bank can be viewed as the present value of the expected net cash flows, defined as the expected cash flows on assets minus the expected cash flows on liabilities. A relevant risk measure from this perspective is the economic value sensitivity per time bucket for a 1 basis point rate shock. This measure is reported to the relevant committees to assess the economic value impact of various changes in the yield curve. The economic value sensitivity is also calculated for a 200bp parallel shock. A monitoring variable from this perspective is the value at risk resulting from interest rate risk exposure;
- Income perspective: the focus of analysis is the impact of changes of interest rates on accrual or reported Net Interest Income that is the difference between revenues generated by interest sensitive assets and the cost related to interest sensitive liabilities. An example of a measure of risks used is Net Interest Income sensitivity for a 100bp parallel shock in rates. This measure provides an indication of the impact that such a shock would have on the net interest margin over the next 12 months.

The third type of risk is exchange rate risk. This exposure mainly derives from a mismatching of assets and liabilities in USD. Exchange rate risk is hedged through the matching of assets and liabilities denominated in currency or through spot transactions in foreign currencies.

Part E - Information on Risks and Hedging Policies (CONTINUED)

Procedures and methodologies for valuation of Trading Book positions

The Bank ensures that the value applied to each trading book position appropriately reflects the current fair (market) value, i.e. the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The fair value of each financial instrument is based on, or derived from, observable market prices or inputs. The availability of observable prices or inputs differs by product and market, and might change over time.

If observable prices or parameters are readily and regularly available (i.e. satisfying adequate liquidity requirements), they are directly employed in the determination of fair value (mark-to-market).

In non-active markets or for certain instruments, for which observable prices or inputs are not available, fair value is calculated using valuation techniques that are appropriate for the specific instrument (mark-to-model). This approach involves estimation and judgement and, therefore, might require valuation adjustments which take into account bid-ask spreads, liquidity and counterparty risk, besides the employed pricing model. In addition, each pricing model used for fair value calculation is validated by a dedicated function independent from business units.

According to the Group Market Risk Governance Guidelines, which define principles and rules for managing and controlling activities potentially involving a market risk, in order to ensure the adequate separation between functions in charge of development activities and functions in charge of validation, all valuation models developed by the front-office functions of Group companies need to be centrally and independently tested and validated by the Market Risk functions of the Parent Company. Model validation is also carried out centrally for any novel system or analysis framework whose utilisation has a potential impact on the Bank's economic results.

In addition to daily marking to market or marking to model, Independent Price Verification (IPV) shall be performed by the Risk Management function. This is the process by which market prices or model inputs are regularly verified for accuracy and independence. While daily marking to market or marking to model may be performed by front-office dealers, verification of market prices and model inputs is performed at least monthly.

Risk measures***VaR***

The VaR calculated within the measurement of the market risk of the banking and trading book uses a historical simulation approach. The choice of model adopted by the Parent Company has a series of advantages:

- easy to understand and communicate;
 - does not require any explicit assumptions about the particular functional form of the distribution of yields of the risk factors;
 - does not require estimation of the variance-covariance matrix of the market factors that may affect the value of the portfolio;
 - captures the correlation structure reflected in the simultaneous changes in market factors, implicitly assuming that it will remain constant in the future.
- On the other hand VaR models based on historical simulations do not provide any information on the amount of the loss exceeding the VaR. This why the framework established by the Parent Company uses additional instruments such as stress tests.

1.2.1 Interest rate risk and price risk - regulatory trading book**QUALITATIVE INFORMATION****A. General Matters**

The trading book is used to hold debt securities (ordinary and subordinated, structured and plain vanilla), equity instruments, and certificates - listed and non-listed - related to brokerage activities with retail customers.

The Bank does not perform proprietary trading and does not assume speculative positions in its books. Entries in the Bank's trading book are recorded against brokerage activities with retail customers particularly during the trading of OTC instruments. Other entries in the trading book are made for the internalisation of various financial instruments when the Bank is a counterparty to the customer. This activity is performed as a result of the options introduced by the MiFID which allow the execution of orders for financial instruments in a number of execution venues including internal execution.

B. Processes for managing and methods for measuring interest rate risk and price risk

For both a description of internal processes for monitoring and managing risk and an illustration of the approaches used to analyse exposure, please refer to the introduction.

QUANTITATIVE INFORMATION

1. Regulatory trading book: distribution by maturity (repricing date) of on-balance sheet financial assets and liabilities and financial derivatives

(Amounts in € thousand)

TYPE/UNEXPIRED TERM	ON DEMAND	UP TO 3 MONTHS	BETWEEN 3 AND 6 MONTHS	BETWEEN 6 MONTHS AND 1 YEAR	BETWEEN 1 AND 5 YEARS	BETWEEN 5 AND 10 YEARS	OVER 10 YEARS	INDEFINITE DURATION
1. On-balance sheet assets	30	-	1	3	-	9	3	-
1.1 Debt securities	30	-	1	3	-	9	3	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	30	-	1	3	-	9	3	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-balance sheet liabilities	-	-	-	-	-	-	-	-
2.1 Repos	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial derivatives								
3.1 With underlying security								
- Options								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	72	-	-
- Other derivatives								
+ Long positions	555	117,966	275	-	-	196	2,556	-
+ Short positions	585	118,070	275	-	-	34	2,556	-
3.2 Without underlying security								
- Options								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives								
+ Long positions	-	31,260	7,610	91,950	482	-	-	-
+ Short positions	-	97,220	300	22,810	582	-	-	-

Item 3.1 Financial Derivatives with underlying securities - Other Derivatives includes spot contracts for the purchase and sale of securities, other than shares and UCITS units, to be settled in times established by market practices ("regular way").

Item 3.2 Financial Derivatives without underlying securities - Other Derivatives includes spot contracts for the purchase and sale of foreign currencies, to be settled in times established by market practices ("regular way").

Part E - Information on Risks and Hedging Policies (CONTINUED)

Currency: Other currencies

(Amounts in € thousand)

TYPE/UNEXPIRED TERM	ON DEMAND	UP TO 3 MONTHS	BETWEEN 3 AND 6 MONTHS	BETWEEN 6 MONTHS AND 1 YEAR		BETWEEN 1 AND 5 YEARS	BETWEEN 5 AND 10 YEARS	OVER 10 YEARS	INDEFINITE DURATION
1. On-balance sheet assets	-	-	-	-	-	-	1	-	-
1.1 Debt securities	-	-	-	-	-	-	1	-	-
- with early redemption option	-	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	1	-	-
1.2 Other assets	-	-	-	-	-	-	-	-	-
2. On-balance sheet liabilities	-	-	-	-	-	-	-	-	-
2.1 Repos	-	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-	-
3. Financial derivatives									
3.1 With underlying security									
- Options									
+ Long positions	-	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-	-
- Other derivatives									
+ Long positions	-	45,769	-	-	-	-	-	58	-
+ Short positions	-	46,123	-	-	-	-	-	58	-
3.2 Without underlying security									
- Options									
+ Long positions	-	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-	-
- Other derivatives									
+ Long positions	-	130,838	990	42,445	-	-	-	-	-
+ Short positions	-	64,429	7,779	110,202	-	-	-	-	-

The effects of changes in the yield curve on net interest margin arising from instruments in the trading book are negligible. For similar considerations regarding the banking book, see paragraph 2. Banking book: internal models and other methods of sensitivity analysis of section "2.2 Interest rate risk and price risk - banking book" below.

2. Regulatory trading book: distribution of exposures in equity instruments and share indices for the main stock market countries

(Amounts in € thousand)

TYPE OF TRANSACTION/LISTING INDEX	LISTED						UNLISTED
	USA	SWITZERLAND	ITALY	GERMANY	FRANCE	OTHER	
A. Equity instruments							
- Long positions	2,017	-	232	-	-	46	2
- Short positions	341	-	-	35	-	6	-
B. Unsettled transactions on equity instruments							
- Long positions	45,321	-	104,950	8,890	-	12	-
- Short positions	44,972	-	104,961	8,855	-	-	-
C. Other derivatives on equity instruments							
- Long positions	1,047	-	82	-	-	-	1,440
- Short positions	3,144	-	265	-	-	45	-
D. Derivatives on share indices							
- Long positions	13,686	1,855	3,869	8,031	906	684	-
- Short positions	14,358	1,900	5,388	8,649	-	182	-

In relation to the lack of speculative activity and as discussed in section 2.1, the positions in equity instruments and equity indices in the regulatory trading book as at December 31, 2017 are negligible and only arise from settlement activities with institutional counterparties on behalf of customers; equally negligible is their impact on operating income, profit (loss) for the year and shareholders' equity.

3. Regulatory trading book: internal models and other methods of sensitivity analysis

The Bank monitors the VaR of the Trading Book on a weekly basis.

As at December 31, 2017, the daily VaR of the trading book amounted to €253.3 thousand.

1.2.2 Interest rate risk and price risk - banking book

QUALITATIVE INFORMATION

A. General aspects, management processes and measurement methods for interest rate risk and price risk

Interest rate risk consists of changes in interest rates that are reflected in:

- net interest margin sources, and thus, the Bank's earnings (cash flow risk);
- the net present value of assets and liabilities, due to their impact on the present value of future cash flows (fair value risk).

In line with the Group approach, the Bank measures and monitors interest rate risk daily, within the methodological framework and the corresponding limits or thresholds set by the Parent Company. These relate to the sensitivity of the net interest margin and the economic value.

Interest rate risk has an impact on all owned positions resulting from strategic investment decisions (banking book).

The main sources of interest rate risk can be classified as follows:

- repricing risk: the risk resulting from timing mismatches in terms of the repricing of the bank's assets and liabilities. These mismatches result in a risk associated with the rate curve. This risk relates to the Bank's exposure to changes in the slope and shape of the interest rate curve. An associated risk is the basis risk. This risk derives from the imperfect correlation in lending and borrowing interest rate changes for different instruments that may also show similar repricing characteristics;
- optionality risk - risk resulting from implicit or explicit options in the Group's banking book positions.

Within the organisational framework described above, the Board of Directors approves the limits on interest rate risk previously agreed with the Parent Company UniCredit S.p.A.. These limits are set in terms of VaR (calculated using the methodology described above in relation to the trading book). The Bank is responsible for managing the exposure to interest rate risk within the limits assigned.

To assess effects of the change in the interest rate curve on the banking book, scenario analyses are conducted that involve the parallel shifts in the rate curve of +/- 100 bps and +/- 200 bps at weekly intervals. For more details see section 2. *Banking book: internal models and other methods of sensitivity analysis*.

B. Fair value hedging activities

Hedging strategies aimed at complying with interest rate risk limits for the banking portfolio are carried out with unlisted derivative contracts. These derivatives, which are usually interest rate swaps, are the type of contracts most used. Macro-hedging is generally used, meaning hedges related to the amounts of cash contained in asset or liability portfolios.

C. Cash flow hedging activity

There are currently no cash flow hedges generated by the Bank business operations.

Part E - Information on Risks and Hedging Policies (CONTINUED)

QUANTITATIVE INFORMATION

1. Banking book: distribution by maturity (by repricing date) of financial assets and liabilities

(Amounts in € thousand)

TYPE/UNEXPIRED TERM	ON DEMAND	UP TO 3 MONTHS	BETWEEN 3 AND 6 MONTHS	BETWEEN 6 MONTHS AND 1 YEAR	BETWEEN 1 AND 5 YEARS	BETWEEN 5 AND 10 YEARS	OVER 10 YEARS	INDEFINITE DURATION
1. On-balance sheet assets	2,345,232	11,426,923	464,365	71,695	4,268,211	2,349,442	154,876	-
1.1 Debt securities	150,084	10,183,100	10,124	-	3,950,858	2,223,658	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	150,084	10,183,100	10,124	-	3,950,858	2,223,658	-	-
1.2 Loans to banks	1,509,174	549,685	413,758	7	-	-	-	-
1.3 Loans to customers	685,974	694,138	40,483	71,688	317,353	125,784	154,876	-
- current accounts	640,152	89	80	221	777	-	-	-
- other loans	45,822	694,049	40,403	71,467	316,576	125,784	154,876	-
- with early redemption option	4,428	199,714	39,495	70,306	313,380	125,748	154,876	-
- other	41,394	494,335	908	1,161	3,196	36	-	-
2. On-balance sheet liabilities	19,300,504	414,015	419,018	180,421	3,329	-	-	-
2.1 Deposits from customers	19,246,587	66,958	1,722	76,123	3,329	-	-	-
- current accounts	19,149,241	-	-	-	-	-	-	-
- other payables	97,346	66,958	1,722	76,123	3,329	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	97,346	66,958	1,722	76,123	3,329	-	-	-
2.2 Deposits from banks	53,917	347,057	417,296	104,298	-	-	-	-
- current accounts	39,323	-	-	-	-	-	-	-
- other payables	14,594	347,057	417,296	104,298	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial derivatives								
3.1 With underlying security								
- Options								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security								
- Options								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives								
+ Long positions	382,500	283,947	-	-	250,000	320,000	-	-
+ Short positions	-	574,863	4,951	9,984	461,899	93,169	91,581	-
4. Other off-balance sheet transactions								
+ Long positions	26,346	8,764	-	-	404	-	-	-
+ Short positions	8,764	26,750	-	-	-	-	-	-

Currency: Other currencies

(Amounts in € thousand)

TYPE/UNEXPIRED TERM	ON DEMAND	UP TO 3 MONTHS	BETWEEN 3 AND 6 MONTHS	BETWEEN 6 MONTHS AND 1 YEAR	BETWEEN 1 AND 5 YEARS	BETWEEN 5 AND 10 YEARS	OVER 10 YEARS	INDEFINITE DURATION
1. On-balance sheet assets	500,756	229,844	-	132	64,716	-	-	-
1.1 Debt securities	-	125,271	-	-	64,671	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	125,271	-	-	64,671	-	-	-
1.2 Loans to banks	498,860	67,676	-	46	-	-	-	-
1.3 Loans to customers	1,896	36,897	-	86	45	-	-	-
- current accounts	266	-	-	-	-	-	-	-
- other loans	1,630	36,897	-	86	45	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	1,630	36,897	-	86	45	-	-	-
2. On-balance sheet liabilities	794,881	10,690	-	-	-	-	-	-
2.1 Deposits from customers	791,448	10,690	-	-	-	-	-	-
- current accounts	786,045	-	-	-	-	-	-	-
- other payables	5,403	10,690	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	5,403	10,690	-	-	-	-	-	-
2.2 Deposits from banks	3,433	-	-	-	-	-	-	-
- current accounts	3,433	-	-	-	-	-	-	-
- other payables	-	-	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial derivatives								
3.1 With underlying security								
- Options								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security								
- Options								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
4. Other off-balance sheet transactions								
+ Long positions	6,916	1,269	-	-	-	-	-	-
+ Short positions	1,269	6,916	-	-	-	-	-	-

For a description of the effects of a change in interest rates on net interest margin, profit (loss) for the year, shareholders' equity and the results of scenario analysis, see paragraph 2. Banking book: internal models and other methods of sensitivity analysis.

Part E - Information on Risks and Hedging Policies (CONTINUED)

2. Banking book: internal models and other methods of sensitivity analysis

The following table provides the results of the analyses conducted.

To measure the interest rate risk contained in the Bank's financial statements it is necessary to measure the sensibility of the loans and deposits to changes in the interest rate curve. The UniCredit Group has developed specific behavioural models aimed at estimating the maturity profile of asset and liability items that do not have a contractual maturity; Indeed, what is perceived to be sight maturing in reality shows some stickiness.

The availability of historic data made it possible to completely align the representation of the interest rate risk profile to the profile used by the Group and that representation provided the breakdowns below

The following table provides the results of the analyses conducted in all currencies

(Amounts in € thousand)

	VALUE ANALYSIS (SHIFT + 200 BP)	VALUE ANALYSIS (SHIFT - 200 BP)	VALUE ANALYSIS (SHIFT +1 BP)	IRVaR*	INTEREST RATE ANALYSIS (+100)	INTEREST RATE ANALYSIS (-30)
12.31.2017	108,819	62,462	487	5,918	118,719	-34,726

* 1 day holding period, 99% confidence level%.

The sensitivity analysis on the value of shareholders' equity, which was conducted assuming a shift of + 200 basis points on the euro interest rate curve, showed a positive impact of €108,819 thousand. A shift of -200 basis points showed a positive impact of €62,462 thousand.

The sensitivity analysis on the value of shareholders' equity, which was conducted assuming a shift of + 1 basis point, showed a positive impact of €487 thousand.

The interest rate VaR figure for the Bank came to approximately €5,918 thousand.

Total VaR, including the Credit Spread Risk component arising mainly from Italian and Spanish government securities held as investment of liquidity, amounted to €29,918 thousand.

The sensitivity analysis on the value of shareholders' equity, which was conducted assuming a shift of +100 basis points on the euro interest rate curve, showed a positive impact of €118,719 thousand. A shift of -30 basis points would have a negative impact of Euro -34,726 thousand on the interest rate over the next 12 months.

1.2.3 Exchange Rate Risk**QUALITATIVE INFORMATION****A. General aspects, management processes and measurement methods for exchange rate risk**

As part of its treasury activities, the Bank collects funds in foreign currencies, mainly US dollars, through customer current accounts and repos, subsequently investing these funds in bonds, current accounts and time deposits, in the same currency, with the Parent Company UniCredit S.p.A. The impact on the value of balance sheet items is estimated using the Forex VaR indicator.

The VaR of the Bank's positions is not used for the calculation of the Pillar 1 capital requirement because the traditional standardised approach is used. The VaR is only used for management and risk monitoring purposes.

B. Exchange rate risk hedging

Exchange rate risk is hedged through the matching of assets and liabilities denominated in currency or through spot transactions in foreign currencies.

The component of exchange rate risk that contributes to the formation of the overall VaR is usually tied to the temporal mismatch between assets and liabilities in US dollars.

QUANTITATIVE INFORMATION

1. Breakdown by currency of assets, liabilities and derivatives

(Amounts in € thousand)

ITEMS	CURRENCIES					
	US DOLLAR	POUND STERLING	SWISS FRANC	YEN	SOUTH AFRICAN RAND	OTHER CURRENCIES
A. Financial assets	632,939	78,772	86,700	72	2,014	1,621
A.1 Debt securities	189,943	-	-	-	-	-
A.2 Equity instruments	6,650	2	-	6	-	10
A.3 Loans to banks	398,397	77,898	86,673	66	1,995	1,554
A.4 Loans to customers	37,949	872	27	-	19	57
A.5 Other financial assets	-	-	-	-	-	-
B. Other assets	153	12	-	-	966	23
C. Financial liabilities	637,881	78,339	86,186	106	2,059	1,346
C.1 Deposits from banks	-	-	-	106	2,059	1,268
C.2 Deposits from customers	637,881	78,339	86,186	-	-	78
C.3 Debt securities	-	-	-	-	-	-
C.4 Other financial liabilities	-	-	-	-	-	-
D. Other liabilities	210	53	-	-	-	493
E. Financial derivatives						
- Options						
+ Long positions	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-
- Other derivatives						
+ Long positions	104,802	25,355	4,488	5,980	4,360	29,288
+ Short positions	104,250	24,546	4,924	15,278	5,762	27,650
Total assets	737,894	104,139	91,188	6,052	7,340	30,932
Total liabilities	742,341	102,938	91,110	15,384	7,821	29,489
Difference	(4,447)	1,201	78	(9,332)	(481)	1,443

The impact of changes in exchange rates are quantified by the daily Forex VaR of the overall portfolio, as described in the following paragraph.

2. Internal models and other methods of sensitivity analysis

As at December 31, 2017, the daily Forex VaR of the overall portfolio (banking and trading books) was approximately €178 thousand.

Part E - Information on Risks and Hedging Policies (CONTINUED)

1.2.4 Derivative instruments

A. Financial derivatives

A.1 Regulatory trading book: end of period notional amounts

(Amounts in € thousand)

UNDERLYING ASSET/TYPE OF DERIVATIVE	12.31.2017		12.31.2016	
	OVER THE COUNTER	CENTRAL COUNTER-PARTIES	OVER THE COUNTER	CENTRAL COUNTER-PARTIES
1. Debt securities and interest rate indexes	1,135	162	3,519	2,889
a) Options	71	-	4	-
b) Swaps	-	-	-	-
c) Forwards	-	-	-	-
d) Futures	-	162	-	2,889
e) Other	1,064	-	3,515	-
2. Equity instruments and share indices	49,482	14,681	41,993	26,072
a) Options	72	-	-	-
b) Swaps	-	-	-	-
c) Forwards	-	-	-	-
d) Futures	-	14,681	-	26,072
e) Other	49,410	-	41,993	-
3. Currencies and gold	262,317	-	172,199	-
a) Options	-	-	-	-
b) Swaps	-	-	-	-
c) Forwards	-	-	-	-
d) Futures	-	-	-	-
e) Other	262,317	-	172,199	-
4. Commodities	-	-	-	-
5. Other underlying assets	-	-	-	-
Total	312,934	14,843	217,711	28,961

Letter e) Other in the "Over the counter" column consists of CFD derivatives.

A.2 Banking book: end of period notional amounts

A.2.1 Hedging instruments

(Amounts in € thousand)

UNDERLYING ASSET/TYPE OF DERIVATIVE	12.31.2017		12.31.2016	
	OVER THE COUNTER	CENTRAL COUNTER-PARTIES	OVER THE COUNTER	CENTRAL COUNTER-PARTIES
1. Debt securities and interest rate indexes	1,236,447	-	1,357,368	-
a) Options	-	-	-	-
b) Swaps	1,236,447	-	1,357,368	-
c) Forwards	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
2. Equity instruments and share indices	-	-	-	-
a) Options	-	-	-	-
b) Swaps	-	-	-	-
c) Forwards	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
3. Currencies and gold	-	-	-	-
a) Options	-	-	-	-
b) Swaps	-	-	-	-
c) Forwards	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
4. Commodities	-	-	-	-
5. Other underlying assets	-	-	-	-
Total	1,236,447	-	1,357,368	-

A.2.2 Other derivatives

No data to report.

A.3 Financial derivatives: gross positive fair value - breakdown by product

(Amounts in € thousand)

TRANSACTION TYPES/UNDERLYINGS	POSITIVE FAIR VALUE			
	12.31.2017		12.31.2016	
	OVER THE COUNTER	CENTRAL COUNTER-PARTIES	OVER THE COUNTER	CENTRAL COUNTER-PARTIES
A. Regulatory trading book	4,733	23	2,999	10
a) Options	-	-	-	-
b) Interest rate swaps	-	-	-	-
c) Cross currency swaps	-	-	-	-
d) Equity swaps	-	-	-	-
e) Forwards	-	-	-	-
f) Futures	-	23	-	10
g) Other	4,733	-	2,999	-
B. Banking book - hedges	458	-	552	-
a) Options	-	-	-	-
b) Interest rate swaps	458	-	552	-
c) Cross currency swaps	-	-	-	-
d) Equity swaps	-	-	-	-
e) Forwards	-	-	-	-
f) Futures	-	-	-	-
g) Other	-	-	-	-
C. Banking book - other derivatives	-	-	-	-
a) Options	-	-	-	-
b) Interest rate swaps	-	-	-	-
c) Cross currency swaps	-	-	-	-
d) Equity swaps	-	-	-	-
e) Forwards	-	-	-	-
f) Futures	-	-	-	-
g) Other	-	-	-	-
Total	5,191	23	3,551	10

A.4 Financial derivatives: negative fair value - breakdown by product

(Amounts in € thousand)

TRANSACTION TYPES/UNDERLYINGS	NEGATIVE FAIR VALUE			
	12.31.2017		12.31.2016	
	OVER THE COUNTER	CENTRAL COUNTER-PARTIES	OVER THE COUNTER	CENTRAL COUNTER-PARTIES
A. Regulatory trading book	538	27	549	41
a) Options	-	-	-	-
b) Interest rate swaps	-	-	-	-
c) Cross currency swaps	-	-	-	-
d) Equity swaps	-	-	-	-
e) Forwards	-	-	-	-
f) Futures	-	27	-	41
g) Other	538	-	549	-
B. Banking book - hedges	12,694	-	10,914	-
a) Options	-	-	-	-
b) Interest rate swaps	12,694	-	10,914	-
c) Cross currency swaps	-	-	-	-
d) Equity swaps	-	-	-	-
e) Forwards	-	-	-	-
f) Futures	-	-	-	-
g) Other	-	-	-	-
C. Banking book - other derivatives	-	-	-	-
a) Options	-	-	-	-
b) Interest rate swaps	-	-	-	-
c) Cross currency swaps	-	-	-	-
d) Equity swaps	-	-	-	-
e) Forwards	-	-	-	-
f) Futures	-	-	-	-
g) Other	-	-	-	-
Total	13,232	27	11,463	41

Part E - Information on Risks and Hedging Policies (CONTINUED)

A.5 Over the counter financial derivatives: regulatory trading portfolio - notional amounts, positive and negative gross fair value by counterparty - contracts not included in netting agreement

(Amounts in € thousand)

CONTRACTS NOT INCLUDED IN NETTING AGREEMENT	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC ENTITIES	BANKS	FINANCIAL COMPANIES	INSURANCE COMPANIES	NON-FINANCIAL COMPANIES	OTHER ENTITIES
1. Debt securities and interest rate indexes							
- notional value	71	-	-	-	-	-	1,064
- positive fair value	-	-	-	-	-	-	3
- negative fair value	-	-	-	-	-	-	5
- add-on	1	-	-	-	-	-	-
2. Equity instruments and share indices							
- notional value	-	-	-	72	-	640	48,769
- positive fair value	-	-	-	-	-	1	1,880
- negative fair value	-	-	-	-	-	-	224
- add-on	-	-	-	7	-	64	4,694
3. Currencies and gold							
- notional value	-	-	119,806	9	-	1,023	141,480
- positive fair value	-	-	333	-	-	40	2,475
- negative fair value	-	-	97	-	-	1	211
- add-on	-	-	-	-	-	10	1,415
4. Other instruments							
- notional value	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- add-on	-	-	-	-	-	-	-

A.6 Over the counter financial derivatives: regulatory trading portfolio - notional amounts, positive and negative gross fair value by counterparty - contracts included in netting agreement

No data to report.

A.7 Over the counter financial derivatives: banking book - notional values, positive and negative gross fair values by counterparty - contracts not covered by clearing agreements

(Amounts in € thousand)

CONTRACTS NOT INCLUDED IN NETTING AGREEMENT	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC ENTITIES	BANKS	FINANCIAL COMPANIES	INSURANCE COMPANIES	NON-FINANCIAL COMPANIES	OTHER ENTITIES
1. Debt securities and interest rate indexes							
- notional value	-	-	603,947	-	-	-	-
- positive fair value	-	-	458	-	-	-	-
- negative fair value	-	-	2,171	-	-	-	-
- add-on	-	-	7,968	-	-	-	-
2. Equity instruments and share indices							
- notional value	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- add-on	-	-	-	-	-	-	-
3. Currencies and gold							
- notional value	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- add-on	-	-	-	-	-	-	-
4. Other instruments							
- notional value	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- add-on	-	-	-	-	-	-	-

A.8 Over the counter financial derivatives: banking book - notional values, positive and negative gross fair values by counterparty - contracts covered by clearing agreements

(Amounts in € thousand)

CONTRACTS INCLUDED IN NETTING AGREEMENT	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC ENTITIES	BANKS	FINANCIAL COMPANIES	INSURANCE COMPANIES	NON-FINANCIAL COMPANIES	OTHER ENTITIES
1. Debt securities and interest rate indexes							
- notional value	-	-	632,500	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	10,523	-	-	-	-
2. Equity instruments and share indices							
- notional value	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
3. Currencies and gold							
- notional value	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
4. Other instruments							
- notional value	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-

Part E - Information on Risks and Hedging Policies (CONTINUED)

A.9 OTC financial derivatives - residual life: notional values

(Amounts in € thousand)

UNDERLYING/UNEXPIRED TERM	UP TO 1 YEAR	BETWEEN 1 AND 5 YEARS	OVER 5 YEARS	TOTAL
A. Regulatory trading book	267,964	-	44,970	312,934
A.1 Financial derivatives on debt securities and interest rates	1,064	-	71	1,135
A.2 Financial derivatives on equity instruments and share indices	4,583	-	44,899	49,482
A.3 Financial derivatives on exchange rates and gold	262,317	-	-	262,317
A.4 Financial derivatives on other instruments	-	-	-	-
B. Banking book	19,798	711,899	504,751	1,236,448
B.1 Financial derivative contracts on debt securities and interest rates	19,798	711,899	504,751	1,236,448
B.2 Financial derivatives on equity instruments and share indices	-	-	-	-
B.3 Financial derivatives on exchange rates and gold	-	-	-	-
B.4 Financial derivatives on other instruments	-	-	-	-
Total as at December 31, 2017	287,762	711,899	549,721	1,549,382
Total as at December 31, 2016	805,714	477,368	291,997	1,575,079

A.10 Over the counter financial derivatives: Counterparty risk/financial risk - Internal models

No data to report.

B. Credit derivatives

No data to report.

C. Financial and credit derivatives**C.1 OTC financial and credit derivatives: net fair values and future exposures by counterparty**

(Amounts in € thousand)

	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC ENTITIES	BANKS	FINANCIAL COMPANIES	INSURANCE COMPANIES	NON-FINANCIAL COMPANIES	OTHER ENTITIES
1) Bilateral arrangements - financial derivatives							
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	10,523	-	-	-	-
- add-on	-	-	1,265	-	-	-	-
- net counterparty risk	-	-	-	-	-	-	-
2) Bilateral arrangements - credit derivatives							
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- add-on	-	-	-	-	-	-	-
- net counterparty risk	-	-	-	-	-	-	-
3) Cross-product arrangements							
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- add-on	-	-	-	-	-	-	-
- net counterparty risk	-	-	-	-	-	-	-

1.3 Banking Group - Liquidity Risk

QUALITATIVE INFORMATION

A. General aspects, management processes and measurement methods for liquidity risk

Liquidity risk can be succinctly defined as the risk that the Bank, also due to unexpected future events, is unable to meet its payment obligations or to efficiently match expected cash inflows and outflows.

The different types of liquidity risk managed by the Bank are as follows:

- funding risk, the Bank may not be able to effectively address any expected or unexpected cash outflows due to the unavailability of funding sources;
- market risk, in liquidating a considerable amount of assets, the Bank may be facing a considerable (and unfavourable) change in price generated by internal or external factors;
- risk of mismatch, the risk generated by a mismatch between the amounts and/or the maturities of cash inflows and outflows;
- contingency risk, future unexpected commitments (credit facilities being drawn down, deposit withdrawals, increase of collateral) may require a higher amount of liquidity compared to that used by the Bank in ordinary operations.

To address its exposure to liquidity risk, the Bank invests the portion of liquidity that according to its internal analyses is less stable ("non-core liquidity") in liquid assets or assets readily convertible into cash, such as, for example, demand deposits, short-term loans or government bonds that can be used as a source of short-term financing with the central bank.

At the reporting date, there were no "Contingent liquidity and funding needs", such as, for example, accelerated repayment clauses or the issue of additional guarantees relating to a downgrade of the bank.

The key principles

"Fineco Liquidity Policy" approved by the Board of Directors of the Bank establishes the managerial autonomy of the Bank's Treasury department and sets forth the principles and rules that the Bank applies to both normal and emergency liquidity management in line with the UniCredit Group liquidity risk management.

Roles and responsibilities

The "Fineco Liquidity Policy" establishes the principles adopted in terms of internal governance, which envisage the involvement of the Finance, Treasury and Risk Management departments, in line with the Group's approach.

The operational management of liquidity is carried out by the Treasury department, which ensures effective and efficient management of liquidity in the short and medium/long term, monitoring of liquidity exposure and first-level controls on the management process.

The Risk Control function is responsible for monitoring compliance with limits and implementing the rules on liquidity risk, the implementation of selected risk metrics and the assessment of selected methods.

To this end, "Fineco Liquidity Policy" explicitly refers to Group rules regarding the implementation of first and second level monitoring, both from a regulatory and management standpoint:

1. Short-term liquidity risk management (operational liquidity), which considers the events that may impact upon the Bank's liquidity position from one day up to one year. The primary objective is to maintain the Bank's capacity to fulfil its ordinary and extraordinary payment obligations while minimising the relevant costs.
2. Structural liquidity risk management (structural risk), which considers the events that may impact upon the Bank's liquidity position over one year. The primary objective is to maintain an adequate ratio between medium/long term liabilities and medium to long-term assets, with a view to avoiding pressures on short-term funding sources (both current and future).
3. Stress tests: Liquidity risk is a low probability, high impact event. Therefore stress testing is a tool to reveal potential vulnerabilities. The Bank uses several scenarios ranging from general market crisis to idiosyncratic crisis, and combinations hereof.

In this context, the Bank takes into account all of the assets, liabilities, off-balance sheet positions and present and future events that generate certain or potential cash flows, thereby protecting the Bank from risks related to the transformation of maturity.

Short term liquidity management

Short-term liquidity management aims at ensuring that the Bank remains in a position to fulfil its cash payment obligations always, whether expected or unexpected, focused on the exposure for the first twelve months.

On a daily basis, the Bank calculates the Operative Maturity Ladder, which measures the cash inflows and outflows affecting the monetary base, with details of the main temporal buckets.

The Bank's objective is to provide sufficient short-term liquidity to deal with the particularly adverse liquidity crises for at least three months.

Part E - Information on Risks and Hedging Policies (CONTINUED)

Structural liquidity management

The objective of the Bank's structural liquidity management is to maintain an adequate ratio between medium/long term assets and liabilities (generally over one year), with a view to avoiding pressures on short-term funding sources, both current and future. To this end, the Bank adopts a prudent approach to its investments of liquidity, taking into account funding maturities. The indicators used and monitored as part of the wider Risk Appetite Framework (NSFR- and NSFR-adjusted) ensure that assets and liabilities have a sustainable maturity structure.

Liquidity Stress Test

Stress testing is a risk management technique used to evaluate the potential effects of a specific event on an entity's financial position. As a forward looking tool, liquidity stress testing diagnostics the institution's liquidity risk.

Periodically, the Bank uses scenario analysis to evaluate the impact of simultaneous changes in various risk factors, defining a hypothetical and consistent stress event whose assumptions and size are shared and agreed with the Parent Company's functions.

Behavioural modelling of Assets and Liabilities

FinecoBank has developed specific behavioural models aimed at estimating the maturity profile of asset and liability items that do not have a contractual maturity; Indeed, what is perceived to be sight maturing in reality shows some stickiness.

More specifically, modelling of assets and liabilities aims to construct a replication profile that best reflects the behavioural characteristics of the items. An example is on demand items: estimates of the maturity profile reflect the perceived stickiness. These behavioural models are developed by FinecoBank's CFO function in collaboration with the Parent Company's Competence Line and are validated by FinecoBank's Risk Management.

FinecoBank Contingency Liquidity Policy

A liquidity crisis is a high impact, low probability event. Therefore, a crisis-mode operating model, that can be activated effectively in case of crisis according to an approved procedure, has been defined in FinecoBank "Contingency Plan for liquidity risk".

The ability to act in time is essential to minimise the potentially disruptive consequences of a liquidity crisis. The analytics of the Stress tests form a valuable tool to identify the expected consequences and to define up front the most suitable actions in a certain crisis scenario. In combination with Early Warning Indicators (EWI) the Bank may be able to reduce the liquidity effects in the initial stages of a crisis.

FinecoBank "Contingency Plan on liquidity risk" has the objective of ensuring effective interventions also during the initial stage of a liquidity crisis, through the clear identification of individuals, powers, responsibilities, communication, and reporting criteria, with a view of increasing significantly the probability of successfully overcoming the state of emergency. This is achieved through:

- activation of extraordinary liquidity governance and operating model;
- consistent communication both internally and to the Group;
- a set of available mitigating liquidity actions;
- a set of early warning indicators that may point towards a developing crisis.

QUANTITATIVE INFORMATION

1. Time breakdown by contractual residual maturity of financial assets and liabilities

(Amounts in € thousand)

ITEM/TIME BRACKETS	ON DEMAND	BETWEEN 1 AND 7 DAYS	BETWEEN 7 AND 15 DAYS	BETWEEN 15 DAYS AND 1 MONTH	BETWEEN 1 AND 3 MONTHS	BETWEEN 3 AND 6 MONTHS	BETWEEN 6 MONTHS AND 1 YEAR	BETWEEN 1 AND 5 YEARS	OVER 5 YEARS	INDEFINITE DURATION
On-balance sheet assets	2,194,487	38,766	425,198	504,807	384,155	940,400	985,686	10,986,188	4,254,676	199,104
A.1 Government securities	-	-	-	19,886	16,872	55,330	58,789	3,183,000	2,039,007	-
A.2 Debt securities	-	2,863	4,626	387,350	28,517	422,039	839,083	7,450,030	1,822,502	-
A.3 Units in investment funds	2,018	-	-	-	-	-	-	-	-	-
A.4 Loans	2,192,469	35,903	420,572	97,571	338,766	463,031	87,814	353,158	393,167	199,104
- Banks	1,509,174	545	166,758	2,421	180,709	413,335	7	-	-	199,104
- Customers	683,295	35,358	253,814	95,150	158,057	49,696	87,807	353,158	393,167	-
On-balance sheet liabilities	19,309,803	19,971	166,525	6,852	220,638	418,460	180,431	3,284	-	-
B.1 Deposits and current accounts	19,189,715	112	216	361	1,318	1,725	2,553	3,284	-	-
- Banks	39,323	-	-	-	-	-	-	-	-	-
- Customers	19,150,392	112	216	361	1,318	1,725	2,553	3,284	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	120,088	19,859	166,309	6,491	219,320	416,735	177,878	-	-	-
Off-balance sheet transactions										
C.1 Financial derivatives with exchange of capital										
- Long positions	-	138,306	49	-	-	300	-	-	2,328	587
- Short positions	-	137,457	39	-	162	300	-	30	2,238	586
C.2 Financial derivatives without exchange of capital										
- Long positions	985	666	-	202	1,501	3,281	5,397	-	-	-
- Short positions	97	-	-	-	771	793	1,526	-	-	-
C.3 Deposits and loans to be collected										
- Long positions	-	8,764	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	8,660	104	-	-	-
C.4 Irrevocable commitments to lend funds										
- Long positions	-	-	-	-	-	26,221	124	404	-	-
- Short positions	-	26,346	-	404	-	-	-	-	-	-
C.5 Financial guarantees given	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of capital										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without exchange of capital										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-

Part E - Information on Risks and Hedging Policies (CONTINUED)

Currency: Other currencies

(Amounts in € thousand)

ITEM/TIME BRACKETS	ON DEMAND	BETWEEN 1 AND 7 DAYS	BETWEEN 7 AND 15 DAYS	BETWEEN 15 DAYS AND 1 MONTH	BETWEEN 15 DAYS AND 1 MONTH	BETWEEN 3 AND 6 MONTHS	BETWEEN 6 MONTHS AND 1 YEAR	BETWEEN 1 AND 5 YEARS	OVER 5 YEARS	INDEFINITE DURATION
On-balance sheet assets	500,959	5,855	21,172	4,239	74,750	42,637	2,242	150,133	1	-
A.1 Government securities	-	-	-	-	375	-	375	66,706	1	-
A.2 Debt securities	-	141	-	254	808	42,637	1,735	83,382	-	-
A.3 Units in investment funds	1	-	-	-	-	-	-	-	-	-
A.4 Loans	500,958	5,714	21,172	3,985	73,567	-	132	45	-	-
- Banks	498,860	-	20,311	-	47,410	-	46	-	-	-
- Customers	2,098	5,714	861	3,985	26,157	-	86	45	-	-
On-balance sheet liabilities	794,919	2,381	292	1,520	6,854	-	-	-	-	-
B.1 Deposits and current accounts	789,516	-	-	-	-	-	-	-	-	-
- Banks	3,433	-	-	-	-	-	-	-	-	-
- Customers	786,083	-	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	5,403	2,381	292	1,520	6,854	-	-	-	-	-
Off-balance sheet transactions										
C.1 Financial derivatives with exchange of capital										
- Long positions	-	65,637	39	-	-	-	-	-	63	-
- Short positions	-	66,753	48	-	-	-	-	-	63	-
C.2 Financial derivatives without exchange of capital										
- Long positions	3,771	-	-	-	-	-	-	-	-	-
- Short positions	467	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to be collected										
- Long positions	-	1,269	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	1,269	-	-	-	-
C.4 Irrevocable commitments to lend funds										
- Long positions	-	-	-	-	-	6,916	-	-	-	-
- Short positions	-	6,916	-	-	-	-	-	-	-	-
C.5 Financial guarantees given	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of capital										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without exchange of capital										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-

Assets received as collateral or loaned as part of repos and securities lending

(Amounts in € thousand)

	12.31.2017	12.31.2016
Fair value of securities received as guarantee in repos and securities lending with cash guarantee	258.844	122.584
Fair value of securities received on loan	949.550	1.094.173
Of which fair value of the securities delivered through reverse repos and securities lending with cash guarantee	(996.775)	(1.213.038)

Section 1.4 - Banking Group - Operating risk

QUALITATIVE INFORMATION

A. General aspects, operational processes and methods for measuring operational risk

Operational risk definition

Operational risk is defined as the risk of losses due to errors, violations, interruptions, or damage caused by internal processes, personnel, financial advisors, systems or by external events. This definition includes legal and compliance risks, but excludes strategic and reputational risk.

For example, losses arising from the following can be defined as operational: internal or external fraud, employment practices and workplace safety, customer claims, product distribution, fines and penalties for regulatory breaches, damage to the Company's physical assets, business disruption and system failures, and management of processes.

Group operational risk framework

The UniCredit Group has defined the policies and procedures for measuring and mitigating operational risk within the Group and its Subsidiaries. Operational risk policies, applicable to all Group entities, are common principles that define the roles of company bodies and of the risk management function as well as the interactions with other functions involved in the process. These principles and provisions have been set out in the Group Framework for the management of operational risk and adopted in FinecoBank's Operational Risk Manual.

The methods for classifying data and verifying its completeness, scenario analysis, risk indicators and risk capital reporting and measurement are set by the Group Operational & Reputational Risks department of the Parent Company and applied by FinecoBank in its capacity as a Group Legal Entity. A pivot element of the risk control framework is the operational risk management application, allowing the collection of the data required for operational risk control and capital measurement.

The compliance of the operational risk control and measurement system with external regulations and Group standards is assessed through an internal validation process, under the responsibility of the Group Internal Validation department of the Parent Company, which is independent from the Group Operational & Reputational Risks department.

The Bank has obtained the approval of the Bank of Italy for the use of advanced approaches (AMA) to calculate its capital requirement for operational risk with effect from June 30, 2010.

Organisational structure

The Board of Directors is responsible for approving all aspects relating to the Group operational risk framework and verifying the adequacy of the measurement and control system and is regularly updated on changes to the risk profile and operational risk exposure, with support from the appropriate risk committees if required.

The reports produced by Risk Management for the Board of Directors ensure that management and the control bodies are constantly updated on the trend in operational risk within the Bank and can actively intervene in the management and mitigation of the risks. The Chief Risk Officer's participation in the Products Committee also ensures oversight of the operational risk associated with the Bank's new business activities.

The Operational Risk Management (ORM) team is part of the broader Risk Management office which reports to the Chief Risk Officer of FinecoBank who in turn reports directly to the Chief Executive Officer and General Manager.

The main activities carried out by the Risk Management office in terms of operational risk are:

- recognition, classification, validation and reporting of operating losses with consequent identification of problem areas;
- assessment of potential risks through scenario analyses and risk indicators (Key Risk Indicator-KRI);
- monitoring and optimisation of the internal control system;
- policies to mitigate and transfer risk through insurance cover;
- development of an operational risk culture within the Bank;
- generating reports for the Board of Directors and Senior Management on risk trends.

Internal validation process

In compliance with external regulations, the operational risk control and measurement system is subject to an internal validation process established by the Parent Company, in order to verify its compliance with minimum requirements and Group standards. This process is owned by the Operational and Pillar II Risk Validation Unit, within the Group Internal Validation department.

The use of the Advanced Measurement Approach (AMA) to calculate regulatory capital requires the preparation of an annual report on the management and control system for operational risk by the Operational Risk team. This Annual Report contains a self-assessment of the system and a detailed examination of the governance structure, the process for collecting data on losses, the scenario analyses and internal control system, as well as the operational use of the measurement system.

The Report is submitted to the approval of the Board of Directors and is validated by the Internal Audit department and Group Internal Validation (GIV). For 2017, the Internal Audit department and Group GIV confirmed that adequate protection measures are in place for operating risk as well as the adequacy of the existing management and control system.

Part E - Information on Risks and Hedging Policies (CONTINUED)

Operational risk management

Operational risk management consists of the review of processes to reduce the risks found and the management of the related insurance policies, with the identification of the suitable deductibles and limits.

From September 2011, a Permanent Work Group (PWG) has been established, which includes the CRO, the Risk Manager as well as Information Security & Fraud Manager and Organisation, to allow them to share their respective expertise in relation to the projects planned or in under way, new processes and products, or changes to them, and anything else that may affect the Bank's risk profile; the PWG's ultimate objective is to identify and then develop new mitigation measures.

As part of the prevention of operational risk and to control sales channels remotely, the Risk Management office has focused on fraud prevention measures.

The development of remote monitoring to prevent fraud has led to the creation of a system called System of Fraud Identification and Analysis (SoFIA). This system enables a larger amount of data and information on individual indicators to be analysed at the same time and enables possible irregularities to be detected on a daily basis through an alert system.

In this way, all of the names put forward to be checked are assessed at the same time with regard to all remote indicators (31 indicators).

On the basis of qualitative and quantitative assessments of these indicators, the assigned staff select any cases that need to be reported to the Network Controls Department, Monitoring and Network Services Department - reporting directly to the Chief Executive Officer - for subsequent examination.

Moreover, the Operational Risk team is updated annually on the results of the tests conducted in accordance with the Business Continuity and Disaster Recovery plans.

Risk capital measurement and allocation mechanism

UniCredit developed an internal model for measuring the capital requirement. The capital requirement is calculated on the basis of internal loss data, external loss data, scenario loss data and risk indicators.

The collection and classification of operating losses is managed by a Group system called Application for Risk Gauging On line (ARGO). In addition to being used for internal prevention and improvement purposes, the information gathered is also used to calculate Pillar 1 and 2 capital requirements.

In terms of risk indicators, there are currently 42 key risk indicators split into eight control areas (Legal, Claims, Credit Cards, Back Office, PFA, IT systems, Payment Systems, Compliance) that contribute to the calculation of the regulatory capital, which the Bank uses to measure its exposure to operational risk. If an indicator shows an irregular value, this may be related to changes in the exposure to operational risk.

Scenario analyses enable the Bank's exposure to operational risk, characterised by low frequency but high potential impact, to be estimated. The scenarios are identified by analysing internal losses, external events, risk indicator trends, critical processes, products and risk classes.

The inclusion of the data generated through the analyses of the scenario and of the trend of risk indicators are a forward-looking element of the risk capital calculation model.

Data collection and control is managed by the Bank, while the management and maintenance of the model to calculate regulatory capital is centralised for all Legal Entities of the Group at the Parent Company.

Risk capital for operational risk used for regulatory purposes as at December 31, 2017, amounted to €55,762 thousand.

Risks arising from significant legal disputes

The Bank is involved in individually insignificant legal proceedings over which there is considerable uncertainty regarding the outcome and the amount of possible charges, which the Bank could be forced to incur. Where it is possible to reliably estimate the amount of possible charges and the charges are considered likely, provisions have been made in an appropriate amount based on the circumstances and consistent with international accounting standards, by making the best possible estimate of the amount that the Bank will reasonably be expected to incur in discharging its obligations. Specifically, as a precaution against these obligations and customer claims that have not yet resulted in legal proceedings, as at December 31, 2017, the Bank had a provision in place for risks and charges of €31,056 thousand. This provision includes the costs of proceedings borne by the Bank in the event of an adverse conclusion of the dispute plus the estimated expenses to be paid to lawyers, any technical advisors and/or experts who assist the Bank, to the extent that it is believed that they will not be reimbursed by the counterparties.

This estimate was determined by the Bank, in relation to the current dispute, based on the analysis of the historical trend of legal expenses incurred, by type of litigation and degree of judgment, consistent with the methodology defined by the Parent Company in this regard.

Risks arising from tax disputes and audits

Risks arising from tax disputes and audits as at December 31, 2017 mainly relate to a notice of assessment for the year 2003 containing an objection to the use of tax credits for €2.3 million, in relation to which the bank has appealed to the Supreme Court as it considers its position to be well-founded. The bank has already paid the additional taxes and interest due.

With regard to disputes, the higher taxes, interests and penalties have already been recognised in the income statement with a contra entry, respectively, in tax liabilities and the provision for risks and charges.

Moreover, tax receivables for the amounts paid have been recognised.

In light of the foregoing, as at December 31, 2017 the Bank had in place provisions that adequately reflect the specific circumstances and are in line with international accounting standards; specifically, to tax liabilities of for a total of €5.6 million, for higher tax, and to provisions for risks and charges of €3.9 million, for penalties and interest

The assessment of ICT operational risk

The prudential regulations require Banks to conduct an analysis, at least annually, of the Bank's ICT risk and to submit the results of the assessment made to the Board of Directors.

In particular, the regulations have introduced standards and specific requirements for managing and assessing ICT risk that require Banks to assess the exposure to these risks, not only by gathering and analysing economic losses, but also by considering additional information, such as ICT incidents occurring and information related to the riskiness of the Bank's assets (hardware and software).

The Parent Company, in performing its role of direction, coordination and control, has established a common framework for the entire Group for the assessment of ICT risk and FinecoBank Risk Management function has adopted that framework.

The results of the analysis, conducted in collaboration with the Bank's Business, ICT and Organisation departments, were reported to the Bank's Board of Directors during 2017.

QUANTITATIVE INFORMATION

Internal operating loss data is the main component used to calculate capital requirements against operational risk. Loss analyses enable the ORM team to make assessments on the Bank's exposure to operational risk and to identify any critical areas. As at December 31, 2017, operating losses recorded in the accounts amounted to approximately €6 million.

The main sources of operating losses are shown below by "event type", i.e. by type of event that generated them according to the Basel II Accord:

- Internal fraud: losses due to unauthorised activities, fraud, embezzlement or infringement of laws, regulations or company directives that involve at least one internal staff member of the bank or a resource hired under an agency contract (PFA);
- External fraud: losses owing to fraud, embezzlement or violation of laws by subjects external to the bank;
- employment practices and workplace safety: losses due to actions not compliant with the law or to agreements regarding employment, health and safety, to the payment of compensation for bodily harm, or to cases of discrimination or non-application of equality conditions;
- customers, products and professional practices: losses arising from non-fulfillment of professional obligations towards customers or from the nature or characteristics of the products or services provided;
- damage from external events: losses arising from external events, including natural disasters, acts of terrorism and vandalism;
- business disruption and system failures: losses owing to business disruption and system failures or interruptions;
- process management, execution and delivery: losses due to deficiencies in the completion of transactions or management of processes, as well as losses due to relations with commercial counterparties, vendors and suppliers.

Section 2 - Insurance companies risk

No information to report.

Section 3 - Other companies' risk

No information to report.

Section 4 - Other risks

Although the types of risk described above represent the main categories, there are, other types that the Bank considers important. In accordance with the provisions of Basel II Pillar 2, the Bank - with the support of the Parent Company - has identified other types of risk in addition to the credit, market, operational and liquidity risks described above:

- **Business risk** is defined as the distance between the Bank's expected net result and any unforeseen and adverse variances. First of all, it may be caused by a significant deterioration of market conditions, changes to competition or the Bank's cost structure;
- **Strategic risk** is the risk of suffering potential losses due to decisions or radical changes in the business environment, improper implementation of decisions, lack of responsiveness to changes in the business environment, which result in negative impacts to the risk profile, capital and earnings as well as the overall direction and scope of a bank over the long run;
- **Reputational risk**, which represents the current or future risk of a fall in profits resulting from a negative perception of the Bank's image by Customers, counterparties, shareholders, investors or Supervisory Authorities.

The Bank has not included Real Estate Risk within the Bank's scope of risk, because it does not hold significant positions in real estate, nor insurance risk, as the insurance companies are not included in its scope of consolidation.

Following the identification of the significant risks, the Parent Company establishes the best way to analyse them in qualitative and quantitative terms. The quantitative measurement is carried out by the Parent Company using data sent by the Bank and is used to calculate the Internal Capital.

Part E - Information on Risks and Hedging Policies (CONTINUED)

Credit, market, operational and business risks are measured quantitatively by the Parent Company, using:

- economic capital, calculation of the benefit of diversification and aggregation as a component of internal capital (including prudential cushion for model risk and variability of the economic cycle);
- Stress tests.

Internal Capital is the capital set aside as a buffer against the potential losses inherent in the Group's business activities and it takes into consideration all risk types that the Group has identified as measurable in terms of Economic Capital in line with Pillar II requirements.

For control purposes, Internal Capital is calculated quarterly by the Parent Company based on the periodic figures sent by the Bank.

The multi-dimensional nature of risk makes it necessary to supplement the measurement of economic capital with stress testing, not only in order to estimate losses in certain scenarios, but also to ascertain the impact of their determinants.

The stress test is one of the instruments used control significant risks in order to assess the Bank's vulnerability to "exceptional but plausible" events, providing additional information to the monitoring activities.

Stress testing, in accordance with regulatory requirements, is conducted on the basis of a set of internally defined stress scenarios and is periodically performed by specific Parent Company functions.

ICAAP - Internal Capital Adequacy Assessment Process

Measuring the risk profile is a fundamental element of the Internal Capital Adequacy Assessment Process under Pillar 2 (ICAAP).

The UniCredit Group's approach to ICAAP relies on the definition of the "Risk Governance", as a preliminary requirement, while the process consists of following phases:

- defining the scope and identifying the risks;
- assessing the risk profile;
- risk appetite setting and capital allocation;
- monitoring and reporting.

Capital adequacy is assessed by considering the balance between assumed risks, both Pillar I and Pillar II, and the available capital. With respect to Pillar II, the relevant metric is the Risk Taking Capacity, which is the ratio of available capital (Available Financial Resources - AFR) to Internal Capital.

Risk Appetite

The main elements of the internal process for determining capital adequacy include the setting and monitoring of the risk appetite. The risk appetite is defined as the level of risk that the Bank is willing to accept for the pursuit of its strategic objectives and business plan, taking into account the interests of its customers and shareholders, capital requirements and other requirements.

The main objectives of the risk appetite are:

- explicitly assessing the risks, and their interconnections at local and Group level, that the Bank decides to assume (or avoid) in a long-term perspective;
- specifying the types of risk that the Bank intends to assume, setting targets, triggers and limits under both normal operating and stress conditions;
- ensuring a risk-return profile "ex-ante" consistent with sustainable long-term growth, as defined by the return forecasts of the strategic plan/budget;
- ensuring that the business developed within the limits of risk tolerance established by the Board of Directors, in accordance with the applicable national and international regulations;
- supporting discussions on future policy options with regard to the risk profile;
- guiding the vision of internal and external stakeholders towards a risk profile consistent with the strategic plan;
- providing qualitative descriptions for risks that are difficult to quantify (e.g. strategic, reputational, compliance) to strategically guide the review of processes and the internal control system.

The Risk appetite is defined consistently with the Bank's business model and local and Group ICAAP. For this reason, the Risk Appetite is incorporated in the budget process.

The risk appetite includes a statement and a set of KPIs. The Statement sets out the Bank's positioning in terms of strategic objectives and associated risk profiles, while the KPIs are designed to quantitatively measure the Bank's in the following categories:

- Pillar 1 KPI: regulatory requirements, to include the KPIs required by the Supervisory Authority (e.g., capital and liquidity requirements such as LCR and NSFR);
- Managerial KPI: to ensure alignment with the budget in terms of return on capital and credit quality;
- Specific Risk KPI: to ensure control of all major risks (such as Pillar 2 capital adequacy, market risk, interest rate risk and operating risk).

For each of the above mentioned factors, one or more KPIs are identified, in order to quantitatively measure the Bank's positioning under several respects: absolute values, ratio between comparable measures, sensitivity analysis on defined parameters.

The Targets represent the amount of risk that the Bank is willing to take in normal operating conditions in line with its Ambitions. The Targets should be considered as reference thresholds for business development. Triggers are the maximum acceptable deviation from the targets; they are defined to ensure operations under stress within the maximum acceptable level of risk.

Limits are the maximum level of risk that the Bank accepts to assume.

The setting of the thresholds is evaluated on a case by case basis, also through managerial decisions by the Board of Directors, in compliance with the regulatory requirements and of the supervisory bodies and considering the consistency with the Group risk appetite.

The metrics are the subject of regular monitoring and reporting, at least quarterly. The monitoring is respectively carried out by the CRO Department and the CFO Department.

Part F - Consolidated shareholders' equity

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Part F - Consolidated shareholders' equity

Section 1 - Consolidated Shareholders' equity

A. QUALITATIVE INFORMATION

The Bank has made a priority of capital management and allocation on the basis of the risk assumed in order to expand its operations and create value. These activities involve the various planning and control stages and, specifically, the planning, budgeting and monitoring processes (analysis of expected and actual performance, analysis and monitoring of limits, performance analysis and monitoring of capital ratios). These activities are also planned in relation to the subsidiary Fineco AM Limited, once it has commenced operations.

Capital and its allocation are therefore extremely important in defining strategies, since on the one hand it represents the shareholders' investment in the Bank which must be adequately remunerated, on the other hand it is a scarce resource on which there are external limitations imposed by regulatory provisions.

Capital is managed dynamically: the Bank prepares the financial plan, monitors capital requirements for regulatory purposes and anticipates the appropriate steps required to achieve goals.

Monitoring refers, on one hand, to both shareholders' equity and the composition of own funds and, on the other hand, to the planning and performance of risk-weighted assets (RWA).

B. QUANTITATIVE INFORMATION

B.1 Consolidated Shareholders' equity: breakdown by company type

(Amounts in € thousand)

EQUITY ITEMS	BANKING GROUP	INSURANCE COMPANIES	OTHER COMPANIES	ELIMINATIONS AND ADJUSTMENTS FROM CONSOLIDATION	TOTAL
Share capital	200,545	-	-	-	200,545
Share premium reserve	1,934	-	-	-	1,934
Reserves	323,932	-	-	-	323,932
Equity instruments	-	-	-	-	-
(Treasury shares)	(365)	-	-	-	(365)
Revaluation reserves	(8,340)	-	-	-	(8,340)
- Available-for-sale financial assets	1,472	-	-	-	1,472
- Property, plant and equipment	-	-	-	-	-
- Intangible assets	-	-	-	-	-
- Hedging instruments of foreign investments	-	-	-	-	-
- Cash flow hedges	-	-	-	-	-
- Exchange differences	-	-	-	-	-
- Non-current assets classified as held for sale	-	-	-	-	-
- Actuarial gains (losses) on defined benefit plans	(9,812)	-	-	-	(9,812)
- Revaluation reserves for associates carried at equity	-	-	-	-	-
- Special revaluation laws	-	-	-	-	-
Net profit (loss) for the year (+/-) of the group and minorities	214,120	-	-	-	214,120
Shareholders' equity	731,826	-	-	-	731,826

B.2 Revaluation reserves for available-for-sale financial assets: breakdown

(Amounts in € thousand)

ASSET/AMOUNT	BANKING GROUP		INSURANCE COMPANIES		OTHER COMPANIES		ELIMINATIONS AND ADJUSTMENTS FROM CONSOLIDATION		TOTAL	
	POSITIVE RESERVE	NEGATIVE RESERVE	POSITIVE RESERVE	NEGATIVE RESERVE	POSITIVE RESERVE	NEGATIVE RESERVE	POSITIVE RESERVE	NEGATIVE RESERVE	POSITIVE RESERVE	NEGATIVE RESERVE
1. Debt securities	10,529	(10,216)	-	-	-	-	-	-	10,529	(10,216)
2. Equity instruments	1,159	-	-	-	-	-	-	-	1,159	-
3. Units in investment funds.	-	-	-	-	-	-	-	-	-	-
4. Loans	-	-	-	-	-	-	-	-	-	-
Total 12.31.2016	11,688	(10,216)	-	-	-	-	-	-	11,688	(10,216)
Total 12.31.2017	12,292	(12,747)	-	-	-	-	-	-	12,292	(12,747)

B.3 Revaluation reserves for available-for-sale financial assets: annual changes

(Amounts in € thousand)

	DEBT SECURITIES	EQUITY INSTRUMENTS	UNITS IN INVESTMENT FUNDS	LOANS
1. Opening balance	(707)	252	-	-
2. Increases	4,628	907	-	-
2.1 Fair value increases	2,327	907	-	-
2.2 Reclassification through profit or loss of negative reserves	-	-	-	-
- from impairment	-	-	-	-
- from disposal	-	-	-	-
2.3 Other increases	2,301	-	-	-
3. Decreases	(3,608)	-	-	-
3.1 Fair value reductions	(332)	-	-	-
3.2 Impairment losses	-	-	-	-
3.3 Reclassification through profit or loss of positive reserves: from disposal	(1,574)	-	-	-
3.4 Other changes	(1,702)	-	-	-
4. Closing balances	313	1,159	-	-

B.4 Revaluation reserves on defined benefit obligations: annual changes

(Amounts in € thousand)

	ACTUARIAL GAINS (LOSSES) ON DEFINED BENEFITS PLANS
1. Opening balance	(6,339)
2. Increases	-
2.1 Fair value increases	-
2.2 Other Changes	-
3. Decreases	(3,473)
3.1 Fair value reductions	(3,473)
3.2 Other Changes	-
4. Closing balances	(9,812)

Section 2 - Own funds and banking regulatory ratios

FinecoBank is not obliged to report on own funds and consolidated regulatory ratios because it is part of the UniCredit Group. Therefore, please see Part F of the Notes to the corporate Accounts.

Section 3 - Regulatory capital and insurance ratios

No information to report.

Part G - Business combinations

Section 1 - Business combinations completed during the year

No information to report.

SECTION 2 - Business combinations completed after year-end

No information to report.

SECTION 3 - Retrospective adjustments

No information to report.

Part H - Related-party transactions

1. Details of compensation for key management personnel	238
2. Related-party transactions	238

Part H - Related-party transactions

Information on the fees paid to key management personnel and on related-party transactions, pursuant to IAS 24 is shown below

1. Details of compensation for key management personnel

Key management personnel are persons having authority and responsibility for planning, directing, and controlling the Companies' activities, directly or indirectly. This category includes Board members and members of the Board of Statutory Auditors, pursuant to requirements of the Bank of Italy Circular no. 262 of December 22, 2005 as amended and updated, as well as the Chief Executive Officer and General Manager, the Deputy General Manager/ GBS Manager, the Chief Financial Officer, the PFA Network Commercial Manager, the Deputy General Manager/Direct Bank Manager and the Investment & Wealth Management Services Manager.

(Amounts in € thousand)

	12.31.2017	12.31.2016
Fees paid to "Key Management Personnel", Directors and the Board of Statutory Auditors		
a) short-term benefits	5,470	5,231
b) post-employment benefits	213	218
<i>of which under defined benefit plans</i>	-	-
<i>of which under defined contribution plans</i>	213	218
c) other long-term employee benefits	-	-
d) termination benefits	-	-
e) share-based payments	2,479	3,082
TOTAL	8,162	8,531

2. Related-party transactions

In order to ensure continued compliance with applicable legal and regulatory provisions on corporate disclosure on transactions with related parties, during the Board of Directors' Meeting of June 6, 2017 and with the prior positive opinion of the Risk and Related Parties Committee and the Board of Statutory Auditors, the Bank approved the current *"Procedures for the management of transactions with persons in conflict of interest"*.

The aforementioned procedures include the provisions to be complied with when managing:

- Related-Party transactions pursuant to the Consob Regulation adopted by resolution 17221 of March 12, 2010 as amended by resolution 17389 of June 23, 2010;
- Transactions with Associated Persons pursuant to the regulations on *"Risk activities and conflicts of interest with Associated Persons"*, laid down by Bank of Italy Circular 263/2006, Title V, Chapter 5 (*"New regulations for the prudential supervision of banks"*, as amended);
- obligations of Bank Officers pursuant to Article 136 of Legislative Decree 385 of September 1, 1993, *"Consolidated Law on Banking"*.

Given that the Bank belongs to the UniCredit Group, the aforementioned Procedures are also based on the *"UniCredit Global Policy for the management of transactions with persons in conflict of interest"* and the relevant *"Global Operational Instructions"* issued by UniCredit to subsidiaries as part of its management and co-ordination.

Considering the above, the following transactions approved during 2017 are recorded:

1. on February 7th, 2017 the Board of Directors, upon recommendation by the Audit and Related Parties Committee, approved the renewal of the *"Framework Resolution related to the entering into of hedging derivative contracts with the Parent Company or companies in the UniCredit Group"*, an ordinary Significant Transaction at market conditions with validity up until February 7th, 2018, which enables the Bank to enter into hedging derivatives with the Parent Company and with UniCredit Bank AG for commercial assets or liabilities that, for ALM purposes, require interest rate hedging for a ceiling of €1,000 million with the Parent Company and €1,300 million with UniCredit Bank AG. the aforementioned ceilings include the total of underwriting transactions and any early closure transactions;
2. the Board of Directors' meeting of May 9, 2017, upon recommendation by the Risk and Related Parties Committee, approved an ordinary Significant Transaction at market conditions, consisting of the renewal of the *"Framework Agreement - Repurchase Agreements and Term Deposits with the Parent Company"*, (expiring May 9, 2018), concerning (i) Repurchase Agreements with the Parent Company for a maximum amount of €6.2 billion, calculated as the sum of the individual transactions in absolute value (either repos or reverse repos) and (ii) Term deposits with the Parent Company for an amount of €8.5 billion, calculated as the sum of the individual transactions in absolute value; these amounts were set also to cover transactions with the Parent Company that may be carried out in execution of the "liquidity framework agreement" renewed by resolution of the Board of Directors;
3. on 6 June 2017, the Board of Directors, subject to the positive opinion of the Risk and Related Parties Committee, approved the early renewal of the *"Framework Agreement for the transactions on current accounts held with UniCredit"*, an ordinary Significant transaction under market conditions with validity up to June 6, 2018 that will enable the Bank to manage its liquidity in euro and in foreign currencies through specific current accounts already held with UniCredit S.p.A. for an amount of less than €1,000 million understood as a single transaction (single payment and single withdrawal);

4. on July 4, 2017, the Board of Directors - with the favourable opinion of the Risk and Related Parties Committee - resolved on the renewal of the *"Framework Resolution - Trading of financial instruments with related-party institutional counterparties"*, an ordinary Significant Transaction at market conditions valid up to July 3, 2018, which enables the Bank to carry out trading in derivatives with related-party institutional counterparties, up to a maximum permitted limit of: (i) €1 billion with UniCredit Bank AG and (ii) €500 million with Mediobanca S.p.A.;
5. on September 19, 2017 the Board of Directors, subject to the positive opinion of the Risk and Related Parties Committee, approved the renewal of the *"Framework resolution - Stock lending activity with institutional clients"*, an ordinary Significant Transaction under market conditions (valid up to September 18, 2018) that enables the Bank to enter into stock lending transactions with institutional counterparties related parties, with a ceiling of: (i) €500 million with UniCredit Bank AG and (ii) €200 million with Mediobanca S.p.A.;
6. on November 7, 2017 the Board of Directors, subject to the positive opinion of the Risk and Related Parties Committee, approved the renewal of the *"Framework resolution - Liquidity investment with the Parent Company"* (formerly *"Short/medium-term liquidity investment with the Parent Company"*), passed on December 6, 2016 and expiring on December 6, 2017), an ordinary Significant Transaction under market conditions (valid up to November 7, 2018) that has as its object the subscription of UniCredit bonds with an estimated ceiling of €2.7 billion, estimated based on the amount of bonds maturing the following year and the possibility of buying and selling bonds of the Parent connected to the introduction of new accounting standard IFRS9;
7. finally, on December 5, 2017, the Board of Directors - with the favourable opinion of the Risk and Related Parties Committee - approved the signature of a new life insurance brokerage contract between FinecoBank S.p.A. and Aviva S.p.A. (related party), to replace the agreement originally signed in 2002 by UniCredit Xelion Banca S.p.A., which was replaced by FinecoBank S.p.A. as a result of the merger. The projected figures as at December 31, 2017 (€13.4 million net to be recognised to the Bank) meant that the transaction was categorised as a "Significant Transaction". The transaction is an "ordinary Significant Transaction at market conditions".

In relation to the above transactions, the Bank provided a simplified disclosure to CONSOB pursuant to Art. 13, paragraph 3, letter c) of CONSOB Regulation 17221/2010.

In the year ended December 31, 2017, no other transactions were undertaken with related parties that could significantly affect the Bank's asset situation and results, or atypical and/or unusual transactions, including intercompany and related party transactions.

Minor transactions were also carried out with the Parent Company, other Group Companies and/or with related parties in general, both Italian and foreign, within the ordinary course of business and related financial activities of the Bank, at market or standard conditions.

Lastly, with regard to transactions of significant financial and economic relevance, during 2012, the Bank issued 5 bank guarantees in favour of the Italian Revenue Agency upon (guaranteed) request by UniCredit, with indefinite duration (specifically, valid until the Italian Revenue Agency issues a declaration of receipt of the payment by UniCredit at the end of the collection process, in the event of an unfavourable outcome for UniCredit, or until a ruling is issued in favour of the Bank by means of final judgement), for a total amount of €256 million, plus interest accrued and accruing until request for payment from the Italian Revenue Agency. The bank guarantees were issued to secure the obligations assumed by UniCredit in relation to five VAT refund suspension orders issued by the Italian Revenue Agency, and entail the assumption by the Bank of an irrevocable payment commitment on demand, within 30 days and without any exceptions. In 2013, following the settlement of an overall assessment notice issued by the Regional Department of Liguria, for €4.5 million, replaced by another assessment notice issued by the same Department up to the amount settled, a guarantee already issued by the Bank was replaced, with amounts unchanged; this transaction did not change the commitments undertaken according to the forms, procedures and risks already assessed during 2012, which remained unchanged.

Part H - Related-Party Transactions (CONTINUED)

The following statement shows the outstanding assets, liabilities, guarantees and commitments as at December 31, 2017, for each group of related parties pursuant to IAS 24:

(Amounts in € thousand)

	AMOUNTS AS AT DECEMBER 31, 2017			% OF CARRYING AMOUNT
	DIRECTORS, BOARD OF STATUTORY AUDITORS AND KEY MANAGEMENT PERSONNEL	OTHER RELATED PARTIES	TOTAL	
Financial assets held for trading	-	30	30	0.28%
Loans and receivables with banks	-	2	2	0.00%
Loans and receivables with customers	16	9,373	9,389	0.44%
Total assets	16	9,405	9,421	0.04%
Deposits from banks	-	637	637	0.07%
Deposits from customers	1,389	38,383	39,772	0.20%
Other liabilities	148	36	184	0.05%
Total liabilities	1,537	39,056	40,593	0.18%
Guarantees given and commitments	-	-	-	-

The following table sets out the impact of transactions with related parties on the main Consolidated Income Statement items, for each group of related parties.

(Amounts in € thousand)

	INCOME STATEMENT AS AT DECEMBER 31, 2017			% OF CARRYING AMOUNT
	DIRECTORS, BOARD OF STATUTORY AUDITORS AND KEY MANAGEMENT PERSONNEL	OTHER RELATED PARTIES	TOTAL	
Interest income and similar revenues	-	14	14	0.01%
Fee and commission income	4	35,037	35,041	6.57%
Fee and commission expense	-	(354)	(354)	0.13%
Gains (losses) on financial assets and liabilities held for trading	-	(6)	(6)	-0.01%
Other administrative expenses	-	(148)	(148)	0.06%
Other net operating income	29	7	36	0.04%
Total income statement	33	34,550	34,583	

With regard to the category "Directors, Board of Statutory Auditors and Key Management Personnel", in application of the special regulations laid down in Article 136 of Legislative Decree 385/93 (Consolidated Law on Banking), the obligations established for persons that perform administrative, management and control functions pursuant to those regulations were unanimously approved by a resolution of the Board of Directors with the favourable vote of all members of the Board of Statutory Auditors, in accordance with Article 136 of said Consolidated Law on Banking.

The category "*Directors, Board of Statutory Auditors and Key Management Personnel*" includes their dealings with the Bank (excluding their fees, which are discussed in point 1. Details of compensation for key management personnel) and the Parent Company UniCredit, mainly concerning assets for credit card use, liabilities for funds held by them with the Bank and costs and revenues generated from the aforesaid assets and liabilities.

The "other related parties" category includes:

- close family members of key management personnel (i.e., relatives who could be expected to influence, or be influenced by the party involved);
- companies controlled (or jointly controlled) by, or associated with, "key management personnel" or their close family members;
- associates, and their subsidiaries, of the Parent Company UniCredit;
- shareholders, and their subsidiaries, of the Parent Company UniCredit.

Transactions with "Other related parties", mainly refer to:

- assets for credit card use and liabilities for funds held with the Bank or securities lending transactions guaranteed by sums of money;
- assets for current receivables associated with the provision of financial services, mainly referring to fees for the placement of asset management and insurance products;
- costs and revenues generated from the above assets and liabilities, mainly referring to subscription and management fee and commission income related to the placement of asset management and insurance products and insurance premiums.

Amounts as at December 31, 2017 and the income components accrued in 2017 relating to the Parent Company UniCredit and the UniCredit group companies are not included, as they are presented further below.

Transactions with the parent company and other uncredit group companies

(Amounts in € thousand)

TOTAL TRANSACTIONS WITH UNICREDIT GROUP COMPANIES	12.31.2017	% OF CARRYING AMOUNT
Assets	13,839,346	61.95%
Loans and receivables with banks	13,834,737	99.69%
Loans and receivables with customers	15	0.00%
Other assets	4,594	1.46%
Liabilities	838,467	3.75%
Deposits from banks	824,135	89.00%
Hedging derivative liabilities	9,320	73.42%
Other liabilities	5,012	1.48%
Guarantees and commitments	2,381,070	92.24%
Guarantees issued and commitments	2,381,070	92.24%
Income Statement	240,120	
Interest income and similar revenues	196,380	72.80%
Interest expenses and similar charges	2,771	-53.65%
Fee and commission income	62,658	11.75%
Fee and commission expense	(6,527)	2.48%
Fair value adjustments in hedge accounting	(5,951)	n.c.
Gains (losses) from disposal or repurchase	3,951	83.85%
Administrative costs	(13,336)	4.12%
Other net operating income	174	0.19%

The following table summarises transactions with UniCredit group companies as at December 31, 2017. With reference to relations with Pioneer Investment Management SGR S.p.A. and Pioneer Asset Management SA Luxembourg, it should be noted that only the income statement figures accrued up to the companies' exit from the UniCredit Group have been indicated.

(Amounts in € thousand)

COMPANY	ASSETS	LIABILITIES	GUARANTEES AND COMMITMENTS	INCOME STATEMENT
UniCredit S.p.A.	13,838,693	797,362	2,381,070	187,589
UniCredit Bank AG	56	40,348	-	463
UniCredit Bank AG, Milan	-	-	-	237
UniCredit Factoring S.p.A.	-	-	-	10
UniCredit Leasing S.p.A.	-	-	-	3
UniCredit Luxembourg Finance SA	10	-	-	55
UniCredit Business Integrated Solutions S.C.p.A.	572	740	-	(9,882)
Pioneer Investment Management SGR S.p.A.	-	-	-	4,480
Cordusio Società Fiduciaria per Azioni	15	17	-	(1)
Pioneer Asset Management SA Luxembourg	-	-	-	57,166
Total	13,839,346	838,467	2,381,070	240,120

Part H - Related-Party Transactions (CONTINUED)

The following tables contain a breakdown of the items relating to Assets, Liabilities, Guarantees and Commitments, Costs and Revenue for each individual Group company.

Transactions with parent companies

(Amounts in € thousand)

TRANSACTIONS WITH UNICREDIT S.P.A.	TOTAL 12.31.2017
Assets	13,838,693
Loans and receivables with banks	13,834,695
Other assets	3,998
Liabilities	797,362
Deposits from banks	783,786
Hedging derivative liabilities	9,320
Other liabilities	4,256
Guarantees	256,070
Guarantees given	256,070
Commitments	2,125,000
Commitments to lend funds	2,125,000
Income Statement	187,589
Interest income and similar revenues	198,880
Interest expenses and similar charges	2,754
Fee and commission income	236
Fee and commission expense	(6,487)
Fair value adjustments in hedge accounting	(8,493)
Gains (losses) from disposal or repurchase	3,951
Administrative costs	(3,271)
Other net operating income	19

Transactions with companies controlled by UniCredit S.p.A

(Amounts in € thousand)

TRANSACTIONS WITH UNICREDIT BANK AG	TOTAL 12.31.2017
Assets	56
Loans and receivables with banks	42
Other assets	14
Liabilities	40,348
Deposits from banks	40,348
Income Statement	463
Interest income and similar revenues	99
Interest expenses and similar charges	17
Fee and commission income	357
Fee and commission expense	(10)

(Amounts in € thousand)

TRANSACTIONS WITH UNICREDIT BANK AG, MILAN	TOTAL 12.31.2017
Income Statement	237
Interest income and similar revenues	(2,599)
Fee and commission income	333
Fair value adjustments in hedge accounting	2,542
Administrative costs	(39)

(Amounts in € thousand)

TRANSACTIONS WITH UNICREDIT LEASING S.P.A.	TOTAL 12.31.2017
Income Statement	3
Administrative costs	3

(Amounts in € thousand)

TRANSACTIONS WITH UNICREDIT FACTORING S.P.A.	TOTAL 12.31.2017
Income Statement	10
Administrative costs	10

(Amounts in € thousand)

TRANSACTIONS WITH UNICREDIT LUXEMBOURG FINANCE SA	TOTAL 12.31.2017
Assets	10
Other assets	10
Income Statement	55
Fee and commission income	55

(Amounts in € thousand)

TRANSACTIONS WITH UNICREDIT BUSINESS INTEGRATED SOLUTIONS S.C.P.A.	TOTAL 12.31.2017
Assets	572
Other assets	572
Liabilities	740
Other liabilities	740
Income Statement	(9,882)
Fee and commission income	2
Administrative costs	(10,039)
Other net operating income	155

(Amounts in € thousand)

TRANSACTIONS WITH PIONEER INVESTMENT MANAGEMENT SGR S.P.A.	TOTAL 12.31.2017
Income Statement	4,480
Fee and commission income	4,480

(Amounts in € thousand)

TRANSACTIONS WITH CORDUSIO SOCIETÀ FIDUCIARIA PER AZIONI	TOTAL 12.31.2017
Assets	15
Loans and receivables with customers	15
Liabilities	17
Other liabilities	17
Income Statement	(1)
Fee and commission income	29
Fee and commission expense	(30)

(Amounts in € thousand)

TRANSACTIONS WITH PIONEER ASSET MANAGEMENT SA LUXEMBOURG	TOTAL 12.31.2017
Income Statement	57,166
Fee and commission income	57,166

Part I - Share-based payments

A. Qualitative information	246
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Part I - Share-based payments

A. QUALITATIVE INFORMATION

1. Description of share-based payments

1.1 Outstanding instruments

The Medium & Long Term Incentive Plans for employees and financial advisors of the Bank include the following types of instruments:

- Equity-Settled Share Based Payments that involve payments settled with shares of the parent UniCredit S.p.A. and of the Bank;
- Cash Settled Share Based Payments that involve payments made in cash²².

The above categories refer to the allocation of the following instruments:

- **Stock Options** allocated to selected Top & Senior Managers and Key Talents and consisting of rights to subscribe UniCredit shares;
- **Group Executive Incentive Systems** that offers eligible Group Executives a variable remuneration for which payment will be made within a maximum of five years. The beneficiaries receive a payment in cash and/or UniCredit shares, in relation to the achievement of performance conditions (other than marked conditions) stated in the Plan Rules;
- **Group Executive Incentive System (Bonus Pool)**, offering selected Executives and relevant personnel identified on the basis of regulatory requirements, a bonus structure consisting of immediate payments (following performance evaluation) and deferred payments in cash and ordinary UniCredit or FinecoBank shares, over a maximum period of 6 years. This payment structure ensures that bonuses are aligned to shareholders' interests and is subject to malus clauses (which apply in the event that specific profitability, liquidity and capital thresholds are not met at Group and/or at Country/Division level) and clawback clauses (to the extent they are legally applicable) in accordance with the plan rules (both represent vesting conditions other than market conditions);
- **Employee Share Ownership Plan (ESOP - Let's Share)**, which offers eligible Bank employees the possibility to buy UniCredit ordinary shares with the advantage of involving the granting of free ordinary shares ("Free Shares" or rights to receive them) measured on the basis of the shares purchased by each Participant ("Investment Share") during the "Enrolment Period". The granting of free ordinary shares is subordinated to vesting conditions stated in the Plan Rules;
- **Stock granting for employees** that grants the free allocation of FinecoBank shares to beneficiaries belonging to the category of Key management personnel ("*2014-2017 Multi-year Plan Top Management*"). Shares will be allocated to the beneficiaries in 4 yearly tranches starting from 2017. The plan is subject to access conditions (profitability and capital thresholds) and clawback clauses (as legally applicable) in accordance with its rules;
- **Stock granting for personal financial advisors** offering the allocation of free shares of FinecoBank to the network's personal financial advisors, subject to the achievement by the Bank's entire PFA network of a set net sales target for the year 2014 ("*2014 PFA Plan*") and for the three-year period 2015-2017 ("*2015-2017 PFA Plan*"). The shares will be allocated to the respective beneficiaries in 3 annual instalments from 2015, under the "*2014 PFA Plan*" and from 2018 under the "*2015-2017 PFA Plan*". The plans are subject to access conditions (profitability and capital thresholds) and clawback clauses (as legally applicable) in accordance with the plan rules;
- **Group Incentive System 2015 PFA**, offering selected financial advisors, identified as key personnel in accordance with regulatory requirements, an incentive system consisting of immediate cash payments (following performance evaluation) and deferred payments and the allocation of Phantom Shares, over a period of 5 years. This payment structure ensures that bonuses are aligned to shareholders' interests and is subject to malus clauses (which apply in the event that specific profitability, liquidity and capital thresholds are not met at Group and/or at Country/Division level) and clawback clauses (to the extent they are legally applicable) in accordance with the plan rules (both vesting conditions other than market conditions);
- **PFA Systems**, offering selected financial advisors, identified as key personnel in accordance with regulatory requirements, incentive systems consisting of immediate cash payments (following performance evaluation) and deferred payments, in cash and FinecoBank ordinary shares, over a period of 5 years. This payment structure ensures that bonuses are aligned to shareholders' interests and is subject to malus clauses (which apply in the event that specific profitability, liquidity and capital thresholds are not met at Group and/or FinecoBank level) and clawback clauses (to the extent they are legally applicable) in accordance with the plan rules (both vesting conditions other than market conditions).

Shares for employee incentive plans envisaging the allocation of FinecoBank shares will be issued through free capital increases in accordance with Article 2349 of the Italian Civil Code.

The financial instruments for incentive plans for the Bank's financial advisors involving the allocation of FinecoBank shares will be obtained through market purchases in implementation of the authorisation of the Bank Shareholders' Meeting pursuant to Article 2357 of the Italian Civil Code and of the Supervisory Authority.

It should also be noted that, in line with the provisions of amendment VII to the Circular 285 of the Bank of Italy of November 19, 2014 (Remuneration and bonus policies and practices), a specific policy ("Severance") was approved by the Shareholders' Meeting in 2017, updating the original document approved in 2015. When severance payments are made to Key Personnel, they may be subject to deferred payment mechanisms, in cash and shares, for the portion exceeding the indemnity in lieu of statutory notice and/or notice required under a collective agreement, similarly to the management of the variable compensation of this category of employees, in line with the regulations in force from time to time. As at December 31, 2017, no severance had been paid to Key Personnel.

22. Commensurate to the economic value of FinecoBank S.p.A.'s equity instruments.

1.2 Measurement model

1.2.1 Stock Options

The Hull and White Evaluation Model has been adopted to measure the economic value of Stock Options.

This model is based on a trinomial tree price distribution using the Boyle's algorithm and estimates the early exercise probability on the basis of a deterministic model connected to:

- reaching a Market Share Value equal to an exercise price-multiple (M);
- probability of beneficiaries' early exit (E) after the end of the Vesting Period.

The income statement and balance sheet effects are recognised during the vesting period of the instruments.

No new Stock Option Plans were granted in 2017.

1.2.2 Group Executive Incentive System

The amount of the incentive is determined on the basis of the achievement of quantitative and qualitative goals stated by the plan. In particular, the overall evaluation is expressed as a percentage, from a minimum of 0% to a maximum of 150% (non market vesting conditions). This percentage, adjusted by the application of a risk/opportunity factor - Group Gate - at first payment and multiplied by the incentive, determines the actual amount that will be paid to the beneficiary.

The balance-sheet and income statement effects are spread according to the term of the Plans.

1.2.2.1 Group Executive Incentive System (Bonus Pool)

The economic value of the shares granted is measured considering the share market price at the grant date less the present value of future dividends during the vesting period.

The plan is divided into clusters, each of which may include two to three deferred share-based payment instalments according to the period defined by the plan rules.

The profit and loss and net equity effects are recognised on the basis of the instruments' vesting period.

1.2.2.2 Group Executive Incentive System 2016 (Bonus Pool)

The economic value of the shares granted is measured considering the share market price at the grant date less the present value of future dividends during the vesting period.

The plan is divided into three deferred share-based payment instalments according to the period defined by the plan rules.

	FINECOBANK SHARES GRANTED			
	GROUP EXECUTIVE INCENTIVE SYSTEM 2016 (BONUS POOL)			
	2019 INSTALMENT	2020 INSTALMENT	2021 INSTALMENT	2022 INSTALMENT
Bonus Opportunity Economic Value Grant Date	12-Jan-16	12-Jan-16	12-Jan-16	12-Jan-16
Number of Shares - Date of Board resolution	07-Feb-17	07-Feb-17	07-Feb-17	07-Feb-17
Vesting Period Start Date	01-Jan-16	01-Jan-16	01-Jan-16	01-Jan-16
Vesting Period End Date	31-Dec-16	31-Dec-18	31-Dec-19	31-Dec-20
FincoBank Share Market Price [€]	5.53	5.53	5.53	5.53
Average Economic Value of Vesting conditions [€]	-0.539	-0.819	-1.116	-1.692
Performance Shares value per share at Grant Date [€]	4.991	4.711	4.414	3.838

The plan was allocated in 2016 and the income statement and balance sheet effects will be recognised during the vesting period of the instruments.

1.2.2.3 Group Executive Incentive System 2017 (Bonus Pool)

The new 2017 incentive system is based on a bonus pool approach, in line with regulatory requirements and market practices; this approach sets out:

- the system's sustainability, by linking it directly to business results and aligning it to relevant risk categories through specific indicators that reflect the risk appetite framework;
- the link between the bonus and the organisational structure, the bonus pool being defined at Bank level and further reviewed at Group level;
- the allocation of bonuses to beneficiaries identified as Executives and other key personnel on the basis of criteria laid down in the Regulation of the European Banking Authority (EBA), and to other specific roles, based on local regulatory requirements;
- a structure of payments spread over a period of up to 6 years and consisting of a mix of cash and shares, aligned with the latest regulatory requirements as set out in Directive 2013/36/EU (CRD IV).

The plan was assigned during the current year and the income statement and balance sheet effects will be recognised during the vesting period of the instruments.

1.2.3 Employee Share Ownership Plan (Let's Share Plan 2017)

The following table shows the parameters used in relation to free shares (or rights to receive them) connected to the "Employee Share Ownership Plan" approved in 2016.

Part I - Share-based payments (CONTINUED)

Measurement of Free Shares ESOP 2017

	FREE SHARES
Grant Date for Free Shares to employees	31-Jul-17
Vesting Period Start Date	31-Jul-17
Vesting Period End Date	31-Jul-18
Free Shares Fair Value per unit [€]	17.00

All income statement and balance sheet effects related to free shares are booked during the vesting period (except adjustments, according to Plan Rules, that will be booked during the next closing after vesting period).

Let's Share for 2017 is a involving the use of the shares to be procured on the market. To this end, Participants delegate a broker to purchase the shares to be deposited on an account opened in their name.

1.2.4 Stock granting for employees

The economic value of the shares granted is measured considering the share market price at the grant date less the present value of future dividends during the vesting period.

1.2.4.1 2014 - 2017 Multi-year - Top management Plan

The plan offers the allocation of free shares of FincoBank to beneficiaries belonging to the Top Management with strategic responsibilities. The shares will be allocated to the respective beneficiaries, once the vesting period has elapsed and satisfaction of the conditions has been verified, in 4 annual tranches, starting in 2017.

	SHARES GRANTED			
	TOP MANAGEMENT			
	FIRST INSTALMENT 2017	SECOND INSTALMENT 2018	THIRD INSTALMENT 2019	FOURTH INSTALMENT 2020
Bonus Opportunity Economic Value - (Grant Date)	02-Jul-14	02-Jul-14	02-Jul-14	02-Jul-14
Number of Shares - Date of Board resolution	15-Jul-14	09-Feb-15	08-Feb-16	07-Feb-17
Vesting Period Start Date	02-Jul-14	02-Jul-14	02-Jul-14	02-Jul-14
Vesting Period End Date	31-Dec-16	31-Dec-17	31-Dec-18	31-Dec-19
FincoBank Share Market Price [€]	3.700	4.725	6.966	5.53
Average Economic Value of Vesting conditions [€]	-0.269	-0.590	-0.797	-0.826
Performance Shares value per share at Grant Date [€]	3.431	4.135	6.169	4.704

The plan was allocated in 2014 and the income statement and balance sheet effects will be recognised during the vesting period of the instruments.

1.2.5 Stock granting for PFAs

The economic value of the shares granted is measured considering the share market price at the grant date less the present value of future dividends during the vesting period.

1.2.5.1 2014 PFA Plan

The amount of the incentive was determined on the basis of the achievement of the goals stated by the plan, subject to the Bank's entire PFA network meeting their net sales targets in 2014.

The plan helps align the interests of beneficiaries, shareholders and other stakeholders and implement effective remuneration practices, in accordance with the applicable legislative and regulatory framework. The plan is subject to verification that the conditions established by the plan rules are satisfied. The plan was allocated in 2014 and the income statement and balance sheet effects will be recognised during the vesting period of the instruments.

On July 9, 2015, the Board of Directors resolved to settle the PFAs rights to the first tranche of the bonus in cash, instead of the allocation of FincoBank ordinary shares, with a payment in cash corresponding to a third of the bonus consideration, made on July, 2015.

1.2.5.2 2015 - 2017 PFA Plan

The amount of the incentive will be determined on the basis of the achievement of the goals stated by the plan, subject to the Bank's entire financial advisors network meeting their cumulative net sales targets for the three-year period 2015-2017.

The plan helps align the interests of beneficiaries, shareholders and other stakeholders and implement effective remuneration practices, in accordance with the applicable legislative and regulatory framework. The plan is subject to verification that the conditions established by the plan rules are satisfied.

The plan was allocated in 2014 and the income statement and balance sheet effects will be recognised during the vesting period of the instruments.

1.2.6 Group Incentive System 2015 PFA

The amount of the incentive is determined on the basis of the achievement of the goals stated by the plan.

The balance-sheet and income statement effects are spread across the term of the Plan.

The economic value of the phantom shares allocated corresponds to the market price of the FinecoBank shares.

The plan was allocated in 2015 and the income statement and balance sheet effects will be recognised during the vesting period of the instruments.

1.2.7 2016 PFA Incentive System

The 2016 incentive system is based on a bonus pool approach, in line with regulatory requirements and market practices; this approach sets out:

- the system's sustainability, by linking it directly to business results and aligning it to relevant risk categories through specific indicators that reflect the risk appetite framework;
- the link between the bonus and the organisational structure, the bonus pool being defined at Bank level and further reviewed at Group level;
- the allocation of bonuses to beneficiaries identified as key personnel based on criteria laid down in the Regulation of the European Banking Authority (EBA), and to other specific roles, based on local regulatory requirements;
- a structure of payments spread over a period of up to 5 years and consisting of a mix of cash and shares, aligned with the latest regulatory requirements as set out in Directive 2013/36/EU (CRD IV).

The plan was assigned during the previous financial year and the income statement and balance sheet effects will be recognised during the vesting period of the instruments.

	SHARES GRANTED		
	2016 PFA INCENTIVE SYSTEM		
	2019 INSTALMENT	2020 INSTALMENT	2021 INSTALMENT
Bonus Opportunity Economic Value Grant Date	12-Jan-16	12-Jan-16	12-Jan-16
Number of Shares - Date of Board resolution	07-Feb-17	07-Feb-17	07-Feb-17
Vesting Period Start Date	01-Jan-16	01-Jan-16	01-Jan-16
Vesting Period End Date	31-Dec-16	31-Dec-18	31-Dec-19
FinecoBank Share Market Price [€]	5.53	5.53	5.53
Average Economic Value of Vesting conditions [€]	-0.539	-0.819	-1.116
Performance Shares value per share at Grant Date [€]	4.991	4.711	4.414

1.2.8 2017 PFA Incentive System

The new 2017 incentive system is based on a bonus pool approach, in line with regulatory requirements and market practices; this approach sets out:

- the system's sustainability, by linking it directly to business results and aligning it to relevant risk categories through specific indicators that reflect the risk appetite framework;
- the link between the bonus and the organisational structure, the bonus pool being defined at Bank level and further reviewed at Group level;
- the allocation of bonuses to beneficiaries identified as key personnel based on criteria laid down in the Regulation of the European Banking Authority (EBA), and to other specific roles, based on local regulatory requirements;
- a structure of payments spread over a period of up to 5 years and consisting of a mix of cash and shares, aligned with the latest regulatory requirements as set out in Directive 2013/36/EU (CRD IV).

The plan was assigned during the current year and the income statement and balance sheet effects will be recognised during the vesting period of the instruments.

Part I - Share-based payments (CONTINUED)

B. QUANTITATIVE INFORMATION**1. Annual changes**

ITEMS/NUMBER OF OPTIONS AND EXERCISE PRICE	BANKING GROUP			INSURANCE COMPANIES		
	NUMBER OF OPTIONS	AVERAGE PRICES	AVERAGE MATURITY	NUMBER OF OPTIONS	AVERAGE PRICES	AVERAGE MATURITY
A. Opening balance	2,937,685	-	nov-17	-	-	
B. Increases	632,553	-	X	-	-	X
B.1 New issues	632,553	-	jan-20	-	-	
B.2 Other increases	-	-	X	-	-	X
C. Decreases	(1,598,253)	-	X	-	-	X
C.1 Cancelled	(4,897)	-	X	-	-	X
C.2 Exercised	(1,593,356)	-	X	-	-	X
C.3 Expired	-	-	X	-	-	X
C.4 Other changes	-	-	X	-	-	X
D. Closing balance	1,971,985	-	jan-19	-	-	
E. Vesting options at the end of the period	718,153	-	X	-	-	X

The number of shares specified in the above table only refers to plans for which the number of shares allotted to individual beneficiaries has already been defined. The average prices for the year have not been stated because only freely allocated shares were involved.

2. Other information**Effects on Profit and Loss**

The income statement and balance-sheet effects of the incentive systems based on FinecoBank and UniCredit shares are shown below, except for the balance of the reserve related to equity-settled plans.

The consolidated income statement impact is determined each year based on the vesting period of the instruments.

Financial statement presentation related to payments based on shares of FinecoBank and of the Parent Company UniCredit

(Amounts in € thousand)

	12.31.2017		12.31.2016	
	TOTAL	VESTED PLANS	TOTAL	VESTED PLANS
Costs	8,275		10,573	
- connected to Equity Settled Plans	8,109		10,623	
- connected to Cash Settled Plans	166		(50)	
Sums paid to UniCredit S.p.A. for vested plans		231		1,653
Payable due to UniCredit S.p.A.	573		757	
Payable due to personal financial advisors for Cash Settled plans	365		199	

Please note that the charges relating to Equity Settled Plans were recognised as Administrative costs - Staff expenses with respect to the plans granted to employees and as Administrative costs or Fee and commission expense with regard to plans granted to personal financial advisors. Charges relating to Cash Settled Plans granted to financial advisors have been recognised as Fee and commission expense.

OTHER COMPANIES			12.31.2017			12.31.2016		
NUMBER OF OPTIONS	AVERAGE PRICES	AVERAGE MATURITY	NUMBER OF OPTIONS	AVERAGE PRICES	AVERAGE MATURITY	NUMBER OF OPTIONS	AVERAGE PRICES	AVERAGE MATURITY
-	-		2,937,685	-	nov-17	3,346,584	-	mar-17
-	-	X	632,553	-	X	591,083	-	X
-	-		632,553	-	jan-20	591,083	-	jan-19
-	-	X	-	-	X	-	-	X
-	-	X	(1,598,253)	-	X	(999,982)	-	X
-	-	X	(4,897)	-	X	(15,770)	-	X
-	-	X	(1,593,356)	-	X	(984,212)	-	X
-	-	X	-	-	X	-	-	X
-	-	X	-	-	X	-	-	X
-	-		1,971,985	-	jan-19	2,937,685	-	nov-17
-	-	X	718,153	-	X	907,909	-	X

Part L - Segment reporting

Segment reporting information is not provided as the Bank's particular business model (given the non-operational nature of the subsidiary Fineco AM Limited) provides for a high level of integration among its different activities. The Bank offers its services (banking and investment services) through a network of personal financial advisors and online and mobile channels, that operate in a coordinated and integrated manner. The fully-comprehensive nature of the services offered allows the Bank to act as a one-stop solution for customers' banking and investment requirements.

This strategy, which is strongly anchored to the customer, means that revenues and margins relative to various products/services (investing, banking and brokerage) are highly interdependent on each other.

This integration approach has also inspired top management in setting company targets and identifying the means to achieve them.

As regards information on revenues from customers by product/service, in view of the above, reference should be made to information in Part C - Information on the income statement of these Notes to the Consolidated Accounts. FinecoBank mainly targets retail customers in Italy, as the impact of operations in the UK is still immaterial; information concerning geographic segments and the degree of dependency on main customers is therefore considered by top management as not being of material importance for information purposes, and is not therefore disclosed.

Reconciliation of condensed consolidated accounts to mandatory reporting schedule

(Amounts in € thousand)

ASSETS	AMOUNTS AS AT	
	12.31.2017	12.31.2016
Cash and cash balances = <i>item 10</i>	613	5
Financial assets held for trading = <i>item 20</i>	10,879	6,044
Loans and receivables with banks = <i>item 60</i>	13,878,117	15,735,540
Loans and receivables with customers = <i>item 70</i>	2,129,219	1,016,798
Financial investments flow	5,874,079	3,757,529
40. Available-for-sale financial assets	1,047,689	1,319,752
50. Held-to-maturity investments	4,826,390	2,437,777
Hedging instruments	10,048	9,211
80. Hedging derivatives	458	552
90. Changes in fair value of portfolio hedged financial assets	9,590	8,659
Property, plant and equipment = <i>item 120</i>	15,205	14,451
Goodwill = <i>item 130. Intangible assets of which: goodwill</i>	89,602	89,602
Other intangible assets = <i>item 130 net of goodwill</i>	7,909	7,731
Tax assets = <i>item 140</i>	9,249	13,165
Other assets = <i>item 160</i>	315,415	336,300
Total assets	22,340,335	20,986,376

(Amounts in € thousand)

LIABILITIES AND SHAREHOLDERS' EQUITY	AMOUNTS AS AT	
	12.31.2017	12.31.2016
Deposits from banks = <i>item 10</i>	926,001	1,111,106
Deposits from customers	20,205,036	18,801,073
20. Deposits from customers	20,205,036	18,801,073
Financial liabilities held for trading = <i>item 40</i>	2,617	2,626
Hedging instruments	8,922	11,371
60. Hedging derivatives	12,694	10,914
70. Changes in fair value of portfolio hedged financial assets	(3,772)	457
Provisions for risks and charges = <i>item 120</i>	112,414	111,756
Tax liabilities = <i>item 80</i>	10,234	10,048
Other liabilities	343,285	257,097
100. Other liabilities	338,286	251,844
110. Provisions for employee severance pay	4,999	5,253
Shareholders' Equity	731,826	681,299
- capital and reserves	526,046	476,249
170. Reserves	323,932	278,407
180. Share premium reserve	1,934	1,934
190. Share capital	200,545	200,246
200. Treasury shares	(365)	(4,338)
- revaluation reserves	(8,340)	(6,794)
140. Revaluation reserves of which: Available-for-sale financial assets	1,472	(455)
140. Revaluation reserves for actuarial net gains (losses) for defined benefit plans	(9,812)	(6,339)
- net profit = <i>item 220</i>	214,120	211,844
Total liabilities and shareholders' equity	22,340,335	20,986,376

(Amounts in € thousand)

INCOME STATEMENT	YEAR 2017	YEAR 2016
Net interest	264,581	249,388
30. Net interest margin	264,581	249,388
Dividends and other income from equity investments	29	6
70. Dividend income and similar revenue	55	19
less: dividends from held-for-trading equity instruments included in item 70	(26)	(13)
Net fee and commission income = item 60	270,083	242,881
60. Net fee and commission income	270,083	242,881
Net trading, hedging and fair value income	48,219	69,054
80. Gains (losses) on financial assets and liabilities held for trading	47,413	48,590
+ dividends from held-for-trading equity instruments (from item 70)	26	13
90. Fair value adjustments in hedge accounting	19	69
100. Gains (losses) on disposal or repurchase of: b) available-for-sale financial assets	761	20,382
Net other expenses/income	3,760	(2,211)
220. Other operating expenses/income	90,303	79,457
less: other operating income - of which: recovery of expenses	(93,367)	(85,395)
less: adjustments of leasehold improvements	2,873	3,726
100. Gains (losses) on disposal or repurchase of: a) loans and receivables	3,951	-
OPERATING INCOME	586,672	559,118
Payroll costs	(79,294)	(73,698)
180. Administrative expenses - a) staff expenses	(78,886)	(79,201)
less: integration costs	(408)	5,503
Other administrative expenses	(236,945)	(228,119)
180. Administrative expenses - b) other administrative expenses	(244,638)	(235,007)
+ adjustments of leasehold improvements	(2,873)	(3,726)
- ex-ante contributions to the Single Resolution Fund (SRF) Deposit Guarantee Systems (DGS)	10,566	10,614
Recovery of expenses	93,367	85,395
220. Other operating expenses/income - of which: recovery of expenses	93,367	85,395
Impairment/write-backs on intangible and tangible assets	(10,369)	(9,952)
200. Impairment/write-backs on property, plant and equipment	(5,569)	(4,853)
210. Impairment/write-backs on intangible assets	(4,800)	(5,099)
Operating costs	(233,241)	(226,374)
OPERATING PROFIT (LOSS)	353,431	332,744
Net impairment losses on loans and provisions for guaranteed and commitments	(5,151)	(4,199)
130. Impairment losses/writebacks on: a) loans and receivables	(5,158)	(4,206)
130. Impairment losses/writebacks on: d) other financial assets	7	1,423
less: net value adjustments for the impairment of other financial assets - contribution to the Interbank Fund for the Protection of Deposits	-	(1,416)
NET OPERATING PROFIT (LOSS)	348,280	328,545
Provisions for risks and charges	(19,025)	(9,981)
190. Net provisions for risks and charges	(8,459)	(783)
+ ex-ante contributions to the Single Resolution Fund (SRF) Deposit Guarantee Systems (DGS)	(10,566)	(10,614)
+ net value adjustments for the impairment of other financial assets - contribution to the National Interbank Deposit Guarantee Fund	-	1,416
Integration costs	408	(5,503)
Net income from investments	(13,399)	(6,724)
130. Impairment losses/writebacks on: b) available-for-sale financial assets	(12,891)	(6,724)
270. Gains (losses) on disposal of investments	(508)	-
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	316,264	306,337
Income tax for the period	(102,144)	(94,493)
290. Income tax for the year	(102,144)	(94,493)
NET PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	214,120	211,844
PROFIT (LOSS) FOR THE YEAR	214,120	211,844
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP	214,120	211,844

Certification of consolidated annual Financial Statements pursuant to article 81-ter of Consob regulation no. 11971 Of may 14, 1999 and subsequent amendments

Certification of consolidated annual Financial Statements pursuant to article 81-ter of Consob regulation no. 11971 Of may 14, 1999 and subsequent amendments

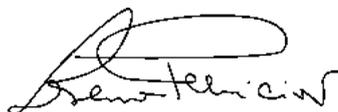
1. The undersigned, Alessandro Foti, as Managing Director and General Manager of FinecoBank S.p.A., and Lorena Pellicciari, as Nominated Official in charge of drawing up company accounts of FinecoBank S.p.A, taking into account the provisions of Article 154-bis, par. 3 and 4 of Legislative Decree 58 of February 24, 1998, do hereby certify:
 - the adequacy in relation to the Company's features and
 - the actual applicationof the administrative and accounting procedures used in the preparation of the consolidated financial statements for the year ended December 31, 2017.
2. The adequacy of the administrative and accounting procedures employed to draw up the consolidated financial statements for the year has been evaluated by applying a model defined by the UniCredit Group, in accordance with the "Internal Control - Integrated Framework (CoSO)" and the "Control Objective for IT and Related Technologies (Cobit)", which are international commonly accepted standards for the internal control system and for financial reporting.
3. The undersigned also certify that:
 - 3.1 The consolidated financial statements:
 - a) were prepared in compliance with applicable international accounting standards recognised by the European Community pursuant to European Parliament and Council Regulation 1606/2002 of July 19, 2002;
 - b) correspond to the results of the books and accounting records;
 - c) are suitable to provide a fair and correct representation of the financial position and performance of the issuer and the group of companies included in the scope of consolidation;
 - 3.2. the Report on Operations contains a reliable operating and financial review of the issuer and the companies included in the consolidation, as well as the description of its exposure to the main risks and uncertainties.

Milan, February 6, 2018

FinecoBank S.p.A
The Chief Executive Officer and
General Manager
Alessandro Foti



FinecoBank S.p.A.
The Manager Responsible for Preparing
the Company's Financial Reports
Lorena Pellicciari



Report of the External Auditors

**INDEPENDENT AUDITOR'S REPORT PURSUANT TO ARTICLE 14
OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010
AND ARTICLE 10 OF THE EU REGULATION 537/2014**

**To the Shareholders of
FinecoBank Banca Fineco S.p.A.**

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of FinecoBank Banca Fineco S.p.A. and its subsidiary (the "Group"), which comprise the consolidated balance sheet as at December 31, 2017, the consolidated income statement, the statement of consolidated comprehensive income, the statement of changes in consolidated equity and the consolidated statement of cash flows for the year then ended and the related consolidated explanatory notes.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2017 and of its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05 and to art. 43 of Italian Legislative Decree no. 136/15.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of FinecoBank Banca Fineco S.p.A. (the "Bank") in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<p>Key audit matters – <i>Estimate of provisions for risks and charges related to legal disputes</i></p>	<p>Audit procedures in response to the key audit matters</p>
<p>Item 120 "Provisions for risks and charges" of the consolidated balance sheet - liabilities as at December 31, 2017 includes provisions for legal disputes amounting to Euro 31 million related to complaints and disputes for damage to customers arising from the unlawful behavior of the Bank's personal financial advisors, pending disputes with personal financial advisors and other ongoing court and out-of-court litigations with customers in relation to the normal banking activity. In addition to the court costs to be borne by the Bank in the event of an adverse conclusion of the dispute, these provisions include an estimate of the expenses to be paid to lawyers, technical advisors and/or experts who assist the Bank in the disputes, to the extent that it is believed that they will not be reimbursed by the counterparties.</p> <p>In Part E – <i>Information on Risks and Hedging Policies - Section 1.4 – Banking Group - operational risks</i>, paragraph "Risks arising from significant legal disputes" of the consolidated explanatory notes, the Directors point out that, in relation to the pending legal proceedings against the Bank, which are individually irrelevant, there is considerable uncertainty about the possible outcome and the extent of the possible charge that the Bank could incur; where it is possible to reliably estimate the amount of charges and the charges themselves are considered probable, provisions have been made to the extent deemed appropriate given the specific circumstances and in accordance with the international accounting standards, making the best possible estimate of the amount that reasonably the Bank will have to pay to settle its obligations. With reference to the legal expenses, the estimate was determined by the Bank, in relation to the current disputes, based on the analysis of the historical trend of legal expenses incurred, by type of litigation and degree of judgment.</p> <p>Paragraph "Risks and uncertainties related to the use of estimates" of Part A – <i>Accounting Policies, A. 1 – General, Section 5 – Other matters</i> of the consolidated explanatory notes, contains information on the subjectivity and complexity of the estimation process adopted to support the carrying amount of some items subject to evaluation. For some of them, including provisions</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> • analysis and understanding of the relevant controls implemented by the Bank, at the various levels of its organization, in order to identify, manage and monitor complaints from customers and legal disputes with them arising from the banking operations and the activity of the Bank's personal financial advisors; • analysis and understanding of the process adopted by the Management – criteria, methods and assumptions – in estimating provisions, including provisions for the expected future costs related to the activity of lawyers appointed by the Bank; • periodic meetings with the heads of the Bank's legal department for analysis and discussion of the status of litigations and complaints; • analysis of the relevant documentation, including the register of complaints and reports prepared by control functions of the Bank; • obtaining and examining responses to requests for information to the lawyers appointed by the Bank; • verification, for a selection of disputes and complaints and on the basis of the data and information available gathered as a result of the above procedures, of the appropriateness of the related provision; • verification of the appropriateness of the provision for legal expenses through the analysis of the reasonableness and appropriateness of the criteria, assumptions and parameters adopted, as well as the verification of the accuracy and completeness of the data used for the estimates. <p>Lastly, we verified the adequacy and compliance of the disclosures provided in the consolidated explanatory notes with respect to the requirements of the relevant accounting standards.</p>

<p>for risks and charges, the complexity and the subjectivity of the estimates are affected by the articulation of the assumptions, the number and variability of the information available and the uncertainties regarding the final future outcomes of proceedings and disputes.</p> <p>Given the number of complaints and disputes, albeit physiological with respect to the Bank's typical operations, the uncertainties related to their outcome and the complexity and articulation of the estimation process, we considered the estimate of provisions for risks and charges for legal disputes as a key audit matter of the consolidated financial statements of FinecoBank Banca Fineco S.p.A. as at December 31, 2017.</p>	
<p>Key audit matters – Disbursement, classification and evaluation of loans to customers</p>	<p>Audit procedures in response to the key audit matters</p>
<p>As represented in the consolidated explanatory notes, Part B – <i>Consolidated Balance Sheet</i> and in the report on operations, as at December 31, 2017 loans to customers of FinecoBank Banca Fineco S.p.A. amount to Euro 2,129 million (net book value, including Euro 24.3 million of non-performing loans net of impairment losses of Euro 21.5 million).</p> <p>As part of this item, the loans portfolio with ordinary customers, consisting mainly of personal loans, mortgages, current accounts and credit cards, shows an overall increase of 121.1% compared to the previous year, also in relation to the disbursement, in 2017, of Euro 521 million of mortgages.</p> <p>During the year ended December 31, 2017, credit activity has been characterized by the expansion of the offer of credit products, especially through the offer of mortgage loans, a business launched by the Bank at the end of 2016. The disbursement mainly concerned loans for the purchase of first and second home (including subrogation), as well as <i>home-secured</i> loans and, on a residual basis, mortgages on non-residential properties.</p> <p>Part A – <i>Accounting Policies</i> of the consolidated explanatory notes includes the description of the processes for the classification and evaluation of credit exposures for which the Bank refers to the sector regulations, supplemented by the internal provisions governing the classification and transfer rules within the various risk categories and</p>	<p>We have preliminarily acquired a knowledge of the credit process which included, in particular, the understanding of the organizational and procedural safeguards established by the Bank's internal regulations and implemented by the Bank itself with reference to:</p> <ul style="list-style-type: none"> • assessment of creditworthiness in order to grant the credit; • measurement and monitoring of credit quality; • classification and evaluation of credit exposures in compliance with the sector regulations and in accordance with applicable accounting standards. <p>This activity included the verification of the implementation of the corresponding Bank processes and related procedures, as well as the operational effectiveness of the relevant controls regarding the credit grant and disbursement process.</p> <p>The audit procedures performed included, among others, the following:</p> <ul style="list-style-type: none"> • analysis and understanding of the IT systems and applications used, also with the support of IT experts belonging to our network; • obtaining and examining responses to requests of confirmations to the customers; • obtaining and analysis of the monitoring

<p>evaluation methods. Part E - <i>Information on Risks and Hedging Policies</i> also illustrates the credit risk management policies.</p> <p>Considering the significance of the amount of loans to customers recorded in the consolidated financial statements, the complexity of systems of measurement, management and control of credit risk adopted by the Bank, both in the grant and disbursement phase and subsequently, which involve an articulated classification activity of credit exposures and an evaluation process characterized by a relevant discretionary component, we have considered loans to customers, with particular reference to the mortgages due to their significant increase during the year, as a key audit matter of the consolidated financial statements of FinecoBank Banca Fineco S.p.A. as at December 31, 2017.</p>	<p>reports prepared by competent Bank departments and organizational units involved;</p> <ul style="list-style-type: none"> • as regard performing loans, verification, on a sample basis, of the classification in accordance with the sector regulations and examination of the reasonableness of the evaluation criteria and of the assumptions adopted by the Bank in determining the impairment losses for each class of credit; • as regard non-performing loans, verification on a sample basis of the classification and of the related evaluation in compliance with the sector regulations and the applicable accounting standards. <p>Lastly, we verified the adequacy and compliance of the disclosures provided in the consolidated explanatory notes with respect to the requirements of the applicable accounting standards and the relevant legislation.</p>
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Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The Directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05 and to art. 43 of Italian Legislative Decree no. 136/15 and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of FinecoBank Banca Fineco S.p.A. or the termination of the business or have no realistic alternative to such choices.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the Group’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence applicable in Italy, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report.

Other information communicated pursuant to art. 10 of the EU Regulation 537/2014

The Shareholders' Meeting of FinecoBank Banca Fineco S.p.A. has appointed us on April 16, 2013 as auditors of the Bank for the years from December 31, 2013 to December 31, 2021.

We declare that we have not provided prohibited non-audit services referred to in art. 5 (1) of EU Regulation 537/2014 and that we have remained independent of the Bank in conducting the audit.

We confirm that the opinion on the consolidated financial statements expressed in this report is consistent with the additional report to the Board of Statutory Auditors, in its role of Audit Committee, referred to in art. 11 of the said Regulation.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinion pursuant to art. 14, paragraph 2 (e), of Legislative Decree 39/10 and art. 123-bis, paragraph 4, of Legislative Decree 58/98

The Directors of FinecoBank Banca Fineco S.p.A. are responsible for the preparation of the report on operations and the report on corporate governance and ownership structure of the Group as at December 31, 2017, including their consistency with the related consolidated financial statements and their compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to express an opinion on the consistency of the report on operations and some specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, paragraph 4 of Legislative Decree 58/98 with the consolidated financial statements of the Group as at December 31, 2017 and on their compliance with the law, as well as to make a statement about any material misstatement.

In our opinion, the above-mentioned report on operations and some specific information contained in the report on corporate governance and ownership structure are consistent with the consolidated financial statements of the Group as at December 31, 2017 and are prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2 (e), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the company and of the related context acquired during the audit, we have nothing to report.

Exemption from the preparation of the non-financial statement

As described in the report on operations, the Directors of FinecoBank Banca Fineco S.p.A. made use of the exemption from the preparation of the non-financial statement pursuant to art. 6, paragraph 1, of Legislative Decree 30 December 2016, no. 254.

DELOITTE & TOUCHE S.p.A.

Signed by
Paolo Gibello Ribatto
Partner

Milan, Italy
March 15, 2018

This report has been translated into the English language solely for the convenience of international readers.

Financial Statements of FinecoBank S.p.A.

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Balance sheet

BALANCE SHEET - ASSETS	12.31.2017	12.31.2016
10. Cash and cash balances	613,033	5,077
20. Financial assets held for trading	10,878,797	6,044,381
40. Available-for-sale financial assets	1,047,689,459	1,319,752,248
50. Held-to-maturity investments	4,826,390,118	2,437,777,200
60. Loans and receivables with banks	13,877,651,228	15,735,539,575
70. Loans and receivables with customers	2,129,219,267	1,016,798,235
80. Hedging derivatives	458,102	552,163
90. Changes in fair value of portfolio hedged items (+/-)	9,590,000	8,658,970
100. Investments in associates and joint ventures	500,000	-
110. Property, plant and equipment	15,205,122	14,450,553
120. Intangible assets	97,511,341	97,333,284
of which		
- goodwill	89,601,768	89,601,768
130. Tax assets	9,225,684	13,165,245
a) current tax assets	1,765,333	1,570,652
b) deferred	7,460,351	11,594,593
Pursuant to Law 214/2011	3,827,710	4,179,683
150. Other assets	315,459,327	336,298,929
Total assets	22,340,391,478	20,986,375,860

BALANCE SHEET - LIABILITIES AND SHAREHOLDERS' EQUITY	12.31.2017	12.31.2016
10. Deposits from banks	926,001,336	1,111,106,252
20. Deposits from customers	20,205,035,993	18,801,073,396
40. Financial liabilities held for trading	2,616,556	2,625,818
60. Hedging derivatives	12,693,848	10,913,534
70. Changes in fair value of portfolio hedged items (+/-)	(3,772,231)	457,488
80. Tax liabilities	10,233,645	10,048,263
a) current tax liabilities	10,233,645	10,048,263
100. Other liabilities	338,180,110	251,843,036
110. Provisions for employee severance pay	4,998,596	5,253,109
120. Provisions for risks and charges	112,413,921	111,755,540
b) other reserves	112,413,921	111,755,540
130. Revaluation reserves	(8,340,274)	(6,794,389)
160. Reserves	323,932,039	278,407,921
170. Share premium reserve	1,934,113	1,934,113
180. Share capital	200,545,404	200,245,794
190. Treasury shares (-)	(365,178)	(4,337,809)
200. Net Profit (Loss) for the year	214,283,600	211,843,794
Total liabilities and Shareholders' equity	22,340,391,478	20,986,375,860

Income statement

INCOME STATEMENT	2017	2016
10. Interest income and similar revenues	269,746,119	253,306,254
20. Interest expenses and similar charges	(5,165,001)	(3,918,420)
30. Net interest margin	264,581,118	249,387,834
40. Fee and commission income	533,314,118	472,840,353
50. Fee and commission expense	(263,230,692)	(229,959,174)
60. Net fee and commission income	270,083,426	242,881,179
70. Dividend income and similar revenue	54,580	19,805
80. Gains (losses) on financial assets and liabilities held for trading	47,413,142	48,590,105
90. Fair value adjustments in hedge accounting	19,195	68,969
100. Gains (losses) from disposal or repurchase of:	4,711,990	20,382,021
<i>a) loans and receivables</i>	<i>3,951,003</i>	<i>34</i>
<i>b) available-for-sale financial assets</i>	<i>760,987</i>	<i>20,381,987</i>
120. Operating income	586,863,451	561,329,913
130. Impairment losses on:	(18,042,404)	(9,507,033)
<i>a) loans and receivables</i>	<i>(5,157,695)</i>	<i>(4,206,369)</i>
<i>b) available-for-sale financial assets</i>	<i>(12,891,185)</i>	<i>(6,724,389)</i>
<i>d) other financial assets</i>	<i>6,476</i>	<i>1,423,725</i>
140. Net profit from financial activities	568,821,047	551,822,880
150. Administrative costs	(323,383,787)	(314,208,394)
<i>a) payroll costs</i>	<i>(78,852,608)</i>	<i>(79,201,124)</i>
<i>b) other administrative expenses</i>	<i>(244,531,179)</i>	<i>(235,007,270)</i>
160. Net provisions for risks and charges	(8,458,948)	(783,846)
170. Net impairment/write-backs on property, plant and equipment	(5,569,276)	(4,853,453)
180. Net impairment/write-backs on intangible assets	(4,799,956)	(5,098,895)
190. Other net operating income	90,349,875	79,458,523
200. Operating costs	(251,862,092)	(245,486,065)
240. Gains (losses) on disposal of investments	(507,788)	234
250. Total profit (loss) before tax from continuing operations	316,451,167	306,337,049
260. Tax expense (income) related to profit or loss from continuing operations	(102,167,567)	(94,493,255)
270. Total profit (loss) after tax from continuing operations	214,283,600	211,843,794
290. Net Profit (Loss) for the year	214,283,600	211,843,794

	2017	2016
Earnings per share (euro)	0,35	0,35
Diluted earnings per share (euro)	0,35	0,35

Note:

For further information on "Earnings per share" and "Diluted earnings per share" please see Notes to the Accounts, Part C - Information on the Income Statement, Section 21.

Statement of comprehensive income

	2017	2016
10. Net Profit (Loss) for the year	214,283,600	211,843,794
Other comprehensive income after tax without reclassification through profit or loss		
40. Defined benefit plans	(3,473,350)	(1,061,600)
Other comprehensive income after tax with reclassification through profit or loss		
100. Available-for-sale financial assets	1,927,465	(17,359,033)
130. Total other comprehensive income after tax	(1,545,885)	(18,420,633)
140. Comprehensive income (item 10+130)	212,737,715	193,423,161

Statement of changes in shareholders' equity

Statement of changes in shareholders' equity as at 12.31.2017

	BALANCE AS AT 12.31.2016	CHANGE IN OPENING BALANCE	BALANCE AS AT 01.01.2017	ALLOCATION OF PROFIT FROM PREVIOUS YEAR		CHANGE DURING THE YEAR								SHAREHOLDERS' EQUITY AS AT 12.31.2017
				RESERVES	DIVIDENDS AND OTHER DISTRIBUTIONS	CHANGES IN RESERVES	OPERAZIONI SUL PATRIMONIO NETTO					COMPREHENSIVE INCOME YEAR 2017		
							ISSUES OF NEW SHARES	PURCHASE OF OWN SHARES	DISTRIBUTION OF EXTRAORDINARY DIVIDENDS	CHANGES IN EQUITY INSTRUMENTS	OWN SHARE DERIVATIVES		STOCK OPTIONS	
Share capital:														
a) ordinary shares	200,245,794		200,245,794				299,610							200,545,404
b) other shares														
Share premium reserve	1,934,113		1,934,113											1,934,113
Reserves:														
a) from profits	250,247,571		250,247,571	41,684,057		208,837						(299,610)		291,840,855
b) other	28,160,350		28,160,350									3,930,834		32,091,184
Revaluation reserves	(6,794,389)		(6,794,389)										(1,545,885)	(8,340,274)
Equity instruments														
Treasury shares	(4,337,809)		(4,337,809)				4,144,410	(171,779)						(365,178)
Profit (loss) for the year	211,843,794		211,843,794	(41,684,057)	(170,159,737)								214,283,600	214,283,600
Shareholders' equity	681,299,424	-	681,299,424	-	(170,159,737)	208,837	4,444,020	(171,779)	-	-	-	3,631,224	212,737,715	731,989,704

The amount of the dividend paid to shareholders in 2017, totalling €170,159,736.60, corresponds to €0.28 per share.

The column "Stock options" includes the incentives plans serviced by FinecoBank shares.

The "Changes in reserves" column includes dividends not distributed in relation to any treasury shares held by the Bank at the record date, transferred to the Extraordinary reserve.

Statement of changes in shareholders' equity

Statement of changes in shareholders' equity as at 12.31.2016

	BALANCE AS AT 12.31.2015	CHANGE IN OPENING BALANCE	BALANCE AS AT 01.01.2016	ALLOCATION OF PROFIT FROM PREVIOUS YEAR		CHANGE DURING THE YEAR								SHAREHOLDERS' EQUITY AS AT 12.31.2016
				RESERVES	DIVIDENDS AND OTHER DISTRIBUTIONS	CHANGES IN RESERVES	SHAREHOLDERS' EQUITY TRANSACTIONS					COMPREHENSIVE INCOME YEAR 2016		
							ISSUES OF NEW SHARES	PURCHASE OF OWN SHARES	DISTRIBUTION OF EXTRAORDINARY DIVIDENDS	CHANGES IN EQUITY INSTRUMENTS	OWN SHARE DERIVATIVES		STOCK OPTIONS	
Share capital:														
a) ordinary shares	200,150,192		200,150,192				95,602							200,245,794
b) other shares														
Share premium reserve	1,934,113		1,934,113											1,934,113
Reserves:														
a) from profits	214,666,022		214,666,022	35,676,658		493						(95,602)		250,247,571
b) other	21,923,555		21,923,555									6,236,795		28,160,350
Revaluation reserves	11,626,244		11,626,244										(18,420,633)	(6,794,389)
Equity instruments														
Treasury shares	(8,555,284)		(8,555,284)				4,217,475	-						(4,337,809)
Profit (loss) for the year	191,052,791		191,052,791	(35,676,658)	(155,376,133)								211,843,794	211,843,794
Shareholders' equity	632,797,633	-	632,797,633	-	(155,376,133)	493	4,313,077	-	-	-	-	6,141,193	193,423,161	681,299,424

The amount of the dividend paid to shareholders in 2016, totalling €154,376,133.61, corresponds to €0.255 per share.

The column "Stock options" includes the incentives plans serviced by FinecoBank shares.

Cash flow statement

Indirect method

A. OPERATING ACTIVITIES	AMOUNT	
	2017	2016
1. Operations	361,197,723	293,153,682
- profit (loss) for the year (+/-)	214,283,600	211,843,794
- unrealised gains/losses on financial assets/liabilities held for trading and on assets/liabilities at fair value through profit or loss (-/+)	(1,795,053)	(3,213,058)
- capital gains/losses on hedging transactions (-/+)	(19,195)	(68,969)
- impairment losses/write-backs (+/-)	10,052,616	9,753,897
- impairment losses/write-backs on tangible and intangible assets (+/-)	10,369,232	9,952,348
- provisions for risks and charges and other income/expenses (+/-)	22,691,175	21,089,047
- duties, taxes and tax credits not paid (+/-)	2,728,516	(5,054,227)
- net impairment losses/write-backs on disposal groups classified as held for sale after tax (+/-)	-	-
- other adjustments (+/-)	102,886,832	48,850,850
2. Cash flows from/used by financial assets	669,013,589	(1,381,160,674)
- financial assets held for trading	(3,192,436)	(567,806)
- financial assets at fair value through profit or loss	-	-
- available-for-sale financial assets	246,011,519	(1,313,292,726)
- loans and receivables with banks: on demand	-	-
- loans and receivables with banks: other loans and receivables	1,514,464,035	(1,827,055)
- loans and receivables with customers	(1,108,949,383)	(98,959,296)
- other assets	20,679,854	33,486,209
3. Cash flows from/used by financial liabilities	1,295,414,604	2,646,815,393
- deposits from banks: on demand	-	-
- deposits from banks: other payables	(175,626,539)	(295,219,062)
- deposits from customers	1,404,593,717	2,980,283,349
- debt securities in issue	-	-
- financial liabilities held for trading	143,908	245,403
- financial liabilities at fair value through profit and loss	-	-
- other liabilities	66,303,518	(38,494,297)
Net cash flows from/used in operating activities	2,325,625,916	1,558,808,401
B. INVESTMENT ACTIVITIES		
1. Cash flows from		
- sales of equity investments	-	-
- collected dividends on equity investments	-	-
- sales of financial assets held to maturity	-	-
- sales of tangible assets	256,331	234
- sales of intangible assets	-	-
- disposals of businesses	-	-
2. Cash flows used in		
- purchases of equity investments	(500,000)	-
- purchases of held-to-maturity investments	(2,430,228,291)	(291,362,650)
- purchases of tangible assets	(7,083,818)	(6,884,309)
- purchases of intangible assets	(4,978,013)	(4,618,092)
- purchases of divisions	-	-
Net cash flows from/used in investing activities	(2,442,533,791)	(302,864,817)
C. FUNDING ACTIVITIES		
- issue/purchase of treasury shares	3,972,631	4,217,475
- issue/purchase of equity instruments	299,610	95,602
- dividends and other distributions	(174,394,920)	(159,688,717)
Net cash flows from/used in financing activities	(170,122,679)	(155,375,640)
NET CASH FLOWS FROM/USED DURING THE YEAR	(287,030,554)	1,100,567,944

RECONCILIATION

Balance Sheet Items		
Cash and cash balances at the beginning of the year	2,284,274,859	1,182,228,221
Net cash flows generated/used during the year	(287,030,554)	1,100,567,944
Cash and cash balances: effect of changes in exchange rates	(46,714,855)	1,478,694
Cash and cash balances at the end of the year	1,950,529,450	2,284,274,859

Key:

(+) generated
 (-) used

The term "Cash and cash balances" means cash recorded under item 10 of assets "Cash and cash balances" and the equivalent liquid assets recorded under item 60 of assets "Loans and receivables with banks" (consisting of current accounts and deposits maturing within 3 months) net of the equivalent liquid liabilities recorded under item 10 of liabilities "Deposits from banks" (represented by current accounts and deposits maturing within 3 months).

The item "Cash and cash balances" at the end of the year 2017 consisted of:

- Cash recognised under asset item 10 "Cash and cash balances" in the amount of €613 thousand;
- Current accounts and demand deposits recognised under asset item 60 "Loans and receivables with banks" in the amount of €1,992,673 thousand;
- net of the Current accounts and demand deposits recognised under liability item 10 "Deposits from banks" in the amount of €42,756 thousand.

The item "Cash and cash balances" at the end of the prior year consisted of:

- Cash recognised under asset item 10 "Cash and cash balances" in the amount of €5 thousand;
- Current accounts and demand deposits recognised under asset item 60 "Loans and receivables with banks" in the amount of €2,336,579 thousand;
- net of the Current accounts and demand deposits recognised under liability item 10 "Deposits from banks" in the amount of €52,309 thousand.

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Part A - Accounting Policies

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Part A - Accounting Policies

A.1 General

Section 1 - Statement of Compliance with IFRS

In implementation of Legislative Decree no. 38 of February 28, 2005, these Financial Reports and Accounts of FinecoBank Banca Fineco S.p.A. (hereinafter, FinecoBank or Fineco) have been prepared in accordance with the IAS/IFRS issued by the International Accounting Standards Board (IASB), including the SIC and IFRIC interpretation documents, as endorsed by the European Commission until December 31, 2017, pursuant to EU Regulation 1606/2002 of July 19, 2002 and applicable to financial reports for the periods starting on or after January 1, 2017.

They are an integral part of the Annual Financial Report as required by art. 154-ter, paragraph 1 of the Consolidated Finance Act (TUF, Italian Legislative Decree no. 58 of February 24, 1998).

In its circular 262 of December 22, 2005 as amended, the Bank of Italy laid down the formats for the financial statements and explanatory notes to the accounts of banks and regulated financial companies that are parents of banking groups, which have been used to prepare these consolidated Accounts.

Section 2 - Preparation criteria

As mentioned above, these Accounts have been prepared in accordance with the IFRS endorsed by the European Commission. The following documents have been used to interpret and support the application of IFRS, even though not all of them have been endorsed by the European Commission:

- The Conceptual Framework for Financial Reporting;
- Implementation Guidance, Basis for Conclusions, IFRICs and any other documents prepared by the IASB or International Financial Reporting Interpretations Committee (IFRIC) supplementing the IFRS;
- Interpretation documents on the application of IFRS in Italy prepared by the Organismo Italiano di Contabilità (Italian Accounting Body);
- ESMA (European Securities and Markets Authority) and Consob documents on the application of specific IFRS provisions;
- the documents prepared by the Italian Banking Association (ABI).

The Accounts comprise the Balance Sheet, the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Shareholders' Equity, the Cash Flow Statement (compiled using the indirect method), and these Notes to the Accounts, together with the Directors' Report on Operations and the Attachments.

Pursuant to Art. 123-bis par. 3 of Consolidated Finance Act, as noted in the " Other Information" section of the Report on Operations, the Report on Corporate Governance and Ownership Structures is available in the "Governance" section of the FinecoBank website.

The figures in the financial statements are provided in euros, and in thousands of euros in the notes to the accounts, unless otherwise indicated. In accordance with the Bank of Italy Circular 262/2005, items in the Balance Sheet, Income Statement and Statement of Comprehensive Income for which there is no significant information to be disclosed for the reporting period and the previous year, are not provided.

In addition, the tables in the Notes that do not have any significant information to be disclosed are not shown either for the reporting period or the previous year.

Any lack of discrepancies between the figures shown in the tables of the notes to the accounts is solely due to roundings.

With reference to IAS 1, these consolidated Financial Statements have been prepared on a going concern basis, as there are no doubts or uncertainties as to the Bank's ability to continue its business operations and to continue operating for the foreseeable future (at least for the next 12 months).

The measurement criteria adopted are therefore consistent with this assumption and with the principles of accrual based accounting, the relevance and materiality of accounting information, and the prevalence of economic substance over legal form. These criteria have not changed with respect to the previous year.

Section 3 - Subsequent events

No significant events have occurred after the balance sheet date that would make it necessary to change any of the information given in the Accounts as at December 31, 2017.

The Separate Financial Statements at December 31, 2017 were approved by the Board of Directors of February 6, 2018, which authorised their publication also pursuant to IAS10.

Section 4 - Other Matters

In 2017, the following accounting standards, amendments and interpretations become effective for reporting periods beginning on or after January 1, 2017:

- Amendments to IAS 7: Disclosure Initiative (EU Regulation 2017/198);
- Amendments to IAS 12: Recognition of deferred tax assets for unrealised losses (EU Regulation 2017/1990).

Where applicable, these accounting standards, amendments and interpretations had no impact on the financial position and results of the Bank as at December 31, 2017.

In 2017, moreover, the European Commission approved the following accounting standards, amendments and interpretations become effective and mandatory for reporting periods beginning on or after January 1, 2018:

- Amendments to IFRS 4: Implementation of IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (EU Regulation 2017/1988);
- Clarifications on IFRS 15: Income from customer contracts (EU Regulation 2017/1987);

on or after January 1, 2019:

- IFRS 16 - Leasing (EU Regulation 2017/1986).

These standards and amendments have not been applied in advance by the Bank; with particular reference to the new IFRS 16 standard, refer to the information below.

With regard to accounting standards:

- IFRS 15 - Revenue from contracts with customers (EU Regulation 2016/1905);
- IFRS 9 - Financial Instruments (EU Regulation 2016/2067).

approved by the European Commission in 2016, mandatorily applicable to financial statements relating to periods beginning on or after January 1, 2018 and not applied in advance by the Bank, see below.

Finally, as at December 31, 2017, the IASB issued the following accounting standards and interpretations or revisions thereof, whose application is subject to completion of the approval process by the European Union, which is still ongoing:

- IFRS 14 - Rate-regulated activities (January 2014);
- Amendments to IFRS 10 and IAS 28: Sale or transfer of assets to a joint venture or associate (September 2014);
- Amendments to IFRS 2: Classification and measurement of share-based payments (June 2016);
- Annual Improvements to International Financial Reporting Standards, 2014-2016 Cycle (December 2016);
- IFRIC 22 - Interpretation on foreign currency transactions and advance consideration (December 2016);
- Amendments to IAS 40: Transfers of investment property (December 2016);
- IFRS 17 - Insurance contracts (May 2017);
- IFRIC 23 - Uncertainty over Income Tax Treatments (June 2017);
- Amendments to IFRS 9 - Prepayment Features with Negative Compensation (October 2017);
- Amendments to IAS 28 - Long-term Interests in Associates and Joint Ventures (October 2017);
- Annual Improvements to International Financial Reporting Standards, 2015-2017 Cycle (December 2017).

The possible effects of the future adoption of these standards, interpretations and amendments, when applicable and relevant for the Bank, are reasonably estimated as not significant; the related analyses, also in relation to pending approvals, are still to be completed.

IFRS 9 Financial Instruments

In July 2014, the IASB issued the new accounting standard IFRS 9 Financial Instruments, endorsed by the European Commission on November 22, 2016 through Regulation (EU) 2016/2067, which is mandatorily applicable for annual periods beginning on or after January 1, 2018, that will replace IAS 39 Financial Instruments: recognition and measurement.

The new standard provides for a revised model for classifying and measuring financial assets and liabilities, an "expected loss" based impairment model for loans and a reformed approach to hedge accounting.

As of January 1, 2018, the application of IFRS 9 has impacts both on the Bank's income and balance sheet and the related information in the financial statements, as well as purely operational impacts.

During 2017, as part of a specific project launched for this purpose, the Bank completed the analysis and recognition of the impacts resulting from the adoption of the standard; the project activities aimed at the necessary implementations (IT architecture, processes and organisational procedures) are in their final phase.

The project - in coordination with a similar project carried out at UniCredit Group level and developed with the involvement of the Bank's reference functions and, most recently, the Board of Directors - was organised through specific work-streams, in particular:

- "Classification and Measurement" work-stream, aimed at reviewing the classification of financial instruments in line with the new criteria of IFRS9;
- "Impairment" work-stream, aimed at developing and implementing models and methodologies for the calculation of impairment losses.

Part A - Accounting Policies (CONTINUED)

Classification and measurement of financial assets and liabilities

With regard to IAS 39, the new standard for the classification and measurement of financial assets provided for by IFRS 9 is based on the "business model" and the financial instrument's contractual cash flows (SPPI criterion - Solely Payments of Principal and Interests).

Based on the entity's business model for managing financial instruments, the assets may be classified as:

1. "held to collect" contractual cash flows ("HTC", measured at amortised cost and subject to impairment based on expected losses);
2. "held to collect cash flows and for sale" ("HTCS", measured at fair value through comprehensive income, in an equity reserve, and subject to impairment on the basis of expected losses);
3. "held as part of other business models", e.g. held for trading ("FVTPL", measured at fair value through profit and loss).

It is also possible upon initial recognition to:

- irrevocably designate a financial asset as measured at fair value through profit or loss if this eliminates or significantly reduces a mismatch ("accounting mismatch") that would otherwise arise from a different measurement of assets or liabilities or from the recognition of gains and losses on different bases;
- irrevocably designate particular investments in equity instruments, which would otherwise be measured at fair value through profit or loss, as measured at fair value through other comprehensive income items. Upon disposal, the fair value changes recognised in a specific shareholders' equity reserve are not transferred to profit or loss, but to another shareholders' equity reserve.

With regard to financial liabilities, IFRS 9 changes the accounting of the effects of changes in the so-called "own credit risk", i.e. changes in the value of financial liabilities measured at fair value linked to fluctuations of one's own credit rating. The new standard entails that the aforementioned changes shall be recognised in a Shareholders' equity reserve through other comprehensive income rather than through profit and loss, as provide for by the IAS39 standard, thus eliminating a source of volatility for economic statement results.

With regard to classification and measurement activities, the Bank finalised the identification of the business model applicable to its financial assets and completed the analysis of the existing securities and loans portfolio in order to ascertain whether contractual cash flows enable their classification as HTC assets and amortised cost valuation, where provided for. The analysis was performed both on a contract by contract basis (securities portfolio) and by defining specific clusters based on transaction features (loan portfolio).

At the end of this analysis, the Bank included the following financial assets in the HTC Business model, according to the purposes for which they are held and their expected turnover:

- customer loans (mortgages, personal loans, unsecured loans, revolving credit cards, current account credit lines and, usually, overdraft facilities);
- cash-secured securities loans to "multi-day leverage" retail customers;
- credit cards full payment of balance;
- deposits, loans and repurchase agreements;
- other trade receivables;
- proprietary securities for which the Objective pursued by the bank as part of its investment policy is the ownership of financial assets aimed at the collection of contractual cash flows with the aim of achieving medium/long-term profitability.

The "HTCS Business Model" includes own securities for which the Bank pursues - as part of its investment policy - the management of the its current liquidity, the maintenance of a set interest margin or the alignment of the terms of financial assets and liabilities. Sales are an integral part of this business model and, therefore, there is no turnover threshold for portfolio sales, both in terms of frequency and amount. Nevertheless, trading activity is not allowed in order to pursue the business model and any purchases must be effected taking into account a medium to long-term time horizon.

The "Other Business Models" include any assets that do not fall into the aforementioned macro-classes. These are financial assets that are not held as part of a business model whose objective is the holding of assets aimed at the collection of contractual cash flows or whose objective is pursued through both the collection of financial cash flows and the sale of financial activities.

In particular, it involves the following activities identified by the Bank:

- internalisation
- trading
- securities withdrawn from customers
- other securities (not included in the above points).

In order to assess whether the features of contractual cash flows support either an amortised cost valuation (HTC) or a fair value valuation with an impact on total profitability (HTCS), i.e. whether the contractual terms of financial assets provide for, at given dates, financial flows consisting solely of principal and interest payments on the outstanding capital share (SPPI criterion - Solely Payments of Principal and Interests), systems and processes have been developed to analyse the debt securities and outstanding loans portfolio (SPPI test), in compliance and in line with the parent company UniCredit S.p.A. The tests were carried out on the securities and loans portfolio in existence at the date of the initial implementation of the accounting principle with reference to the date of their initial recognition ("inception date") and shall be carried out when a security is purchased, a new loan is marketed or the standard conditions of an existing product are changed, or when a loan with contractual conditions other than those stated in standard term sheets is issued. A potential negative result of the SPPI test ("not passed") results in the fair value measurement of the asset, with consequent different treatment compared to the standard amortised cost treatment and hedge accounting.

It should be noted that the Bank did not set minimum or false thresholds considering any clause contractual cash flow characteristics that does not comply with the SPPI requirement as a trigger that result in the test's failure, taking into account the nature of its loans and securities portfolio, consisting of plain vanilla financial assets.

With regard to non-trading equity instruments, IFRS 9 provides for the possibility of measuring them at the fair value recognised through other comprehensive income (so-called FVTOCI - fair value through Other Comprehensive Income). On first-time application of the standard, the Bank intends to exercise this option for equity instruments consisting of interests in UniCredit Business Integrated Solutions S.C.p.A., recognised in these financial statements for a total amount of €172, and in Consorzio Patti Chiari, for an amount of €5,000.

With regard to financial liabilities, no differences were recorded in terms of classification and measurement compared with IAS 39.

Impairment

With regard to the credit impairment model based on the "expected loss" ("Expected Credit Loss" or "ECL") under the new standard, the IASB developed this method in order to ensure - as required by the G20 following the financial crisis - early recognition of credit losses compared to IAS 39, which is based on actual evidence that an impairment has occurred ("incurred loss"). The new impairment accounting model is also based on the concept of "lifetime" expected loss, which can also lead to the anticipation of impairment losses and their structural increase.

In this regard, for impaired assets according to IAS 39, no significant impacts are envisaged for the Bank because there are no significant conceptual differences between the incurred losses method, according to IAS 39, and the ECL method, required by IFRS 9, as the same indicators for recognition of the loss and for classification as non-performing loans required by IAS 39 shall continue to apply. However, there are significant differences in the calculation of the ECL of receivables that experienced a significant increase in the credit risk since initial recognition (receivables classified as in "Stage 2"); however, given the amount of these exposures in the Bank's financial statements, no material impacts are expected.

The standard states that the impairment model applies to all financial instruments, i.e. financial assets recognised at amortised cost, those recognised at fair value through other comprehensive income, rental receivables and trade receivables. For the Bank, the impairment model introduced by IFRS 9 will be applied to a perimeter that will include owned securities issued by Governments and exposures towards the UniCredit Group.

The calculation model for the expected impairment loss was developed considering default exposure, the probability of default of the counterparty and its repayment capability. The valuation time-horizon differs depending on the instrument's classification: 12 months for Stage 1 receivables and for the entire term of the receivable for instruments at Stage 2 and 3. Another novelty introduced by IFRS9 for the valuation of expected losses consists in considering also future economic estimates (prospective data) available without unreasonable cost or effort, in addition to existing historical information.

The classification into the three "Stages" envisaged is carried out considering the importance of the changes in credit risk ratings compared to when they were first recognised. "Stage 1" includes exposures that did not experience a significant increase in credit risk or whose increase is deemed as being low. This Stage~~ applies to financial instruments included in the Bank's proprietary portfolio with an "Investment Grade" rating. "Stage 2" includes exposures for which, at the valuation date, the credit risk increased significantly compared to the time they were first recognised. Finally, "Stage 3" includes exposures the show signs of objective deterioration (non-performing loans).

In defining the scope of impaired exposures, the default definition currently applied within the UniCredit Group has been adopted, which already incorporates some key principles of the "Guidelines on the application of the definition of default" issued by the EBA, such as the assessment of impairment and/or default on the basis of a given debtor's overall exposure (so-called "debtor approach").

The methodological approach applied was agreed with the Parent Company UniCredit, as were the central assessments of the credit parameters of institutional counterparties.

At the date of first application, the key expected impacts deriving from the application of the new impairment model based on expected losses relate to unimpaired assets, with an increase in write-downs particularly for financial instruments in the Bank's own portfolio.

Hedge accounting

With regard to hedges, the requirements of the new standard have been amended to make them more suitable to reflect companies' risk management policies; the new hedge accounting model extends the types of transactions eligible for hedge accounting, changes to the effectiveness test and different methods of accounting for forward contracts and options in a hedge accounting relationship. With regard to hedge accounting, the Bank plans to exercise the option established in paragraph 6.1.3 of IFRS 9 and, therefore, it will continue to apply IAS 39 for fair value hedges of interest rate risk on financial assets and liabilities, until the IASB has completed the accounting rules on hedge accounting.

In fact, the Bank only has these types of hedges in place and, at present, does not envisage other types of hedging.

Final remarks

On the date of first application of IFRS 9, negative impacts resulting from the implementation of the new impairment model based on expected losses are anticipated, which - as mentioned above - will determine an increase in write-downs on unimpaired assets, particularly in the item "Loans and receivables with banks" for the portion consisting of debt securities issued by the Parent Company UniCredit and subscribed by the Bank, which is estimated to range - net of taxes - between 55 and 65 basis points of the Bank's CET1 at December 31, 2017. Positive impacts resulting from the classification and fair value measurement of a debt security issued by UniCredit, subscribed by the Bank in prior years, with a coupon in arrears, hedged from interest rate risk through a derivative entered into with the same Parent Company, whose contractual features do not allow it to pass the SPPI Test; these impacts are estimated, gross of the tax effect, at approximately 40 basis points of the Bank's CET1 at December 31, 2017.

The effects on the carrying amount of financial instruments and impairment losses linked to the transition to IFRS9 will be recognised on January 1, 2018, as a contra-entry in Shareholders' equity.

Part A - Accounting Policies (CONTINUED)

For the sake of completeness, it should also be noted that UniCredit shares valued at fair value in IFRS 9 transition were restructured on January 2, 2018, including the contractual features of the derivative used up to that date to hedge the interest rate risk. The Bank therefore derecognised the financial instrument recognised at December 31, 2017 and recognise the new one, whose characteristics support compliance with the SPPI Test, with consequent classification of the instrument to assets measured at amortised cost.

As a result of the implementation of IFRS9, a review of prudential rules (CRD/CRR) for the calculation of capital absorption is anticipated. In this regard, EU Regulation 2017/2395 issued on December 27, 2017 provides, as an option, that financial institutions may adopt a transition regime in order to add to CET1 the changes resulting from the adoption of the new impairment model according to the accounting standard, with a gradual mechanism (so-called "phase-in") over 5 years starting from 2018; the Bank, in line with the choice made by the UniCredit Group, will not adopt the transition regime.

IFRS 15 - Revenue from contracts with customers

IFRS 15 - Revenue from Contracts with Customers (published by the IASB on May 28, 2014), was endorsed by the European Commission on September 22, 2016 through EU Regulation 2016/1905.

The principle will replace IAS 18 - Revenue and IAS 11 - Construction Contracts, and IFRIC 13 - Customer Loyalty Programmes, IFRIC 15 - Agreements for the Construction of Real Estate, IFRIC 18 - Transfers of Assets from Customers and SIC 31 - Revenues-Barter Transactions Involving Advertising Services, for annual periods starting on or after January 1, 2018 (early adoption is permitted).

The standard establishes a new revenue recognition model according to two alternative approaches ("at point in time" or "over time") to be applied to all contracts with customers except those that fall within the scope of other IAS/IFRS standards such as finance leases, insurance contracts and financial instruments. The recognition of revenue under the new model for analysing transactions, based on the transfer of control, has the following basic steps:

- identification of the contract with the customer;
- identification of performance obligations under the contract;
- determination of the price;
- allocation of price to the contract performance obligations;
- the revenue recognition criteria when the entity satisfies each performance obligation.

In order to assess the anticipated impacts of IFRS 15 on the Bank's income statement and financial position, also taking account of the clarifications on the standard published by the IASB in April 2016 and endorsed by the European Union on 6 November, 2017, the chart of accounts was analysed solely with regard to income items included in the implementation scope of the standard, identified in Item 40. "Fee and commission income" and Item 190. "Other management charges and income" (for Other income only).

The analysis performed did not highlight any significant impacts on the Bank's income statement and financial position.

IFRS 16 - Leasing

IFRS16, applicable from January 1, 2019 replaces the current set of international accounting principles and interpretations on leasing and, in particular, IAS17.

IFRS16 introduces a new definition of leasing and a criterion based on control ("right of use") of an asset to distinguish leasing agreements from service agreements and eliminates the current distinction between operational and financial leases. With regard to the accounting model to be applied by the lessee, the new principle provides that an asset representing the right to use the leased asset shall be recognised, together with - at the same time - the financial liability for the fees set out in the agreement.

Upon initial recognition of the aforementioned asset, when calculating the right of use, the following is included: the initial amount of the liability provided in the leasing agreement, any fees paid on or before the date on which the leased asset is made available, any initial direct costs incurred for the lease and the estimate of any costs required to remove the leased asset or restore it at the end of the agreement and under the conditions provided for therein. The debt to be recognised as a contra-entry is posted at the current net present value of outstanding fees. The new standard also allows the possibility of not recognising contracts for "low-value assets" and leases with a contractual term of 12 months or less as leasing contracts.

By contrast, the new standard does not include significant changes for the lessor.

This analysis and survey of the impacts and effects resulting from the first-time adoption of the standard by the Bank, which in any case is expected for January 1, 2019 and not early, as is permitted, together with the mandatory application of IFRS 15, and the implementation and/or adoption of any required administrative and accounting processes, will be completed in 2018.

Interbank Deposit Guarantee Fund - Voluntary Scheme

The Bank has subscribed to the Voluntary Scheme, introduced in November 2015, through an amendment to the bylaws of the Interbank Deposit Guarantee Fund ("IDGF"). The Voluntary Scheme is an instrument for resolving bank crises through support measures in favour of banks subscribing to it, when specific conditions established by the regulations apply. The Voluntary Scheme has its own independent financial resources and the banks subscribing to it have committed to provide funds on request for implementation of the measures.

On June 17, 2016, the General Meeting of the IDGF strengthened the financial resources of the Voluntary Scheme from €300 million to €700 million (with a total commitment for FincoBank of €16.8 million).

In June 2016, the Voluntary Scheme approved a measure in favour of Cassa di Risparmio di Cesena, in relation to the capital increase approved by the latter on June 8, 2016 for €280 million.

In September 2016, the Voluntary Scheme of the IDGF made a payment for the capital increase of Cassa di Risparmio di Cesena and at the same time debited the amount pertaining to the member. The contribution to the Voluntary Scheme was recognised by the Bank, in accordance with the instructions of the Bank of Italy, amounted to €6.7 million, was recognised in equity instruments classified in the "Available-for-sale financial assets:" portfolio and fully written-down in the separate accounts at December 31 2016, the notes to which the reader is referred.

During the meeting of July 28, 2017 the Management Board of the Voluntary Scheme approved Crédit Agricole Cariparma's proposal in favour of Caricesena, Carim and Carismi and resolved on the support measure for the reorganisation of the three banks pursuant to Article 48, paragraph 5, letter a) of Chapter II of the Articles of Association.

Following this resolution, the Extraordinary Shareholders' Meeting of the participating banks, held on September 7, 2017, approved to increase of the Scheme's resources by €95 million (from €700 million to €795 million), bringing Fineco's total commitment, net of the contribution already paid in relation to Caricesena in 2016, to €13.3 million (calculated on the basis of funds due on March 31, 2017).

The measure approved by the Management Board entailed using the Voluntary Scheme's funds to recapitalise the three banks and underwrite the tranche of their NPLs securitisation. Considering the time scale required to perfect the transaction, on September 18 and 19, 2017 Carim and Carismi, based on the resolutions adopted by the respective Boards of Directors, asked the Voluntary Schemed to effect payments for future capital increases of €55 million (€25 million for Carim and €30 million for Carismi), in order to ensure compliance with asset requirements at September 30, 2017 and provide the two banks with a capital buffer as provided for by regulatory provisions, until the closing of the transaction. On September 25, 2017, as required by the IDGF, Fineco paid its share, equal to €1.4 million, calculated by applying to the total amount of €55 million the percentage share determined based on the amounts repayable on March 31, 2017, thus reducing its share (€11.9 million). This contribution was also recognised, in accordance with the relevant instructions issued by the Bank of Italy in October 2016, under the equity instruments classified in the "Available-for-sale financial assets" portfolio.

On September 29, 2017 the National Interbank Deposit Guarantee Fund, in implementation of the resolution of the Voluntary Scheme's Management Board of September 28, 2017, signed the Framework Agreement between Crédit Agricole Cariparma, the Voluntary Scheme, Caricesena, Carim and Carismi.

On December 7, 2017 the Voluntary Scheme's Management Board withdrew €455 million in order to provide the Scheme with the financial resources required to effect payments at the time of the transaction's closing, anticipated on December 21, 2017.

On December 13, 2017 Fineco paid its share, equal to €12.2 million, calculated by applying to the total amount of €455 million the percentage share determined based on the amounts due on September 30, 2017, thus reducing its share (€0.1 million remaining). The contribution paid was recognised, as previously, as capital instruments classified in the "Available-for-sale financial assets" portfolio.

At the end of Crédit Agricole Cariparma's purchase of the three banks the Voluntary Scheme held in its balance sheet mezzanine and junior NPL securitisation securities of €170 million and cash and cash equivalents of €6 million, whilst the recapitalisations of the three banks effected were a non-recoverable expense for the Voluntary Scheme, as a result of the sale of the banks to Crédit Agricole Cariparma.

In relation to the above, in the Accounts closed at December 31, 2017 Fineco partially derecognised the equity instruments recognised in "Available-for-sale financial assets" as a result of the periodic contributions, for a total amount of €15.6 million, of which €6.7 million paid in 2016 and fully written-down in the accounts closed on December 31, 2016 and €8.9 million paid in 2017, corresponding to the share of contribution paid by the Bank and used by the Voluntary Scheme to recapitalise the three banks.

The residual amount of equity instruments that were not derecognised, equal to €4.7 million, corresponding to the share of the contribution paid by the Bank in 2017 and held by the Voluntary Scheme as cash and cash equivalents or used to subscribe the mezzanine and junior tranches of the securitisation, were impaired by €4 million in the Financial Statements at December 31, 2017 in order to align the fair value of the securities provided by the IDGF and resulting from the analysis of the advisor tasked by the aforementioned IDGF with valuing the loans and receivables underlying the aforesaid mezzanine and junior securities, calculated based on the evidence of a discounted cash flow model based on the recovery forecasts formulated by special servicers. As at December 31, 2017, the residual commitment to the Voluntary Scheme amounts to €0.1 million and shall be used, only if actually required, to cover the operating expenses for the management of the measure.

Contributions to guarantee and resolution funds

With regard to contribution obligations pursuant to Directive 2014/49/EU (Deposit Guarantee Schemes - DGS), the IDGF Board, during its meeting of November 15, 2017, set the amount of €406.7 million as the total ordinary contribution for 2017 pursuant to Italian Legislative Decree no. 30/2016, implementing Directive 2014/49/EU, instead of the original amount of €506.7 million. The €100 million difference, to be paid in subsequent financial years in order to reach the target level, was earmarked by the Board for flat-rate compensation of the Solidarity Fund (established by the Stability Law 2016), whose management and supply was allocated to the IDGF by law.

The reduction in the amount of ordinary GDS contributions limited the expenditure for the banks during 2017, taking into account the trend and any additional costs for members for contributions to the Solidarity Fund in 2016-2018.

The thus defined ordinary contribution is supplemented, pursuant to Article 25, paragraph 2 of the Articles of Association of the IDGF, with additional contributions of €0.6 million in total, aimed at the gradual recovery over 2017-2024 of the funds used up to now (€5.2 million).

Overall, therefore, the total contribution of member banks (standard + additional) for 2017, including funds for the Solidarity Fund, amounts to €507.3 million, of which €0.6 million relating to the additional contribution.

In implementation of the new risk-based model adopted by the IDGF for the calculation of contributions, approved by the Bank of Italy with note of June 1, 2017, pursuant to Article 96.2, paragraph 2 of TUB, the share of each Member was calculated based on the amount of protected deposits at September 30, 2017 and risk-adjusted based on each of their management ratios at June 30, 2017, pursuant to Article 28, paragraph 2, of the Articles of Association. This calculation model also involved the remeasurement of the contributions made by the members with reference to the financial years 2016 and 2015.

Part A - Accounting Policies (CONTINUED)

The share for 2017 was paid and accounted for by the Bank under item 150. Management Expenses, amounting to €10.6 million, as follows:

- €11.8 million total contribution FY 2017;
 - of which
 - €9.5 million ordinary contribution;
 - €0.01 million additional contribution;
 - €2.3 million for the Solidarity Fund;
- -€0.9 million adjustment in favour of the Bank for the 2016 contribution;
- -€0.4 million adjustment in favour of the Bank for the 2015 contribution.

No contribution was requested from the Bank by the Single Resolution Board, for 2017, with regard to contribution obligations pursuant to Directive 2014/59/EU (Single Resolution Fund).

Risks and uncertainties related to the use of estimates

In the application of the accounting policies, the management is required to make judgements, estimates and assumptions about the carrying amounts of certain assets and liabilities as well as the information regarding potential assets and liabilities. Estimates and related assumptions are based on previous experience and other factors considered reasonable under the circumstances and have been used to estimate the carrying values of assets and liabilities not readily available from other sources.

Estimated figures have been used for the recognition of some of the largest value-based items in the financial statements as at December 31, 2017, as required by the accounting standards and regulations. These estimates are largely based, as regards assets, on calculations of future recoverability of the values recognised in the accounts and, as regards liabilities, on estimates of the probability of using resources to meet its obligations and the amount of resources necessary to that end, according to the rules laid down in current legislation and standards and have been made on the assumption of a going concern, on which basis these consolidated accounts have been prepared, i.e. without contemplating the possibility of the forced sale of the estimated items.

The processes adopted support the carrying values at December 31, 2017. For some of the above items the valuation is particularly complex given the uncertainty of the macroeconomic and market situation, characterised by the significant volatility of financial indicators used in the valuation process and still high levels of credit quality impairment, as well as, more generally, the uncertainty and instability in the banking sector.

For other items, however, the complexity and subjectivity of estimates is influenced by the structure of the underlying assumptions and assumptions, the number and variability of available information and the uncertainties connected with possible future outcomes of proceedings, disputes and litigation.

The parameters and information used to determine the above-mentioned values are therefore significantly affected by multiple factors, which could change rapidly in ways that are currently unforeseeable, which means that consequent future effects on the book values cannot be ruled out.

At the date of preparing these accounts we believe that there are no uncertainties such as to give rise to significant adjustments to the carrying amounts within one year.

Estimates and underlying assumptions are regularly reviewed. Any changes resulting from these reviews are recognised in the period in which the review was carried out, provided the change only concerns that period. If the revision concerns both current and future periods it is recognised accordingly in both current and future periods.

Uncertainty affecting estimates is inherent, among other factors, in the determination of:

- fair value of financial instruments not listed in active markets;
- receivables, and in general, all other financial assets/liabilities;
- employee severance pay provision (Italy) and other employee and financial advisor benefits;
- provisions for risks and charges;
- goodwill;
- deferred tax assets;
- tax liabilities;

this quantification can vary over time, also to a significant extent, according to the evolution of the national and international social and economic environment and the consequent impacts on the Bank's earnings and customer solvency and the credit quality of the counterparties, the performance of the financial markets, which influence the fluctuation in rates, prices and actuarial assumptions used to determine the estimates, as well as the evolution and developments in existing or potential disputes.

With specific reference to future cash flow projections used in the valuation of the recoverability of goodwill recorded in the balance sheet, it should be noted that the parameters and information used are significantly influenced by the macro-economic market situation, which may change unpredictably. For further information, see Part B - Balance Sheet - Section 12 - Intangible assets. With specific reference to valuation techniques, unobservable inputs used in the fair value measurement and sensitivities to changes in those inputs, please refer to Section A.4. Information on fair value of this Part A. With particular regard to provisions for risks and charges for risks arising from legal disputes, see Part E - Information on risks and hedging policies - Section 4 - Operating risks.

Other information

The Financial Statements as at December 31, 2017 are subject to audit by Deloitte & Touche S.p.A. pursuant to Italian Legislative Decree no. 39 of January 27, 2010, which is responsible for the statutory audit of the Bank's accounts in implementation of the Shareholders' Meeting resolution of April 16, 2013.

The entire document is lodged with the competent offices and entities as required by law.

A.2 The main items of the accounts

1 - Financial Assets held for trading (HfT)

A financial asset is classified as held for trading if it is:

- acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking;
- a derivative (except for derivatives which constitute financial guarantees, see Section 17 - Other information, and derivatives designated as hedging instruments - see Section 6 - Hedge Accounting).

Like other financial instruments, on initial recognition, at settlement date, a held-for-trading financial asset is measured at its fair value, usually equal to the amount paid, excluding transaction costs and income, which are recognised through profit or loss even when directly attributable to the financial assets. Trading book derivatives are recognised at trade date.

After initial recognition these financial assets are measured at their fair value through profit or loss. An exception is the derivatives settled by delivery of an unlisted equity instrument whose fair value cannot be reliably measured, and which are measured at cost like the underlying.

A gain or loss arising from sale or redemption or a change in the fair value of a HfT financial asset is recognised in profit or loss in item 80 "Gains (losses) on financial assets and liabilities held for trading", with the exception of financial derivatives relating to a fair value option of which gains and losses, whether realised or measured, are booked in item 110. "Gains (losses) on financial assets and liabilities at fair value through profit and loss" (Please see Ch.5 - Financial Instruments at Fair Value through Profit or Loss) If the fair value of an instrument falls below zero, which may happen with derivative contracts, it is recognised in item 40. "Financial liabilities held for trading".

A derivative is a financial instrument or other contract with all three of the following characteristics:

- its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable (usually called the 'underlying') provided that in case of non-financial variable, this is not specific of one of the parties;
- it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors;
- it is settled at a future date.

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract, with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

An embedded derivative is separated from the host contract and recognised as a derivative if:

- the economic characteristics and risks of the embedded derivative are not closely related to those of the host contract;
- a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative;
- the hybrid (combined) instrument is not measured entirely at fair value through profit or loss.

If it is necessary to separate an embedded derivative from its host contract, but it is not possible to measure the embedded derivative separately either at acquisition or at a subsequent financial reporting date, the entire combined contract is treated as a financial asset or financial liability at fair value through profit or loss.

When an embedded derivative is separated, the host contract is recognised according to its accounting classification.

A derivative that is attached to a financial instrument but is contractually transferable independently of that instrument, or has a different counterparty from that instrument, is not an embedded derivative, but a separate financial instrument.

2 - Available-for-sale Financial Assets (AfS)

Available-for-sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as loans and receivables, held-to-maturity investments, financial assets held for trading or financial assets at fair value through profit or loss. These assets are held for an indefinite period of time and may meet the need to ensure liquidity and face changes in interest rates, exchange rates and prices.

AfS financial assets are money market instruments, other debt instruments (included host contract of hybrid instruments from which embedded derivative has been bifurcated) or equity instruments; they include shares held as minority stakes where these do not constitute controlling, or joint control, or associate interests.

On initial recognition, at settlement date, an AfS financial asset is measured at fair value, which is usually equal to the consideration of the transaction, plus transaction costs and income directly attributable to the instrument.

In subsequent periods these assets are measured at fair value, with interest recognised at amortised cost in the income statement. Gains or losses arising out of changes in fair value are recognised in equity item 130. "Revaluation reserves" - except losses due to significant impairment and exchange rate gains or losses on monetary items (debt instruments) which are recognised under item 130.b) "Impairment losses/writebacks on AfS financial assets" and item 80. "Gains (losses) on financial assets and liabilities held for trading" in the income statement, respectively - until the financial asset is sold, at which time cumulative gains and losses are recognised in profit or loss in item 100.b) "Gains (losses) on disposal or repurchase of AfS financial assets".

Part A - Accounting Policies (CONTINUED)

The fair value changes recorded in item 130. "Revaluation reserves" in equity are also reported in the Statement of Comprehensive Income.

Equity instruments not listed in an active market and whose fair value cannot be reliably determined due to lack or unreliability of information for the fair value measurement are valued at cost, equivalent to the last fair value reliably measured.

If there is objective evidence of impairment on an available-for-sale financial asset, the cumulative loss that had been recognised directly in equity item 130. "Revaluation reserves", is removed from equity and recognised in profit or loss under item 130.b) "Impairment losses/writebacks on available-for-sale financial assets".

In respect of debt instruments, any circumstances indicating that the borrower/issuer is experiencing financial difficulties which could prejudice the collection of the principal or interest, represent an impairment.

The impairment of equity instruments is assessed on the basis of indicators such as fair value below cost and adverse changes in the environment in which the company operates, as well as the issuer's debt service difficulties, if any.

The loss of value is normally considered as impairment, if fair value falls to less than 50% of cost or lasts for more than 18 months.

If however the fall in the fair value of the instrument is over 20% but less than or equal to 50% or continues for no less than 9 but no longer than 18 months, the Bank reviews further income and market indicators. If the results of the review are such as to prejudice the recovery of the amount originally invested, an impairment is recognised.

The amount taken to profit and loss is the difference between the carrying amount (value of initial recognition less any impairment loss already recognised in profit or loss) and current fair value.

Where instruments are valued at cost, the amount of the loss is determined as the difference between their carrying value and the present value of estimated future cash flows, discounted at the current market yield on similar financial assets (the recoverable amount).

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event such as an improvement in the debtor's credit worthiness occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed and the amount of the reversal is recognised in the same profit or loss item. The reversal cannot result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised. Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available for sale are not reversed through profit or loss, but recognised in equity under the revaluation reserve.

3 - Held-to-Maturity Investments (HtM)

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity, other than those that have the characteristics to be classified under loans and receivables with banks and loans and receivables with customers, for which there is the positive intention and ability to hold them to maturity (included the host contract of hybrid instruments after the embedded derivative has been bifurcated).

If, during the financial year, more than an insignificant amount of held-to-maturity investments are sold or reclassified before maturity, the remaining HtM financial assets shall be reclassified as available-for-sale and no financial assets shall be classified as HtM investments for the two following financial years, unless the sales or reclassifications:

- are so close to maturity or the financial asset's call date that changes in the market rate of interest would not have a significant effect on the financial asset's fair value;
- occur after substantially all of the financial asset's original principal has been collected through scheduled payments or prepayments;
- are attributable to an isolated event that is beyond the entity's control, is non-recurring and could not have been reasonably anticipated by the entity.

After initial recognition at its fair value, which will usually be the price paid including transaction costs and income directly attributable to the acquisition or provision of the financial asset (even if not yet settled), a held-to-maturity financial asset is measured at amortised cost using the effective interest method. The difference between the carrying value of the asset and the amount received is taken to profit and loss under item 100.c) "Gains (losses) on disposal or repurchase of HtM financial assets" when the financial asset is derecognised.

If there is objective evidence that a held-to-maturity investment is impaired, the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted using the original effective interest rate of the financial asset. The carrying amount of the asset is reduced accordingly and the loss is recognised in profit or loss under item 130.c) "Impairment losses/writebacks on held-to-maturity investments".

If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event such as an improvement in the debtor's credit worthiness occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed. The reversal cannot result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised. The amount of the reversal is recognised in the same profit or loss item. Held-to-maturity investments cannot be hedged for other than the credit/non performance risk and exchange rate risk.

In 2016, the Bank reclassified the Available-for-sale financial assets consisting of Italian and Spanish government securities to the Held-to-maturity investments portfolio. In this regard, see the information in the Separate Financial Statements for the period ended December 31, 2016, and section A.3 Disclosure on transfers between portfolios of financial assets in these notes to the financial statements.

4 - Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are recognised on the date of disbursement to the borrower, which can coincide with the contract signing date.

These items include debt instruments with the above characteristics (including the primary component of structured instruments after the embedded derivative has been unbundled) or that are subject to portfolio reclassification in accordance with the rules of IAS 39.

After initial recognition at fair value, which is usually the price paid including transaction costs and income directly attributable to the acquisition or issuance of the financial asset (even if not yet paid), a loan or receivable is measured at amortised cost, which can be adjusted to take account of any write-downs/write-backs resulting from the valuation process.

A profit (or loss) on loans and receivables is recognised through profit or loss:

- when a loan or receivable is derecognised: in item 100.a) "Gains (losses) on disposal or repurchase";

or

- when a financial asset is impaired (or the impairment loss previously recognised is reversed: in item 130.a) "Net impairment losses/writebacks on (a) loans and receivables".

Interest on loans and receivables is recognised in profit or loss on an accrual basis using the effective interest rate method under item 10. "Interest income and similar revenue".

Delay interest is taken to the income statement on collection or receipt.

To measure credit exposures, the Bank refers to the reference regulations supplemented by internal and Group provisions and policies governing the classification of loans and their transfer within the various categories.

In particular, loans and receivables are reviewed in order to identify those that, following events occurring after initial recognition, show objective evidence of possible impairment: impaired loans. These impaired loans are reviewed and analysed periodically at least once a year.

A loan or receivable is deemed impaired when it is considered that it will probably not be possible to recover all the amounts due according to the contractual terms, or equivalent value.

Allowances for impairment of loans and receivables are based on the present value of expected cash flows of principal and interest; in determining the present value of future cash flows, the basic requirement is the identification of estimated collections, the timing of collections and the discount rate used. The amount of the loss on impaired exposures classified as non-performing and unlikely to pay according to the categories specified below, is the difference between the carrying value and the present value of estimated cash flows discounted at the original interest rate of the financial asset. If the original interest rate cannot be identified directly, or if identifying it would be excessively onerous, the best approximation is used.

For all fixed-rate positions, the interest rate determined in this manner is also held constant in future years, while for floating rate positions the interest rate is updated according to contractual terms.

If the original interest rate is not directly available, or if finding it would be excessively onerous, the interest rate that best approximates the original one is applied, including through practical expedients that do not affect the substance and ensure consistency with international accounting standards.

Recovery times are estimated on the basis of business plans or forecasts based on historical recovery experience observed for similar classes of loans, taking into account the customer segment, type of loan, type of security and any other factors considered relevant.

Any subsequent change with respect to initial expectations of the amount or timing of expected cash flows of principal and interest causes a change in allowances for impairment and is recognised in profit or loss in item 130.(a) "Impairment losses/writebacks on loans and receivables".

In the Notes to the Accounts, write-downs of impaired loans are classified as specific in the relevant Income Statement item even when the calculation is flat-rate or statistical, as indicated below.

When the reasons for the value adjustments are no longer deemed to exist, and this assessment is objectively attributable to an event connected to the improvement in the financial solvency of the debtor after the adjustment, a reversal is made in the same income statement item, within the amount of the amortised cost that there would have been if there had been no impairments.

Derecognition of a loan or receivable in its entirety is made when the underlying cause of the loan or receivable no longer exists, or when the loan or receivable is deemed to be irrecoverable or is written off. Write-offs are recognised directly in profit or loss under item 130 (a) "Impairment losses/writebacks on loans and receivables" and reduce the amount of the principal of the loan or receivable. Reversals of all or part of amounts previously written off are recognised in the same item.

According to Bank of Italy regulations, set out in Circular no. 272 of July 30, 2008 as amended, impaired exposures, i.e. those with the characteristics mentioned in paragraphs 58-62 of IAS 39, correspond to the Non-Performing Exposures aggregate referred to in the EBA ITS.

Part A - Accounting Policies (CONTINUED)

Specifically, the EBA has identified non-performing exposures as those that satisfy either or both of the following criteria:

- material exposures which are more than 90 days past due;
- exposures for which the Bank has assessed that the debtor is unlikely to pay its credit obligations, without the enforcement and realisation of collateral, regardless of the existence of any past due and/or overdrawn impaired exposures or of the number of days past due.

The EBA standards have also introduced the definition of forbore exposures. Credit exposures are defined as forbore whose original contractual terms and conditions are modified or for which a total or partial refinancing of the debt is granted, as a result of financial difficulties of the debtor. Forborne exposures may be classified in the impaired loans category (non-performing, unlikely to pay, past-due loans and overdrawn impaired exposures) or as unimpaired loans. The accounting policies regarding provisions and assessments of forbore exposures are in line with the general principle set out by IAS 39, with the clarifications given below regarding renegotiated loans classified as unlikely to pay.

The aforementioned Circular 272 establishes that the impaired assets aggregate is divided into the following categories:

- **Non-performing loans:** i.e., the on-balance-sheet and off-balance-sheet exposures to insolvent borrowers, even if the insolvency has not been recognised in a court of law. They are measured individually (including by verifying statistically defined coverage levels for some loan portfolios below a predefined threshold) or, for individually insignificant amounts, on a flat basis by type of homogeneous exposures;
- **Unlikely to pay:** i.e. on- and off-balance sheet exposures which do not meet the conditions for classifying the borrower as non-performing loans and for which, in the absence of actions such as the enforcement of collateral, the debtor's ability to fully meet its credit obligations (principal and/or interest) is assessed as unlikely. This assessment is made independently of any past due and unpaid amount (or instalment). The classification of an exposure as unlikely to pay is not necessarily tied to evident issues (non-repayment), but is rather linked to indicators of a potential default of the borrower. The "unlikely to pay" exposures are measured in the accounts individually (including by verifying statistically defined coverage levels for some loan portfolios below a predefined threshold) or by applying a percentage on a flat basis by type of homogeneous exposures. Exposures classified as unlikely to pay and identified as forbore, may only be reclassified to unimpaired loans after at least one year has passed from the time of the forbearance and the conditions established in paragraph 157 of the EBA Implementing and Technical Standards have been met. With regard to their measurement:
 - they are generally measured on an individual basis and the resulting allowance may include the discounted cost due to renegotiation of the interest rate at a rate lower than the original contractual rate;
 - loans under renegotiation involving a debt/equity swap are valued, pending swap finalisation, on the basis of the conversion agreements entered into at the reporting date. Any differences between the value of the loans and the fair value of the equity instruments on initial recognition are recognised through profit or loss as write-downs.
- Past-due and/or overdrawn impaired exposures: i.e. on-balance sheet exposures, other than those classified as non-performing or unlikely to pay, that are past due or overdrawn at the reporting date. The past due and/or overdrawn impaired exposures may be determined, alternatively, with respect to the individual debtor or the individual transaction. Specifically, they represent the total exposure to any borrower not included in the unlikely to pay and non-performing loans categories, who at the reporting date has expired facilities or unauthorised overdrafts that are more than 90 days past due and meet the requirements set out by local supervisory regulations for their classification under the "past due exposures" category (TSA banks) or "defaulted exposures" (IRB banks). Past-due and/or overdrawn impaired exposures are valued at a flat rate on a historical/stochastic basis by applying where available the risk rating referred to Loss Given Default (LGD) under Regulation (EU) No. 575/2013 (CRR) on prudential requirements for credit institutions and investment firms.

The Bank assesses past due and/or overdrawn impaired exposures with respect to the individual debtor. Total exposure is recognised in this category if, at the reporting date, either of the following amounts, whichever is larger, is equal to or more than 5%:

- the expired/overdrawn portion out of the entire exposure as at the reporting date

and

- the average of the past-due and/or overdrawn portions out of the entire exposure, as measured daily in the last preceding quarter.

The collective assessment of performing loans is used for groups of loans for which individually there are no indicators of impairment: to these portfolios a latent impairment can be attributed, according to the method described below, inter alia on the basis of the risk factors used under CRR prudential regulations.

Loans with similar characteristics in terms of credit risk - in relation to loan type, technical features, the borrower's sector of economic activity, geographical location, type of security or other relevant factors - are assigned different classes to which a PD (Probability of Default) and LGD (Loss Given Default) is associated for each loan; these are uniform for each class of loan.

The methods used combine the CRR prudential regulation recommendations and IFRS. The latter (IAS 39) exclude future loan losses not yet sustained, but include losses already sustained even if they were not manifest at the time of measurement, on the basis of past experience of losses on assets having a similar risk profile to the assets being measured.

The parameter for the average period from deterioration of a borrower's financial condition and its classification as an impaired loan is the Loss Confirmation Period.

The portfolio valuation is the product of the risk factors derived from the parameters used under CRR prudential regulation requirements, with a one-year time horizon, and the above loss confirmation periods (LCP) expressed as part of a year and diversified according to classes of loans and receivables on the basis of customer segments/portfolios characteristics. The Bank assumes the loss confirmation period as equal to a maximum of 12 months, at which existing accounting provisions and expected losses are equivalent.

If these indicators are not available, estimated value and standard loss percentages, based on internal historical and sectoral series, shall be used. Allowances for unsecured loans to residents of countries experiencing debt service difficulties, where the transfer risk is not included in the rating system applied, are generally determined, country by country, with the aim of attributing latent impairment on the basis of shared parameters. Impairment losses are recognised as a reduction of the carrying amount of the loan or receivable, whereas the risk arising from off-balance sheet items, e.g. loan commitments and loan commitments and write-downs for impairment of guarantees given, is recognised in profit and loss under item 130.d "Impairment Losses/writebacks on other financial assets" with contra item 100. "Other Liabilities").

5 - Financial Instruments at Fair Value through Profit or Loss (FiaFV)

Any financial asset may be designated, in accordance with the provisions of IAS 39 as a financial instrument measured at fair value through profit and loss on initial recognition, except for the following:

- investments in equity instruments for which there is no price quoted in active markets and whose fair value cannot be reliably determined;
- derivatives.

FiaFV includes financial assets:

(i) not belonging to regulatory trading book, whose risk is:

- connected with debt positions measured at fair value (see also item 15 "Financial liabilities at fair value through profit or loss");
- managed by the use of derivatives not treatable as accounting hedges.

(ii) represented by hybrid (combined) instruments containing embedded derivatives that otherwise would have been separated from the host contract.

FiaFV are accounted for in a similar manner to HFT financial assets (see Section 1 - Financial assets held for trading), however gains and losses, both realised and unrealised, are recognised in item 110. "Gains (losses) on financial assets and liabilities at fair value through profit and loss".

At the reporting date the Bank did not hold any financial assets classified as "Financial assets at fair value through profit and loss".

6 - Hedge Accounting

Hedging derivatives are those created to hedge market risks (interest-rate, currency and price) to which the hedged positions are exposed. They may be described as follows:

- fair value hedge: a hedge of the exposure to changes in fair value of a recognised asset or liability, or an identifiable portion of such an asset or liability;
- cash flow hedge: a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction which could affect profit or loss in future periods;
- hedge of a net investment in a foreign entity, whose operations are presented in a currency other than euro.

Hedging derivatives are initially recognised on trade date and are valued at their fair value.

A hedging relationship qualifies for hedge accounting if there is formal designation and documentation of the hedging relationship including the risk management objective, the strategy for undertaking the hedge, and how the hedging instrument's prospective and retrospective effectiveness will be assessed. It is necessary to assess the hedge's effectiveness, at inception and in subsequent periods, in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk.

A hedge is regarded as highly effective if, at the inception of the hedge and in subsequent periods, it is determined prospectively to remain highly effective, and the retrospectively verified that the hedge ratio (i.e. the changes in fair value of hedged items and hedging instruments) is within a range of 80-125 per cent. The hedge is assessed on an ongoing basis and thus must prospectively remain highly effective throughout the financial reporting periods for which the hedge has been designated.

The assessment of effectiveness is made at each balance-sheet date or other reporting date. If the assessment does not confirm the effectiveness of the hedge, from that time on hedge accounting is discontinued in respect of the hedge and the hedging derivative is reclassified as a held-for-trading instrument.

In addition, the hedging relationship ceases when the hedging instrument expires or is sold, terminated or exercised; the hedged item is sold, expires or is repaid; or it is no longer highly probable that the forecast transaction will occur.

Hedging derivatives are measured at fair value. In particular:

- **Fair Value Hedging** - an effective fair value hedge is accounted for as follows: the gain or loss from remeasuring the hedging instrument at fair value is recognised through profit or loss in item 90. "Fair value adjustments in hedge accounting"; the gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of the hedged item and is recognised through profit or loss in the same item. Hedging ineffectiveness is represented by the difference between the change in the fair value of hedging instruments and the change in the fair value of hedged item. If the

Part A - Accounting Policies (CONTINUED)

hedging relationship is terminated for reasons other than the sale of the hedged item, this is measured according to the original criterion dictated by the accounting standard applied to the relevant portfolio. In the case of interest-bearing instruments, the difference between the carrying amount of the hedged item on termination of the hedging and the carrying amount it would have had if the hedge had never existed, is recognised through profit or loss in interest receivable or payable over the residual life of the original hedge. If the hedged item is sold or repaid, the portion of fair value which is still unamortised is recognised immediately under item 100. "Gains (losses) on disposal or repurchase". The difference in fair value of the hedging derivative since the latest effectiveness testing date is recognised in profit or loss under item 90. "Fair value adjustments in hedge accounting". With regard to specific Fair Value hedging derivatives of securities included in the portfolio of "Available-for-sale financial assets", the fair value changes of the hedging instrument were recognised through profit or loss in item 90. "Fair value adjustments in hedge accounting"; fair value changes of the hedged item attributable to the hedged risk (interest rate risk) were recognised through profit or loss in the same item 90; the fair value changes of the hedged item relating to the unhedged risk (essentially the credit risk) are recognised in the Statement of Comprehensive Income and shown in item 130. "Revaluation reserves" in equity;

- **Cash Flow Hedging** - hedges are valued at fair value Change in the fair value of a hedging instrument that is considered effective is recognised in equity item 130 "Revaluation reserves". The ineffective portion of the gain or loss is recognised through profit or loss in item 90. "Fair value adjustments in hedge accounting". If a cash flow hedge is determined to be no longer effective or the hedging relationship is terminated, the cumulative gain or loss on the hedging instrument that remains recognised in "Revaluation reserves" from the period when the hedge was effective remains separately recognised in "Revaluation reserves" until the forecast hedged transaction occurs or is determined to be no longer possible; in the latter case, the gains or losses are transferred from shareholders' equity to item 80. "Gains and losses on financial assets and liabilities held for trading". The overall fair value changes recorded in item 130. "Revaluation reserves" are reported in the Statement of Comprehensive Income.

- **Hedging a Net Investment in a Foreign entity** - hedges of a net investment in a foreign entity, whose operations are presented in a currency other than euro, are accounted for similarly to cash flow hedges. The gain or loss on the hedging instrument relating to the effective portion of the hedge that has been recognised directly in equity is recognised through profit or loss on disposal of the foreign entity. The fair value changes recorded in item 130. "Revaluation reserves" are also reported in the Statement of Comprehensive Income. The ineffective portion of the gain or loss is recognised through profit or loss in item 90. "Fair value adjustments in hedge accounting";

- **macro-hedged financial assets (liabilities)** - IAS 39 allows a fair-value item hedged against interest rate fluctuations to be not only a single asset or liability but also a monetary position contained in a number of financial assets or liabilities (or parts of them); accordingly, a group of derivatives can be used to offset fair-value fluctuations in hedged items due to changes in market rates. Macro hedging may not be used for net positions resulting from the offsetting of assets and liabilities. As for fair value micro hedging, macro hedging is considered highly effective if, at the inception of the hedge and throughout its life, changes in the fair value attributable to the hedged position are offset by changes in fair value of the hedging instrument and if the hedge ratio is retrospectively assessed falling within the range of 80-125 per cent. Net changes - gains or losses - in the value of the macro-hedged assets and liabilities attributable to the hedged risk are recognised in asset item 90 and liability item 70 respectively and offset the profit and loss item 90 "Fair value adjustments in hedge accounting". The gain or loss from remeasuring the hedging instrument at fair value is recognised in the same profit and loss item.

The ineffectiveness of the hedging arises to the extent that the change in the fair value of the hedging item differs from the change in the fair value of the hedged monetary position. The extent of hedge ineffectiveness is in any case recognised in profit and loss item 90. "Fair value adjustments in hedge accounting".

If the hedging relationship is terminated, for reasons other than the sale of the hedged items, cumulative gain or loss in items 90 (Assets) and 70 (Liabilities) is recognised through profit or loss in interest income or expenses, along the residual life of the hedged financial assets or liabilities.

If the latter are sold or repaid, unamortised fair value is at once recognised through profit and loss in item 100. "Gains (Losses) on disposals/repurchase.

The Bank had in place at the reporting date only specific fair value hedges of debt securities issued by governments and classified in the "Available-for-sale financial assets" portfolio and macro-hedges against the interest rate risk of personal loans to retail customers, of bonds issued by UniCredit subscribed by the Bank and classified under the "*Loans and receivables*" category and fixed-rate direct deposits.

7 - Equity Investments

Equity investments are equity instruments and consequently defined as financial instruments under IAS 32.

Investments in equity instruments made with the intention of establishing or maintaining a long-term operational relationship with the investee are strategic investments.

The following are the types of equity investment:

Subsidiaries

Entities, including structured entities, over which the Group has direct or indirect control, are considered subsidiaries. Control over an entity entails the Group's ability to exercise power in order to influence the variable returns to which the Group is exposed through its relationship with them.

In order to verify the existence of control, the Group considers the following factors:

- the purpose and establishment of the investee in order to identify which are the entity's objectives, the activities that determine its returns and how these activities are governed;
- the power in order to understand whether the Group has contractual rights that attribute the ability to govern the relevant activities; to this end only substantial rights that provide practical ability to govern are considered;

- the exposure held in relation to the investee in order to assess whether the Group has relations with the investee, the returns of which are subject to changes depending on the investee's performance;
- the existence of potential "principal - agent" relationships.

If the relevant activities are governed through voting rights, the existence of control is verified considering the voting rights held, including the potential ones, and the existence of any shareholders' or other agreements which attribute the right to control the majority of the voting rights, to appoint the majority of the governing body or in any case the power to determine the entity's financial and operating policies.

Subsidiaries may also include any "structured entity" in which the voting rights are not significant for establishing control, including special purpose entities and investment funds.

In the case of structured entities, the existence of control is ascertained considering both the contractual rights that enable governance of the relevant activities of the entity (or those that contribute most to the results) and the Group's exposure to the variability of returns deriving from these activities.

Joint venture

A joint venture is an entity over which a company has:

- a joint-control agreement;
- rights to the entity's net assets.

Joint control exists only when the decisions relating to significant activities require the unanimous consent of the parties sharing control.

At the reporting date, the Bank held no investments in joint ventures.

Associates

An associate is a company over which the investor has significant influence and which are not wholly-owned subsidiaries or joint ventures.

It is presumed that the investor has significant influence if the investor:

- holds, directly or indirectly, at least 20 per cent of the voting power of an investee, or
- is able, also through shareholders' agreements, to exercise significant influence through:
 - representation on the board of directors or equivalent governing body of the investee;
 - participation in policy-making process, including participation in decisions about dividends or other distributions;
 - material transactions between the investor and the investee;
 - interchange of managerial personnel;
 - provision of essential technical information.

It is to be pointed out that only companies which are governed through voting rights can be classified as subject to significant influence.

At the reporting date, the Bank held no investments in associates.

Investments in subsidiaries, associates and joint ventures are measured at cost.

The purchase price of an equity investment is the sum of:

- the fair value, at the date of acquisition, of the assets sold, liabilities assumed and equity instruments issued by the purchaser in exchange for control of the investee;
- and
- any cost directly attributable to the acquisition.

If there is evidence that an equity investment may have become impaired, its carrying value is compared with its recoverable value, which is determined on the basis of its value in use, in turn calculated by means of valuation models in general use in financial business, which discount expected future cash flow from the equity investment.

If it is not possible to obtain sufficient information the value in use is considered to be the net worth of the company. If the recovery value is less than the carrying value, the difference is recognised through profit or loss in item "210. Profit (loss) of associates". If the reasons for impairment are removed following a subsequent event occurring after the recognition of impairment, write-backs are made through same profit or loss item.

Equity investments considered strategic investments not covered by the above definitions and not recognised in item "140. Non-current assets and disposal groups held for sale" and "90. Liabilities included in disposal groups classified as held for sale" (see Section 10 - Non-current assets and disposal groups held for sale) - are classed as available-for-sale financial assets and treated accordingly (see Section 2 - Available-for-sale financial assets).

8 - Property, Plant and Equipment (Tangible Assets)

The item includes:

- land and buildings
- furniture and fixtures
- plant and machinery
- other machinery and equipment

Part A - Accounting Policies (CONTINUED)

and is divided between:

- assets used in the business;
- assets held as investments.

Tangible assets used in the business are held for use in the production or supply of goods or services or for administrative purposes and are expected to be used during more than one period.

Property, plant and equipment also include leasehold improvements relating to assets which can be separately identified. They are classified according to the specific sub-items relating to the asset type (e.g. plants). Leasehold improvements are usually borne in order to make leased premises fit for the expected use. Improvements and additional expenses relating to property, plant and equipment identifiable but not separable are recognised in item 150 "Other assets".

Tangible assets held for investment purposes are properties covered by IAS 40, i.e. properties held in order to derive rentals and/or a capital gain.

Property, plant and equipment are initially recognised at cost including all costs directly attributable to bringing the asset into use (transaction costs, professional fees, direct transport costs incurred in bringing the asset to the desired location, installation costs and dismantling costs).

Subsequent costs are added to the carrying amount or recognised as a separate asset only when it is probable that there will be future economic benefits in excess of those initially foreseen and the cost can be reliably measured. Other expenses borne at a later time (e.g. normal maintenance costs) are recognised in the year they are incurred in profit and loss items:

-150.b) "Other administrative expenses", if they refer to assets used in the business;

or:

-190. "Other net operating income", if they refer to property held for investment.

After being recognised as an asset, an item of property, plant and equipment is carried at cost less any accumulated depreciation and any cumulative impairment losses.

An item with a finite useful life is subject to straight-line depreciation.

The depreciation rates used for the main categories of property, plant and equipment are as follows, reflecting their estimated useful lives:

• Furnishings	15%
• Motor vehicles	25%
• Buildings	3%
• Alarm and safety systems	30%
• Lifts and lifting equipment	7.5%
• Electronic equipment	20%
• Ordinary office equipment	12%
• Machinery, appliances and equipment	15%
• Office furniture and fittings	12%
• Mobile phones and photographing systems	20%
• Tablets	33.33%

Land and buildings, if separately quantifiable, are recognised separately, even if acquired together. Land is not depreciated since it usually has an indefinite useful life. Buildings, conversely, have a finite useful life and are therefore subject to depreciation.

The estimate of the useful life of an asset is reviewed at least at each accounting period-end on the basis inter alia of the conditions of use of the asset, of maintenance conditions and expected obsolescence, and, if expectations differ from previous estimates, the depreciation amount for the current and subsequent financial years is adjusted accordingly.

If there is objective evidence that an asset has been impaired, the carrying amount of the asset is compared with its recoverable value, equal to the greater of its fair value less selling cost and its value in use, i.e. the present value of future cash flows expected to originate from the asset. Any value adjustment is recognised in profit and loss item 170. "Net impairment/Write-backs on property, plant and equipment".

If the value of a previously impaired asset is restored, its increased carrying amount cannot exceed the net carrying amount it would have had if there had been no losses recognised on the prior-year impairment.

An intangible asset is de-recognised (i) on disposal or (ii) when no future economic benefits are expected from its use or sale; and any difference between sale proceeds or recoverable value and carrying value is recognised in the profit and loss item "240. Gains (losses) on disposal of investments" or "170. Net impairment/write-backs on property, plant and equipment".

9 - Intangible assets

An intangible asset is an identifiable non-monetary without physical substance, controlled by the Bank, which is expected to be used during more than one period and from which future economic benefits are probable.

Intangible assets mainly consist of goodwill, software and costs incurred for the creation of the new Fineco website.

Intangible assets other than goodwill are recognised at purchase cost, i.e. including any cost incurred to bring the asset into use, less accumulated amortisation and any recognised impairment losses.

An intangible asset with a finite life is subject to straight-line amortisation over its estimated useful life.

Residual useful life is usually assessed as follows:

- software maximum 3 years;
- other intangible assets maximum 5 years.

There are no intangible assets with an indefinite life, except for goodwill.

If there is objective evidence that an asset has been impaired, the carrying amount of the asset is compared with its recoverable value, equal to the greater of its fair value less selling cost and its value in use, i.e. the present value of future cash flows expected to originate from the asset. Any impairment loss is recognised in profit and loss item 180. "Net impairment/write-backs on intangible assets".

If the value of a previously impaired intangible asset, other than goodwill is restored, its increased carrying amount cannot exceed the net carrying amount it would have had if there were no losses recognised on the prior-year impairment.

An intangible asset is de-recognised (i) on disposal or (ii) when no additional future economic benefits are expected from its use or sale; and any difference between sale proceeds or recoverable value and carrying value is recognised in the profit and loss item "240. Gains (losses) on disposal of investments" or "180. Net impairment/write-backs on intangible assets".

Goodwill

In accordance with IFRS3, goodwill is the excess of the cost of a business combination over the interest acquired in the net fair value, at the acquisition date, of the assets and liabilities acquired.

Goodwill arising from the acquisition of companies through merger or absorption is recognised as an intangible asset, whereas goodwill arising from the acquisition of subsidiaries, associates and joint ventures is included in the acquisition cost and, then, shown as an increase in the value of the investments. At a subsequent financial reporting date, goodwill is recognised net of any cumulative impairment losses and is not amortised.

Goodwill is tested for impairment annually. Impairment losses on goodwill are recognised in profit and loss item 230. "Impairment of goodwill". In respect of goodwill, no write-backs are allowed.

Goodwill relates to buy-outs of divisions or companies engaged in trading activities or the distribution of financial, banking and insurance products through personal financial advisors. These activities have been fully integrated with the Bank's ordinary operations; as a result, it is not possible to isolate the contribution of each company/business division from the Bank's overall business. This means that to establish the reasonableness of the value of goodwill recognised in the financial statements it is necessary to take account of FinecoBank's comprehensive income. The cash generating unit (CGU) is the Bank as a whole.

In view of the specific business model adopted by the Bank, which involves a high level of integration between personal financial advisors and the trading and banking platform, so that the personal financial advisors network is an integral part of the overall offer, which includes banking, brokerage and investing services, an allocation of costs/revenues to the macro areas of activity is not considered relevant or meaningful.

Please see Section 12.3 Intangible assets - Other information in Part B below for further information on goodwill and related impairment tests.

10 - Non-current Assets Held for Sale

These categories include individual assets held for disposal (tangible, intangible and financial assets) or groups of assets held for sale, with the associated liabilities, as required by IFRS 5.

Individual assets (or groups of assets held for sale) are recognised in item 140. "Non-current assets and disposal groups held for sale" and 90. "Liabilities included in disposal groups classified as held for sale", respectively, at the lower of their carrying amounts and fair values less costs to sell.

The revaluation reserves relating to Non-current assets held for sale, which are recorded as a contra item to changes in value relevant for this purpose, are reported separately in the Statement of Comprehensive Income (see Part D - Comprehensive Income).

The net balance of profits (dividends, interest income, etc.) and losses (interest expense, etc.) attributable to groups of assets or liabilities held for sale are recognised in the income statement under item 280. "Profit (Loss) after tax from discontinued operations". Profits and losses attributable to individual assets held for disposal are recognised in the income statement under the most appropriate item.

At the balance sheet date the Bank held no non-current assets classified as held for sale.

Part A - Accounting Policies (CONTINUED)

11 - Current and Deferred Tax

Tax assets and liabilities are recognised in the balance sheet respectively in asset item 130. "Tax assets" and in liability item 80. "Tax liabilities".

In compliance with the "Balance sheet liability method", current and deferred tax items are:

- current tax assets, i.e. amount of tax paid in excess of income tax due under the current national tax regulations;
- current tax liabilities, i.e. tax payables due under the current Italian tax regulations;
- deferred tax assets, i.e. amounts of income tax recoverable in future fiscal years and relating to:
 - deductible temporary differences;
 - the carry-forward of unused tax losses;
 - the carry-forward of unused tax credits;
- deferred tax liabilities, i.e. the payables for income tax due in future fiscal years in respect of taxable temporary differences.

Current and deferred tax assets and tax liabilities are calculated in accordance with local tax regulations and are recognised in profit or loss on an accrual basis. More specifically, for current IRES income tax, a rate of 27.50% has been calculated; for IRAP corporate tax, the rate applied was 5.57%. In general, deferred tax assets and liabilities arise when there is a difference between the accounting treatment and the tax treatment of the carrying amount of an asset or liability.

Deferred tax assets and liabilities are recognised applying tax rates that at the balance sheet date are expected to apply in the period when the carrying amount of the asset will be recovered or the liability will be settled on the basis of tax regulations in force, and are periodically reviewed in order to reflect any changes in regulations.

In this regard, it should be noted that the effects of the reduction in the IRES income tax rate from 27.50% to 24% introduced, with effect from January 1, 2017 effective for tax periods after the period to December 31, 2016, introduced by the Stability Law for 2016 were "neutralised" for the Bank as a result of the introduction, by the same Law, of an additional 3.5 percentage points for credit institutions effective for the same tax periods.

Furthermore, deferred tax assets are recognised only to the extent that it is probable that sufficient future taxable profit will be generated. In accordance with the provisions of IAS12, the probability that sufficient future taxable profit will be available, against which the deferred tax assets can be utilised, is reviewed periodically. The carrying amount of deferred tax assets should be reduced to the extent that it is not probable that sufficient taxable profit will be available.

Deferred tax liabilities are always recognised.

Current and deferred taxes are recognised in profit and loss item 260. "Tax expense (income) related to profit or loss from continuing operations", except for tax referred to items that in the same or in another fiscal year are credited or charged directly to equity, such as those relating to valuation gains or losses on available-for-sale financial assets, whose changes in value are recognised, after tax, under the revaluation reserves directly in the statement of comprehensive income.

Current tax assets are shown in the balance sheet net of related current tax liabilities, where the following requirements are met:

- there is a right to offset the recognised amounts; and
- there is an intention to settle the asset and liability positions with a single payment on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets are shown in the balance sheet net of related deferred tax liabilities, where the following requirements are met:

- there is a right to offset the underlying current tax assets with the current tax liabilities; and
- deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or different taxable entities which intend to settle current tax assets and liabilities on a net basis (usually under a tax consolidation agreement).

12 - Provisions for risks and charges**Retirement Payments and Similar Obligations**

Retirement provisions - i.e. provisions for employee benefits paid after leaving employment - are defined as defined contribution plans or defined benefit plans according to the economic nature of the plan.

In particular:

- Defined-benefit plans provide a series of benefits depending on factors such as age, years of service and compensation policies. Under this type of plan actuarial and investment risks are borne by the company.
- Defined-contribution plans are plans under which the company makes fixed contributions. Benefits are the result of the amount of contributions paid and return on contributions invested. The employer bears no actuarial and/or investment risks connected with this type of plan as it has no legal or implicit obligation to make further contributions, should the plan not be sufficient to provide benefit to all employees.

Defined-benefit plans are present-valued by an external actuary using the unit credit projection method.

This method distributes the cost of the benefit evenly over the employee's working life. The liability is determined as the present value of average future payments adjusted according to the ratio of years of service to theoretical total years of service at the time of payment of the benefit.

More specifically, the amount recognised according to IAS 19 Revised, as a net liability/asset in item 120. Provisions for risks and charges - a) Post-retirement benefit obligations is the present value of the obligation at the balance sheet date, less any pension charges relating to benefits already provided but not yet recognised, less the fair value at the balance sheet date of plan assets other than those due to directly settle the obligations adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. Actuarial gains or losses from the defined-benefit liabilities are recognised through other comprehensive income under Revaluation reserves in item 140. Revaluation reserves are reported in the Statement of Comprehensive Income.

The discount rate used to discount obligations (whether financed or not) relating to benefits to be provided after retirement varies according to the currency of denomination and country where the liabilities are allocated and is determined on the basis of market yield at the balance sheet date of prime issuers' bonds with an average life in keeping with that of the relevant liability.

At the balance sheet date, the Bank did not have provisions for retirement payments and similar obligations.

Other Provisions

Provisions for risks and charges consist of liabilities recognised when:

- the entity has a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

The amounts recognised as provisions are the best estimate of the expenditure required to settle the present obligation. The risks and uncertainties that inevitably surround the relevant events and circumstances are taken into account in reaching the best estimate of a provision. As regards provisions for legal disputes, the estimate includes the costs of proceedings borne by the Bank in the event of an adverse conclusion of the dispute plus the expenses to be paid to lawyers, technical advisors and/or experts who assist the Bank, to the extent that it is believed that they will not be reimbursed by the counterparties. This estimate was determined by the Bank, in relation to the current dispute, based on the analysis of the historical trend of legal expenses incurred, by type of litigation and degree of judgment.

In addition, where the effect of the time value of money is significant (usually when the expense is expected to materialise more than 18 months after its recognition), the amount of the provision should be the present value of the best estimate of the cost required to settle the obligation. The discount rate used reflects the current market assessments.

Provisions are reviewed periodically and adjusted to reflect the current best estimate. If it becomes clear that it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

Provisions are used only for expenses for which they were originally recognised. Provisions for the year are recognised in the income statement item 160. "Net provisions for risks and charges" include increases due to the passage of time; they are also net of any re-attributions.

"Other provisions" also include obligations relating to benefits due to personal financial advisors, specifically supplementary customer portfolio payments and contractual payments, which can be considered defined benefit plans; accordingly, these obligations are calculated by an actuary using the unit credit projection method (see paragraph "Retirement Payments and Similar Obligations"), and payments under non-competition agreements.

In certain cases, provisions for risks and charges (for example related to staff expenses and administrative costs) have been recognised under their own item in the income statement to better reflect their nature.

13 - Liabilities and Securities in Issue

The items Deposits from banks, Deposits from customers and Debt securities in issue are used for all forms of third-party funding other than trading liabilities or those valued at fair value.

These financial liabilities are recognised on the settlement date principle initially at fair value, which is normally the consideration received less transaction costs directly attributable to the financial liability. Subsequently these instruments are measured at amortised cost using the effective interest method.

Hybrid debt instruments relating to equity instruments, foreign exchange, credit instruments or indexes, are treated as structured instruments. The embedded derivative is separated from the host contract and recognised as a derivative, provided that separation requirements are met, and recognised at fair value. The embedded derivative is initially recognised at fair value and subsequently reassessed. Any subsequent changes in fair value are recognised in profit and loss item 80. "Gains (losses) on financial assets and liabilities held for trading". The difference between the total amount received and the fair value of the embedded derivative is attributed to the host contract.

Instruments convertible into treasury shares require the recognition, at the issuing date, of a financial liability and an equity component recognised in item 150. "Equity instruments", whenever the contractual terms provide for physical delivery. The equity component is initially measured at residual value, i.e., the overall value of the instrument less the separately determined value of a financial liability with no conversion clause and the same cash flow. The financial liability is initially recognised at amortised cost using the effective interest method.

Part A - Accounting Policies (CONTINUED)

Securities in issue are recognised net of repurchased amounts; the difference between the carrying value of the liability and the amount paid to buy it in is taken to profit and loss under item 100.d) "Gains (losses) on disposals or buy-ins of financial liabilities". Subsequent disposal by the issuer is considered as a new issue which doesn't produce gains or losses.

The Bank's debts do not include covenants (see glossary in the attachments) that would cause default or restructuring events. There are no debt instruments involving convertibility to equity instruments (under IASB IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments).

At the balance sheet date, the Bank did not have any debt securities in issue and had not issued any hybrid debt instruments or instruments convertible into own shares.

14 - Financial Liabilities Held for Trading

Financial liabilities held for trading include:

- derivatives that are not designated as hedging instruments;
- obligations to deliver financial assets borrowed by a short seller (i.e., an entity that sells financial assets it does not yet own);
- financial liabilities issued with an intention to repurchase them in the near term;
- financial liabilities that are part of a portfolio of financial instruments considered as a unit and for which there is evidence of a recent pattern of trading.

HFT financial liabilities, including derivatives, are measured at fair value initially and for the life of the transaction, except for derivative liabilities settled by delivery of an unlisted equity instrument whose fair value cannot reliably be measured, and which are therefore measured at cost.

15 - Financial Liabilities at Fair Value through Profit or Loss

According to IAS 39, financial liabilities, as well as financial assets, may also be designated on initial recognition as measured at fair value, provided that:

- this designation eliminates or considerably reduces the discrepancy that could arise from the application of different methods of measurement of assets and liabilities and related gains or losses;

or

- a group of financial assets, financial liabilities or both are managed and measured at fair value under risk management or investment strategy which is internally documented with the Bank's Board of Directors or equivalent body.

This category may also include financial liabilities represented by hybrid (combined) instruments containing embedded derivatives that otherwise should have been separated from the host contract.

These transactions are recognised in the same way as the HFT financial liabilities, with gains and losses, both realised and unrealised, recognised in item 110. "Gains (losses) on financial assets and liabilities at fair value through profit and loss".

At the balance sheet date the Bank did not hold any financial liabilities classified as "Financial liabilities at fair value through profit or loss".

16 - Foreign Currency Transactions

A foreign currency transaction is recognised at the spot exchange rate of the transaction date.

Foreign currency monetary assets and liabilities are translated at the closing rate of the period.

Exchange differences arising from settlement of monetary items at rates different from those of the transaction date and unrealised exchange rate differences on foreign currency assets and liabilities not yet settled, other than assets and liabilities designated as measured at fair value and hedging instruments, are recognised in profit and loss item 80. "Gains and losses on financial assets and liabilities held for trading".

Non-monetary assets and liabilities recognised at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Non-monetary items that are measured at fair value in a foreign currency are translated at the closing rate. The exchange differences are recognised:

- in profit and loss if the financial asset is HFT;
- in the statement of comprehensive income and shown in revaluation reserves if the financial asset is AfS.

All exchange differences recorded under revaluation reserves in shareholders' equity are also reported in the Statement of Comprehensive Income.

17 - Other information

Business combinations

A business combination is a transaction through which an entity obtains control of a company or of a business segment, thus bringing together different businesses into one reporting entity.

A business combination may result in a Parent-subsidary relationship in which the acquirer is the Parent and the acquiree a subsidiary of the acquirer. A business combination may involve the purchase of the net assets of another entity, in which case goodwill can arise, or the purchase of the equity of the other entity (mergers).

IFRS 3 requires that all business combinations shall be accounted for by applying the purchase method, that involves the following steps:

- identifying an acquirer;
 - measuring the cost of the business combination;
- and
- allocating, at the acquisition date, the cost of the business combination to the assets acquired and liabilities and contingent liabilities assumed.

The cost of a business combination is the aggregate of the fair value, at the date of exchange, of assets given, liabilities incurred or assumed and equity instruments issued by the acquirer, in exchange for control of the acquiree.

The acquisition date is the date on which the acquirer effectively obtains control of the acquiree. When this is achieved through a single exchange transaction, the date of exchange coincides with the acquisition date.

A business combination may involve more than one exchange transaction; nevertheless, the cost of the business combination remains equal to the fair value of the total shareholding acquired. This involves the revaluation at fair value - and the recognition of the effects in the Income Statement - of the equity investments previously held in the acquired entity.

The cost of a business combination is allocated by recognising the assets, the liabilities and the identifiable contingent liabilities of the acquired company at their acquisition-date fair value. Exceptions to this principle are deferred income tax assets and liabilities, employee benefits, indemnification assets, reacquired rights, non-current assets held for sale, and share-based payment transactions that are subject to review in accordance with the principle applicable to them.

The positive difference between the cost of the business combination and the acquirer's interest at fair value, net of the identifiable assets, liabilities and contingent liabilities, must be accounted for as goodwill.

After initial recognition, goodwill is tested for impairment at least annually.

If the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the acquirer shall reassess the fair values and immediately recognise any excess remaining after that reassessment in profit or loss.

In the case of business combinations resulting in a Parent company-subsidary (acquirer-acquiree) relationship, the equity investment is accounted for under the cost method.

Derecognition of financial assets

Derecognition is the removal of a previously recognised financial asset from an entity's balance sheet.

Before evaluating whether, and to what extent, derecognition is appropriate, under IAS 39 an entity should determine whether the relevant conditions apply to a financial asset in its entirety or to a part of a financial asset. The standard is applied to a part of financial assets being transferred if, and only if, the part being considered for de-recognition meets one of the following conditions:

- the part comprises only specifically identified cash flows from a financial asset (or a group of assets), e.g. interest cash flows from an asset;
- the part comprises a clearly identified percentage of the cash flows from a financial asset, e.g., a 90 per cent share of all cash flows from an asset;
- the part comprises only a fully proportionate (pro rata) share of specifically identified cash flow, e.g. 90 per cent share of interest cash flows from an asset.

In all other cases, the standard is applied to the financial asset in its entirety (or to the group of similar financial assets in their entirety).

An entity shall derecognise a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the contractual rights to receive the cash flows of the financial asset to a third party.

Rights to cash flow are considered to be transferred even if contractual rights to receive the asset's cash flow are retained but there is an obligation to pay this cash flow to one or more entities and all the following conditions are fulfilled (pass-through agreement):

- there is no obligation on the Bank to pay uncollected amounts associated with the original asset;
- sale or pledge of the original asset is not allowed, unless it secures the obligation to pay cash flow;
- there is an obligation to transfer forthwith all cash flows received and may not invest them, except for liquidity invested for the short period between the date of receipt and that of payment, provided that the interest accrued in that period is paid on.

Part A - Accounting Policies (CONTINUED)

Recognition is also subject to verification of effective transfer of all the risks and rewards of ownership of the financial asset. If the entity transfers substantially all the risks and rewards of ownership of the financial asset, the entity shall de-recognise the asset (or group of assets) and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer.

Conversely, if the entity substantially retains all the risks and rewards of ownership of the asset (or group of assets), the entity shall continue to recognise the transferred asset(s). In this case it is necessary to recognise a liability corresponding to the amount received under the transfer and subsequently recognise all income accruing on the asset or expense accruing on the liability.

The main transactions that do not allow, under the above rules, total derecognition of a financial asset are securitisations, repurchase (sell and buy-backs) and securities lending transactions.

In the case of securitisations, the company does not de-recognise the financial asset on purchase of the equity tranche or provision of other forms of support of the structure which result in retention by the company of the credit risk of the securitised portfolio.

In the case of repurchase transactions and stock lending, the assets transacted are not derecognised since the terms of the transaction entail the retention of all their risks and rewards.

Lastly, it should be noted that securities lending transactions collateralised by other securities or not collateralised were recorded as off-balance sheet items.

At the reporting date, no loan securitisation transactions were present.

Repos and securities lending

Securities received in a transaction that entails a contractual obligation to sell them at a later date or delivered under a contractual obligation to repurchase are neither recognised nor derecognised. In respect of securities purchased under an agreement to resell, the consideration is recognised as a loan to customers or banks, or as an asset held for trading; In respect of securities held in a repurchase agreement, the liability is recognised as due to banks or customers, or as financial liabilities held for trading. Revenue from these loans, being the coupons accrued on the securities and the difference between the sale/purchase and resale/repurchase prices, is recognised in profit or loss through interest income and expenses on an accruals basis.

These transactions can only be offset if, and only if, they are carried out with the same counterparty and provided that such offset is provided for in the underlying contracts.

The same rules apply to securities lending transactions collateralised by cash fully available to the lender.

The profit or loss items connected with these transactions are booked respectively:

- in the item Interest, for the positive component (borrower) and the negative component (lender) related to the return on cash paid to the lender;
- in the item Fees and commissions, for the negative component (borrower) and the positive component (lender) related to the service received (provided) through the provision of the security by the lender.

With reference to securities lending transactions collateralised by other securities, or not collateralised, the security lent or the security put up as collateral are still recognised as assets in the balance sheet, depending on the role - lender or borrower, respectively - played in the transaction.

Counterparty risk related to the latter types of securities lending or borrowing transactions is shown under the off-balance sheet exposures in the tables of Part E - Section 1 - Credit risk - A. Credit quality.

Equity instruments

Equity instruments represent a residual interest in assets of the Bank, net of liabilities. An instrument is classified as equity instrument if there are no contractual obligations to make payments in the form of principal, interest or other types of returns.

Specifically, instruments that meet the following requirements are classified as equity instruments:

- unlimited term or at least equal to the term of the company;
- full discretion of the issuer in coupon payments and redemptions, also advanced, of the principal outstanding.

Equity instruments include Additional Tier 1 instruments under Regulation (EU) No. 575/2013 (CRR) on prudential requirements for credit institutions and investment firms, which in addition to the above characteristics:

- maintain the issuer's full discretion as to the reinstatement of the nominal value (write-up) following a capital event that resulted in a write-down;
- do not include provisions that require the issuer to make payments (must pay clauses) as a result of actual events under the control of the parties.

Equity instruments other than ordinary or savings shares, are classified in item 150. "Equity instruments" for the amount received including transaction costs attributable to the transaction. Any coupons paid, net of related taxes, are deducted from Item 160. "Reserves". Any difference between the amount paid for extinguishing or repurchasing these instruments and their book value is recognised in item 160. "Reserves".

At the balance sheet date, the Bank had not issued any "Equity instruments".

Treasury Shares

Changes in treasury shares are reported as a direct contra item to shareholders' equity, i.e. as a reduction to the latter in the amount of any purchases, and as an increase in the amount of any sales proceeds. This entails that, if treasury shares are subsequently sold, the difference between the sale price and the related post-tax repurchase cost is recognised entirely as a contra item to shareholders' equity.

Provisions for employee severance pay

The "TFR" provision for Italy-based employee benefits is to be construed as a "post-retirement defined benefit". It is therefore recognised on the basis of an actuarial estimate of the amount of benefit accrued by employees discounted to present value. This benefit is calculated by an external actuary using the unit credit projection method (see Section 12 - under Provisions for Risks and Charges - Retirement Payments and Similar Obligations). This method distributes the cost of the benefit evenly over the employee's working life. The liability is determined as the present value of average future payments adjusted according to the ratio of years of service to total years of service at the time of payment of the benefit.

Following pension reform by Law 252 of December 5, 2005, TFR instalments accrued to December 31, 2006 (or to the date between January 1, 2007 and June 30, 2007 on which the employee opted to devolve their TFR to a supplementary pension fund) stay in the employer and are considered a post-employment defined benefit plan therefore incurring actuarial valuation, though with simplified actuarial assumptions, i.e., forecast future pay rises are not considered.

TFR instalments accrued since January 1, 2007 (date of Law 252 coming into effect) (or since the date between January 1, 2007 and June 30, 2007) are, at the employee's discretion, either paid into a pension fund or left in the company and (where the company has in excess of 50 employees) paid into an INPS Treasury fund by the employer, and are assimilated to a defined-contribution plan.

Costs relating to TFR are recognised in the Income Statement in item 150.a) "Administrative costs: staff expenses" and include, for the part of the defined benefit plan: (i) interest cost accrued in the year, for the part of plan considered defined contribution plan (ii) the accrued instalments for the year paid into the complementary pension scheme or to the Treasury fund of INPS.

Actuarial gains and losses, defined as the difference between the carrying amount of the liability and the present value of obligations at period end, are recognised in Shareholders' equity under the Revaluation reserves in accordance with IAS 19 Revised and are also shown in the Statement of Comprehensive Income.

Share-Based Payment

Equity-settled payments made to employees or other staff (in particular, personal financial advisors) in consideration of work services rendered or other goods received or services rendered, using shares of FinecoBank or the Group parent, which consist of:

- stock options;
- rights to receive shares upon attainment of certain objectives ("performance shares"), which are settled with equity instruments;
- Performance shares (i.e. awarded on attainment of certain objectives) settled in cash.

Considering the difficulty of reliably measuring the fair value of the services acquired against equity-settled payments, reference is made to the fair value of the instruments, measured at the date of their allocation.

The fair value of equity-settled payments or the purchase on the market of shares in the Bank in exchange of work or services is recognised as cost in profit and loss item 150. "Administrative costs" or 50. "Fee and commission expense" as a contra-entry to item 160. "Reserves", on an accruals basis over the period in which the services are acquired.

As for share-based payments settled in cash in favour of personal financial advisors, the services acquired and the liabilities assumed are measured at the latter's fair value, recognised in Item 100. "Other Liabilities". Until the liability is settled, the fair value is recalculated at each balance sheet date until the settlement date, and all changes in fair value are recognised in item 50. "Fee and commission expense".

Share based payments consisting in the payment of shares of the Parent Company directly allocated to employees of the Bank that involve settlement with shares of the Parent Company, under arrangements between the Bank and the Parent Company for their cash settlement, are measured at fair value, calculated when the related rights are assigned, recognised as a cost in profit and loss item 150 "Administrative costs", as a contra entry to item. 100. "Other Liabilities", on an accruals basis over the period in which the services are acquired.

Other Long-term Employee Benefits

Long-term Employee Benefits are recognised in item 100. "Other liabilities" on the basis of the measurement of the liability at the balance sheet date.

Guarantees given and credit derivatives treated as equivalent

Guarantees given and credit derivatives treated as equivalent, in accordance with IAS 39 (contracts that require the issuer to make specified payments to the holder to indemnify the latter for actual losses borne due to the default of a specific debtor on payment at a maturity set by a debt instrument) are recognised in item 100. "Other Liabilities".

On first recognition guarantees given are recognised at fair value, which usually corresponds to the amount received when the guarantee is issued. After initial recognition, guarantees given are recognised at the greater of the initially recognised value, net of any amortised portion, and the estimated amount required to meet the obligation.

The effects of valuation, related to any impairment of the underlying, are recognised in the same balance-sheet item contra item 130.d) "Impairment losses/write-backs on other financial transactions" in the income statement.

Offsetting Financial assets and Financial liabilities

The accounting offsetting of assets and liabilities items has been performed according to IAS 32, assessing the fulfilment of the following requirements:

- current legal enforceable right to set off the recognised amounts;
- intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Part A - Accounting Policies (CONTINUED)

In accordance with IFRS 7, further information have been included in the table of Note to the accounts, in Part B - Other information.

Those tables show the following in particular:

- the carrying amounts, before and after the accounting offsetting effects, related to the financial assets and liabilities that meet the criteria for applying those effects;
- the amount of the exposures that do not meet the above mentioned criteria, but are included in master netting agreements, or similar agreements, that create the right to set-off only under specific circumstances (e.g., default events);
- the amount of the related collateral.

RECOGNITION OF INCOME AND EXPENSES

Interest Income and Expense

Interest income and expense and similar income and expense items relate to monetary items - i.e., liquidity and debt, financial instruments held for trading, measured at fair value through profit or loss or available for sale -, HTM financial assets, loans and receivables, deposits, and debt securities in issue.

Interest income and expense are recognised through profit or loss with respect to all instruments measured at amortised cost, using the effective interest method.

Interest also includes the net credit or debit balance of differentials and margins on financial derivatives:

- hedging interest-bearing assets and liabilities;
- HFT but linked for business purposes to assets and liabilities designated as measured at fair value (fair value option);
- linked for business purposes to HFT assets and liabilities paying differentials or margins on different maturities.

Fees and Commissions

Fees and commissions are recognised according to the provision of the services from which they have arisen.

Securities trading commission is recognised at the time the service is rendered. Advisory fees and investment fund management fees are recognised on a pro-rata temporis basis.

Fees included in amortised cost used to calculate effective interest rates are not included under fees and commissions, since they are part of the effective interest rate.

Dividends

Dividends are recognised in profit or loss in the financial year in which their distribution has been approved.

RELEVANT IFRS DEFINITIONS

The main definitions introduced by IFRS are described below, other than those dealt with in previous sections.

Amortised cost

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

The effective interest method is a method of allocating the interest income or interest expense over the life of a financial asset or liability. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the net carrying amount of the financial asset or financial liability. The calculation includes all fees and basis points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Commissions forming an integral part of the effective interest rate include loan drawdown fees or underwriting fees relating to a financial asset not designated at fair value, e.g., fees received as compensation for the assessment of the issuer's or borrower's financial situation, for valuation and registration of security, and generally for the completion of the transaction (management fees).

Transaction costs include fees and commissions paid to agents (including employees acting as selling agents), advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Transaction costs do not include debt premiums or discounts, financing costs or internal administrative or holding costs.

Impairment of financial assets

At each balance sheet date an entity assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

It may not be possible to identify a single, discrete event that caused the impairment. Rather the combined effect of several events may have caused the impairment. Losses expected as a result of future events, no matter how likely, are not recognised.

Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to our attention about the following loss events:

- g) significant financial difficulty of the issuer or obligor;
- h) a breach of contract, such as a default or delinquency in interest or principal payments;
- i) the lender, for economic or legal reasons relating to the borrower's financial difficulty, granting a concession to the borrower which the lender would not otherwise consider;
- j) it becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- k) the disappearance of an active market for that financial asset because of financial difficulties; however, the disappearance of an active market due to the fact that a company's financial instruments are no longer traded publicly is no evidence of impairment;
- l) observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets, including:
 - adverse changes in the payment status of borrowers;or
 - national or local economic conditions that correlate with defaults on the assets.

Objective evidence of impairment for an investment in an equity instrument includes information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment may not be recovered. A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost is also objective evidence of impairment.

If there is objective evidence that an impairment loss on loans and receivables or held-to-maturity investments carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account. The amount of the loss is recognised in profit and loss item 130. "Impairment losses/writebacks" and the asset's carrying value is reduced.

For instruments classified as available-for-sale financial assets that amount is equal to the balance of the negative valuation Reserve (see chapter 2 - Available-for-sale financial assets).

If the terms of a loan, receivable or held-to-maturity investment are renegotiated or otherwise modified because of financial difficulties of the borrower or issuer, impairment is measured using the original effective interest rate before the modification of terms. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. If a loan, receivable or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

A reduction in the fair value of a financial asset below its cost or amortised cost is not necessarily an indication of impairment (e.g. reduction in the fair value of an investment in a debt instrument resulting from an increase in the risk-free interest rate).

Objective evidence of impairment is initially assessed individually; however, if it is determined that there is no objective evidence of individual impairment, the asset is included in a group of financial assets with similar credit risk characteristics and assessed collectively.

Formula-based approaches and statistical methods may be used to assess impairment losses on a group of financial assets. Models used incorporate the time value of money, and consider cash flows over the entire residual life of the asset (not just the following year) and do not give rise to an impairment loss on initial recognition of a financial asset. They take into account losses already sustained but not manifest in the group of financial assets at the time of measurement, on the basis of past experience of losses on assets having a similar credit risk to the group of assets being measured.

The process of estimating impairment losses considers all credit exposures, not only those of low credit quality, which reflect a serious impairment.

Reversals of impairment losses

If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed. The amount of the reversal is recognised in profit and loss item 130. "Impairment losses/writebacks" except in the case of AfS equity instruments (see Section 2 - Available-for-sale financial assets).

The reversal shall not result - at the date the impairment is reversed - in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised.

Part A - Accounting Policies (CONTINUED)

A.3 Disclosure on transfers between portfolios of financial assets

IAS 39 and IFRS 7 allow certain financial assets to be reclassified, after initial recognition, from the "Financial assets held for trading" and "Available-for-sale financial assets" portfolios.

Specifically, the following may be reclassified:

- the financial assets held for trading or available for sale that would have satisfied the definition established by the international accounting standards for the loan portfolio (if those assets had not been respectively classified as held for trading or available for sale on initial recognition) if the entity intends, and is able, to hold them for the foreseeable future or until maturity;
- "only in rare circumstances" the financial assets held for trading that did not satisfy the definition of loans upon initial recognition.

The Bank has not reclassified any financial assets from the "held-for-trading" or the portfolio to the loan portfolio.

In 2016, the Bank reclassified the "Available-for-sale financial assets" consisting of Italian and Spanish government securities to the Held-to-maturity investments portfolio, for a fair value, at the reclassification date, of €2,121,923 thousand. The reclassification was consistent with the Bank's objective of obtaining stable income flows over the medium/long-term and in line with the business and financial outlooks stated by the Bank in its planning.

The tables below show the book value and the fair value as at December 31, 2017 of the assets reclassified in 2016, as well as the profit or loss items relating to those assets, distinguishing between those that would have been recorded if the transfer had not been made and those that were actually recorded in profit or loss or in equity, and the effects on comprehensive income.

The profit or loss items, before tax, are further separated between those arising "from measurement" (including any write-downs) and "other" (including interest and gains/losses on the disposal of the transferred assets).

The net result that would have been recognised through profit or loss for the year 2017 after the transfer, if these assets had not been reclassified, would have been a gain of €11,325 thousand, whereas the impact actually recognised after the transfer was a gain of €11,332 thousand.

The result of the valuations that would have been recognised in equity for the year 2017 after the transfer, if these assets had not been reclassified, would have been a gain of €8,875 thousand.

A.3.1 Reclassified financial assets: book value, fair value and effects on comprehensive income

(Amounts in € thousand)

TYPE OF FINANCIAL INSTRUMENT (1)	SOURCE PORTFOLIO (2)	TARGET PORTFOLIO (3)	BOOK VALUE	FAIR VALUE	INCOME ITEMS WITHOUT		INCOME ITEMS RECOGNISED	
			AS AT 12.31.2017	AS AT 12.31.2017	TRANSFER (BEFORE TAX) VALUATION (6)	OTHER (7)	DURING THE YEAR (BEFORE TAX) VALUATION (8)	OTHER (9)
Debt securities	Available-for-sale financial assets	Held-to-maturity investments	2,098,744	2,122,498	8,875	11,325	-	11,332

A.3.2 Reclassified financial assets: Impact on comprehensive income before transfer

No data to report.

A.3.3 Transfer of financial assets held for trading

No data to report.

A.3.4 Effective interest rate and cash flows expected from reclassified assets

No data to report.

A.4 Information on fair value

Qualitative information

This section presents a disclosure on fair value hierarchy as required by IFRS 13.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal market at the measurement date (i.e. an exit price).

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

For financial instruments listed in active markets, fair value is determined on the basis of official prices in the principal market (most advantageous) to which the Bank has access (Mark to Market).

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from a pricing service, dealer, broker, agency that determines prices or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If a published price quotation in an active market does not exist for a financial instrument in its entirety, but active markets exist for its component parts, fair value is determined on the basis of the relevant market prices for the component parts.

If market quotations or other observable inputs, such as the quoted price of a similar instrument in an inactive market, are not available, the Bank should use other valuation techniques, such as:

- (i) a market approach (e.g. using quoted prices for similar liabilities or equity instruments held by other parties as assets);
- (ii) cost approach (e.g. it reflects the amount that would be required currently to replace the service capacity of an asset, that is the current replacement cost);
- (iii) an income approach (e.g. a present value technique that takes into account the future cash flows that a market participant would expect to receive from holding the liability or equity instrument as an asset).

The Bank uses valuation models (Mark to Model) in keeping with the methods generally accepted and used by the market. Valuation models include techniques based on the discounting of future cash flows and on volatility estimates, and they are subject to revision both during their development and periodically in order to ensure their consistency with the objectives of the valuation.

These methods use inputs based on prices set in recent transactions for the instrument being valued and/or prices/quotations for instruments having similar characteristics in terms of risk profile.

Indeed, these prices/quotations are relevant for determining significant parameters in terms of the credit risk, liquidity risk and price risk of the instrument being valued. Reference to these "market" parameters makes it possible to limit the discretionary nature of the valuation, and ensures that the resulting fair value can be verified.

If, for one or more risk factors it is not possible to refer to market data, the valuation models employed use estimates based on historical data as inputs. As a further guarantee of the objectivity of valuations derived from valuation models, the Bank employs:

- independent price verifications (IPVs);
- fair Value Adjustment or FVAs.

Independent price verification requires that the prices are verified monthly by Risk Management units that are independent from the units that assume the risk exposure. This verification calls for comparing and adjusting the daily price in line with valuations obtained from independent market participants.

For instruments not listed in active markets, the above verification process uses prices contributed by infoproviders as a reference, and assigns a greater weighting to those prices that are considered representative of the instrument being valued.

This valuation includes: the "executability" of the transaction at the price observed, the number of contributors, the degree of similarity of the financial instruments, the consistency of prices from different sources, and the process followed by the infoprovider to obtain the information.

A.4.1 Fair value levels 2 and 3: valuation techniques and input used

To determine the fair value of Level 2 and Level 3 financial instruments that are not listed and actively traded on the market, the Bank utilises the valuation techniques widely-used in the market that are described below.

Part A - Accounting Policies (CONTINUED)

Discounted cash flow

Discounted cash flow valuation techniques generally consist of developing an estimate of future cash flows that are expected to occur over the life of an instrument. The model requires the estimation of the cash flow and the adoption of market's parameters for the discounting: discount rate or discount margin reflects the credit and / or funding spreads required by the market for instruments with similar risk and liquidity profiles to produce a "present value". The fair value of the contract is given by the sum of the present values of future cash flow.

Internal valuation models - Market multiples

The market multiples approaches based on the price of comparable assets (listed companies belonging to the same industry sector) applied to the fashion and shall statement figures and therefore represents the relationship between the price (capitalisation) and the financial statement figures. The financial statements most commonly used are earnings, shareholders' equity and sales.

Fair Value Adjustments (FVAs)

Fair value adjustment is defined as the amount to be added either to the market observed mid-price or to the theoretical price generated by a valuation model with the aim of obtaining a fair value of the position. The FVA thus ensure that fair value reflects the realisation amount from an actual possible market transaction.

A.4.2 - Valuation processes and sensitivity of fair value measurements

The Bank verifies that the value attributed to each trading position reflects the current fair value in an appropriate way. The fair value measurement of assets and liabilities is calculated using various techniques, including discounted cash flow models and internal measurement models. On the basis of the observability of the input used, all instruments are classified as Level 1, Level 2 or Level 3 of the fair value hierarchy. When a position is characterised by one or more significant inputs that are not directly observable, a further price verification procedure is implemented. These procedures include the revision of relevant historical data, the analysis of profits and losses, the individual valuation of each component for structural products and benchmarking.

According to the Parent Group Market Risk Governance guidelines, in order to ensure the appropriate level of separation between the functions in charge of development activities and those in charge of validation processes, all valuation models developed by the front offices of Group companies are independently and centrally tested and validated by the Group Internal Validation functions. The aim of this independent control structure is to evaluate the model risk deriving from theoretical robustness, calibration techniques where applicable and appropriateness of the model for a specific product in a defined market point of views.

In addition to the daily mark to market or mark to model valuation, the Independent Price Verification (IPV) is applied monthly by the Bank's Market Risk with the aim of guaranteeing an independent fair value.

A.4.3 Fair value hierarchy

The IFRS 13 principle establishes a fair value hierarchy according to the observability of the input used in the valuation techniques adopted.

In particular, three levels are considered:

- Level 1: the fair value of instruments classified in this level is determined based on quotation prices observed in active markets;
- Level 2: fair value for instruments classified within this level is determined according to the valuation models which use observable market inputs;
- Level 3: fair value for instruments classified within this level is determined according to valuation models which prevalently use significant inputs not observable on active markets.

A.4.4 Other information

Hereby we provide IFRS 13 disclosure requirements.

Assets and liabilities measured at fair value on recurring basis

Fixed Income Securities

Fixed Income Securities are priced in a two-tier process depending on the liquidity in the respective market. Liquid instruments in active markets are marked to market and consequently positions in these instruments are disclosed in reference to Fair Value Hierarchy under Level 1.

Instruments not traded in active markets are marked to model based on implied credit spread curves derived from the former Level 1 instruments. The model maximises the use of observable input and minimises the use of unobservable inputs. With this respect, depending on the proximity of the credit spread curve applied, the bonds are disclosed as Level 2 or Level 3 respectively; Level 3 is applied in case a significant unobservable credit spread is used.

In the global bond Independent Price Verification (IPV) process market prices of Level 1 bonds and pricing models for illiquid bonds are regularly verified for accuracy.

Structured Financial Products

The Bank determines the fair value of structured financial products using the appropriate valuation methodology given the nature of the embedded structure. Such instruments are classified as Level 2 or Level 3 depending on the observability of significant inputs to the model.

OTC derivatives

Fair value of derivatives not traded in an active market is determined using a valuation technique. In such cases, where active markets exist for the components of the derivative, fair value is determined on the basis of the market prices for the individual components. Valuation techniques that are based on significant inputs that are observable are referred to as Level 2 valuations, while those based on techniques that use unobservable inputs are referred to as Level 3 valuations.

Equity Instruments

Equity Instruments are assigned to Level 1 when a quoted price is available on an active market and to Level 3 when no quotations are available or quotations have been suspended indefinitely. These instruments are classified as Level 2 only when trading volume on the market where the instrument is quoted has decreased significantly. For equity instruments measured at cost an impairment is given, if the carrying amount exceeds the recoverable amount significantly and/or over a prolonged period of time.

For the measurement of the Visa INC class "C" preferred shares, the Bank has adopted the model developed by the Parent Company to determine the fair value that converts the market price in dollars of the Visa INC class "A" shares into euro and applies a discount factor of 16%, determined by estimating the litigation risk (8%) and the illiquidity risk (8%). The Visa INC class "C" preferred shares were assigned a fair value hierarchy of 3. The litigation risk component was extracted from historical series of data provided by Visa INC, whereas the illiquidity risk component was derived from the illiquidity of the shares, which have limitations on their transferability for a particular period. The Visa INC class "C" preferred shares were assigned a fair value hierarchy of 3.

The equity instruments recognised in relation to the result of the contribution made to the Voluntary Scheme set up by the Interbank Deposit Guarantee Fund, net of the amount derecognised in the year as earmarked for the recapitalisation of the three banks and deemed to be no longer recoverable as a result of their sale to Crédit Agricole Cariparma, were valued by aligning the fair value of the mezzanine and junior securities issued to securitise the NPLs of the three banks, provided by the IDGF and resulting from the analysis of the advisor tasked with the valuation of underlying receivables, calculated using a discounted cash flow model based on recovery forecasts formulated by special servicers. These equities were classed as fair value 3.

Investment Funds

The investment funds calculate the Net Asset Value (NAV) per unit and may include investments in funds managed by the Group.

Assets and liabilities not measured fair value or measured at fair value on a non-recurring basis

For these financial instruments fair value is calculated for disclosure purposes only and does not impact the balance sheet or the profit or loss. Additionally, since these assets and liabilities are not generally traded, there is significant management judgment required to determine their fair values as defined by IFRS 13.

Loans and receivables with banks and customers

Fair value for performing Loans and Receivables from customers and banks, recorded at amortised cost, is determined using the discounted cash flow model adjusted for credit risk. Some portfolios are valued using simplified approaches, which however take into account their financial characteristics. Loans and receivables with banks and customers with a duration of less than 12 months for which the fair value was estimated to be equal to the book value have been assigned the level 3 fair value hierarchy.

For the UniCredit securities classified in the "Loans and Receivables" portfolio, fair value level 2 has been calculated using the Group's methodology based on discounted cash flow, which consists of producing an estimate of the estimated cash flows over the life of the instrument and discounting at a rate that incorporates the credit spread. The credit spread is calculated based on the credit spread curve of the issuer, constructed by selecting issues, also from the second market, with the same specific characteristics.

Liabilities

Fair value for liabilities, recorded at amortised cost, is determined using the discounted cash flow model adjusted for UniCredit credit risk. The Credit Spread is determined using UCG's subordinated and non-subordinated risk curves.

Deposits from banks and customers with a duration of less than 12 months for which the fair value was estimated to be equal to the book value have been assigned the level 3 fair value hierarchy.

Cash and cash balances

Cash and cash balances are not carried at fair value on the Balance Sheets, but they are carried at amounts that approximate fair value, due to their short term nature and generally negligible credit risk.

Part A - Accounting Policies (CONTINUED)

A.4.5.1 Assets and liabilities measured at fair value on a recurring basis: breakdown by level of fair value

(Amounts in € thousand)

ASSETS/LIABILITIES DESIGNATED AT FAIR VALUE	12.31.2017			12.31.2016		
	L1	L2	L3	L1	L2	L3
1. Financial assets held for trading	6,030	4,834	15	2,920	3,114	10
2. Financial assets designated at fair value through profit or loss	-	-	-	-	-	-
3. Available-for-sale financial assets	1,042,465	-	5,224	1,316,221	-	3,531
4. Hedging derivatives	-	458	-	-	552	-
5. Property, plant and equipment	-	-	-	-	-	-
6. Intangible assets	-	-	-	-	-	-
Total	1,048,495	5,292	5,239	1,319,141	3,666	3,541
1. Financial liabilities held for Trading	2,032	579	6	2,004	622	-
2. Financial liabilities designated at fair value through profit or loss	-	-	-	-	-	-
3. Hedging derivatives	-	12,694	-	-	10,914	-
Total	2,032	13,273	6	2,004	11,536	-

Key:

L1 = Level 1

L2 = Level 2

L3 = Level 3

In 2017 there were no transfers between levels of fair value hierarchy (level 1 and level 2).

Credit Value Adjustment (CVA) and/or Debit Value Adjustment (DVA) have not been applied in determining the fair value of derivative financial instruments.

A.4.5.2 Annual changes in assets measured at fair value on a recurring basis (level 3)

(Amounts in € thousand)

	FINANCIAL ASSETS HELD FOR TRADING	FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS	AVAILABLE-FOR-SALE FINANCIAL ASSETS	HEDGING DERIVATIVES	PROPERTY, PLANT AND EQUIPMENT	INTANGIBLE ASSETS
1. Opening balance	10	-	3,531	-	-	-
2. Increases						
2.1 Purchases	5,393	-	13,609	-	-	-
2.2 Profits recognised in:						
2.2.1 Income Statement	16	-	-	-	-	-
- of which Unrealised gains	6	-	-	-	-	-
2.2.2 Shareholders' Equity	X	X	975	-	-	-
2.3 Transfers from other levels	-	-	-	-	-	-
2.4 Other increases	-	-	-	-	-	-
3. Decreases						
3.1 Sales	(5,396)	-	-	-	-	-
3.2 Redemptions	-	-	-	-	-	-
3.3 Losses recognised in:						
3.3.1 Income Statement	(8)	-	(12,891)	-	-	-
- of which Unrealised losses	(1)	-	(3,995)	-	-	-
3.3.2 Shareholders' Equity	X	X	-	-	-	-
3.4 Transfers to other levels	-	-	-	-	-	-
3.5 Other decreases	-	-	-	-	-	-
4. Closing balances	15	-	5,224	-	-	-

The sub-items 2.2.1 Profits through profit and loss and 3.3.1 Losses through profit and loss are included, where present, in Profit and Loss in the following items:

- Item 80: Gains and losses on financial assets and liabilities held for trading;
- Item 110: Gains and losses on financial assets/liabilities at fair value through profit or loss;
- Item 90: Fair value adjustments in hedge accounting.

The sub-items 2.2.2 Profits recognised in equity and 3.3.2 Losses recognised in equity arising from changes in fair value of Available-for-sale financial assets are recognised, if any, in equity item 130. "Revaluation reserves" - except losses due to impairment and exchange rate gains or losses on monetary items (debt instruments) which are recognised under item 130. b) "Impairment losses/writebacks on AfS financial assets" and item 80. "Gains (losses) on financial assets and liabilities held for trading" of the income statement, respectively - until the financial asset is sold, at which time cumulative gains and losses are recognised in profit or loss in item 100.b) "Gains (losses) on disposal or repurchase of AfS financial assets".

A.4.5.3 Annual changes in financial liabilities measured at fair value on a recurring basis (level 3)

(Amounts in € thousand)

	FINANCIAL LIABILITIES HELD FOR TRADING	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	HEDGING DERIVATIVES
1. Opening balance	-	-	-
2. Increases			
2.1 Issues	-	-	-
2.2 Losses allocated to:			
2.2.1 Income Statement	6	-	-
- of which capital losses	6	-	-
2.2.2 Shareholders' Equity	X	X	-
2.3 Transfers from other levels	-	-	-
2.4 Other increases	-	-	-
3. Decreases			
3.1 Reimbursements	-	-	-
3.2 Repurchases	-	-	-
3.3 Profits recognised:			
3.3.1 Through profit or loss	-	-	-
- of which capital gains	-	-	-
3.3.2 In equity	X	X	-
3.4 Transfers to other levels	-	-	-
3.5 Other decreases	-	-	-
4. Closing balances	6	-	-

The sub-items 2.2.1 Losses through profit and loss and 3.3.1 Profits through profit and loss from financial liabilities are included, where present, in Consolidated Profit and Loss in the following items:

- Item 80: Gains and losses on financial assets and liabilities held for trading;
- Item 110: Gains and losses on financial assets/liabilities at fair value through profit or loss;
- Item 90: Fair value adjustments in hedge accounting.

A.4.5.4 Assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis: breakdown

(Amounts in € thousand)

ASSET/LIABILITIES NOT MEASURED AT FAIR VALUE OR MEASURED AT FAIR ON A NON-RECURRING BASIS	12.31.2017				12.31.2016			
	BV	L1	L2	L3	BV	L1	L2	L3
1. Held to maturity investments	4,826,390	4,855,200	-	-	2,437,777	2,454,979	-	-
2. Loans and receivables with banks	13,877,651	-	11,311,889	3,038,741	15,735,540	-	12,330,314	3,680,608
3. Loans and receivables with customer	2,129,219	-	-	2,204,926	1,016,798	-	-	1,044,613
4. Property, plant and equipment held for investment	2,304	-	-	3,491	2,397	-	-	4,535
5. Non-current assets and disposal groups classified as held for sale	-	-	-	-	-	-	-	-
Total	20,835,564	4,855,200	11,311,889	5,247,158	19,192,512	2,454,979	12,330,314	4,729,756
1. Deposits from banks	926,001	-	-	926,001	1,111,106	-	-	1,111,106
2. Deposits from customers	20,205,036	-	9,622	20,195,477	18,801,073	-	21,894	18,779,261
3. Debt securities in issue	-	-	-	-	-	-	-	-
4. Liabilities included in disposal groups classified as held for sale	-	-	-	-	-	-	-	-
Total	21,131,037	-	9,622	21,121,478	19,912,179	-	21,894	19,890,367

Key:

L1 = Level 1 - L2 = Level 2 - L3 = Level 3 - BV = Book Value

Property, plant and equipment held for investment consist of two properties held by the Bank, the fair value of which corresponds to the market value as determined by an appraisal carried out by an external and independent valuation firm.

Part A - Accounting Policies (CONTINUED)

A.5 Day-one profit/loss

Financial instruments are initially recognised at fair value on the recognition date.

The fair value of financial instruments, other than those measured at fair value through profit or loss, at the recognition date is usually assumed to be equal to the amount collected or paid.

For financial instruments held for trading and financial instruments measured at fair value, any difference from the amount collected or paid is recognised in the appropriate line items of the income statement upon initial measurement of the financial instrument.

The use of prudent valuation models, the review processes of these models and their parameters and value adjustments to reflect model risk ensure that the amount recognised in the income statement is not derived from the use of unobservable valuation parameters. In particular, the quantification of the value adjustments relating to the risk model ensures that the part of the fair value of these instruments that refers to the use of subjective parameters is not recognised through profit or loss, but rather as an adjustment to the equity value of those instruments. Accordingly, this item is only subsequently recognised through profit or loss when there is a predominance of objective parameters and, consequently, when the mentioned adjustments are no longer required.

There are no day-one profits/losses to disclose in accordance with paragraph 28 of IFRS 7.

Part B - Balance sheet

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Part B - Balance sheet

Assets

Section 1 - Cash and cash balances - Item 10

1.1 Cash and cash balances: breakdown

(Amounts in € thousand)

	12.31.2017	12.31.2016
(a) Cash	613	5
(b) Demand deposits with central banks	-	-
Total	613	5

Section 2 - Financial assets held for trading - Item 20

2.1 Financial assets held for trading: product breakdown

(Amounts in € thousand)

ITEM/AMOUNT	12.31.2017			12.31.2016		
	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
A. On-balance sheet assets						
1. Debt securities	18	30	-	44	-	-
1.1 Structured securities	3	-	-	4	-	-
1.2 Other debt securities	15	30	-	40	-	-
2. Equity instruments	2,288	-	9	1,125	-	10
3. Units in investment funds	2,019	-	-	1	-	-
4. Loans	-	-	-	-	-	-
4.1 Reverse repos	-	-	-	-	-	-
4.2 Others	-	-	-	-	-	-
Total A	4,325	30	9	1,170	-	10
B. Derivatives						
1. Financial derivatives	1,705	4,804	6	1,750	3,114	-
1.1 trading derivatives	1,705	4,804	6	1,750	3,114	-
1.2 related to the fair value option	-	-	-	-	-	-
1.3 other	-	-	-	-	-	-
2. Credit derivatives	-	-	-	-	-	-
2.1 trading derivatives	-	-	-	-	-	-
2.2 related to the fair value option	-	-	-	-	-	-
2.3 other	-	-	-	-	-	-
Total B	1,705	4,804	6	1,750	3,114	-
Total (A+B)	6,030	4,834	15	2,920	3,114	10

Financial derivatives refer to the positive valuation of CFD contracts on Forex, indices, shares and interest rates and Futures used for the operational hedging of CFDs on indices and interest rates. They amounted to €4,756 thousand (€3,009 thousand as at December 31, 2016).

Sub-item B.1.1 Derivative instruments - Trading financial derivatives includes the positive valuations of spot contracts for securities classified in the HFT portfolio and currencies to be settled in times established by market practices ("regular way"). They amounted to €1,758 thousand (€1,855 thousand as at December 31, 2016).

2.2 Financial assets held for trading: breakdown by issuer/borrower

(Amounts in € thousand)

ITEM/AMOUNT	12.31.2017	12.31.2016
A. ON-BALANCE SHEET ASSETS		
1. Debt securities	48	44
a) Governments and central banks	11	6
b) Other public entities	-	-
c) Banks	37	38
d) Other issuers	-	-
2. Equity Instruments	2,297	1,135
a) Banks	1	113
b) Other issuers:	2,296	1,022
- insurance companies	-	10
- financial companies	95	47
- non-financial companies	2,201	965
- other	-	-
3. Units in investment funds.	2,019	1
4. Loans	-	-
a) Governments and central banks	-	-
b) Other public entities	-	-
c) Banks	-	-
d) Other entities	-	-
Total A	4,364	1,180
B. DERIVATIVES		
a) Banks		
- fair value	346	270
b) Customers		
- fair value	6,169	4,594
Total B	6,515	4,864
Totale (A+B)	10,879	6,044

Item B. Derivative instruments also includes the positive valuations of spot contracts for securities classified in the HFT portfolio and currencies to be settled within times established by market practices ("regular way").

Equity securities of issuers in default were classified by the Bank as non-performing in the financial statements for a total amount of €6 thousand.

Section 3 - Financial assets at fair value through profit or loss - Item 30

The Bank has not recognised any financial assets under the balance-sheet item "Financial assets designated at fair value through profit or loss".

Section 4 - Available-for-sale financial assets - Item 40

4.1 Available-for-sale financial assets: product breakdown

(Amounts in € thousand)

ITEM/AMOUNT	12.31.2017			12.31.2016		
	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
1. Debt securities	1,042,465	-	-	1,316,221	-	-
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	1,042,465	-	-	1,316,221	-	-
2. Equity Instruments	-	-	5,224	-	-	3,531
2.1 Carried at fair value	-	-	5,219	-	-	3,526
2.2 Carried at cost	-	-	5	-	-	5
3. Units in investment funds	-	-	-	-	-	-
4. Loans	-	-	-	-	-	-
Total	1,042,465	-	5,224	1,316,221	-	3,531

"Available-for-sale financial assets" consisted of debt securities issued by governments and equity instruments not listed on an active market.

Part B - Balance Sheet - Asset (CONTINUED)

Investments in debt securities consisted of:

- Spanish government securities, with a book value of €725,220 thousand (€982,434 million as at December 31, 2016);
- French government securities, with a book value of €10,124 thousand (€10,296 million as at December 31, 2016);
- Spanish government securities, with a book value of €242,451 thousand (€249,940 million as at December 31, 2016);
- American government securities, with a book value of €64,671 thousand (€73,549 million as at December 31, 2016).

A portion of debt securities classified in the Available-for-sale financial assets portfolio are entirely used as collateral for bankers' drafts or guarantees with third parties for a book value of €131,101 thousand (€128,882 thousand as at December 31, 2016).

Equity instruments carried at cost refer to equity investments in companies in which the Bank does not exercise control or have a significant influence, for an amount equal to €5 thousand. These instruments are not listed, therefore the fair value may not be reliably determined.

Equity instruments recorded at fair value refer to Class "C" Visa INC preferred shares, for an amount of €4,501 thousand and to the exposure in equity instruments recognised as a result of the contribution paid to the Voluntary Scheme established by the Interbank Deposit Guarantee Fund with respect to the latter's intervention in favour of Cassa di Risparmio di Cesena, Carim and Carismi, for an amount, net of de-recognitions and value adjustments recorded through profit and loss, of €718 thousand. For further details, see Section A - Accounting policies, of the Notes to the Consolidated Accounts.

4.2 Available-for-sale financial assets: breakdown by issuer/borrower

(Amounts in € thousand)

ITEM/AMOUNT	12.31.2017	12.31.2016
1. Debt securities	1,042,465	1,316,221
a) Governments and central banks	1,042,465	1,316,221
b) Other public entities	-	-
c) Banks	-	-
d) Other issuers	-	-
2. Equity Instruments	5,224	3,531
a) Banks	-	-
b) Other issuers:	5,224	3,531
- insurance companies	-	-
- financial companies	4,501	3,526
- non-financial companies	5	5
- other	718	-
3. Units in investment funds	-	-
4. Loans	-	-
a) Governments and central banks	-	-
b) Other public entities	-	-
c) Banks	-	-
d) Other entities	-	-
Total	1,047,689	1,319,752

4.3 Available-for-sale financial assets: subject to micro-hedging

(Amounts in € thousand)

ITEM/AMOUNT	12.31.2017	12.31.2016
Financial assets subject to micro-hedging of fair value	-	342,290
a) Interest rate risk	-	342,290
b) Price risk	-	-
c) Exchange	-	-
d) Credit	-	-
e) Multiple risks	-	-
Financial assets subject to micro-hedging of cash flows	-	-
a) Interest rate risk	-	-
b) Exchange	-	-
c) Other	-	-
Total	-	342,290

The debt security micro-hedged at December 31, 2016 was repaid in 2017, as it reached its maturity.

Section 5 - Held-to-maturity investments - Item 50

5.1 Held-to-maturity investments: product breakdown

(Amounts in € thousand)

	12.31.2017				12.31.2016			
	BV	FV			BV	FV		
		LEVEL 1	LEVEL 2	LEVEL 3		LEVEL 1	LEVEL 2	LEVEL 3
1. Debt securities	4,826,390	4,855,200	-	-	2,437,777	2,454,979	-	-
- Structured	-	-	-	-	-	-	-	-
- Other	4,826,390	4,855,200	-	-	2,437,777	2,454,979	-	-
2. Loans	-	-	-	-	-	-	-	-
Total	4,826,390	4,855,200	-	-	2,437,777	2,454,979	-	-

key

FV = fair value

BV = book value

"Held-to-maturity investments" consisted of debt securities issued:

- by the Italian Government, for a book value of €2,557,575 thousand (€1,499,270 thousand at December 31, 2016);
- by the Spanish Government, for a book value of €2,120,318 thousand (€938,508 thousand at December 31, 2016);
- by Instituto de Credito Oficial (ICO), with a book value of €99,924 thousand (not present as at December 31, 2016);
- by the Polish State, with a book value of €48,572 thousand (not present as at December 31, 2016).

5.2 Held-to-maturity investments: issuer/borrower

(Amounts in € thousand)

TYPE OF TRANSACTION/AMOUNT	12.31.2017	12.31.2016
1. Debt securities	4,826,390	2,437,777
a) Governments and central banks	4,726,466	2,437,777
b) Other public entities	99,924	-
c) Banks	-	-
d) Other issuers	-	-
2. Loans	-	-
a) Governments and central banks	-	-
b) Other public entities	-	-
c) Banks	-	-
d) Other entities	-	-
Total	4,826,390	2,437,777
Total fair value	4,855,200	2,454,979

5.3 Held-to-maturity investments: assets subject to micro-hedging

As at December 31, 2017, there were no "Held to maturity investments" subject to micro hedging.

Part B - Balance Sheet - Asset (CONTINUED)

Section 6 - Loans and receivables with banks - Item 60

6.1 Loans and receivables with banks: product breakdown

(Amounts in € thousand)

TYPE OF TRANSACTION/AMOUNT	12.31.2017				12.31.2016			
	BV	FV			BV	FV		
		LEVEL 1	LEVEL 2	LEVEL 3		LEVEL 1	LEVEL 2	LEVEL 3
A. Loans and receivables with Central Banks	-	-	-	-	-	-	-	-
1. Time deposits	-	X	X	X	-	X	X	X
2. Compulsory reserves	-	X	X	X	-	X	X	X
3. Reverse repos	-	X	X	X	-	X	X	X
4. Other	-	X	X	X	-	X	X	X
B. Loans and receivables with banks	13,877,651	-	11,311,889	3,038,741	15,735,540	-	12,330,314	3,680,608
1. Loans	3,038,741	-	-	3,038,741	3,680,609	-	-	3,680,608
1.1 Current accounts and demand deposits	1,992,673	X	X	X	2,336,579	X	X	X
1.2 Time deposits	1,028,152	X	X	X	1,285,414	X	X	X
1.3 Other loans:		X	X	X		X	X	X
- Reverse repos	54	X	X	X	53	X	X	X
- Finance leases	-	X	X	X	-	X	X	X
- Other	17,862	X	X	X	58,563	X	X	X
2. Debt securities	10,838,910	-	11,311,889	-	12,054,931	-	12,330,314	-
2.1 Structured securities	-	X	X	X	-	X	X	X
2.2 Other debt securities	10,838,910	X	X	X	12,054,931	X	X	X
Total	13,877,651	-	11,311,889	3,038,741	15,735,540	-	12,330,314	3,680,608

Key

FV = fair value
BV = book value

Loans and receivables with banks for current accounts and demand deposits mainly consist of accounts held with UniCredit, with a book value of €1,958,602 thousand (€2,302,659 thousand as at December 31, 2016), and to a lesser extent, of current accounts held with other banks not belonging to UniCredit group for transactions in securities.

Time deposits consist of the deposit held with UniCredit for compulsory reserves, totalling €199,104 thousand (€172,461 thousand as at December 31, 2016), in addition to time deposits held with UniCredit for a book value of €829,049 thousand (€1,112,953 thousand as at December 31, 2016), opened to invest the liquidity raised through repos with retail customers and credit institutions, with the same maturities.

The debt securities held in the portfolio and included in the category "Loans and receivables" solely consist of debt securities issued by UniCredit S.p.A. for an amount of €10,838,910 (€12,054,929 thousand as at December 31, 2016).

"Other loans: Other" relates to the amount of the initial and variance margins and collateral deposits placed with credit institutions for derivative transactions and repos, for a total amount of €14,647 thousand, of which €9,030 thousand with UniCredit (€55,660 thousand at December 31, 2016, of which €48,567 thousand with UniCredit and €3,060 thousand with UniCredit Bank AG Monaco), as well as current receivables associated with the provision of financial services for an amount of €3,215 thousand (2,903 at December 31, 2016).

At the reporting date there were no impaired assets with respect to banks.

6.2 Loans and receivables with banks: assets subject to micro-hedging

No data to report.

6.3 Finance leases

No data to report.

Section 7 - Loans and receivables with customers - Item 70

7.1 Loans and receivables with customers: product breakdown

(Amounts in € thousand)

TYPE OF TRANSACTION/ AMOUNT	12.31.2017						12.31.2016					
	BOOK VALUE			FAIR VALUE			BOOK VALUE			FAIR VALUE		
	UNIMPAIRED	IMPAIRED		L1	L2	L3	UNIMPAIRED	IMPAIRED		L1	L2	L3
		PURCHASED	OTHER					PURCHASED	OTHER			
Loans	2,126,366	-	2,853	-	-	2,204,926	1,013,140	-	3,658	-	-	1,044,613
1. Current accounts	639,726	-	1,828	X	X	X	296,927	-	2,445	X	X	X
2. Reverse repos	202,620	-	81	X	X	X	87,348	-	1	X	X	X
3. Mortgages	516,237	-	14	X	X	X	860	-	24	X	X	X
4. Credit cards, personal loans and wage assignment loans	632,249	-	799	X	X	X	503,533	-	1,166	X	X	X
5. Finance leases	-	-	-	X	X	X	-	-	-	X	X	X
6. Factoring	-	-	-	X	X	X	-	-	-	X	X	X
7. Other loans	135,534	-	131	X	X	X	124,472	-	22	X	X	X
Debt securities	-	-	-	-	-	-	-	-	-	-	-	-
8. Structured securities	-	-	-	X	X	X	-	-	-	X	X	X
9. Other debt securities	-	-	-	X	X	X	-	-	-	X	X	X
Total	2,126,366	-	2,853	-	-	2,204,926	1,013,140	-	3,658	-	-	1,044,613

7.2 Loans and receivables with customers: breakdown by issuer/borrower

(Amounts in € thousand)

TIPOLOGIA OPERAZIONI/VALORI	12.31.2017			12.31.2016		
	UNIMPAIRED	IMPAIRED		UNIMPAIRED	IMPAIRED	
		PURCHASED	OTHER		PURCHASED	OTHER
1. Debt securities	-	-	-	-	-	-
a) Governments	-	-	-	-	-	-
b) Other public entities	-	-	-	-	-	-
c) Other issuers:	-	-	-	-	-	-
- non-financial companies	-	-	-	-	-	-
- financial companies	-	-	-	-	-	-
- insurance companies	-	-	-	-	-	-
- other	-	-	-	-	-	-
2. Loans to:	2,126,366	-	2,853	1,013,140	-	3,658
a) Governments	-	-	-	-	-	2
b) Other public entities	-	-	-	-	-	-
c) Other entities:	2,126,366	-	2,853	1,013,140	-	3,656
- non-financial companies	20,492	-	99	14,666	-	24
- financial companies	107,681	-	5	98,744	-	8
- insurance companies	16,651	-	-	12,174	-	-
- other	1,981,542	-	2,749	887,556	-	3,624
Total	2,126,366	-	2,853	1,013,140	-	3,658

7.3 Loans and receivables with customers: assets subject to micro-hedging

No data to report.

7.4 Finance leases

No data to report.

Part B - Balance Sheet - Asset (CONTINUED)

Section 8 - Hedging derivatives - Item 80

8.1 Hedging derivatives: breakdown by type of hedge and by level

(Amounts in € thousand)

	FV 12.31.2017			NA 12.31.2017	FV 12.31.2016			NA 12.31.2016
	L1	L2	L3		L1	L2	L3	
A. Financial derivatives	-	458	-	151,109	-	552	-	250,000
1) Fair value	-	458	-	151,109	-	552	-	250,000
2) Cash flows	-	-	-	-	-	-	-	-
3) Net investment in foreign subsidiaries	-	-	-	-	-	-	-	-
B. Credit derivatives	-	-	-	-	-	-	-	-
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	-	458	-	151,109	-	552	-	250,000

Key:

NA = notional amount

FV = fair value

L1 = Level 1

L2 = Level 2

L3 = Level 3

8.2 Hedging derivatives: breakdown by hedged assets and risk

(Amounts in € thousand)

TRANSACTION/TYPE OF HEDGE	FAIR VALUE					CASH FLOWS			NET INVESTMENT IN FOREIGN SUBSIDIARIES
	MICRO					MACRO	MICRO	MACRO	
	INTEREST RATE RISK	EXCHANGE RATE RISK	CREDIT RISK	PRICE RISK	MULTIPLE RISK				
1. Available-for-sale assets	-	-	-	-	-	X	-	X	X
2. Loans and receivables	-	-	-	X	-	X	-	X	X
3. Held-to-maturity investments	X	-	-	X	-	X	-	X	X
4. Portfolio	X	X	X	X	X	400	X	-	X
5. Other transactions	-	-	-	-	-	X	-	X	-
Total assets	-	-	-	-	-	400	-	-	-
1. Financial liabilities	-	-	-	X	-	X	-	X	X
2. Portfolio	X	X	X	X	X	58	X	-	X
Total liabilities	-	-	-	-	-	58	-	-	-
1. Expected transactions	X	X	X	X	X	X	-	X	X
2. Financial assets and financial liabilities	X	X	X	X	X	-	X	-	-

Section 9 - Changes in fair value of portfolio hedged financial assets - Item 90

9.1 Adjustments to the value of hedged assets: breakdown by hedged portfolio

(Amounts in € thousand)

ADJUSTMENTS TO THE VALUE OF HEDGED ASSETS/AMOUNT	12.31.2017	12.31.2016
1. Positive changes	10.130	8.659
1.1 of specific portfolios	10.130	8.659
a) loans and receivables	10.130	8.659
b) available-for-sale financial assets	-	-
1.2 overall	-	-
2. Negative changes	(540)	-
2.1 of specific portfolios	(540)	-
a) loans and receivables	(540)	-
b) available-for-sale financial assets	-	-
2.2 overall	-	-
Total	9.590	8.659

9.2 Assets macro-hedged against interest rate risk

(Amounts in € thousand)

HEDGED ASSETS	12.31.2017	12.31.2016
1. Loans and receivables	666,447	777,368
2. Available-for-sale financial assets	-	-
3. Portfolio	-	-
Total	666,447	777,368

Receivables subject to macro-hedging of interest rate risk consist of mortgages to retail customers and debt securities issued by UniCredit S.p.A. and classified as "Loans and Receivables".

Section 10 - Equity investments - Item 100

10.1 Equity Investments information on shareholders' equity

NAME	REGISTERED OFFICE	HEADQUARTERS	EQUITY %	VOTING RIGHTS %
A. Subsidiaries				
Fineco AM Limited	Dublin	Dublin	100%	100%
B. Joint ventures				
C. Companies under significant influence				

10.2 Significant equity investments book value, fair value and dividends received

(Amounts in € thousand)

NAME	BOOK VALUE	FAIR VALUE	DIVIDENDS RECEIVED
A. Subsidiaries			
Fineco AM Limited	500	500	-
B. Joint ventures			
C. Companies under significant influence			

10.3 Significant equity investments: accounting data

(Amounts in € thousand)

NAME	CASH AND CASH BALANCES	FINANCIAL ASSETS	OTHER NON-FINANCIAL ASSETS	FINANCIAL LIABILITIES	FINANCIAL LIABILITIES	TOTAL REVENUES	NET INTEREST MARGIN	IMPAIRMENT/WRITE-BACKS ON PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS	TOTAL PROFIT OR LOSS BEFORE TAX FROM CONTINUING OPERATIONS	TOTAL PROFIT OR LOSS AFTER TAX FROM CONTINUING OPERATIONS	NET PROFIT (LOSS) FOR THE YEAR (1)	OTHER COMPREHENSIVE INCOME AFTER TAX (2)	COMPREHENSIVE INCOME (3) = (1) + (2)
A. Subsidiaries													
Fineco AM Limited	466	-	23	-	153	-	-	-	(187)	(163)	(163)	-	(163)
B. Joint ventures													
C. Companies under significant influence													

10.4 Non-significant investments accounting data

No data to report.

Part B - Balance Sheet - Asset (CONTINUED)

10.5 Equity Investments annual changes

(Amounts in € thousand)

	12.31.2017	12.31.2016
A. Opening balance	-	-
B. Increases	500	-
B.1 Purchases	500	-
B.2 Write-backs	-	-
B.3 Revaluations	-	-
B. 4 Other changes	-	-
C. Decreases	-	-
C.1 Sales	-	-
C.2 Impairment losses	-	-
C.3 Other decreases	-	-
D. Closing balance	500	-
E. Total revaluations	-	-
F. Total adjustments	-	-

Purchases refer to the establishment of Fineco AM Limited.

10.6 Commitments to equity interests in joint ventures

No data to report.

10.7 Commitments to equity interests in companies under significant influence

No data to report.

10.8 Significant restrictions

No data to report.

10.9 Other information

No data to report.

Section 11 - Property, plant and equipment - Item 110

11.1 Property, plant and equipment used in the business: breakdown of assets carried at cost

(Amounts in € thousand)

ASSET/AMOUNT	12.31.2017	12.31.2016
1. Owned assets	12,901	12,054
a) land	-	-
b) buildings	-	-
c) office furniture and fittings	1,480	1,131
d) electronic systems	9,798	9,560
e) other	1,623	1,363
2. Assets under financial lease	-	-
a) land	-	-
b) buildings	-	-
c) office furniture and fittings	-	-
d) electronic systems	-	-
e) other	-	-
Total	12,901	12,054

A description of the methods used to calculate depreciation is provided in Part A - Accounting Policies of the notes to the accounts.

11.2 Property, plant and equipment held for investment: breakdown of assets carried at cost

(Amounts in € thousand)

ASSET/AMOUNT	12.31.2017				12.31.2016			
	BOOK VALUE	FAIR VALUE			BOOK VALUE	FAIR VALUE		
		L1	L2	L3		L1	L2	L3
1. Owned assets	2,304	-	-	3,491	2,397	-	-	4,535
a) land	-	-	-	-	-	-	-	-
b) buildings	2,304	-	-	3,491	2,397	-	-	4,535
2. Assets under finance lease	-	-	-	-	-	-	-	-
a) land	-	-	-	-	-	-	-	-
b) buildings	-	-	-	-	-	-	-	-
Total	2,304	-	-	3,491	2,397	-	-	4,535

11.3 Property, plant and equipment used in the business: breakdown of revalued assets

No data to report.

11.4 Property, plant and equipment held for investment: breakdown of assets measured at fair value

No data to report.

11.5 Property, plant and equipment used in the business: annual changes

(Amounts in € thousand)

	LAND	BUILDINGS	OFFICE FURNITURE AND FITTINGS	ELECTRONIC SYSTEMS	OTHER	TOTAL
A. Gross opening balance	-	-	12,559	28,301	9,875	50,735
A.1 Total net reduction in value	-	-	(11,428)	(18,741)	(8,512)	(38,681)
A.2 Net opening balance	-	-	1,131	9,560	1,363	12,054
B. Increases:	-	-	1,589	4,750	738	7,077
B.1 Purchases	-	-	1,579	4,748	737	7,064
B.2 Capitalised expenditure on improvements	-	-	-	-	-	-
B.3 Write-backs	-	-	-	-	-	-
B.4 Increase in fair value recognised						
a) in equity	-	-	-	-	-	-
b) through profit or loss	-	-	-	-	-	-
B.5 Positive exchange differences	-	-	-	-	-	-
B.6 Transfers from properties held for investment	-	-	-	-	-	-
B.7 Other changes	-	-	10	2	1	13
C. Decreases:	-	-	(1,240)	(4,512)	(478)	(6,230)
C.1 Sales	-	-	(7)	(249)	-	(256)
C.2 Depreciation	-	-	(1,233)	(3,745)	(457)	(5,435)
C.3 Impairment losses recognised						
a) in equity	-	-	-	-	-	-
b) through profit or loss	-	-	-	(1)	(20)	(21)
C.4 Decreases in fair value recognised						
a) in equity	-	-	-	-	-	-
b) through profit or loss	-	-	-	-	-	-
C.5 Negative exchange differences	-	-	-	-	-	-
C.6 Transfers to:						
a) property, plant and equipment held for investment	-	-	-	-	-	-
b) assets held for sale	-	-	-	-	-	-
C.7 Other changes	-	-	-	(517)	(1)	(518)
D. Net closing balance	-	-	1,480	9,798	1,623	12,901
D.1 Total net reduction in value	-	-	(12,393)	(20,912)	(8,794)	(42,099)
D.2 Gross closing balance	-	-	13,873	30,710	10,417	55,000
E. Carried at cost	-	-	1,480	9,798	1,623	12,901

The asset classes specified in the table above are carried at cost.

Part B - Balance Sheet - Asset (CONTINUED)

11.6 Property, plant and equipment held for investment: annual changes

(Amounts in € thousand)

	LAND	BUILDINGS
A. Gross opening balance	-	3,745
A.1 Total net reduction in value	-	(1,348)
A.2 Net opening balance	-	2,397
B. Increases:	-	20
B.1 Purchases	-	-
B.2 Capitalised expenditure on improvements	-	20
B.3 Net increases in fair value	-	-
B.4 Write-backs	-	-
B.5 Positive exchange differences	-	-
B.6 Transfer from properties used in the business	-	-
B.7 Other changes	-	-
C. Decreases:	-	(113)
C.1 Sales	-	-
C.2 Depreciation	-	(113)
C.3 Decreases in fair value	-	-
C.4 Impairment losses	-	-
C.5 Negative exchange differences	-	-
C.6 Transfers to other asset portfolios	-	-
a) properties used in the business	-	-
b) non-current assets classified as held for sale	-	-
C.7 Other changes	-	-
D. Net closing balance	-	2,304
D.1 Total net reduction in value	-	(1,461)
D.2 Gross closing balance	-	3,765
E. Fair value measurement	-	3,491

The buildings specified in the table above are carried at cost.

11.7 Commitments to purchase property, plant and equipment (IAS 16/74.c)

As at December 31, 2017 the Bank had contractual commitments to purchase property, plant and equipment amounting to €629 thousand.

We also report that there are no restrictions on the ownership of tangible assets and there are no tangible assets pledged as security for liabilities.

Section 12 - Intangible assets - Item 120

12.1 Intangible assets: breakdown by type assets

(Amounts in € thousand)

ASSET/AMOUNT	12.31.2017		12.31.2016	
	FINITE LIFE	INDEFINITE LIFE	FINITE LIFE	INDEFINITE LIFE
A.1 Goodwill	X	89,602	X	89,602
A.2 Other intangible assets	7,909	-	7,731	-
A.2.1 Assets carried at cost:	7,909	-	7,731	-
a) Intangible assets generated internally	-	-	-	-
b) Other assets	7,909	-	7,731	-
A.2.2 Assets carried at fair value:	-	-	-	-
a) Intangible assets generated internally	-	-	-	-
b) Other assets	-	-	-	-
Total	7,909	89,602	7,731	89,602

The useful life of software, considered for the calculation of amortisation, is 3 years, while the useful life of other intangible assets with definite life is 5 years. A description of the methods used to calculate depreciation is provided in Part A - Accounting Policies of the notes to the accounts.

12.2 Attività immateriali: variazioni annue

(Amounts in € thousand)

	GOODWILL	OTHER INTANGIBLE ASSETS: GENERATED INTERNALLY		OTHER INTANGIBLE ASSETS: OTHER		TOTAL
		FIN	INDEF	FIN	INDEF	
A. Gross opening balance	124,729	-	-	74,833	-	199,562
A.1 Total net reduction in value	(35,127)	-	-	(67,102)	-	(102,229)
A.2 Net opening balance	89,602	-	-	7,731	-	97,333
B. Increases	-	-	-	4,978	-	4,978
B.1 Purchases	-	-	-	4,978	-	4,978
B.2 Increases in internal intangible assets	X	-	-	-	-	-
B.3 Write-backs	X	-	-	-	-	-
B.4 Increases in fair value recognised:						
- in equity	X	-	-	-	-	-
- through profit or loss	X	-	-	-	-	-
B.5 Positive exchange differences	-	-	-	-	-	-
B.6 Other changes	-	-	-	-	-	-
C. Decreases	-	-	-	(4,800)	-	(4,800)
C.1 Sales	-	-	-	-	-	-
C.2 Impairment losses						
- Amortisation	X	-	-	(4,800)	-	(4,800)
- Write-downs						
+ in equity	X	-	-	-	-	-
+ through profit or loss	-	-	-	-	-	-
C.3 Decreases in fair value						
- in equity	X	-	-	-	-	-
- through profit or loss	X	-	-	-	-	-
C.4 Transfers to non-current assets and discontinued operations	-	-	-	-	-	-
C.5 Negative exchange differences	-	-	-	-	-	-
C.6 Other changes	-	-	-	-	-	-
D. Net closing balance	89,602	-	-	7,909	-	97,511
D.1 Total net impairments	(35,127)	-	-	(71,902)	-	(107,029)
E. Gross closing balance	124,729	-	-	79,811	-	204,540
F. Carried at cost	89,602	-	-	7,909	-	97,511

Key

FIN: finite life

INDEF: indefinite life

The asset classes specified in the table above are carried at cost.

12.3 Other information

As at December 31, 2017 the Bank had contractual commitments to purchase intangible assets amounting to €13 thousand.

We also report that there were no intangible assets acquired through government concession; no intangible assets were used as collateral for own debts; no intangible assets were held under a finance lease; and there were no revalued intangible assets.

Other information - Impairment test

Under IAS 36, impairment testing of intangible assets with indefinite useful lives must be performed at least annually and, in any case, whenever there is objective evidence of the occurrence of events that may have reduced their value.

Recoverable value is the greater of the value in use (present value of future cash flows generated by the asset being valued) and the associated fair value, net of sales costs.

The recoverable value of the assets subject to impairment testing must be determined for the individual assets, unless both of the following conditions exist:

- the value in use of the asset is not estimated to be close to the fair value net of selling costs;
- the asset does not generate incoming cash flows largely independent of those coming from other assets (or group of assets).

If these conditions exist, the impairment test is conducted at the level of the Cash Generating Unit (CGU) of the asset, as required by the accounting principle.

According to IAS 36, when determining the value in use of assets subject to impairment testing, reference must be made to the cash flows of assets in their current conditions at the testing date and representing the best estimate by the management of the overall economic conditions in place during the residual useful life of the asset.

Part B - Balance Sheet - Asset (CONTINUED)

For the purposes of impairment testing, the value in use of the cash generating unit (CGU) to which the intangible assets have been assigned must be calculated considering the cash flows for all the assets and liabilities included in the CGU and not just those for which goodwill and/or the intangible asset has been recognised upon application of IFRS 3.

Definition of CGU

Estimating the value in use for the purposes of any impairment testing of intangible assets, including goodwill, which do not independently generate cash flows, but only in conjunction with other business assets, requires that these assets first be attributed to operating units that are relatively autonomous in the business context (from the points of view of independent cash flows generated and of internal planning and reporting). These operating units are defined as Cash Generating Units (CGU).

Goodwill relates to buy-outs of divisions or companies engaged in trading activities or the distribution of financial, banking and insurance products through personal financial advisors. These activities have been fully integrated with FinecoBank's ordinary operations, as a result it is not possible to isolate the contribution of each company/business division from the Bank's overall income; this means that to establish the recoverability of the value of goodwill recognised in the financial statements it is necessary to take account of the Bank's comprehensive income.

The cash generating unit (CGU) to be considered for the impairment test is therefore the Bank as a whole. In view of the specific business model adopted by FinecoBank, which envisages a high level of integration between personal financial advisors and the trading and banking platform, so that the personal financial advisors network is an integral part of the overall offering of the Bank, which includes banking, brokerage and investing services, an allocation of costs/revenues per business units is not considered relevant or meaningful.

Estimating cash flows to determine the value in use of the CGU

The applicable accounting principles require that the impairment test be carried out by comparing the book value of the CGU to its recoverable value. When the latter proves to be less than the book value, a write-down must be recorded in the financial statements. The recoverable value is the greater of its fair value (net of sales costs) and the related value in use.

The recoverable amount of the CGU in this case is the greater of its fair value (net of costs to sell) and the related value in use.

Impairment test model

The calculation of the value in use for the purposes of impairment testing is made using the Discounted Cash Flow (DCF) model. The cash flows are determined by subtracting the annual capital requirement generated by the change in the risk-weighted assets from net profit. This capital requirement is determined by considering the long-term capitalisation to be achieved, also in light of the minimum regulatory capital requirements.

Cash flows

The discounted cash flow model used is based on future cash flows estimated by management in four steps:

- year 2018, in which the budget figures were considered (subject to approval by the Board of Directors on December 5, 2017);
- period from 2019 to 2020, which considers the financial projections of the Strategic Plan (submitted for approval by the Board of Directors on December 5, 2017);
- intermediate period of five years from 2021 to 2025, for which the projections of the financial flows are extrapolated by applying beginning in the last explicit estimate period (2020) rates of growth decreasing (from 4% to 2%) to the terminal value;
- terminal value calculated using a nominal growth rate of 2%. The average Eurozone actual GDP rate from 1996 to 2016 was 1.5%. The choice of nominal 2% as "terminal value" growth rate, i.e. corresponding to ~ 0% real growth, was made for prudential reasons.

Discount rates of cash flows

Future financial flows were discounted using a conservative estimate of the discount rate, incorporating the various risk factors linked to the business sector into the cost of equity (Ke). The discount rate is a nominal rate, net of taxes.

The main assumptions used by management in determining the discount rate to calculate the value in use are summarised below:

- Initial discount rate net of tax (Ke); 8.61%
- Final discount rate net of tax (Ke); 9.09%

In particular, the cost of capital for the Bank is the sum of the following:

- Risk-free rate: the average of the last 6 years of the 5-year Bund. The six-year horizon was adopted in line with the average economic cycle in the eurozone;
- Debt risk premium: the average over the last six years of the Credit Default Swap paid by UniCredit;
- Risk premium on own equity: calculated using the option-based model, based on the average volatility of over the last six years of the shares of banks operating predominantly in the same sector.

Moreover, for prudential reasons, the cost of capital for the Bank 2018 to the Terminal Value was raised to the level of the Germany Commercial Banking, which was considered to be the floor value at Group level.

The cost of capital used for the impairment testing has 4 target points (2018 budget, 2019 Multi Year Plan, 2020 Multi Year Plan and Terminal Value) within which a linear convergence is calculated.

Impairment test results

The methodology for calculating the value in use described above (model, assumptions and parameters used) was approved by the Board of Directors on January 10, 2018. For the impairment testing the carrying amount of the goodwill and Shareholders' equity was compared with its value in use calculated using that methodology. The outcome of the tests (approved by the Board of Directors of February 6, 2018) confirmed the sustainability of the goodwill recognised in the financial statements as at December 31, 2017, with the value in use significantly higher than the carrying amount.

Sensitivity analysis

Given the complexity of the measurement process and the uncertainty involved in making forecasts on future profitability, especially in the long term, some sensitivity analyses were carried out assuming changes to the main parameters used in the impairment test.

The table below shows the change in the value in use, net of book value and of shareholders' equity, in relation to changes in the main parameters used in the DCF model underlying the impairment test.

	1% INCREASE OF THE DISCOUNT RATE AFTER TAXES (Ke)	1% INCREASE OF CORE TIER 1 RATIO TARGET	1% DECREASE OF THE NOMINAL GROWTH RATE FOR THE CALCULATION OF TERMINAL VALUE	5% DECREASE OF ANNUAL EARNINGS
Change of value in use	-16.9%	-0.8%	-11.2%	-6.4%

The results confirm the sustainability of the goodwill recognised in the financial statements, as none of the scenarios hypothesised revealed the need for a write-down, as the value in use, calculated applying those variations, was much higher than the book value.

It should also be noted, that the impairment test reaches the break-even assuming changes in the above parameters that are currently unreasonable. The impairment test reached a break-even with an absolute positive change in the discount rate after tax (Ke) of over 20 percentage points, i.e. with a reduction of over 75% of annual earnings (while maintaining all the other parameters and information used unchanged, in both scenarios).

It should be noted that the value of "FinecoBank" shares resulted in a market capitalisation of €5.2 billion at December 31, 2017, markedly higher than the Bank's assets and the results provided by the internal model, which confirms the implementation of prudent criteria for calculation of the value in use.

Section 13 - Tax Assets and Tax Liabilities - Asset item 130 and liability item 80

The item "Tax assets" amounting to €9,226 thousand comprises:

- "Current tax assets" of €1,765 thousand;
- "Deferred tax assets" of €7,461 thousand. Deferred tax assets are shown in the balance sheet net of the related deferred tax liabilities; the detail is as follows:
 - "Deferred tax assets" of €30,506 thousand recognised as a balancing entry in the income statement;
 - "Deferred tax assets" of €6,225 thousand recognised as a balancing entry of shareholders' equity.
 - "Deferred tax liabilities" of €23,982 thousand recognised as a balancing entry in the income statement;
 - "Deferred tax liabilities" of €5,289 thousand recognised through other comprehensive income.

The item "Tax liabilities" amounting to €10,234 thousand, consists exclusively of "Current tax liabilities".

Current Tax Assets and Liabilities

(Amounts in € thousand)

ASSET/AMOUNT	12.31.2017	12.31.2016
Current tax assets	1,765	1,571
Current tax liabilities	10,234	10,048

Prepaid/deferred tax assets/liabilities

In accordance with the law and regulations currently in force:

- the recognition of deferred tax assets for IRES income tax purposes takes into account the expected income figures of the Bank for future years, according to the decisions made by the competent company bodies;
- the recognition of deferred tax assets for IRAP corporate tax purposes takes place on the basis of the Bank's expected income figures for future years, and takes into account changes in the legal context;
- deferred tax liabilities are recognised whenever the relevant requirements are satisfied.

When calculating prepaid/deferred tax assets/liabilities, a 27.5% IRES rate was used (24% standard rate and 3.5% additional rate for banking institutions), as well as IRAP rate of 5.57%.

There were no tax-loss carry-forwards.

Part B - Balance Sheet - Asset (CONTINUED)

13.1 Deferred tax assets: breakdown

(Amounts in € thousand)

ASSET/AMOUNT	12.31.2017	12.31.2016
Allocations through profit or loss	26,679	29,043
Allocations through other comprehensive income	6,225	7,617
Impairment losses on receivables (of which pursuant to Law 214/2011)	3,828	4,180
Total before IAS 12 offset	36,732	40,840
Offset against deferred tax liabilities - IAS 12	(29,271)	(29,246)
Total	7,461	11,594

13.2 Deferred tax liabilities: breakdown

(Amounts in € thousand)

ASSET/AMOUNT	12.31.2017	12.31.2016
Allocations through profit or loss	23,982	23,278
Allocations through other comprehensive income	5,289	5,968
Total before IAS 12 offset	29,271	29,246
Offset against deferred tax liabilities - IAS 12	(29,271)	(29,246)
Total	-	-

13.3 Changes in deferred tax assets (through profit or loss)

(Amounts in € thousand)

	12.31.2017	12.31.2016
1. Opening balance	33,223	39,024
2. Increases	3,912	4,281
2.1 Deferred tax assets recognised in the year	3,508	4,281
a) relating to prior years	-	-
b) due to changes in accounting policies	-	-
c) write-backs	-	-
d) other	3,508	4,281
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	404	-
3. Decreases	(6,629)	(10,082)
3.1 Deferred tax assets cancelled in the year	(6,629)	(9,367)
a) reversals of temporary differences	(6,629)	(9,367)
b) write-downs of non-recoverable items	-	-
c) change in accounting policies	-	-
d) other	-	-
3.2 Reduction in tax rates	-	-
3.3 Other decreases	-	(715)
a) conversion of tax credits as per Law 214/2011	-	-
b) other	-	(715)
4. Closing balance	30,506	33,223

Increases/decreases in deferred tax assets recognised in the year through profit or loss mainly refer to the following items:

- allocations to and use of provisions for risks and charges;
- allocations to and use of provisions for future personnel costs.

13.3.1 Changes in deferred tax assets under Law 214/2011 (through profit or loss)

(Amounts in € thousand)

	12.31.2017	12.31.2016
1. Opening balance	4,180	4,401
2. Increases	-	-
3. Decreases	(352)	(221)
3.1 Reversals	(352)	(220)
3.2 Conversion into tax credits		
a) resulting from operating losses	-	-
b) resulting from tax losses	-	-
3.3 Other decreases	-	(1)
4. Closing balance	3,828	4,180

13.4 Changes in deferred tax liabilities (through profit or loss)

(Amounts in € thousand)

	12.31.2017	12.31.2016
1. Opening balance	23,278	22,877
2. Increases	712	467
2.1 Deferred tax liabilities arising during the year	704	467
a) relating to prior years	-	-
b) due to changes in accounting policies	-	-
c) other	704	467
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	8	-
3. Decreases	(8)	(66)
3.1 Deferred tax liabilities de-recognised during the year	(8)	(66)
a) reversals of temporary differences	(8)	(66)
b) due to changes in accounting policies	-	-
c) other	-	-
3.2 Reduction in tax rates	-	-
3.3 Other decreases	-	-
4. Closing balance	23,982	23,278

Increases in deferred tax liabilities recorded in the financial year as a balancing item of the income statement refer to the recognition of deferred tax liabilities resulting from the accounting and tax treatment of goodwill.

Part B - Balance Sheet - Asset (CONTINUED)

13.5 Changes in deferred tax assets (through equity)

(Amounts in € thousand)

	12.31.2017	12.31.2016
1. Opening balance	7,617	2,440
2. Increases	270	6,510
2.1 Deferred tax assets recognised in the year	270	6,510
a) relating to prior years	-	-
b) due to changes in accounting policies	-	-
c) other	270	6,510
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	-
3. Decreases	(1,662)	(1,333)
3.1 Deferred tax assets cancelled in the year	(1,662)	(1,333)
a) reversals of temporary differences	(1,619)	(1,333)
b) write-downs of non-recoverable items	-	-
c) due to changes in accounting policies	-	-
d) other	(43)	-
3.2 Reduction in tax rates	-	-
3.3 Other decreases	-	-
4. Closing balance	6,225	7,617

The increase in deferred tax assets recognised during the year through Shareholders' equity refers to the recognition of deferred tax assets on actuarial gains recognised in equity revaluation reserves as per IAS 19 Revised.

The decrease in deferred tax assets recognised during the year through equity mainly refer to the fair value valuation of debt securities classed as "Available-for-sale financial assets".

13.6 Changes in deferred tax liabilities (through equity)

(Amounts in € thousand)

	12.31.2017	12.31.2016
1. Opening balance	5,968	4,895
2. Increases	1,104	5,101
2.1 Deferred tax liabilities arising during the year	1,104	5,101
a) relating to prior years	-	-
b) due to change in accounting policies	-	-
c) other	1,104	5,101
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	-
3. Decreases	(1,783)	(4,028)
3.1 Deferred tax liabilities de-recognised during the year	(1,783)	(4,028)
a) reversals of temporary differences	(1,783)	(4,028)
b) due to change in accounting policies	-	-
c) other	-	-
3.2 Reduction in tax rates	-	-
3.3 Other decreases	-	-
4. Closing balance	5,289	5,968

The increase and decreases in deferred tax assets recognised during the year in equity related to the recognition and reversal of deferred tax assets as a result of the fair value measurement of debt securities classified under the " Available-for-sale financial assets" category.

13.7 Other information

No information to report.

Section 14 - Non-current assets and disposal groups classified as held for sale and associated liabilities - Assets item 140 and liabilities item 90

14.1 Non-current assets and disposal groups classified as held for sale: breakdown by type assets

No data to report.

14.2 Other information

No information to report.

14.3 Information on equity investments in companies subject to significant influence not valued according to the equity method

No information to report.

Section 15 - Other assets - Item 150

15.1 Other assets: breakdown

(Amounts in € thousand)

	12.31.2017	12.31.2016
Accrued income other than income to be capitalised on the related financial assets	1,982	-
Items in transit not allocated to relevant accounts	18	-
Items awaiting settlement:		
- notes, cheques and other documents	4,498	11,558
Items in processing:		
- other items in processing	99	27
Current receivables not associated with the provision of financial services	4,767	2,290
Definitive items not recognised under other items:		
- securities and coupons to be settled	4,617	321
- fees to be charged to customers	4,985	30,426
- other transactions	16,015	11,465
Tax items other than those included in item 130:		
- tax advances	242,539	240,923
- tax credit	6,875	9,132
- tax advances on employee severance indemnities	28	22
Receivables due to disputed items not deriving from lending	119	119
Prepayments	22,143	22,754
Improvement and incremental expenses incurred on leasehold assets	6,774	7,262
Total	315,459	336,299

Part B - Balance sheet

Liabilities

Section 1 - Deposits from banks - Item 10

1.1 Deposits from banks: product breakdown

(Amounts in € thousand)

TYPE OF TRANSACTION/AMOUNT	12.31.2017	12.31.2016
1. Deposits from central banks	-	-
2. Deposits from banks	926,001	1,111,106
2.1 Current accounts and demand deposits	42,756	52,309
2.2 Time deposits	-	-
2.3 Loans	868,651	1,058,565
2.3.1 Repos	868,651	1,058,565
2.3.2 Other	-	-
2.4 Liabilities in respect of commitments to repurchase treasury shares	-	-
2.5 Other liabilities	14,594	232
Total	926,001	1,111,106
<i>Fair value - level 1</i>	-	-
<i>Fair value - level 2</i>	-	-
<i>Fair value - level 3</i>	<i>926,001</i>	<i>1,111,106</i>
Total fair value	926,001	1,111,106

1.2 Breakdown of item 10 "Deposits from banks": subordinated debts

No data to report.

1.3 Breakdown of item 10 "Deposits from banks": structured debts

No data to report.

1.4 Deposits from banks subject to micro-hedging

No data to report.

1.5 Amounts payable under finance leases

No data to report.

Section 2 - Deposits from customers - Item 20

2.1 Deposits from customers: product breakdown

(Amounts in € thousand)

TYPE OF TRANSACTION/AMOUNT	12.31.2017	12.31.2016
1. Current accounts and demand deposits	19,935,285	18,319,307
2. Time deposits	9,631	159,124
3. Loans	146,410	231,376
3.1 Repos	146,410	231,376
3.2 Other	-	-
4. Liabilities in respect of commitments to repurchase treasury shares	-	-
5. Other liabilities	113,710	91,266
Total	20,205,036	18,801,073
<i>Fair value - level 1</i>	-	-
<i>Fair value - level 2</i>	<i>9,622</i>	<i>21,894</i>
<i>Fair value - level 3</i>	<i>20,195,477</i>	<i>18,779,261</i>
Total fair value	20,205,099	18,801,155

2.2 Breakdown of item 20 "Deposits from customers": subordinated debts

No data to report.

2.3 Breakdown of item 20 "Deposits from customers": structured debts

No data to report.

2.4 Deposits from customers subject to micro-hedging

No data to report.

2.5 Amounts payable under finance leases

No data to report.

Section 3 - Debt securities in issue - Item 30

No data to report.

Section 4 - Financial liabilities held for trading - Item 40

4.1 Financial liabilities held for trading: product breakdown

(Amounts in € thousand)

TYPE OF TRANSACTION/AMOUNT	12.31.2017					12.31.2016				
	FV					FV				
	NA	L1	L2	L3	FV*	NA	L1	L2	L3	FV*
A. On-balance sheet liabilities										
1. Deposits from banks	-	-	-	-	-	-	-	-	-	-
2. Deposits from customers	578	382	-	-	382	687	239	-	-	239
3. Debt securities	-	-	-	-	X	-	-	-	-	X
3.1 Bonds	-	-	-	-	X	-	-	-	-	X
3.1.1 Structured	-	-	-	-	X	-	-	-	-	X
3.1.2 Other bonds	-	-	-	-	X	-	-	-	-	X
3.2 Other securities	-	-	-	-	X	-	-	-	-	X
3.2.1 Structured	-	-	-	-	X	-	-	-	-	X
3.2.2 Others	-	-	-	-	X	-	-	-	-	X
Total A	578	382	-	-	382	687	239	-	-	239
B. Derivatives										
1. Financial derivatives	X	1,650	579	6	X	X	1,765	622	-	X
1.1 Trading derivatives	X	1,650	579	6	X	X	1,765	622	-	X
1.2 Related to the fair value option	X	-	-	-	X	X	-	-	-	X
1.3 Other	X	-	-	-	X	X	-	-	-	X
2. Credit derivatives	X	-	-	-	X	X	-	-	-	X
2.1 Trading derivatives	X	-	-	-	X	X	-	-	-	X
2.2 Related to the fair value option	X	-	-	-	X	X	-	-	-	X
2.3 Other	X	-	-	-	X	X	-	-	-	X
Total B	X	1,650	579	6	X	X	1,765	622	-	X
Total (A+B)	X	2,032	579	6	X	X	2,004	622	-	X

Key

FV = fair value

FV* = Fair value calculated excluding the changes in value due to the change in the issuer's credit rating since the issue date

NA = Nominal or Notional amount

L1 = Level 1

L2 = Level 2

L3 = Level 3

Financial derivatives refer to the negative valuation of CFD contracts on Forex, indices, shares and interest rates and Futures used for the operational hedging of CFDs on indices and interest rates. They amounted to €565 thousand (€590 thousand as at December 31, 2016).

Sub-item B.1.1 Derivative instruments - Trading financial derivatives includes the negative valuations of spot contracts for securities classified in the HFT portfolio and currencies to be settled in times established by market practices ("regular way"). They amounted to €1,670 thousand (€1,797 thousand as at December 31, 2016).

4.2 Breakdown of item 40 "Financial liabilities held for trading": subordinated liabilities

No data to report.

4.3 Breakdown of item 40 "Financial liabilities held for trading": structured debts

No data to report.

Part B - Balance Sheet - Liabilities (CONTINUED)

Section 5 - Financial liabilities at fair value through profit or loss - Item 50

The Bank has not recognised any financial liabilities under the balance-sheet item "Financial Liabilities at fair value through profit or loss".

Section 6 - Hedging derivatives - Item 60

6.1 Hedging derivatives: breakdown by type of hedge and by level

(Amounts in € thousand)

ITEM/AMOUNT	FAIR VALUE 12.31.2017			NA 12.31.2017	FAIR VALUE 12.31.2016			NA 12.31.2016
	L1	L2	L3		L1	L2	L3	
A. Financial derivatives	-	12,694	-	1,085,339	-	10,914	-	1,107,368
1) Fair value	-	12,694	-	1,085,339	-	10,914	-	1,107,368
2) Cash flows	-	-	-	-	-	-	-	-
3) Net investment in foreign subsidiaries	-	-	-	-	-	-	-	-
B. Credit derivatives	-	-	-	-	-	-	-	-
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	-	12,694	-	1,085,339	-	10,914	-	1,107,368

Key:

NA = notional amount

L1 = Level 1

L2 = Level 2

L3 = Level 3

The hedging derivatives as at December 31, 2017 included the negative fair value of derivatives entered into with UniCredit for €9,320 thousand (€7,849 thousand with UniCredit and €3,065 with UniCredit Bank AG Milano as at December 31, 2016).

6.2 Hedging derivatives: breakdown by hedged assets and risk

(Amounts in € thousand)

TRANSACTION/TYPE OF HEDGE	FAIR VALUE						CASH FLOWS		NET INVESTMENT IN FOREIGN SUBSIDIARIES
	MICRO					MACRO	MICRO	MACRO	
	INTEREST RATE RISK	EXCHANGE RATE RISK	CREDIT RISK	PRICE RISK	MULTIPLE RISK				
1. Available-for-sale assets	-	-	-	-	-	X	-	X	X
2. Loans and receivables	-	-	-	X	-	X	-	X	X
3. Held-to-maturity investments	X	-	-	X	-	X	-	X	X
4. Portfolio	X	X	X	X	X	9,568	X	-	X
5. Other transactions	-	-	-	-	-	X	-	X	-
Total assets	-	-	-	-	-	9,568	-	-	-
1. Financial liabilities	-	-	-	X	-	X	-	X	X
2. Portfolio	X	X	X	X	X	3,126	X	-	X
Total liabilities	-	-	-	-	-	3,126	-	-	-
1. Expected transactions	X	X	X	X	X	X	-	X	X
2. Financial assets and financial liabilities	X	X	X	X	X	-	X	-	-

Section 7 - Changes in fair value of portfolio hedged financial liabilities - Item 70

7.1 Adjustments to the value of hedged financial liabilities

(Amounts in € thousand)

ADJUSTMENTS TO THE VALUE OF HEDGED ASSETS/AMOUNTS	12.31.2017	12.31.2016
1. Positive changes to financial liabilities	-	457
2. Negative changes to financial liabilities	(3,772)	-
Total	(3,772)	457

7.2 Financial liabilities subject to macro-hedging of interest rate risk: breakdown

(Amounts in € thousand)

HEDGED LIABILITIES	12.31.2017	12.31.2016
1. Customer deposits	570,000	250,000
Total	570,000	250,000

Section 8 - Tax liabilities - Item 80

See section 13 of assets.

Section 9 - Liabilities included in disposal groups classified as held for sale - Item 90

See section 14 of assets.

Section 10 - Other liabilities - Item 100

10.1 Other liabilities: breakdown

(Amounts in € thousand)

	12.31.2017	12.31.2016
Accrued expenses other than those to be capitalised for the financial liabilities concerned	148	141
Other liabilities relative to employees	11,378	7,259
Other liabilities due to directors and statutory auditors	148	140
Sums available to be paid to customers	4,650	242
Items in processing:		
- incoming bank transfers	423	1,487
- other items in processing	57	34
Items awaiting settlement:		
- outgoing bank transfers	75,288	52,009
- POS and ATM cards	16,581	7,155
Current payables not related to the provision of financial services	23,583	18,941
Definitive items not recognised under other items:		
- securities and coupons to be settled	30,351	4,069
- payment authorisations	19,068	20,480
- other items	12,373	10,435
Payables for share-based payments or shares of the Parent Company UniCredit	938	957
Illiquid items for portfolio transactions	18,097	18,486
Tax items other than those included in item 80:		
- sums withheld from third parties as withholding agent	22,173	18,398
- other	94,342	85,066
Prepayments	1,737	600
Social security contributions payable	6,845	5,944
Total	338,180	251,843

Part B - Balance Sheet - Liabilities (CONTINUED)

Section 11 - Provisions for employee severance pay - Item 110

11.1 Provisions for employee severance pay: annual changes

(Amounts in € thousand)

	12.31.2017	12.31.2016
A. Opening balance	5,253	4,846
B. Increases	125	502
B.1 Provisions for the year	65	83
B.2 Other increases	60	419
<i>of which adjustments for actuarial losses on Employee Severance Fund (IAS19R)</i>	-	365
C. Decreases	(379)	(95)
C.1 Payments made	(155)	(43)
C.2 Other decreases	(224)	(52)
<i>of which adjustments for actuarial gains on Employee Severance Fund (IAS19R)</i>	(211)	-
D. Closing balance	4,999	5,253

11.2 Other information

The "TFR" provision for Italy-based employee benefits is considered to be a "post-retirement defined benefit". It is therefore recognised on the basis of an actuarial estimate of the amount of benefit accrued by employees discounted to present value. This benefit is calculated by an external actuary using the unit credit projection method (see Part A.2 - The Main Items of the Accounts).

The Provision for employee severance pay covers the amount of the rights accrued in that respect up to December 31, 2017 by employees, under current legal regulations, as well as national collective bargaining agreements and supplementary company agreements.

The financial year under review was characterised by:

- 1) normal events relating to the employee severance pay provision in accordance with legal provisions and company agreements in force;
- 2) changes associated with employment contracts pursuant to Article 1406 and following of the Civil Code dealing with individual mobility within the Group.

In 2007, the new supplementary pension reform pursuant to Legislative Decree no. 252/2005 became effective and, as a result the amounts accrued up to December 31, 2006 were kept with the Company, whilst the amounts of employee severance pay provision accruing as of 1 January 2007 were transferred to the supplementary pension funds or the INPS Treasury fund according to the option adopted by the employees (within June 30, 2007). The result is that:

- the employee severance fund accrued up to December 31, 2006 (or until the date of the option - falling between January 1, 2007 and June 30, 2007 - adopted by the employees if they decided to transfer their employee severance pay provision to a supplementary pension fund) continues to be a "defined-benefit" plan and therefore subject to actuarial valuation, although based on simplified actuarial assumptions which no longer take account of estimated future pay rises;
- the amounts accrued from January 1, 2007 (or from the date of the option - falling between 1 January 2007 and June 30, 2007 - by the employees if they decided to transfer their employee severance pay provision to a supplementary pension fund), were considered as a "defined-contribution" plan (as the Company's liability ceases at the time it pays the employee severance pay provision accrued to the pension fund chosen by the employee) and therefore the related cost for the period is equal to the amounts paid to the Supplementary Pension fund or the INPS Treasury fund.

The following table shows the main actuarial assumptions used to remeasure the liability.

DESCRIPTION OF THE MAIN ACTUARIAL ASSUMPTIONS	12.31.2017	12.31.2016
Discount rate	1.45%	1.25%
Expected inflation rate	1.40%	1.10%

(Amounts in € thousand)

EMPLOYEE SEVERANCE PAY PROVISION: OTHER INFORMATION	12.31.2017	12.31.2016
Provisions for the year	65	83
- Current service cost	-	-
- Interest expense on defined benefit obligations	65	83
- Gains and losses on curtailments and settlements	-	-
- Past service cost	-	-
Actuarial gains (losses) recognised in revaluation reserves (OCI)	(211)	365
- Actuarial gains (losses) for the year	(202)	383
- Actuarial gains/losses on demographic assumptions	-	-
- Actuarial gains/losses on financial assumptions	(9)	(18)

As required by IAS 19 Revised, a sensitivity analysis was conducted aimed at identifying how the present value of the liability changes when the actuarial assumptions considered most significant are changed, while keeping the other actuarial assumptions constant. A change of -25 basis points in the discount rate would result in an increase in the liability of €160 thousand (+3.20%), whereas an equivalent increase in the rate would result in a reduction of the liability of €155 thousand (-3.09%). A change of -25 basis points in the inflation rate would result in a decrease in the liability of €96 thousand (-1.93%), whereas an equivalent increase in the rate would result in an increase in the liability of €98 thousand (+1.96%).

Section 12 - Provisions for risks and charges - Item 120

12.1 - Provisions for risks and charges: breakdown

(Amounts in € thousand)

ITEM/COMPONENTS	12.31.2017	12.31.2016
1. Pensions and other post-retirement benefit obligations	-	-
2. Other provisions for risks and charges	112,414	111,756
2.1 legal disputes	31,056	33,699
2.2 staff expenses	5,690	10,043
2.3 other	75,668	68,014
Total	112,414	111,756

Item 2.1 "legal disputes" includes provisions made to cover complaints and disputes for damage to customers arising from the unlawful behaviour of the Bank's personal financial advisors, provisions relating to pending disputes with personal financial advisors (generally employment-related) and other ongoing court and out-of-court litigation with customers, in relation to normal banking activities, and other parties. This provision includes the costs of proceedings borne by the Bank in the event of an adverse conclusion of the dispute plus the estimated expenses to be paid to lawyers, technical advisors and/or experts who assist the Bank, to the extent that it is believed that they will not be reimbursed by the counterparties.

Item 2.2 "staff expenses" includes the provisions made for the variable remuneration to be paid to employees in subsequent years, which have an uncertain due date and/or amount. At December 31, 2016 the item also included integration costs provided for the Bank by the UniCredit Group Business Plan. During 2017, after entering into an agreement on February 4, 2017, these costs were reallocated to the item "Other liabilities" for the share pertaining to the subscriptions received, whilst the share pertaining to outstanding subscriptions was recognised through profit and loss.

The item "Other" includes the Supplementary customer indemnity provision, of €64,983 thousand (€56,054 thousand as at December 31, 2016), the Provision for tax disputes (penalties and interest, of €3,931 thousand (€4,078 thousand as at December 31, 2016), the Provision for contractual payments, of €2,311 thousand (€2,184 thousand as at December 31, 2016) and other provisions made for risks related to the Bank's business and operations, of €4,443 thousand (€5,698 thousand as at December 31, 2016).

12.2 Provisions for risks and charges: annual changes

(Amounts in € thousand)

	PENSION FUNDS	OTHER PROVISIONS	TOTAL
A. Opening balance	-	111,756	111,756
B. Increases	-	19,929	19,929
B.1 Provisions for the year	-	19,251	19,251
B.2 Changes due to the passage of time	-	665	665
B.3 Changes due to variations in the discount rate	-	10	10
B.4 Other increases	-	3	3
C. Decreases	-	(19,271)	(19,271)
C.1 Amounts used in the year	-	(14,641)	(14,641)
C.2 Changes due to variations in the discount rate	-	(1)	(1)
C.3 Other decreases	-	(4,629)	(4,629)
D. Closing balance	-	112,414	112,414

"Other decreases" include the integration costs allocated to "Other liabilities" for the share pertaining to subscriptions received, as already mentioned.

12.3 Pensions and other post-retirement defined-benefit obligations

No data to report.

Part B - Balance Sheet - Liabilities (CONTINUED)

12.4 Provisions for risks and charges - other provisions

(Amounts in € thousand)

	12.31.2017	12.31.2016
Legal disputes	31,056	33,699
- Pending cases	25,525	26,673
- Complaints	5,531	7,026
Staff expenses	5,690	10,043
Other	75,668	68,014
- Supplementary customer indemnity provision	64,983	56,054
- Provision for contractual payments and payments under non-competition agreements	2,311	2,184
- Tax disputes	3,931	4,078
- Other provisions	4,443	5,698
Total provisions for risks and charges	112,414	111,756

(Amounts in € thousand)

PROVISIONS FOR RISKS AND CHARGES	TOTAL 12.31.2016	USES	TRANSFERS AND OTHER CHANGES	ACTUARIAL GAINS (LOSSES) IAS 19R *	NET PROVISIONS **	TOTAL 12.31.2017
Legal disputes	33,699	(6,467)	-	-	3,824	31,056
- Pending cases	26,673	(3,326)	234	-	1,944	25,525
- Complaints	7,026	(3,141)	(234)	-	1,880	5,531
Payroll costs	10,043	(3,779)	(4,626)	-	4,052	5,690
Other	68,014	(4,395)	-	5,373	6,676	75,668
- Supplementary customer indemnity provision	56,054	(1,464)	-	5,385	5,008	64,983
- Contractual payments and payments under non-competition agreements	2,184	-	-	(12)	139	2,311
- Tax disputes	4,078	(147)	-	-	-	3,931
- Other provisions	5,698	(2,784)	-	-	1,529	4,443
Total provisions for risks and charges	111,756	(14,641)	(4,626)	5,373	14,552	112,414

* The item "IAS 19R actuarial gains (losses)" includes the actuarial gains (losses) recognised in the item "Revaluation reserves" in application of IAS 19R.

** The item "Net provisions" includes the costs recognised in their own income statement item to better reflect their nature (e.g. "Staff expenses", "Administrative costs" and "Interest expenses and similar charges").

The following table shows the main actuarial assumptions used to measure the liability for the supplementary customer indemnity provision and the provision for contractual payments.

DESCRIPTION OF THE MAIN ACTUARIAL ASSUMPTIONS	12.31.2017	12.31.2016
Discount rate	1.45%	1.25%
Salary increase rate	2.60%	2.60%

As required by IAS 19 Revised, a sensitivity analysis was conducted aimed at identifying how the present value of the liability changes when the actuarial assumptions considered most significant are changed, while keeping the other actuarial assumptions constant.

With reference to the supplementary customer indemnity provision, a change of -25 basis points in the discount rate would result in an increase in liabilities of €1,866 thousand (+2.87%); an equivalent increase in the rate, on the other hand, would reduce the liability by €1,787 thousand (-2.75%). A change of -25 basis points in the salary base would result in a reduction in the liability of €610 thousand (-0.94%); an equivalent increase in the rate, on the other hand, would result in an increase in liabilities of €626 thousand (+0.96%).

With reference to the provision for contractual payments, a change of -25 basis points in the discount rate would result in an increase in liabilities of €38 thousand (+1.89%); an equivalent increase in the rate, on the other hand, would reduce the liability by €37 thousand (-1.82%). A change of -25 basis points in the salary base would result in a reduction in the liability of €1 thousand (-0.07%); an equivalent increase in the rate, on the other hand, would result in an increase in liabilities of €1 thousand (+0.07%).

In addition, for the other provisions recognised in the financial statements on the basis of IAS 37, where the effect of the time value of money is significant (generally when payment is to be made more than 18 months from recognition), the amount of the provision should be the present value of the best estimate of the cost required to settle the obligation. The discount rate used reflects the current market assessments. As at December 31, 2017 an analysis was conducted to assess the impact on the provision is made of a variation of +/- 25 basis points in the discount rate and no significant impacts were found.

The **Provision for legal disputes** includes provisions made to cover complaints and disputes for damage to customers arising from the unlawful behaviour of the Bank's personal financial advisors, provisions relating to pending disputes with personal financial advisors (generally employment-related) and other ongoing court and out-of-court litigation with customers, in relation to normal banking activities, and other parties. This provision includes the costs of proceedings borne by the Bank in the event of an adverse conclusion of the dispute plus the estimated expenses to be paid to lawyers, technical advisors and/or experts who assist the Bank, to the extent that it is believed that they will not be reimbursed by the counterparties.

The **Supplementary customer indemnity provision** is accrued to cover the amount of severance indemnity to be paid to the PFA network pursuant to art. 1751 of the Italian Civil Code, in the event of termination of the contract for reasons not attributable to the advisor, such as, for example, when reaching retirement age.

The amount of the obligation at the end of the period was assessed with the aid of an independent actuary.

The **Provision for staff expenses** includes provisions made in relation to the variable remuneration to be paid to employees in subsequent years which have an uncertain due date and amount.

The **Provision for contractual payments and payments under non-competition agreements** is related to a limited number of personal financial advisors; these payments are contractually provided. More specifically, the non-competition agreement is an extension of the loyalty obligation at the end of the employment contract which protects the Bank from competition from former personal financial advisors; contractual payments are a special indemnity that the Bank agrees to pay to personal financial advisors, who opted to transfer the rights and obligations arising from their contract with the Bank to third parties, where these advisors continue to keep an ethical and professional conduct with the Bank after termination of employment, with specific regard to the customer portfolio. The amount of the obligation at the end of the period relating to contractual payments was assessed with the aid of an independent actuary.

The **Provision for tax disputes** is allocated to cover tax demands received from the Italian Revenue Agency following tax audits carried out on the Bank over the years, in relation to which the Bank considers it has calculated the tax correctly and legitimately and has therefore submitted an appeal at various levels of proceedings.

The above provisions for risks and charges include the allocations for fines and interest for the additional tax being contested and requested by the Tax Authorities through tax bills or payment notices paid and for the estimated amount of legal expenses to be incurred in the various proceedings.

For more details, see Part E - Information on risks and hedging policies - Section 4 - Operational risk - paragraph "Risks arising from tax disputes and audits" of these Notes to the Consolidated Accounts.

The **Other Provisions** are mainly allocated to cover the risks related to the business and operations of the Bank. The provision specifically includes provisions for marketing and customer loyalty campaigns and the provision for training events for the personal financial advisors.

Section 13 - Redeemable shares - Item 140

13.1 Redeemable shares: breakdown

No data to report.

Section 14 - Shareholders' Equity - Items 130, 150, 160, 170, 180, 190 and 200

14.1 "Share capital" and "Treasury shares": breakdown

As at December 31, 2017, the Bank's share capital came to €200,545 million, comprising 607,713,345 ordinary shares with a par value of €0.33 each. As at December 31, 2017 the Bank held 60,397 treasury shares, corresponding to 0.01% of the share capital, for an amount of €365 thousand. It should be noted that the shares were purchased in 2015, for a total number of 1,408,834, as part of the "2014 PFA Plan" stock granting plan in favour of Personal Financial Advisors and Network Managers of Fineco, and in the first quarter of 2017, for a total number of 31,519, with regard do the "2016 PFA Plan" incentive plan for Personal Financial Advisors identified as "key personnel", in compliance with the provisions authorised by Fineco's Ordinary Shareholders' Meeting of April 12, 2016. In implementation of the "2014 PFA Plan", during FY2016 and FY2017, Personal Financial Advisors and Network Managers were allocated, respectively, 694,509 shares and 685,447 shares.

The Bank does not hold shares of its Parent Company UniCredit S.p.A., even through other companies or third parties.

(Amounts in € thousand)

ITEM/AMOUNT	12.31.2017	12.31.2016
1. Share capital	200,545	200,246
2. Share premium reserve	1,934	1,934
3. Reserves	323,932	278,407
- Legal reserve	40,109	40,049
- Extraordinary reserve	251,367	205,860
- Treasury shares reserve	365	4,338
- Other reserves	32,091	28,160
4. (Treasury shares)	(365)	(4,338)
5. Revaluation reserves	(8,340)	(6,794)
6. Equity instruments	-	-
7. Net Profit (Loss) for the year	214,284	211,844
Total	731,990	681,299

Part B - Balance Sheet - Liabilities (CONTINUED)

On February 7, 2017, in view of the positive outcome of the verification of the minimum entry conditions (at Bank level and UniCredit Group level, where applicable) and the individual conditions (compliance of conduct and continued employment) and the favourable opinion provided by the Remuneration and Appointments Committee in its meeting of February 2, 2017, the Board of Directors approved:

- for the “Group Executive Incentive System 2014 (Bonus Pool)” plan: a free capital increase, for a total amount of €5,237.76 corresponding to a total of 15,872 FinecoBank ordinary shares with a nominal value of €0.33 each (with the same characteristics as those in circulation and with regular dividend entitlement), impartial exercise of the authority granted to the Board of Directors by the Extraordinary Shareholders' Meeting of June 5, 2014, in accordance with Article 2443 of the Italian Civil Code. The dilution effect resulting from the above free capital increase has been quantified as 0.003% of the fully diluted capital;
- for the “2014-2017 Top Management Multi-Year Plan”: a free capital increase, for a total amount of €208,180.50 corresponding to a total of 630,850 FinecoBank ordinary shares with a nominal value of €0.33 each (with the same characteristics as those in circulation and with regular dividend entitlement), in partial exercise of the authority granted to the Board of Directors by the Extraordinary Shareholders' Meeting of June 5, 2014, in accordance with Article 2443 of the Italian Civil Code. The dilution effect resulting from the above free capital increase has been quantified as 0.10% of the fully diluted capital;
- for the “2014 Key People Plan”: a free capital increase, for a total amount of €86,191.71 corresponding to a total of 261,187 FinecoBank ordinary shares with a nominal value of €0.33 each (with the same characteristics as those in circulation and with regular dividend entitlement), in partial exercise of the authority granted to the Board of Directors by the Extraordinary Shareholders' Meeting of June 5, 2014, in accordance with Article 2443 of the Italian Civil Code. The dilution effect resulting from the above free capital increase has been quantified as 0.04% of the fully diluted capital.

The Shareholders' Meeting of April 11, 2017 approved the allocation of profit for the year 2016, amounting to €211,844 thousand, as follows:

- €60 thousand to the Legal reserve, corresponding to 0.03% of the profit for the year, having reached the limit of a fifth of the share capital;
- €41,624 thousand to the extraordinary reserve;
- to the 607,713,345 ordinary shares with a par value of €0.33, a unit dividend of €0.28 for a total amount of €170,160 thousand.

The share of dividends not distributed to treasury shares held by the bank on the record date, equal to €209 thousand, was allocated to the Extraordinary Reserve.

14.2 Share capital - Number of shares: annual changes

ITEMS/TYPE	ORDINARY	OTHER
A. Shares outstanding at the beginning of the year		
- fully paid	606,805,436	-
- not fully paid	-	-
A.1 Treasury shares (-)	(714,325)	-
A.2 Shares outstanding: opening balance	606,091,111	-
B. Increases		
B.1 New issues		
- against payment:		
- business combinations	-	-
- bonds converted	-	-
- warrants exercised	-	-
- other	-	-
- free:		
- to employees	907,909	-
- to directors	-	-
- other	-	-
B.2 Sale of treasury shares	-	-
B.3 Other changes	685,447	-
C. Decreases		
C.1 Cancellation	-	-
C.2 Purchase of treasury shares	(31,519)	-
C.3 Business transfers	-	-
C.4 Other changes	-	-
D. Shares outstanding: closing balance	607,652,948	-
D.1 Treasury shares (+)	60,397	-
D.2 Shares outstanding at the end of the year		
- fully paid	607,713,345	-
- not fully paid	-	-

The item B.3 Other changes reports the shares allocated to the personal financial advisors under the stock granting plan (“2014 PFA Plan”) for the Bank’s Personal Financial Advisors and Network Managers.

14.3 Share capital: other information

The shares are not subject to any right, privilege or constraint; there are no shares reserved for issue under option and sales contracts.

14.4 Reserves from allocation of profit from previous years: other information

The reserves from profits consist of the:

- Legal reserve, amounting to €40,109 thousand;
- Extraordinary reserve, amounting to €251,367 thousand;
- Reserve for treasury shares held, amounting to €365 thousand.

Following the allocation of FinecoBank ordinary shares held as treasury shares to the Bank's Personal Financial Advisors and Network Managers, under the third-tranche of the stock granting "2014 PFA Plan", the "Reserve for treasury shares held" was released and reclassified to the "Extraordinary reserve" by an amount of €4,144 thousand.

Information on the availability and distribution of shareholders' equity

In accordance with art. 2427, paragraph 7-bis of the Italian Civil Code, and according to document no. 1 issued by the Italian Accounting Body on October 25, 2004, a detailed description of equity items is provided below, with a breakdown in terms of availability, eligibility for distribution and use in the last three years.

(Amounts in € thousand)

TYPE/DESCRIPTION	AMOUNT	POSSIBLE USE	AMOUNT AVAILABLE	SUMMARY OF THE AMOUNTS USED IN THE PAST THREE YEARS	
				TO COVER LOSSES	FOR OTHER REASONS
Share capital	200,545	-	-	-	-
Share premium reserve	1,934	A, B, C	1,934 ⁽¹⁾	-	-
Reserves:					
Legal reserve	40,109	B	40,109	-	-
Extraordinary reserve	251,367	A, B, C	251,367	-	4,956
Reserve related to equity-settled plans	32,091	-	-	-	4,217
Reserve for treasury shares	365	-	-	-	-
Revaluation reserves:					
Revaluation reserves for available-for-sale financial assets	1,472	-	- ⁽²⁾	-	-
Revaluation reserves for actuarial gains (losses) from defined benefit plans	(9,812)	-	-	-	-
TOTAL	518,071		293,410		
Undistributable amount			40,109		
Distributable amount			253,301		

Key

- A: for capital increase.
- B: to cover losses.
- C: for distribution to shareholders.

Note:

- (1) Pursuant to Article 2431 of the Civil Code, the sum total of this reserve may be distributed only on condition that the legal reserve has reached the limit set in Article 2430 of the Civil Code.
- (2) The reserve, when positive, is not available pursuant to article 6 of Legislative Decree 38/2005.

In 2015, the €80 thousand of the "Extraordinary reserve" was used for the capital increase for the first tranche of the "2014 Key People Plan" and €4,781 thousand from the "Reserve for treasury shares to be purchased" for the payment in cash of the first tranche of the 2014 stock granting plan "2014 PFA Plan" for the Personal Financial Advisors and Network Managers of the Bank.

In 2016, the €96 thousand of the "Extraordinary reserve" was used for the capital increase for the second tranche of the "2014 Key People Plan" and €4,217 thousand was used from the "Reserve related to equity-settled plans" following the allocation of FinecoBank ordinary shares held as treasury shares to the Bank's Personal Financial Advisors and Network Managers, for the second tranche of the stock granting "2014 PFA Plan".

During 2017, €4,144 thousand was used from the "Reserve related to equity-settled plans" following the allocation of FinecoBank ordinary shares held as treasury shares to the Bank's Personal Financial Advisors and Network Managers, under the third-tranche of the stock granting "2014 PFA Plan".

The Bank closed the year 2017 with a net profit of €214,284 thousand and the Board of Directors Meeting of February 6, 2018 proposed its allocation as follows:

- €46 thousand to the Legal reserve, corresponding to 0.02% of the profit for the year, having reached the limit of a fifth of the share capital;
- €40,843 thousand to the Extraordinary reserve;
- €173,395 thousand to Shareholders, corresponding to a dividend of €0.285 for each of the 608,404,395 ordinary shares with a par value of €0.33 euro, constituting the share capital including the 691,050 shares relating to the capital increase approved by the Board of Directors on February 6, 2018.

The dividends not distributed in relation to any treasury shares held by the Bank at the record date will be transferred to the Extraordinary reserve.

Part B - Balance Sheet - Liabilities (CONTINUED)

14.5 Equity instruments: breakdown and annual changes

No data to report.

14.6 Other information

No data to report.

Section 15 - Other information

1. Guarantees issued and commitments

(Amounts in € thousand)

TRANSACTIONS	AMOUNT 12.31.2017	AMOUNT 12.31.2016
1) Financial guarantees given	256,732	256,752
a) Banks	256,065	256,065
b) Customers	667	687
2) Commercial guarantees given	4	4
a) Banks	4	4
b) customers	-	-
3) Irrevocable commitments to lend funds	2,324,759	1,241,574
a) Banks	2,125,790	1,018,155
i) certain to be called on	790	155
ii) not certain to be called on	2,125,000	1,018,000
b) Customers	198,969	223,419
i) certain to be called on	198,862	223,419
ii) not certain to be called on	107	-
4) Commitments underlying credit derivatives: protection sales	-	-
5) Assets given as collateral for third-party obligations	-	-
6) Other commitments	-	-
Total	2,581,495	1,498,330

Financial guarantees given to banks include 5 guarantees issued in 2012 on request of UniCredit, with indefinite duration, for a total amount of €256,065 thousand.

Irrevocable commitments to lend funds certain to be called on mainly consisted of spot contracts for the purchase and sale of securities to be settled in times established by market practices ("regular way"), for an amount of €165,987 thousand, and repurchase agreements to be disbursed, for an amount of €33,262 thousand.

The irrevocable commitments with Banks to lend funds not certain to be called on refer to the Liquidity Framework Agreement entered into during in 2016 and renewed during H1 2017, under which the Bank has made a commitment to provide UniCredit a certain amount of eligible securities for the period of one month; the securities may be requested by UniCredit through repos with a maximum duration of three months. The Bank is also committed to investing the liquidity, received through the repos, in term deposits with the Parent Company with the same expiry date.

2. Assets given as collateral for own liabilities and commitments

(Amounts in € thousand)

PORTFOLIOS	AMOUNT 12.31.2017	AMOUNT 12.31.2016
1. Financial assets held for trading	-	-
2. Financial assets at fair value through profit or loss	-	-
3. Available-for-sale financial assets	-	-
4. Held-to-maturity investments	-	-
5. Loans and receivables with banks	-	54,909
6. Loans and receivables with customers	-	-
7. Property, plant and equipment	-	-
Total	-	54,909

As at December 31, 2017, the Bank has also committed securities owned by it as collateral for bankers' drafts, as a guarantee for transactions in foreign markets, as a guarantee for transactions in derivatives, and as a guarantee for securities lending transactions.

With regard to the securities used as collateral for banker's drafts, as guarantee with third parties in relation to transactions on foreign markets: more specifically, the Bank used bonds issued by governments, classified as "Available-for-sale financial assets", for a book value of €131,101 thousand (€128,882 thousand as at December 31, 2016). Securities are used as collateral until the Bank decides to stop the transactions for which the collateral or guarantees are granted.

With regard to the securities lending transactions with customers, UniCredit securities have been committed, belonging to the "Loans and receivables" category", for a carrying amount of €890,325 thousand (€1,042,126 thousand as at December 31, 2016). For more details, see section 4. Securities lending transactions.

3. Information on operating leases

With regard to outstanding non-cancellable leases, the future payments amount to:

- €1,969 thousand up to twelve months;

- €50 thousand from one to five years.

There are no sub-leases in place.

4. Asset management and trading on behalf of others

(Amounts in € thousand)

TYPE OF SERVICE	AMOUNT 12.31.2017	AMOUNT 12.31.2016
1. Execution of orders for customers	326,780,204	330,212,411
Securities	85,472,068	85,036,522
a) purchases	42,872,997	42,701,792
1. Settled	42,495,048	42,346,469
2. Unsettled	377,949	355,323
b) sales	42,599,071	42,334,730
1. Settled	42,288,571	41,973,535
2. Unsettled	310,500	361,195
Derivative contracts	241,308,136	245,175,889
a) purchases	120,730,831	122,572,275
1. Settled	120,378,702	122,309,410
2. Unsettled	352,129	262,865
b) sales	120,577,305	122,603,614
1. Settled	120,242,383	122,335,440
2. Unsettled	334,922	268,174
2. Segregated accounts	-	-
a) individual	-	-
b) collective	-	-
3. Custody and administration of securities		
a) third party securities on deposits: relating to custodian bank activities (excluding segregated accounts)	-	-
1. securities issued by the bank preparing the accounts	-	-
2. other securities	-	-
b) third party securities held in deposits (excluding segregated accounts): other	13,393,452	11,399,554
1. securities issued by the bank preparing the accounts	2,568	4,827
2. other securities	13,390,884	11,394,727
c) third-party securities deposited with third parties	13,393,452	11,399,550
d) own securities deposited with third parties	16,236,634	15,461,745
4. Other transactions	25,223,404	18,342,788
Order receipt and transmission	25,223,404	18,342,788
a) purchases	12,603,177	9,216,044
b) sales	12,620,227	9,126,744

5. Financial assets subject to accounting offsetting or under master netting agreements or similar agreements

(Amounts in € thousand)

TYPE	GROSS AMOUNT OF FINANCIAL ASSETS (A)	AMOUNT OF FINANCIAL LIABILITIES OFFSET IN THE FINANCIAL STATEMENTS (B)	NET AMOUNT OF FINANCIAL ASSETS SHOWN IN THE FINANCIAL STATEMENTS (C=A-B)	RELATED AMOUNTS NOT SUBJECT TO ACCOUNTING OFFSETTING			NET AMOUNT 12.31.2016
				FINANCIAL INSTRUMENTS (D)	CASH DEPOSITS RECEIVED AS GUARANTEE (E)	NET AMOUNT 12.31.2017 (F=C-D-E)	
1. Derivatives	-	-	-	-	-	-	552
2. Reverse repos	-	-	-	-	-	-	-
3. Securities lending	179	-	179	-	-	179	-
4. Other	-	-	-	-	-	-	-
Total December 31, 2017	179	-	179	-	-	179	X
Total December 31, 2016	552	-	552	-	-	X	552

Part B - Balance Sheet - Liabilities (CONTINUED)

6. Financial liabilities subject to accounting offsetting or under master netting agreements and similar agreements

(Amounts in € thousand)

TYPE	GROSS AMOUNT OF FINANCIAL LIABILITIES (A)	AMOUNT OF FINANCIAL ASSETS OFFSET IN THE FINANCIAL STATEMENTS (B)	NET AMOUNT OF FINANCIAL LIABILITIES SHOWN IN THE FINANCIAL STATEMENTS (C=A-B)	RELATED AMOUNTS NOT SUBJECT TO ACCOUNTING OFFSETTING		NET AMOUNT 12.31.2017 (F=C-D-E)	NET AMOUNT 12.31.2016
				FINANCIAL INSTRUMENTS (D)	CASH DEPOSITS RECEIVED AS GUARANTEE (E)		
1. Derivatives	10,523	-	10,523	-	9,350	1,173	-
2. Reverse repos	764,353	-	764,353	-	-	764,353	-
3. Securities lending	177,878	-	177,878	-	-	177,878	-
4. Other	-	-	-	-	-	-	-
Total December 31, 2017	952,754	-	952,754	-	9,350	943,404	X
Total December 31, 2016	7,849	-	7,849	-	7,849	X	-

It should also be noted that, at December 31, 2017 there were swap derivative contracts with a positive fair value of €458 thousand and a negative fair value of €2,171 thousand, for which a positive variance margin of €1,711 thousand was paid, not shown in the table above as it is cleared at a Central Counterparty since it refers to client-trade exposures. Such exposures were subject to the prudential treatment set out in Article 305 of (EU) Regulation no. 575/2013.

7. Securities lending transactions

The Bank conducts securities lending transactions on a continuous and systematic basis, with the objective of optimising the returns of customer portfolios, satisfying the requests of institutional counterparties and obtaining a profit for the Bank. The Bank operates as the borrower, borrowing the securities of its customers and using them in repos and securities lending transactions guaranteed by cash amounts with retail and institutional customers interested in the temporary ownership of the securities. In the case of securities lending transactions guaranteed by other securities, which are not recognised as liabilities or commitments in the accounts, the Bank has used bond issues of UniCredit, classified as "Loans and Receivables", as guarantees; these are deposited in a securities account held at the custodian bank for an amount higher than that of the securities borrowed from customers, in order to provide a collective guarantee.

The face value of the underlying securities not recognised as assets in the accounts totalled €772,854 thousand, while their fair value was €949,550 thousand, broken down as follows:

(Amounts in € thousand)

SECURITIES RECEIVED ON LOAN FROM:	TYPE OF SECURITIES (NOMINAL VALUE DECEMBER 31, 2017)		
	SOLD	SOLD IN REPOS	OTHER PURPOSES
Banks	-	-	-
Financial companies	-	1,006	-
Insurance companies	-	-	-
Non-financial companies	-	3,036	45
Other entities	578	767,369	820
Total nominal value	578	771,411	865

(Amounts in € thousand)

SECURITIES RECEIVED ON LOAN FROM:	TYPE OF SECURITIES (FAIR VALUE DECEMBER 31, 2017)		
	SOLD	SOLD IN REPOS	OTHER PURPOSES
Banks	-	-	-
Financial companies	-	1,323	-
Insurance companies	-	-	-
Non-financial companies	-	3,580	102
Other entities	382	943,073	1,090
Total fair value	382	947,976	1,192

8. Disclosure on joint control activities

No data to report.

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Part C - Income Statement

Section 1 - Interest income and expense - Items 10 and 20

1.1 Interest income and similar revenues: breakdown

(Amounts in € thousand)

ITEMS/TYPE	DEBT SECURITIES	LOANS	OTHER TRANSACTIONS	TOTAL	
				12.31.2017	12.31.2016
1. Financial assets held for trading	1	-	-	1	1
2. Available-for-sale financial assets	8,505	-	-	8,505	20,658
3. Held-to-maturity investments	23,066	-	-	23,066	1,575
4. Loans and receivables with banks	186,029	2,824	-	188,853	198,814
5. Loans and receivables with customers	-	41,029	-	41,029	29,109
6. Financial assets designated at fair value through profit or loss	-	-	-	-	-
7. Hedging derivatives	-	-	8,215	8,215	3,080
8. Other assets	-	-	77	77	69
Total interest income	217,601	43,853	8,292	269,746	253,306

Interest accrued on impaired assets, relating exclusively to the item Loans and receivables with customers, amounted to €325 thousand (€360 thousand as at December 31, 2016).

1.2 Interest income and similar revenues: hedging differentials

(Amounts in € thousand)

ITEMS	12.31.2017	12.31.2016
A. Positive hedging differentials	20,102	35,458
B. Negative hedging differentials	(11,887)	(32,378)
C. Balance (A-B)	8,215	3,080

1.3 Interest income and similar revenues: other information

No information to report.

1.3.1 Interest income from financial assets denominated in currency

(Amounts in € thousand)

ITEMS/TYPE	12.31.2017	12.31.2016
Interest income on foreign currency financial assets	15,100	12,459

1.3.2 Interest income on finance lease transactions

No data to report.

1.4 Interest expenses and similar charges: breakdown

(Amounts in € thousand)

ITEMS/TYPE	PAYABLES	SECURITIES	OTHER TRANSACTIONS	TOTAL	
				12.31.2017	12.31.2016
1. Deposits from central banks	-	-	-	-	-
2. Deposits from banks	3,070	-	-	3,070	3,006
3. Deposits from customers	(8,235)	-	-	(8,235)	(6,924)
4. Debt securities in issue	-	-	-	-	-
5. Financial liabilities held for trading	-	-	-	-	-
6. Financial Liabilities at fair value through profit or loss	-	-	-	-	-
7. Other liabilities and provisions	-	-	-	-	-
8. Hedging derivatives	-	-	-	-	-
Total interest expense	(5,165)	-	-	(5,165)	(3,918)

1.5 Interest expenses and similar charges: hedging differentials

This table has been omitted as the balance of hedging differentials is positive (please refer to the above table 1.2).

1.6 Interest expenses and similar charges: other information

No information to report.

1.6.1 Interest expense on liabilities denominated in currency

(Amounts in € thousand)

ITEMS/TYPE	12.31.2017	12.31.2016
Interest expense on liabilities denominated in currency	(4,882)	(2,479)

1.6.2 Interest expense on finance leases

No data to report.

Section 2 - Fee and commission income and expense - Items 40 and 50

2.1 Fee and commission income: breakdown

(Amounts in € thousand)

TYPE OF SERVICE/AMOUNT	12.31.2017	12.31.2016
(a) guarantees given	67	67
(b) credit derivatives	-	-
(c) management, brokerage and consulting services:	484,259	436,906
1. securities trading	71,072	75,599
2. currency trading	-	-
3. segregated accounts	-	-
3.1. individual	-	-
3.2. collective	-	-
4. custody and administration of securities	1,079	964
5. custodian bank	-	-
6. placement of securities	14,307	14,492
7. reception and transmission of orders	11,862	10,732
8. advisory services	43,233	33,078
8.1. related to investments	43,233	33,078
8.2. related to financial structure	-	-
9. distribution of third-party services:	342,706	302,041
9.1. segregated accounts	280,210	252,873
9.1.1 individual	28	53
9.1.2 collective	280,182	252,820
<i>of which maintenance commissions for UCIT units</i>	<i>277,309</i>	<i>250,480</i>
9.2. insurance products	62,495	49,159
9.3. other products	1	9
(d) collection and payment services	28,761	21,758
(e) securitisation servicing	-	-
(f) factoring	-	-
(g) tax collection services	-	-
(h) management of multilateral trading systems	-	-
(i) management of current accounts	4,716	5,019
(j) other services	9,798	5,450
(k) securities lending transactions	5,713	3,640
Total	533,314	472,840

2.2 Fee and commission income: distribution channels for products and services

(Amounts in € thousand)

CHANNEL/AMOUNT	12.31.2017	12.31.2016
(a) at own branches:	-	-
1. portfolio management	-	-
2. placement of securities	-	-
3. third-party services and products	-	-
(b) cold-calling:	331,552	290,634
1. portfolio management	-	-
2. placement of securities	11,680	12,108
3. third-party services and products	319,872	278,526
(c) other distribution channels:	25,462	25,898
1. portfolio management	-	-
2. placement of securities	2,627	2,383
3. third-party services and products	22,835	23,515
Total	357,014	316,532

Part C - Income Statement (CONTINUED)

The fee and commission income described in point (c) "other distribution channels" refer to commissions earned through the online channel and also include fees and commissions collected by product companies and placement and maintenance commissions from the online subscription of units of UCITS and insurance products.

2.3 Fee and commission expense: breakdown

(Amounts in € thousand)

SERVICE/AMOUNT	12.31.2017	12.31.2016
(a) guarantees received	-	-
(b) credit derivatives	-	-
(c) management and brokerage services:	(239,360)	(208,909)
1. securities trading	(7,018)	(7,510)
2. currency trading	-	-
3. segregated accounts:	-	-
3.1 own	-	-
3.2 delegated to third parties	-	-
4. custody and administration of securities	(4,692)	(4,126)
5. placement of financial instruments	-	-
6. cold-calling to offer securities, products and services	(227,650)	(197,273)
(d) collection and payment services	(21,674)	(19,022)
(e) other services	(399)	(304)
(f) securities lending transactions	(1,798)	(1,724)
Total	(263,231)	(229,959)

Section 3 - Dividend income and similar revenue - Item 70

3.1 Dividend income and similar revenue: breakdown

(Amounts in € thousand)

ITEM/INCOME	12.31.2017		12.31.2016	
	DIVIDENDS	INCOME FROM UCITS UNITS	DIVIDENDS	INCOME FROM UCITS UNITS
A. Financial assets held for trading	26	-	14	-
B. Available-for-sale financial assets	29	-	6	-
C. Financial assets designated at fair value through profit or loss	-	-	-	-
D. Equity investments	-	X	-	X
Total	55	-	20	-

Section 4 - Gains (losses) on financial assets and liabilities held for trading - Item 80

4.1 Gains (losses) on financial assets and liabilities held for trading: breakdown

As at December 31, 2017

(Amounts in € thousand)

TRANSACTION/INCOME ITEM	UNREALISED GAINS (A)	REALISED PROFITS (B)	UNREALISED LOSSES (C)	REALISED LOSSES (D)	NET PROFIT (LOSS) [(A+B)-(C+D)]
1. Financial assets held for trading	28	84,293	(36)	(76,448)	7,837
1.1 Debt securities	1	3,080	(1)	(2,604)	476
1.2 Equity instruments	9	80,165	(26)	(72,960)	7,188
1.3 UCITS units	18	1,048	(9)	(884)	173
1.4 Loans	-	-	-	-	-
1.5 Other	-	-	-	-	-
2. Financial liabilities held for trading	1	12	(1)	(8)	4
2.1 Debt securities	-	-	-	-	-
2.2 Payables	-	-	-	-	-
2.3 Other	1	12	(1)	(8)	4
3. Other financial assets and liabilities: exchange differences	X	X	X	X	6,210
4. Derivatives	5,541	53,513	(5,280)	(35,134)	33,362
4.1 Financial derivatives:	5,541	53,513	(5,280)	(35,134)	33,362
- On debt securities and interest rates	176	1,465	(187)	(1,049)	405
- On equity securities and share indices	5,365	47,244	(5,093)	(31,822)	15,694
- On currencies and gold	X	X	X	X	14,722
- Other	-	4,804	-	(2,263)	2,541
4.2 Credit derivatives	-	-	-	-	-
Total	5,570	137,818	(5,317)	(111,590)	47,413

As at December 31, 2016

(Amounts in € thousand)

TRANSACTION/INCOME ITEM	UNREALISED GAINS (A)	REALISED PROFITS (B)	UNREALISED LOSSES (C)	REALISED LOSSES (D)	NET PROFIT (LOSS) [(A+B)-(C+D)]
1. Financial assets held for trading	4	103,097	(22)	(93,411)	9,668
1.1 Debt securities	-	6,825	-	(6,065)	760
1.2 Equity instruments	4	93,309	(22)	(84,683)	8,608
1.3 UCITS units	-	2,963	-	(2,663)	300
1.4 Loans	-	-	-	-	-
1.5 Other	-	-	-	-	-
2. Financial liabilities held for trading	7	129	-	(28)	108
2.1 Debt securities	-	-	-	-	-
2.2 Payables	-	-	-	-	-
2.3 Other	7	129	-	(28)	108
3. Other financial assets and liabilities: exchange differences	X	X	X	X	4,211
4. Derivatives	4,510	62,942	(3,720)	(39,076)	34,603
4.1 Financial derivatives:	4,510	62,942	(3,720)	(39,076)	34,603
- On debt securities and interest rates	96	1,364	(80)	(904)	476
- On equity securities and share indices	4,414	56,725	(3,640)	(36,091)	21,408
- On currencies and gold	X	X	X	X	9,947
- Other	-	4,853	-	(2,081)	2,772
4.2 Credit derivatives	-	-	-	-	-
Total	4,521	166,168	(3,742)	(132,515)	48,590

Section 5 - Fair value adjustments in hedge accounting - Item 90
5.1 Fair value adjustments in hedge accounting: breakdown

(Amounts in € thousand)

INCOME ITEM/AMOUNT	12.31.2017	12.31.2016
A. Gains on:		
A.1 Fair value hedging instruments	10,865	17,018
A.2 Hedged asset items (in fair value hedge relationship)	10,036	3,621
A.3 Hedged liability items (in fair value hedge relationship)	4,230	-
A.4 Cash-flow hedging derivatives	-	-
A.5 Assets and liabilities denominated in currency	-	-
Total gains on hedging activities (A)	25,131	20,639
B. Losses on:		
B.1 Fair value hedging instruments	(20,727)	(9,693)
B.2 Hedged asset items (in fair value hedge relationship)	(4,385)	(10,419)
B.3 Hedged liability items (in fair value hedge relationship)	-	(458)
B.4 Cash-flow hedging derivatives	-	-
B.5 Assets and liabilities denominated in currency	-	-
Total losses on hedging activities (B)	(25,112)	(20,570)
C. Fair value adjustments in hedge accounting (A-B)	19	69

Part C - Income Statement (CONTINUED)

Section 6 - Gains (Losses) on disposals/repurchases - Item 100

6.1 Gains (Losses) on disposals/repurchases: breakdown

(Amounts in € thousand)

ITEM/INCOME ITEM	12.31.2017			12.31.2016		
	PROFIT	LOSS	NET PROFIT (LOSS)	PROFIT	LOSS	NET PROFIT (LOSS)
Financial assets						
1. Loans and receivables with banks	3,951	-	3,951	-	-	-
2. Loans and receivables with customers	-	-	-	-	-	-
3. Available-for-sale financial assets	761	-	761	20,382	-	20,382
3.1 Debt securities	761	-	761	5,038	-	5,038
3.2 Equity instruments	-	-	-	15,344	-	15,344
3.3 UCITS units	-	-	-	-	-	-
3.4 Loans	-	-	-	-	-	-
4. Held-to-maturity investments	-	-	-	-	-	-
Total assets	4,712	-	4,712	20,382	-	20,382
Financial liabilities						
1. Deposits from banks	-	-	-	-	-	-
2. Deposits from customers	-	-	-	-	-	-
3. Debt securities in issue	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-

Income from the sale of receivables from banks, equal to €3,951 thousand, pertain to the sale of debt securities issued by UniCredit (for further details refer to the Consolidated Report on Operations), whereas income from the sale of Available-for-sale financial assets, equal to €761 thousand, pertain to the sale of government securities.

Section 7 - Gains (losses) on financial assets and liabilities measured at fair value - Item 110

7.1 Gain (losses) on financial assets and liabilities measured at fair value through profit and loss: breakdown

No data to report.

Section 8 - Impairment losses - Item 130

8.1 Impairment losses on loans and receivables: breakdown

(Amounts in € thousand)

TRANSACTION/INCOME ITEM	IMPAIRMENTS (1)			WRITE-BACKS (2)				TOTAL 12.31.2017	TOTAL 12.31.2016
	MICRO		MACRO	MICRO		MACRO			
	WRITE-OFFS	OTHER		A	B	A	B		
A. Loans and receivables with banks	-	-	-	-	-	-	-	-	-
- Loans	-	-	-	-	-	-	-	-	-
- Debt securities	-	-	-	-	-	-	-	-	-
B. Loans and receivables with customers	(200)	(4,857)	(2,053)	200	1,275	-	477	(5,158)	(4,206)
Impaired related to purchase agreements	-	-	-	-	-	-	-	-	-
- Loans	-	-	X	-	-	-	X	-	-
- Debt securities	-	-	X	-	-	-	X	-	-
Other loans	(200)	(4,857)	(2,053)	200	1,275	-	477	(5,158)	(4,206)
- Loans	(200)	(4,857)	(2,053)	200	1,275	-	477	(5,158)	(4,206)
- Debt securities	-	-	-	-	-	-	-	-	-
C. Total	(200)	(4,857)	(2,053)	200	1,275	-	477	(5,158)	(4,206)

Key:

A = From interest

B = Other write-backs

8.2 Impairment losses on available-for-sale financial assets: breakdown

(Amounts in € thousand)

TRANSACTION/INCOME ITEM	IMPAIRMENTS (1)		WRITE-BACKS (2)		TOTAL 12.31.2017	TOTAL 12.31.2016
	SPECIFIC		SPECIFIC			
	WRITE-OFFS	OTHER	A	B		
A. Debt securities	-	-	-	-	-	-
B. Equity Instruments	(8,896)	(3,995)	-	-	(12,891)	(6,724)
C. UCITS units	-	-	-	-	-	-
D. Loans to banks	-	-	-	-	-	-
E. Loans to customers	-	-	-	-	-	-
F. Total	(8,896)	(3,995)	-	-	(12,891)	(6,724)

Key:

A = From interest

B = Other write-backs

The specific impairments consisted exclusively of the full impairment write-down recorded on the exposure in equity instruments recognised as result of the contribution paid to the Interbank Deposit Guarantee Fund Voluntary Scheme. For further details, see Section A - Accounting policies, of the Notes to the Accounts.

8.3 Impairment losses on held-to-maturity investments: breakdown

No data to report.

8.4 Net value adjustments for the impairment of other financial assets: breakdown

(Amounts in € thousand)

TRANSACTION/INCOME ITEM	IMPAIRMENTS (1)			WRITE-BACKS (2)				TOTAL 12.31.2017	TOTAL 12.31.2016
	MICRO		MACRO	MICRO		MACRO			
	WRITE-OFFS	OTHER		A	B	A	B		
A. Guarantees given	-	-	-	-	-	-	-	-	1,416
B. Credit derivatives	-	-	-	-	-	-	-	-	-
C. Commitments to disburse funds	-	-	-	-	-	-	-	-	-
D. Other transactions	-	-	-	-	6	-	-	6	8
E. Total	-	-	-	-	6	-	-	6	1,424

Key:

A = From interest

B = Other write-backs

Section 9 - Administrative costs - Item 150

9.1 Payroll costs: breakdown

(Amounts in € thousand)

TYPE OF EXPENSE/AMOUNT	12.31.2017	12.31.2016
1) Employees	(77,431)	(78,114)
a) wages and salaries	(52,701)	(49,621)
b) social security contributions	(13,927)	(13,061)
c) severance pay	(912)	(918)
d) pension costs	-	-
e) allocation to employee severance pay provision	(98)	(106)
f) provision for retirements and similar provisions:		
- defined contribution	-	-
- defined benefit	-	-
g) payments to external pension funds:		
- defined contribution	(3,082)	(2,861)
- defined benefit	-	-
h) costs related to share-based payments	(2,739)	(3,471)
i) other employee benefits	(3,972)	(8,076)
2) Other staff	-	-
3) Directors and statutory auditors	(1,291)	(1,136)
4) Early retirement costs	-	-
5) Recovery of expenses for employees seconded to other companies	232	267
6) Recovery of expenses for employees seconded to the company	(363)	(218)
Total	(78,853)	(79,201)

Item 1 h) Employees: costs related to share-based payments, includes costs incurred by the Bank in relation to payment agreements based on financial instruments issued by the Bank and on financial instruments issued by UniCredit to employees.

Part C - Income Statement (CONTINUED)

9.2 Average number of employees by category

	12.31.2017	12.31.2016
Employees	1,100	1,066
(a) executives	27	26
(b) managers	330	317
(c) remaining employees	743	723
Other personnel	15	13

9.3 Pensions and other post-retirement defined-benefit obligations costs and revenues

No data to report.

9.4 Other employee benefits

(Amounts in € thousand)

TYPE OF EXPENSE/AMOUNT	12.31.2017	12.31.2016
Leaving incentives	385	(5,517)
Medical plan	(1,477)	(939)
Luncheon vouchers	(936)	(926)
Seniority premiums	-	1,116
Other	(1,944)	(1,810)
Total	(3,972)	(8,076)

9.5 Other administrative expenses: breakdown

(Amounts in € thousand)

	12.31.2017	12.31.2016
1) INDIRECT TAXES AND DUTIES	(98,543)	(90,568)
2) MISCELLANEOUS COSTS AND EXPENSES		
A) Advertising expenses - Marketing and communication	(16,041)	(16,840)
Mass media communications	(11,420)	(12,340)
Marketing and promotions	(4,488)	(4,251)
Sponsorships	(95)	(182)
Conventions and internal communications	(38)	(67)
B) Expenses related to credit risk	(1,586)	(1,403)
Credit recovery expenses	(457)	(520)
Commercial information and company searches	(1,129)	(883)
C) Expenses related to personnel	(26,167)	(28,851)
Personnel training	(479)	(320)
Car rental and other staff expenses	(84)	(75)
Personal financial adviser expenses	(25,003)	(27,822)
Travel expenses	(534)	(564)
Premises rentals for personnel	(67)	(70)
D) ICT expenses	(32,079)	(31,501)
Lease of ICT equipment and software	(2,467)	(3,017)
Software expenses: lease and maintenance	(8,092)	(6,847)
ICT communication systems	(5,723)	(5,078)
ICT services: external personnel/outsourced services	(6,723)	(7,416)
Financial information providers	(9,074)	(9,143)
E) Consultancies and professional services	(4,150)	(2,641)
Consultancy on ordinary activities	(2,629)	(1,578)
Consultancy for one-off regulatory compliance projects	(86)	-
Consultancy for strategy, business development and organisational optimisation	(385)	(216)
Legal expenses	-	(25)
Legal disputes	(1,050)	(822)
F) Real estate expenses	(19,373)	(19,793)
Real estate services	(720)	(801)
Repair and maintenance of furniture, machinery, and equipment	(200)	(459)
Maintenance of premises	(1,379)	(1,491)
Premises rentals	(14,387)	(14,289)
Cleaning of premises	(509)	(495)
Utilities	(2,178)	(2,258)
G) Other functioning costs	(36,026)	(32,796)
Surveillance and security services	(347)	(412)
Postage and transport of documents	(3,396)	(3,428)
Administrative and logistic services	(18,761)	(16,160)
Insurance	(3,923)	(3,630)
Printing and stationery	(511)	(794)
Association dues and fees	(8,695)	(8,080)
Other administrative expenses	(393)	(292)
H) Ex-ante contribution to the Single Resolution Fund and Interbank Deposit Guarantee Fund	(10,566)	(10,614)
Total	(244,531)	(235,007)

The costs posted in 2017 for contributions paid to Deposit Guarantee Schemes (DGS) during the year, shown in item "Other administrative expenses" (point H) of Table 9.5, amounted to €10,566 in total and pertain to the ordinary and additional contribution and to the contribution to the Solidarity Fund for 2017, net of adjustments for the 2015 and 2016 contributions recalculated by the IDGF as a result of the introduction of the new risk-based model for the calculation of DGS contributions. For further details, see Section A - Accounting policies, of the Notes to the Consolidated Accounts. No cost was recorded for the Single Resolution Fund (no contribution due).

Part C - Income Statement (CONTINUED)

Section 10 - Net provisions for risks and charges - Item 160

10.1 Net provisions for risks and charges: breakdown

(Amounts in € thousand)

	12.31.2017			12.31.2016		
	PROVISIONS	REALLOCATIONS	TOTAL	PROVISIONS	REALLOCATIONS	TOTAL
Legal disputes	(8,836)	5,012	(3,824)	(7,140)	7,212	72
Supplementary customer indemnity provision	(5,008)	-	(5,008)	(4,964)	-	(4,964)
Other provisions for risks and charges	(330)	703	373	(588)	4,696	4,108
Total	(14,174)	5,715	(8,459)	(12,692)	11,908	(784)

Section 11 - Net impairment/write-backs on property, plant and equipment - Item 170

11.1 Impairment/write-backs on property, plant and equipment: breakdown

(Amounts in € thousand)

ASSET/INCOME ITEM	DEPRECIATION (A)	WRITE-DOWNS (B)	WRITE-BACKS (C)	NET PROFIT (LOSS) 12.31.2017 (A+B-C)	NET PROFIT (LOSS) 12.31.2016
A. Property, plant and equipment					
A.1 Owned	(5,548)	(21)	-	(5,569)	(4,853)
- Used in the business	(5,435)	(21)	-	(5,456)	(4,741)
- Held for investment	(113)	-	-	(113)	(112)
A.2 Held under finance lease	-	-	-	-	-
- Used in the business	-	-	-	-	-
- Held for investment	-	-	-	-	-
Total	(5,548)	(21)	-	(5,569)	(4,853)

Impairment losses were recognised in the year for insignificant amounts and mainly in relation to office furniture and fittings for which a zero value in use was determined.

A description of the methods used to calculate depreciation is provided in Part A - Accounting Policies of the notes to the accounts.

Section 12 - Net impairment/write-backs on intangible assets - Item 180

12.1 Impairment on intangible assets: breakdown

(Amounts in € thousand)

ASSET/INCOME ITEM	DEPRECIATION (A)	WRITE-DOWNS (B)	WRITE-BACKS (C)	NET PROFIT (LOSS) 12.31.2017 (A+B-C)	NET PROFIT (LOSS) 12.31.2016
A. Intangible assets					
A.1 Owned	(4,800)	-	-	(4,800)	(5,099)
- Generated internally by the company	-	-	-	-	-
- Other	(4,800)	-	-	(4,800)	(5,099)
A.2 Held under finance lease					
Total	(4,800)	-	-	(4,800)	(5,099)

Impairments on intangible assets relate to software, amortised over three years and the costs incurred to create the Fineco website, amortised over 5 years.

For the disclosures required by IAS 36 paragraph 134, d), e), f) and 135, c), d), e), see Part B paragraph 12.3 Other information.

Section 13 - Other net operating income - Item 190

13.1 Other operating expenses: breakdown

(Amounts in € thousand)

TYPE/AMOUNT	12.31.2017	12.31.2016
Refunds and allowances	(141)	(199)
Penalties, fines and unfavourable rulings	(2,427)	(2,798)
Improvements and incremental expenses incurred on leasehold properties	(2,844)	(3,706)
Improvements and incremental expenses incurred on group properties	(29)	(19)
Exceptional write-downs of assets	(317)	(571)
Other operating expense	(244)	(7,321)
Total	(6,002)	(14,614)

Exceptional write-downs of assets include costs incurred for credit card fraud of €261 thousand (€518 thousand as at December 31, 2016).

13.2 Other operating income: breakdown

(Amounts in € thousand)

TYPE/AMOUNT	12.31.2017	12.31.2016
Recovery of expenses:	93,369	85,395
- recovery of ancillary expenses - other	335	442
- recovery of taxes	93,034	84,953
Rental income from real estate investments	155	232
Other income for the current year	2,828	8,445
Total	96,352	94,072

Section 14 - Profit (loss) of associates - Item 210

14.1 Profit (Loss) of associates: breakdown

No data to report.

Section 15 - Gains (losses) on tangible and intangible assets measured at fair value - Item 220

15.1 Net gains (losses) on property, plant and equipment and intangible assets measured at fair value: breakdown

No data to report.

Section 16 - Impairment of goodwill - Item 230

16.1 Impairment of goodwill: breakdown

No data to report.

Part C - Income Statement (CONTINUED)

Section 17 - Gains (losses) on disposal of investments - Item 240

17.1 Gains (losses) on disposal of investments: breakdown

(Amounts in € thousand)

INCOME ITEM/AMOUNT	12.31.2017	12.31.2016
A. Properties		
- Gains on disposal	-	-
- Losses on disposal	-	-
B. Other assets		
- Gains on disposal	9	-
- Losses on disposal	(517)	-
Net profit (loss)	(508)	-

Section 18 - Tax expense (income) related to profit or loss from continuing operations - Item 260

18.1 Tax expense (income) related to profit or loss from continuing operations: breakdown

(Amounts in € thousand)

INCOME ITEM/AMOUNT	12.31.2017	12.31.2016
1. Current tax (-)	(102,274)	(95,525)
2. Adjustment to current tax of prior years (+/-)	3,924	6,518
3. Reduction of current tax for the year (+)	-	-
3.bis Reduction of current tax for the year due to tax receivables pursuant to Law 214/2011 (+)	-	-
4. Changes in deferred tax assets (+/-)	(3,122)	(5,086)
5. Changes in deferred tax liabilities (+/-)	(696)	(400)
6. Tax expense for the year (-) (-1+/-2+3+3bis+/-4+/-5)	(102,168)	(94,493)

18.2 Reconciliation of theoretical tax charge to actual tax charge

(Amounts in € thousand)

	TOTAL 2017	TOTAL 2016
Profit before tax	316,451	306,337

	IRES INCOME TAX	IRAP CORPORATE TAX	TOTAL 2017	TOTAL 2016
Amount corresponding to theoretical tax rate	(87,024)	(17,626)	(104,650)	(101,306)
+ Tax effects of charges not relevant to the calculation of taxable income	4,085	(1,263)	2,822	6,227
- Tax effects of income not relevant to the calculation of taxable income	-	-	-	-
- Tax effects deriving from the use of tax losses from previous years	-	-	-	-
- Tax effects deriving from the application of substitute taxes	(446)	-	(446)	(446)
Amount corresponding to actual tax rate	(83,385)	(18,889)	(102,274)	(95,525)

Section 19 - Profit (Loss) after tax from discontinued operations - Item 280

19.1 Profit (Loss) after tax from discontinued operations: breakdown

No data to report.

19.2 Breakdown of income tax on discontinued operations

No data to report.

Section 20 - Other information

1.1 Designation of Parent Company

UniCredit S.p.A.

Rome Register of Companies

Registered in the Register of Banking Groups and Parent Company of the UniCredit Banking Group with code 2008.1

1.2 Registered Office of Parent Company

UniCredit S.p.A.

Registration in the Companies' Register of Milan-Monza-Brianza-Lodi

Registered in the Register of Banking Groups and Parent Company of the UniCredit Banking Group with code 2008.1

1.3 Key figures for the Parent Company (income statement, balance sheet, structure)

The Bank is subject to management and coordination of UniCredit S.p.A.; therefore, in accordance with Article 2497 bis, paragraph 4 of the Italian Civil Code the key figures of the last approved financial statements of the parent company are provided below:

UniCredit S.p.A. - Reclassified balance sheet as at December 31, 2016

(Amounts in € million)

ASSETS	12.31.2016
Cash and cash balances	1,852
Financial assets held for trading	14,026
Loans and receivables with banks	22,349
Loans and receivables with customers	213,237
Financial investments	108,374
Hedging instruments	8,160
Property, plant and equipment	2,341
Goodwill	-
Other intangible assets	5
Tax assets	12,005
Non-current assets and disposal groups classified as held for sale	7,439
Other assets	4,400
Total assets	394,188

(Amounts in € million)

LIABILITIES AND SHAREHOLDERS' EQUITY	12.31.2016
Deposits from banks	44,381
Deposits from customers and debt securities in issue	279,648
Financial liabilities held for trading	14,557
Financial liabilities at fair value through profit or loss	2,103
Hedging instruments	8,920
Provisions for risks and charges	3,407
Tax liabilities	162
Liabilities included in disposal groups classified as held for sale	3
Other liabilities	8,310
Shareholders' equity	32,697
- capital and reserves	43,718
- revaluation reserves (available-for-sale financial assets - cash flow hedges - on defined benefit plans)	439
- net profit (loss)	(11,460)
Total liabilities and shareholders' equity	394,188

Part C - Income Statement (CONTINUED)

UniCredit S.p.A. - Condensed Income Statement 2016

(Amounts in € million)

	12.31.2016
Net interest	3,693
Dividends and other income from equity investments	1,173
Net fee and commission income	3,574
Net trading, hedging and fair value income	360
Net other expenses/income	110
OPERATING INCOME	8,910
Payroll costs	(3,298)
Other administrative expenses	(2,839)
Recovery of expenses	586
Impairment/write-backs on intangible and tangible assets	(134)
Operating costs	(5,685)
OPERATING PROFIT (LOSS)	3,225
Net write-downs of loans and provisions for guarantees and commitments	(10,379)
NET OPERATING PROFIT (LOSS)	(7,154)
Provisions for risks and charges	(1,501)
Integration costs	(1,163)
Net income from investments	(1,444)
GROSS PROFIT (LOSS) FROM CONTINUING OPERATIONS	(11,262)
Income tax for the year	(198)
Goodwill impairment	-
NET PROFIT	(11,460)

1.4 Disclosure of auditing fees pursuant to art. 149 paragraph bis of Issuers' Regulation

The table below provides details of the fees (net of VAT and expenses) paid to the independent auditing firm Deloitte & Touche S.p.A. and entities within the network that the external auditors belongs to.

(Amounts in €)

TYPE OF SERVICE	SERVICE PROVIDER	FEES
Accounting Audit	Deloitte & Touche S.p.A.	169,245
Certification services	Deloitte & Touche S.p.A.	95,000
Other Services	Deloitte Consulting S.r.l	30,000
		294,245

Section 21 - Earnings per share

21.1 Average number of diluted ordinary shares

Basic earnings per share are calculated by dividing the net profit by the average number of ordinary shares outstanding during the year.

	12.31.2017	12.31.2016
Net profit for the period (€ thousands)	214,284	211,844
Average number of outstanding shares	607,158,443	605,659,378
Average number of outstanding shares (including potential ordinary shares with dilution effect)	608,829,187	608,860,642
Basic earnings per share	0.35	0.35
Diluted Earnings Per Share	0.35	0.35

21.2 Other information

No data to report.

Part D - Comprehensive Income

Statement of comprehensive income

(Amounts in € thousand)

ITEMS	GROSS AMOUNT	INCOME TAX	NET AMOUNT
10. Net Profit (Loss) for the year	X	X	214,284
Other comprehensive income without reclassification through profit or loss			
20. Property, plant and equipment	-	-	-
30. Intangible assets	-	-	-
40. Defined benefit plans	(5,162)	1,689	(3,473)
50. Non-current assets classified as held for sale	-	-	-
60. Revaluation reserve from investments accounted for using the equity method	-	-	-
Other comprehensive income with reclassification through profit or loss			
70. Hedges of foreign investments:			
a) fair value changes	-	-	-
b) reclassification through profit or loss	-	-	-
c) other changes	-	-	-
80. Exchange differences:			
a) fair value changes	-	-	-
b) reclassification through profit or loss	-	-	-
c) other changes	-	-	-
90. Cash flow hedges:			
a) fair value changes	-	-	-
b) reclassification through profit or loss	-	-	-
c) other changes	-	-	-
100. Available-for-sale financial assets:			
a) fair value changes	3,956	(1,054)	2,902
b) reclassification through profit or loss			
- due to impairment	-	-	-
- gains/losses on disposals	(2,352)	778	(1,574)
c) other changes	895	(296)	599
110. Non-current assets classified as held for sale:			
a) fair value changes	-	-	-
b) reclassification through profit or loss	-	-	-
c) other changes	-	-	-
120. Revaluation reserve from investments accounted for using the equity method:			
a) fair value changes	-	-	-
b) reclassification through profit or loss			
- due to impairment	-	-	-
- gains/losses on disposals	-	-	-
c) other changes	-	-	-
130. Total other comprehensive income	(2,663)	1,117	(1,546)
140. Comprehensive income (item 10+130)	(2,663)	1,117	212,738

Part E - Information on Risks and Hedging Policies

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Part E - Information on Risks and Hedging Policies

Introduction

In order to ensure lean and efficient management of risks, the risk management process is structured in accordance with the organisational choices made by the Group and the provisions of the Supervisory Instructions for Banks pertaining to the internal control system.

Risk management and control is performed by the Risk Management function of the Bank in collaboration with the same function of the Parent Company, which performs its role of guidance, coordination and control of risks at Group level. The organisational model provides for a specific contact person, the Chief Risk Officer (hereinafter, "CRO") of the Parent Company, who is responsible for credit risk, market risk, operating risk and reputational risk.

The Bank is responsible for first and second-level monitoring, especially for verifying that the risk level of individual companies is compatible with the guidelines set by the Parent Company, individual company equity, and prudential supervisory rules.

Organisational structure

The Board of Directors of FinecoBank is tasked with setting the strategic policies and the guidelines for the organisational and operational structures, overseeing and monitoring their timely execution within the risk profiles of assigned. The Board of Directors is responsible for establishing and approving the methods through which risks are detected and assessed and for approving the risk management strategic direction and policies. The Board of Directors also verifies that the internal control structure is consistent with the risk tolerance established and approves policies for the management of risks.

The Chief Executive Officer and General Manager has been assigned specific powers by the Board of Directors in all the Bank's areas of activity. These powers are to be exercised in accordance with the applicable regulations and within the limits of the Parent Company directives and the policies, instructions, limits, risk assumption procedures and using the operational methods governed by the applicable information notices. The Chief Executive Officer and General Manager puts in place the necessary measures to ensure the establishment and maintenance of an efficient and effective internal control system.

The CRO Department, in line with the instructions and the guidelines of the Parent Company, is responsible for credit operations and risk management. The disclosure, at various levels, is provided by the Strategic Bodies and Officers (Chief Executive Officer and General Manager, Board of Directors, Risk and Related Parties Committee). In relation to the Basel II Pillar 2 instructions, reputational and business risk and, in collaboration with the CFO, liquidity risk are also monitored and reported.

The CRO and the CFO are responsible for proposing and adapting the Group Risk Appetite Framework to FinecoBank and setting risk management strategies and policies, in line with the Bank's strategies and objectives, coordinating and monitoring their implementation by the units responsible, also in the various company areas.

The CRO Department ensures the control of the Bank's overall risk profile by monitoring the various types of risk exposure, in accordance with the methods established by the Parent Company.

The Risk Management Unit prevents and monitors different components of Bank risks. The function specifically controls credit, market and operational risks to which the Bank is exposed. The Risk Management function also monitors business, reputational and liquidity risk. The Risk Management Unit supports the CRO, in the area of responsibility of the Department, in monitoring and reporting to the Strategic Bodies and Officers.

Given the complexity of the Bank's activities and the significant risks involved, the Board of Directors of the Bank decided to establish an Risk and Related Parties Committee to carry out internal control tasks; the committee is made up of non-executive members of the same Board and its task is to carry out adequate investigations to support the Board of Directors in its assessments and decisions on the internal control system and risk management.

Lastly, the participation by the Chief Risk Officer and Head of Risk Management in the Products Committee ensures oversight of the operational risk associated with the Bank's new business activities, as well as creating and disseminating a risk culture in the various functional areas.

Section 1 - Credit Risk

QUALITATIVE INFORMATION

1. General Matters

The Bank's objective is to provide an adequate range of products able to satisfy and encourage loyalty among customers, through a competitive and complete offer. The development of the products and of the product line must also seek to maintain portfolio quality and, in any event, adequate processes to monitor profitability.

The factors that generate credit risk are determined by acceptance and creditworthiness policies, which are always adequately correlated to the risk/return ratio and in line with the Risk Appetite defined by the Board of Directors.

The quality of the loan portfolio, which is constantly monitored and supported by risk mitigation instruments, is protected by scoring models that contribute to evaluation during the approval process, ensuring that it is consistent and controlled. In addition to adequate coverage of the risk levels, monitoring of the portfolio and its segmentation by product and seniority allow a better understanding of the best loan issue strategies. The identification of any high-risk areas permits intervention on the automated measurement systems as well as on disbursement standards, with the possibility to take measures to limit credit risk in advance.

In 2017 lending activity was characterised by the expansion of loan product offering, particularly through the marketing of property loans, launched in 2016, and the granting of current account credit facilities guaranteed by rotational liens on securities (Credit Lombard).

The mortgage offering mainly involves mortgages for the purchase of first and second homes (including subrogation), in addition to home-secured loans and, to a limited extent, non-residential mortgages. As at December 31, 2017, the carrying amount of mortgage loans amounted to €516 million.

Credit Lombard is the solution of FinecoBank suitable for high net worth clients who wish to obtain additional liquidity from their investments.

The Bank, moreover, continued to develop products already included in its catalogue by issuing convenience credit cards to current account holders and granting personal loans.

Choices concerning the investment of the Bank's liquidity are governed by a prudential approach aimed at containing credit risk and mainly involve deposits with UniCredit S.p.A. and the subscription of Eurozone government bonds. In order to optimise its portfolio by diversifying counterparty risk, in 2017 the Bank also increased its exposure to Spanish government securities by €1,100 million and to Italian government securities by €757 million and purchased €44 million of Polish government securities.

The Bank also issued and approved the policy "Issuer risk in bonds - Contingency Plan" aimed at defining principles and rules to efficiently and comprehensively evaluate, control and limit the issuer's risk associated with bonds in the banking book. In accordance with the policy, the Risk Management function monitors a series of indicators to analyse the exposure of the Bank's portfolio to issuer risk; through this analysis it is possible to identify the emergence of abnormal situations and assess the need for corrective actions to avoid deterioration of the portfolio position.

2. Credit Risk Management Policy

2.1 Organisational aspects

The credit process can be broken down into the following stages:

- assessment of creditworthiness;
- granting/disbursement of credit;
- credit monitoring;
- management of impaired loans;
- risk measurement and control.

The assessment of creditworthiness entails ascertaining the ability of the borrower to repay. It is performed by specific centralised and specialist operating units in the various product lines disbursed to customers (personal loans, credit cards, credit lines, and mortgages). On receipt of the request, the offices in question assess the reliability of documentation, evaluate the equity and income situation, and gather information, also by consulting public records, private banks and system data such as the information contained in the Bank of Italy's risk centre and in the Group archives.

In addition to an assessment of creditworthiness by the dedicated functions, credit approval also requires that they assess the compatibility of the request with the customer's overall situation, considering the amount requested and agreeing on a different amount with the customer, where necessary, evaluate and finalise guarantees, if any, linking them to credit facilities and filing them according to specific processes. Lastly, the decision-making parties approve or reject the application on the basis of their powers or send the application to a higher decision-making body.

Credit monitoring is carried out on credit lines to check that the economic situation of the customer and the guarantor that resulted in the approval has not changed. This check may entail collecting updated system data and information, as well as information from private banks. Checks are carried out according to established processes at set intervals, and may vary according to the amount of the credit line granted.

With regard to products with payment plans and in particular for mortgages, specific measurements of outstanding amounts are made for movement between statuses. This method is also accompanied by the collection of information on the debtor customer already used when granting credit lines.

In line with the general principles laid down by the Regulatory Authority, receivables are classified on the basis of the level of impairment, which may be established on the basis of qualitative or quantitative criteria.

The management of impaired loans entails taking all action necessary to restore them to normality or to recover the credits in situations where the relationship cannot be continued. All of these measures are established by specific processes based on the type and amount of the past-due loan and the past-due period as well as taking into account any financial assets of the customer, which may be offered as collateral. Credit collection is performed through payment reminders directly carried out by the Bank as well as through reminders and debt recovery carried out by specialised, authorised external companies.

Lastly, management also entails forecasting losses on an individual basis, which is continuously updated based on the progress of recovery actions for the amounts due or based on information collected during the recovery actions.

Part E - Information on Risks and Hedging Policies (CONTINUED)

The measurement and control of credit risk takes place at the assessment stage with the support of scoring tools that analyse the customers' socio-demographic profiles, making an assessment of individual counterparties on a statistical basis and supplementing the assessment, on one hand, with the support of credit bureaus for better knowledge of public and private data and on the other hand, with information contained in the Bank of Italy's risk centre.

Credit risk control is also performed through the systematic assessment of the performance of loan portfolios in order to estimate expected losses and intervene on disbursement policies where necessary.

2.1.1 Factors that generate Credit Risk

In the course of its credit business activities the Bank is exposed to the risk that its loans may, due to the deterioration of the debtor's financial condition, not be repaid at maturity, and thus result in a partial or full write-down. This risk is always inherent in traditional lending operations regardless of the form of the credit facility. The main reasons for default lie in the borrower's lack of autonomous ability to ensure the repayment of the debt.

In addition to the risk associated with the granting and disbursement of credit, the Bank is also exposed to counterparty risk for all clearing and pre-clearing operations with the institutional and banking counterparties necessary to conduct the Bank's business. Counterparty risk is defined as the risk that a counterparty to one of the transactions is in default prior to the final settlement of the cash flows involved in the transaction. The counterparties in these transactions could default as a result of insolvency, political and economic events, lack of liquidity, operating problems or other reasons.

Other transactions involving counterparty risk are:

- entering into derivative contracts;
- purchasing and selling securities, futures, or currencies;
- holding third-party securities.

In addition, "Non-Traditional Credit Risk" is generated by leverage/short transactions conducted through securities lending. Leverage/short transactions conducted through securities lending, also when there are automatic stop losses performed within the margins, can generate credit risk if the security lacks liquidity (for example, in the case of dramatic events that affect the normal functioning of markets) and/or the margin is insufficient. To anticipate such events, scenario analyses are conducted periodically to assess the impacts and implement appropriate mitigation policies.

The Bank monitors and manages the specific risk of each counterparty and the overall risk of loan portfolios through procedures, structures and rules that steer, govern and standardise the assessment and management of credit risk, in line with the Group principles and best practice, and which are capable of extending their effectiveness to all phases of the economic cycle.

The Bank reports all information to the Parent Company that can help it in its assessment of each FIBS counterparty ("Financial Institutions, Banks and Sovereigns") that the Bank intends to have dealings with and with respect to whom a risk limit (ceiling) is to be set within which the Group intends to operate.

The assessment is conducted within the risk limits assigned to the counterparty's Economic Group, i.e. considering the Group's exposure towards all the parties legally and economically linked to the counterparty. At the end of the assessment, the Parent Company assigns the Bank a risk limit that has to be monitored.

2.2 Management, measurement and control system

The measurement of credit risk during the issue process is supported by automated assessment systems (so-called credit scoring systems). These systems also incorporate all available information and facts: public and private data provided by Credit rating bureaus, Risk Center data flows or information requests submitted to the Bank of Italy, Group archives with data relating to positions shared with other Group banks and other performance information on customers, stored by the Bank. During the loan application process, attention is always focused on the possibility of optimising all information concerning customers that has been provided by the Bank, the Group and the System.

The collection of any guarantees, their assessment and the margins between the fair value of the guarantee and the amount of the loan granted are a simple kind of support to credit risk mitigation, but there is no relevant positive correlation between the value of the financial guarantee and the applicant's creditworthiness.

The collective write-downs of the "performing" loan portfolio are determined using migration rates, through transition matrices, both from performing loans to non-performing loans and for each classification status (past-due, unlikely to pay, non-performing) by combining the default rates with the expected recovery rates individually calculated for non-performing loans and taking account of any supporting guarantees. The project activities aimed at the necessary implementations (IT architecture, processes and organisational procedures) for the implementation of the new IFRS9 accounting system are in their final stage, which will entail significant changes to the system for the calculation of collective write-downs and classifications starting from January 1, 2018.

The global assessment of portfolio risks, in order to identify the sustainability of the asset and the remuneration margins, is made both with the assistance of a tool shared with the Parent Company (Credit Tableau de Board), which contains all the main risk indicators and the largest receivables of those listed, and with the support of specific product reports which identify the trend of default rates, broken down by disbursement period and default level.

The monitoring of credit risk as part of the management of the trading book is conducted by breaking it down into rating class and issuer sector, which determine the implicit risk of contracts.

2.3 Credit risk mitigation techniques

In order to mitigate risk when granting the different types of credit facilities, various types of collateral are obtained. Mortgages on property loans, liens on shares, bonds or investment funds, insurance contracts and government bonds are used to guarantee current account overdraft facilities.

The presence of collateral does not, however, relieve the Bank from the requirement to carry out an overall assessment of the credit risk, primarily centred around the customer's income capacity regardless of the additional guarantee provided. The valuation of the lien collateral is based on its actual value, i.e. the market value for the financial instruments listed in a regulated market. The resulting value is subject to percentage haircuts, differentiated based on the financial instruments used as security and the concentration of the instrument in the customer's portfolio provided as security.

For real estate collateral, the principles and rules are described in the policy on the granting of residential mortgages with property collateral to current account holders of FinecoBank S.p.A.. The valuation of the assets is performed by external technical experts included in the Register of Engineers, Architects and Surveyors or industrial experts who are not therefore susceptible to conflict of interest.

Valuations, moreover, are subject to periodic reviews.

2.4 Impaired financial assets

Loans are classified as past due, unlikely to pay or non-performing in accordance with the criteria set forth by the Bank of Italy and the thresholds established by the Parent Company. The classification as non-performing, linked to the customer's insolvency, is always individual and defined on the basis of the progress of debt recovery actions. The loss estimate for positions classified as past due and unlikely to pay is also individual.

The classification criterion used for overdrawn accounts is related to the performance of debt recovery activity or the forced sale of securities to cover debts.

The reclassification of loans to a category of lower risk exposure is only authorised if the amount past due has been paid in full in observance of the original payment schedule, or if considerable payments have been made leading the Bank to believe the debt exposure is very likely to be repaid.

The procedure for the management of irregularly performing loans involves actions that may be taken to recover debts by ranking them by seniority of expiration.

QUANTITATIVE INFORMATION

A. Credit quality

A.1 Impaired and unimpaired loans: amounts, write-downs, changes, distribution by business activity/region

A.1.1 Breakdown of credit exposures by portfolio and credit quality (book value)

PORTFOLIO/QUALITY	NON-PERFORMING LOANS	UNLIKELY TO PAY	PAST DUE IMPAIRED EXPOSURES	PAST DUE UNIMPAIRED EXPOSURES	OTHER UNIMPAIRED EXPOSURES	TOTAL
1. Available-for-sale financial assets	-	-	-	-	1,042,465	1,042,465
2. Held to maturity investments	-	-	-	-	4,826,390	4,826,390
3. Loans and receivables with banks	-	-	-	-	13,877,651	13,877,651
4. Loans and receivables with customers	1,730	495	627	7,511	2,118,856	2,129,219
5. Financial assets designated at fair value through profit or loss	-	-	-	-	-	-
6. Financial instruments classified as held for sale	-	-	-	-	-	-
Total December 31, 2017	1,730	495	627	7,511	21,865,362	21,875,725
Total December 31, 2016	2,662	399	598	9,732	20,492,946	20,506,337

As at December 31, 2017 there were no impaired purchased loans.

Part E - Information on Risks and Hedging Policies (CONTINUED)

A.1.2 Breakdown of exposures by portfolio and credit quality (gross and net values)

(Amounts in € thousand)

PORTFOLIO/QUALITY	IMPAIRED ASSETS			UNIMPAIRED ASSETS			TOTAL (NET EXPOSURE)
	GROSS EXPOSURE	SPECIFIC IMPAIRMENT	NET EXPOSURE	GROSS EXPOSURE	GROSS EXPOSURE	NET EXPOSURE	
1. Available-for-sale financial assets	-	-	-	1,042,465	-	1,042,465	1,042,465
2. Held-to-maturity investments	-	-	-	4,826,390	-	4,826,390	4,826,390
3. Loans and receivables with banks	-	-	-	13,877,651	-	13,877,651	13,877,651
4. Loans and receivables with customers	24,313	(21,460)	2,853	2,137,439	(11,073)	2,126,366	2,129,219
5. Financial assets designated at fair value through profit or loss	-	-	-	X	X	-	-
6. Financial instruments classified as held for sale	-	-	-	-	-	-	-
Total December 31, 2017	24,313	(21,460)	2,853	21,883,945	(11,073)	21,872,872	21,875,725
Total December 31, 2016	22,370	(18,711)	3,659	20,512,175	(9,497)	20,502,678	20,506,337

(Amounts in € thousand)

PORTFOLIO/QUALITY	ASSETS WITH OF CLEARLY POOR CREDIT QUALITY		OTHER ASSETS NET EXPOSURE
	ACCUMULATED UNREALISED LOSSES	NET EXPOSURE	
1. Financial assets held for trading	-	-	6,563
2. Hedging derivatives	-	-	458
Total December 31, 2017	-	-	7,021
Total December 31, 2016	-	-	5,460

A.1.3 On-balance sheet and off-balance-sheet credit exposures to banks: gross values, net values and past due bands

(Amounts in € thousand)

TYPE OF EXPOSURE/AMOUNT	GROSS EXPOSURE							
	IMPAIRED ASSETS				UNIMPAIRED ASSETS	SPECIFIC IMPAIRMENTS	PORTFOLIO IMPAIRMENTS	NET EXPOSURE
	UP TO 3 MONTHS	BETWEEN 3 AND 6 MONTHS	BETWEEN 6 MONTHS AND 1 YEAR	OVER 1 YEAR				
A. On-balance sheet exposures								
a) Non-performing loans	-	-	-	-	X	-	X	-
- of which: forbore exposures	-	-	-	-	X	-	X	-
b) Unlikely to pay	-	-	-	-	X	-	X	-
- of which: forbore exposures	-	-	-	-	X	-	X	-
c) Past-due impaired loans	-	-	-	-	X	-	X	-
- of which: forbore exposures	-	-	-	-	X	-	X	-
d) Past due non-impaired exposures	X	X	X	X	-	X	-	-
- of which: forbore exposures	X	X	X	X	-	X	-	-
e) Other unimpaired exposures	X	X	X	X	13,877,688	X	-	13,877,688
- of which: forbore exposures	X	X	X	X	-	X	-	-
Total A	-	-	-	-	13,877,688	-	-	13,877,688
B. Off-balance sheet exposures								
a) Impaired	-	-	-	-	X	-	X	-
b) Unimpaired	X	X	X	X	2,444,832	X	-	2,444,832
Total B	-	-	-	-	2,444,832	-	-	2,444,832
Total A+B	-	-	-	-	16,322,520	-	-	16,322,520

In the above table, item B. "Off-balance sheet exposures" includes the counterparty risk related to repos that can be classified as "Securities Financing Transactions" (SFT) defined in prudential regulations, amounting to €62,796 thousand, and the commitment to pay funds not certain to be called on relating to the Liquidity Framework Agreement signed in 2016 and renewed in 2017 with the Parent Company, amounting to €2,125,000 thousand. There were no securities lending transactions collateralised by other securities or without a cash guarantee with banks.

A.1.4 Impaired on-balance sheet credit exposures to banks: gross change in impaired exposures

No data to report.

A.1.4bis On-balance sheet credit exposures to banks: breakdown of gross forborne exposures by credit quality

No data to report.

A.1.5 On-balance sheet exposures to banks: trend in total impairments

No data to report.

A.1.6 On-balance sheet and off-balance-sheet credit exposures to customers: gross values, net values and past due bands

(Amounts in € thousand)

TYPE OF EXPOSURE/AMOUNT	GROSS EXPOSURE							
	IMPAIRED ASSETS				UNIMPAIRED ASSETS	SPECIFIC IMPAIRMENTS	PORTFOLIO IMPAIRMENTS	NET EXPOSURE
	UP TO 3 MONTHS	BETWEEN 3 AND 6 MONTHS	BETWEEN 6 MONTHS AND 1 YEAR	OVER 1 YEAR				
A. On-balance sheet exposures								
a) Non-performing loans	23	32	903	19,890	X	(19,118)	X	1,730
- of which: forborne exposures	-	-	12	105	X	(99)	X	19
b) Unlikely to pay	395	249	720	745	X	(1,614)	X	495
- of which: forborne exposures	83	20	31	20	X	(107)	X	46
c) Past-due impaired loans	194	814	235	112	X	(728)	X	627
- of which: forborne exposures	-	7	14	5	X	(12)	X	15
d) Past due non-impaired exposures	X	X	X	X	7,770	X	(260)	7,511
- of which: forborne exposures	X	X	X	X	46	X	-	45
e) Other unimpaired exposures	X	X	X	X	7,998,537	X	(10,814)	7,987,723
- of which: forborne exposures	X	X	X	X	137	X	(1)	137
Total A	612	1,095	1,858	20,747	8,006,307	(21,460)	(11,074)	7,998,086
B. Off-balance sheet exposures								
a) Impaired	7	-	-	-	X	-	X	7
b) Unimpaired	X	X	X	X	277,873	X	-	277,873
Total B	7	-	-	-	277,873	-	-	277,880
Total A+B	619	1,095	1,858	20,747	8,284,180	(21,460)	(11,074)	8,275,966

As at December 31, 2017, there were no unimpaired loans to customers renegotiated under collective agreements and no impaired purchased loans.

Breakdown by maturity of unimpaired past-due loans, amounting to €7,770 thousand (€9,980 thousand as at December 31, 2016), is as follows:

- past due between 1 day and 90 days of €7,669 thousand (€9,919 thousand as at December 31, 2016);
- past due between 90 days and 180 days of €47 thousand (€58 thousand as at December 31, 2016);
- past due between 180 days and 1 year of €13 thousand (€3 thousand as at December 31, 2016);
- past due exposures over 1 year of €41 thousand (not present as at December 31, 2016).

In the above table, item B. "Off-balance sheet exposures" includes the counterparty risk related to securities lending transactions collateralised by other securities and to repos that can be classified as "Securities Financing Transactions" (SFT) defined in prudential regulations, amounting to €233,903 thousand.

There were no securities lending transactions without a cash guarantee or not collateralised by other securities with customers.

Part E - Information on Risks and Hedging Policies (CONTINUED)

A.1.7 On-balance sheet credit exposures to customers: trend of gross impaired exposures

(Amounts in € thousand)

SOURCE/CATEGORIES	NON-PERFORMING LOANS	UNLIKELY TO PAY	PAST-DUE IMPAIRED LOANS
A. Opening balance - gross exposure	19,334	1,906	1,130
of which: assets sold but not derecognised	-	-	-
B. Increases	3,276	4,320	6,947
B.1 transfers from performing exposures	76	294	6,168
B.2 transfers from other categories of impaired exposures	2,901	3,566	-
B.3 Other increases	299	460	779
C. Decreases	(1,762)	(4,117)	(6,721)
C.1 transfers to performing exposures	-	(213)	(1,114)
C.2 de-recognitions	(888)	(49)	(2)
C.3 collections	(874)	(881)	(1,838)
C.4 proceeds from disposals	-	-	-
C.5 losses on disposal	-	-	-
C.6 transfers to other categories of impaired exposures	-	(2,891)	(3,576)
C.7 other decreases	-	(83)	(191)
D. Gross exposure closing balance	20,848	2,109	1,356
of which: assets sold but not derecognised	-	-	-

A.1.7bis On-balance sheet credit exposures to customers: breakdown of gross forborne exposures by credit quality

(Amounts in € thousand)

SOURCE/CATEGORIES	FORBORNE EXPOSURES: NON PERFORMING EXPOSURES	FORBORNE EXPOSURES: PERFORMING EXPOSURES
A. Opening balance - gross exposure	258	164
of which: assets sold but not derecognised	-	-
B. Increases	604	228
B.1 transfers from performing exposures not forborne	111	158
B.2 transfers from performing forborne exposures	78	X
B.3 transfers from impaired forborne exposures	X	30
B.4 other increases	415	40
C. Decreases	(564)	(209)
C.1 transfers to performing exposures not forborne	X	-
C.2 transfers to performing forborne exposures	(232)	X
C.3 transfers to impaired forborne exposures	X	(67)
C.4 de-recognitions	(10)	-
C.5 collections	(143)	(142)
C.6 proceeds from disposals	-	-
C.7 losses on disposal	-	-
C.8 other decreases	(179)	-
D Gross exposure closing balance	298	183
of which: assets sold but not derecognised	-	-

A.1.8 Impaired on-balance sheet credit exposures to customers: trend in total write-downs

(Amounts in € thousand)

SOURCE/CATEGORIES	NON-PERFORMING LOANS		UNLIKELY TO PAY		PAST-DUE IMPAIRED LOANS	
	TOTAL	OF WHICH: FORBORNE EXPOSURES	TOTAL	OF WHICH: FORBORNE EXPOSURES	TOTAL	OF WHICH: FORBORNE EXPOSURES
A. Total opening impairment	(16,672)	(103)	(1,507)	(88)	(533)	(4)
of which: assets sold but not derecognised	-	-	-	-	-	-
B. Increases	(4,210)	(38)	(1,122)	(90)	(703)	(16)
B.1 Value adjustments	(3,376)	(13)	(1,071)	(73)	(699)	(12)
B.2 Losses on disposal	-	-	-	-	-	-
B.3 Transfers from other categories impaired exposures	(812)	(25)	(38)	(4)	-	-
B.4 Other increases	(22)	-	(13)	(13)	(4)	(4)
C. Decreases	1,764	42	1,015	71	508	8
C.1 write-backs from assessments	272	17	23	10	80	-
C.2 Write-backs from recoveries	604	15	366	36	136	4
C.3 Gains on disposal	-	-	-	-	-	-
C.4 Write-offs	888	10	49	-	2	-
C.5 Transfers to other categories of impaired exposures	-	-	564	25	286	4
C.6 Other decreases	-	-	13	-	4	-
D. Final overall impairment	(19,118)	(99)	(1,614)	(107)	(728)	(12)
of which: assets sold but not derecognised	-	-	-	-	-	-

A.1.8 Impaired on-balance sheet credit exposures to customers: trend in total write-downs

A.2.1 Breakdown of on-balance sheet and off-balance sheet exposures by external rating class

(Amounts in € thousand)

EXPOSURES	EXTERNAL RATING CLASSES							TOTAL
	CLASS 1	CLASS 2	CLASS 3	CLASS 4	CLASS 5	CLASS 6	NO RATING	
A. On-balance sheet exposures	78,702	62,917	19,581,606	2,557	-	-	2,152,010	21,877,792
B. Derivatives	265	545	-	-	-	-	6,163	6,973
B.1 Financial derivatives	265	545	-	-	-	-	6,163	6,973
B.2 Credit derivatives	-	-	-	-	-	-	-	-
C. Guarantees given	-	-	256,070	-	-	-	667	256,737
D. Other commitments to disburse funds	-	-	2,125,206	-	-	-	39,053	2,164,259
E. Other	-	22,153	54,173	-	-	-	220,374	296,700
Total	78,967	85,615	22,017,055	2,557	-	-	2,418,267	24,602,461

The table below shows the breakdown of on-balance sheet and off-balance-sheet exposures to counterparties with an external rating. Rating agencies provide a summary assessment on the creditworthiness of different type of counterparties: Countries, Banks, Public Bodies, Insurance Companies and Businesses, usually large-scale.

The table refers to the classification set forth in the Bank of Italy Circular no. 262/2005 regarding external ratings, which envisages 6 classes of creditworthiness.

The above presentation refers to the Standard and Poor's ratings, which are also associated to the ratings of the other two main Agencies, Moody's and Fitch. When there were two credit ratings for an individual exposure provided by two rating agencies the worst rating was recognised; if there were three different ratings the two best ratings were identified and, if they were different, the worst rating from these was recognised.

As part of the calculation of statutory requirements, by using the standard risk calculation method, FincoBank relies on the rankings of rating agencies in order to determine the weighting coefficients for exposures to Sovereign state. "Central governments and central banks", "Entities" and "Public Sector Entities" portfolio). In general, a weighting factor of 100 percent is applied to the remaining credit exposures, subject to the main exceptions established by CRR 575/2013.

Credit exposures to retail customers (consisting in personal loans, mortgages credit cards spending - both full payment of balance or revolving - unsecured and secured loans and securities lending at December 31, 2017) were not externally ranked. Exposures with ratings to non-retail customers mainly derive from amounts due to the Parent Company for treasury activities and for hedging banking book positions through interest-rate derivatives. The remaining exposures with ratings regard receivables relating to customer trading, whose counterparties are leading banks with a high credit rating.

In the above table, item E "Other" includes the counterparty risk related to securities lending transactions guaranteed by other securities and to repos. In the above table, equity instruments have been excluded whereas UCITS units have been included, unlike the previous tables in this section in which both were excluded.

A.2.2 Breakdown of on-balance sheet and off-balance-sheet exposures by internal rating class

This table has not been included because internal ratings are not used to managed credit risk.

Part E - Information on Risks and Hedging Policies (CONTINUED)

A.3 Breakdown of secured exposures by type of collateral**A.3.1 Secured exposures to banks**

	REAL GUARANTEES (1)				
	NET EXPOSURE VALUE	PROPERTIES - MORTGAGES	PROPERTIES - FINANCE LEASES	SECURITIES	OTHER REAL GUARANTEES
1. Secured on-balance sheet exposures:					
1.1 totally secured	54	-	-	53	-
- of which impaired	-	-	-	-	-
1.2 partially secured	-	-	-	-	-
- of which impaired	-	-	-	-	-
2. Secured off-balance Sheet credit exposures:					
2.1 totally secured	-	-	-	-	-
- of which impaired	-	-	-	-	-
2.2 partially secured	-	-	-	-	-
- of which impaired	-	-	-	-	-

A.3.2 Secured exposures to customers

	REAL GUARANTEES (1)				
	NET EXPOSURE VALUE	PROPERTIES - MORTGAGES	PROPERTIES - FINANCE LEASES	SECURITIES	OTHER REAL GUARANTEES
1. Secured on-balance sheet exposures:					
1.1 totally secured	1,168,917	515,767	-	645,547	7,530
- of which impaired	81	-	-	81	-
1.2 partially secured	3,299	415	-	2,174	-
- of which impaired	-	-	-	-	-
2. Secured off-balance Sheet credit exposures:					
2.1 totally secured	38,174	-	-	33,774	4,399
- of which impaired	7	-	-	7	-
2.2 partially secured	1	-	-	-	1
- of which impaired	-	-	-	-	-

B. Distribution and concentration of credit exposures**B.1 Breakdown of on-balance sheet and off-balance-sheet exposures to customers by sector (carrying value)**

EXPOSURE/COUNTERPARTY	GOVERNMENTS			OTHER PUBLIC ENTITIES		
	NET EXPOSURE	SPECIFIC IMPAIRMENTS	PORTFOLIO IMPAIRMENTS	NET EXPOSURE	SPECIFIC IMPAIRMENTS	PORTFOLIO IMPAIRMENTS
A. On-balance sheet exposures						
A.1 Non-performing loans	-	-	X	-	-	X
- of which: forbore exposures	-	-	X	-	-	X
A.2 Unlikely to pay	-	-	X	-	-	X
- of which: forbore exposures	-	-	X	-	-	X
A.3 Impaired past-due exposures	-	-	X	-	-	X
- of which: forbore exposures	-	-	X	-	-	X
A.4 Non-impaired exposures	5,768,943	X	-	99,924	X	-
- of which: forbore exposures	-	X	-	-	X	-
TOTAL A	5,768,943	-	-	99,924	-	-
B. "Off-balance" sheet exposures						
B.1 Non-performing loans	-	-	X	-	-	X
B.2 Unlikely to pay	-	-	X	-	-	X
B.3 Other impaired assets	-	-	X	-	-	X
B.4 Non-impaired exposures	371	X	-	-	X	-
Total B	371	-	-	-	-	-
TOTAL (A + B) December 31, 2017	5,769,314	-	-	99,924	-	-
TOTAL (A + B) December 31, 2016	3,754,173	(2)	-	1	-	-

(Amounts in € thousand)

PERSONAL GUARANTEES (2)										TOTAL (1) + (2)
CREDIT DERIVATIVES					GUARANTEES, ETC.					
OTHER DERIVATIVES										
CLN	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC ENTITIES	BANKS	OTHER ENTITIES	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC ENTITIES	BANKS	OTHER ENTITIES		
-	-	-	-	-	-	-	-	-	-	53
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-

(Amounts in € thousand)

PERSONAL GUARANTEES (2)										TOTAL (1) + (2)
CREDIT DERIVATIVES					GUARANTEES, ETC.					
OTHER DERIVATIVES										
CLN	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC ENTITIES	BANKS	OTHER ENTITIES	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC ENTITIES	BANKS	OTHER ENTITIES		
-	-	-	-	-	-	-	-	44	-	1,168,888
-	-	-	-	-	-	-	-	-	-	81
-	-	-	-	-	-	-	-	-	-	2,589
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	38,173
-	-	-	-	-	-	-	-	-	-	7
-	-	-	-	-	-	-	-	-	-	1
-	-	-	-	-	-	-	-	-	-	-

(Amounts in € thousand)

FINANCIAL COMPANIES			INSURANCE COMPANIES			NON-FINANCIAL COMPANIES			OTHER ENTITIES		
NET EXPOSURE	SPECIFIC IMPAIRMENTS	PORTFOLIO IMPAIRMENTS	NET EXPOSURE	SPECIFIC IMPAIRMENTS	PORTFOLIO IMPAIRMENTS	NET EXPOSURE	SPECIFIC IMPAIRMENTS	PORTFOLIO IMPAIRMENTS	NET EXPOSURE	SPECIFIC IMPAIRMENTS	PORTFOLIO IMPAIRMENTS
4	(41)	X	-	-	X	9	(130)	X	1,717	(18,946)	X
-	(1)	X	-	-	X	-	-	X	19	(98)	X
1	(1)	X	-	-	X	79	(228)	X	416	(1,385)	X
-	-	X	-	-	X	-	-	X	46	(107)	X
-	-	X	-	-	X	11	(18)	X	616	(710)	X
-	-	X	-	-	X	-	-	X	15	(12)	X
107,681	X	(139)	16,651	X	-	20,492	X	(3,337)	1,981,542	X	(7,598)
-	X	-	-	X	-	16	X	-	166	X	(1)
107,686	(42)	(139)	16,651	-	-	20,591	(376)	(3,337)	1,984,291	(21,041)	(7,598)
-	-	X	-	-	X	-	-	X	-	-	X
-	-	X	-	-	X	-	-	X	-	-	X
-	-	X	-	-	X	-	-	X	7	-	X
3,290	X	-	-	X	-	423	X	-	39,886	X	-
3,290	-	-	-	-	-	423	-	-	39,893	-	-
110,976	(42)	(139)	16,651	-	-	21,014	(376)	(3,337)	2,024,184	(21,041)	(7,598)
102,105	(43)	(144)	12,174	-	-	15,155	(116)	(3,489)	927,066	(18,552)	(5,863)

Part E - Information on Risks and Hedging Policies (CONTINUED)

B.2 Breakdown of on-balance sheet and off-balance-sheet exposures to customers by geographical area (carrying value)

Exposures connected to the counterparty risk related to securities lending or borrowing transactions are not included.

(Amounts in € thousand)

EXPOSURE/ GEOGRAPHICAL AREA	ITALY		OTHER EUROPEAN COUNTRIES		AMERICA		ASIA		REST OF THE WORLD	
	NET EXPOSURE	TOTAL IMPAIRMENT	NET EXPOSURE	TOTAL IMPAIRMENT	NET EXPOSURE	TOTAL IMPAIRMENT	NET EXPOSURE	TOTAL IMPAIRMENT	NET EXPOSURE	TOTAL IMPAIRMENT
A. On-balance sheet exposures										
A.1 Non-performing loans	1,728	(19,103)	2	(15)	-	-	-	-	-	-
A.2 Unlikely to pay	493	(1,611)	2	(4)	-	-	-	-	-	-
A.3 Impaired past-due exposures	626	(726)	1	(2)	-	-	-	-	-	-
A.4 Non-impaired exposures	5,345,131	(11,068)	2,582,854	(3)	66,196	(1)	586	(1)	467	-
TOTAL	5,347,978	(32,508)	2,582,859	(24)	66,196	(1)	586	(1)	467	-
B. "Off-balance" sheet exposures										
B.1 Non-performing loans	-	-	-	-	-	-	-	-	-	-
B.2 Unlikely to pay	-	-	-	-	-	-	-	-	-	-
B.3 Other impaired assets	7	-	-	-	-	-	-	-	-	-
B.4 Non-impaired exposures	40,563	-	3,163	-	23	-	159	-	62	-
TOTAL	40,570	-	3,163	-	23	-	159	-	62	-
TOTAL December 31, 2017	5,388,548	(32,508)	2,586,022	(24)	66,219	(1)	745	(1)	529	-
TOTAL December 31, 2016	3,477,658	(28,200)	1,257,570	(7)	75,198	(2)	137	-	109	-

(Amounts in € thousand)

EXPOSURE/ GEOGRAPHICAL AREA	NORTHWEST ITALY		NORTH-EAST ITALY		CENTRAL ITALY		SOUTHERN ITALY AND ISLANDS	
	NET EXPOSURE	TOTAL IMPAIRMENT	NET EXPOSURE	TOTAL IMPAIRMENT	NET EXPOSURE	TOTAL IMPAIRMENT	NET EXPOSURE	TOTAL IMPAIRMENT
A. On-balance sheet exposures								
A.1 Non-performing loans	451	(5,189)	238	(2,808)	366	(3,757)	672	(7,348)
A.2 Unlikely to pay	164	(776)	61	(166)	117	(286)	151	(382)
A.3 Impaired past-due exposures	133	(171)	76	(89)	134	(180)	283	(287)
A.4 Non-impaired exposures	674,297	(3,518)	279,050	(1,161)	3,889,251	(3,503)	502,534	(2,886)
TOTAL	675,045	(9,654)	279,425	(4,224)	3,889,868	(7,726)	503,640	(10,903)
B. "Off-balance" sheet exposures								
B.1 Non-performing loans	-	-	-	-	-	-	-	-
B.2 Unlikely to pay	-	-	-	-	-	-	-	-
B.3 Other impaired assets	-	-	-	-	-	-	7	-
B.4 Non-impaired exposures	17,342	-	7,258	-	8,561	-	7,401	-
TOTAL	17,342	-	7,258	-	8,561	-	7,408	-
TOTAL December 31, 2017	692,387	(9,654)	286,683	(4,224)	3,898,429	(7,726)	511,048	(10,903)
TOTAL December 31, 2016	345,242	(9,207)	132,857	(4,041)	2,761,738	(6,316)	237,820	(8,638)

B.3 Distribution of Balance Sheet and Off-Balance Sheet credit exposures to banks by geographic area (book value)

Exposures connected to the counterparty risk related to securities lending or borrowing transactions are not included.

(Amounts in € thousand)

EXPOSURE/ GEOGRAPHICAL AREA	ITALY		OTHER EUROPEAN COUNTRIES		AMERICA		ASIA		REST OF THE WORLD	
	NET EXPOSURE	TOTAL IMPAIRMENT	NET EXPOSURE	TOTAL IMPAIRMENT	NET EXPOSURE	TOTAL IMPAIRMENT	NET EXPOSURE	TOTAL IMPAIRMENT	NET EXPOSURE	TOTAL IMPAIRMENT
A. On-balance sheet exposures										
A.1 Non-performing loans	-	-	-	-	-	-	-	-	-	-
A.2 Unlikely to pay	-	-	-	-	-	-	-	-	-	-
A.3 Impaired past-due exposures	-	-	-	-	-	-	-	-	-	-
A.4 Non-impaired exposures	13,868,843	-	8,844	-	-	-	-	-	1	-
TOTAL	13,868,843	-	8,844	-	-	-	-	-	1	-
B. "Off-balance" sheet exposures										
B.1 Non-performing loans	-	-	-	-	-	-	-	-	-	-
B.2 Unlikely to pay	-	-	-	-	-	-	-	-	-	-
B.3 Other impaired assets	-	-	-	-	-	-	-	-	-	-
B.4 Non-impaired exposures	2,381,231	-	804	-	-	-	-	-	-	-
TOTAL	2,381,231	-	804	-	-	-	-	-	-	-
TOTAL December 31, 2017	16,250,074	-	9,648	-	-	-	-	-	1	-
TOTAL December 31, 2016	17,000,418	-	10,076	-	-	-	-	-	5	-

(Amounts in € thousand)

EXPOSURE/ GEOGRAPHICAL AREA	NORTHWEST ITALY		NORTH-EAST ITALY		CENTRAL ITALY		SOUTHERN ITALY AND ISLANDS	
	NET EXPOSURE	TOTAL IMPAIRMENT	NET EXPOSURE	TOTAL IMPAIRMENT	NET EXPOSURE	TOTAL IMPAIRMENT	NET EXPOSURE	TOTAL IMPAIRMENT
A. On-balance sheet exposures								
A.1 Non-performing loans	-	-	-	-	-	-	-	-
A.2 Unlikely to pay	-	-	-	-	-	-	-	-
A.3 Impaired past-due exposures	-	-	-	-	-	-	-	-
A.4 Non-impaired exposures	13,868,841	-	-	-	3	-	-	-
TOTAL	13,868,841	-	-	-	3	-	-	-
B. "Off-balance" sheet exposures								
B.1 Non-performing loans	-	-	-	-	-	-	-	-
B.2 Unlikely to pay	-	-	-	-	-	-	-	-
B.3 Other impaired assets	-	-	-	-	-	-	-	-
B.4 Non-impaired exposures	2,381,231	-	-	-	-	-	-	-
TOTAL	2,381,231	-	-	-	-	-	-	-
TOTAL December 31, 2017	16,250,072	-	-	-	3	-	-	-
TOTAL December 31, 2016	29,863	-	10	-	16,970,545	-	-	-

B.4 Significant exposures

At December 31, 2017 the following "risk positions" constituted "significant exposures" pursuant to Circular 286 of December 17, 2013, "Instructions for the prudential reporting of banks and securities firms" issued by the Bank of Italy:

- non-weighted value: €23,262,597 thousand, of which €17,070,673 with the UniCredit Group;
- weighted value: €111,177 thousand, none with the UniCredit Group;
- number of "risk positions": 7, including the UniCredit Group.

Please note that deferred tax assets within the exposure towards the Italian Central Government have been exempted and, therefore, their weighted value is null.

Part E - Information on Risks and Hedging Policies (CONTINUED)

C. Securitisation transactions

No data to report.

D. Disclosure of structured entities not consolidated in the accounts (other than special purpose vehicles for securitisation transactions)**QUALITATIVE INFORMATION**

The Bank has exposures towards unconsolidated structured entities as a result of investments in units issued by investment funds (UCITS) that qualify as structured entities according to IFRS 12.

QUANTITATIVE INFORMATION

The table below shows the assets, liabilities and off-balance sheet exposure to structured entities represented by unconsolidated UCITS units.

(Amounts in € thousand)

BALANCE SHEET ITEMS/TYPE OF STRUCTURED ENTITY	ACCOUNTING PORTFOLIOS OF THE ASSETS	TOTAL ASSETS (A)	ACCOUNTING PORTFOLIOS OF THE LIABILITIES	TOTAL LIABILITIES (B)	NET CARRYING AMOUNT (C=A-B)	MAXIMUM EXPOSURE TO LOSS (D)	DIFFERENCE BETWEEN EXPOSURE TO THE RISK OF LOSS AND THE CARRYING AMOUNT (E=D-C)
1, UCITS	HFT	2,019		-	2,019	2,019	-

Key

HFT = Financial assets held for trading

E. Sales Transactions**A. Financial assets sold and partially derecognised****QUALITATIVE INFORMATION**

The Bank carries out repos on securities not recognised in the assets, received through reverse repos and securities lending, or on securities held in the Bank's portfolio.

In 2017 the Bank also carried out transactions on securities held in the Bank's portfolio, comprising bonds issued by UniCredit S.p.A., classified in the "Loans and Receivables category", which have not been eliminated from the financial statements because the Bank conducts repos with the obligation for the buyer to resell the assets covered by the transaction upon expiration of the transaction and maintains all the risks connected to the ownership of the securities.

QUANTITATIVE INFORMATION**E.1 Financial assets sold but not derecognised: book value and full value**

TYPE/PORTFOLIO	FINANCIAL ASSETS HELD FOR TRADING			FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS			AVAILABLE-FOR-SALE FINANCIAL ASSETS		
	A	B	C	A	B	C	A	B	C
A. On-balance sheet assets	-	-	-	-	-	-	-	-	-
1. Debt securities	-	-	-	-	-	-	-	-	-
2. Equity instruments	-	-	-	-	-	-	-	-	-
3. Units in investment funds	-	-	-	-	-	-	-	-	-
4. Loans	-	-	-	-	-	-	-	-	-
B. Derivative instruments	-	-	-	X	X	X	X	X	X
Total December 31, 2017	-	-	-	-	-	-	-	-	-
<i>of which impaired</i>	-	-	-	-	-	-	-	-	-
Total December 31, 2016	-	-	-	-	-	-	-	-	-
<i>of which impaired</i>	-	-	-	-	-	-	-	-	-

Key:

A = financial assets sold and fully recognised (book value)

B = financial assets sold and partially recognised (book value)

C = financial assets sold and partially recognised (entire value)

(Amounts in € thousand)

HELD TO MATURITY INVESTMENTS			LOANS AND RECEIVABLES WITH BANKS			LOANS AND RECEIVABLES WITH CUSTOMERS			TOTAL	
A	B	C	A	B	C	A	B	C	12.31.2017	12.31.2016
-	-	-	-	-	-	-	-	-	-	54,909
-	-	-	-	-	-	-	-	-	-	54,909
X	X	X	X	X	X	X	X	X	-	-
X	X	X	X	X	X	X	X	X	-	-
-	-	-	-	-	-	-	-	-	-	-
X	X	X	X	X	X	X	X	X	-	-
-	-	-	-	-	-	-	-	-	-	X
-	-	-	-	-	-	-	-	-	-	X
-	-	-	54,909	-	-	-	-	-	X	54,909
-	-	-	-	-	-	-	-	-	X	-

Part E - Information on Risks and Hedging Policies (CONTINUED)

E.2 Financial liabilities relating to financial assets sold and not derecognised: book value

(Amounts in € thousand)

LIABILITY/ASSET PORTFOLIO	FINANCIAL ASSETS HELD FOR TRADING	FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS	AVAILABLE-FOR-SALE FINANCIAL ASSETS	HELD TO MATURITY INVESTMENTS	LOANS AND RECEIVABLES WITH BANKS	LOANS AND RECEIVABLES WITH CUSTOMERS	TOTAL
1. Deposits from customers	-	-	-	-	-	-	-
a) from fully-recognised assets	-	-	-	-	-	-	-
b) from partially-recognised assets	-	-	-	-	-	-	-
2. Deposits from banks	-	-	-	-	-	-	-
a) from fully-recognised assets	-	-	-	-	-	-	-
b) from partially-recognised assets	-	-	-	-	-	-	-
Total December 31, 2017	-	-	-	-	-	-	-
Total December 31, 2016	-	-	-	-	55,013	-	55,013

E.3 Sales transactions relating to financial liabilities with repayment exclusively based on assets sold and not derecognised: fair value

The table below only shows own securities not derecognised and used for repos.

TYPE/PORTFOLIO	FINANCIAL ASSETS HELD FOR TRADING		FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS		AVAILABLE-FOR-SALE FINANCIAL ASSETS	
	A	B	A	B	A	B
A. On-balance sheet assets	-	-	-	-	-	-
1. Debt securities	-	-	-	-	-	-
2. Equity instruments	-	-	-	-	-	-
3. Units in investment funds	-	-	-	-	-	-
4. Loans	-	-	-	-	-	-
B. Derivative instruments	-	-	X	X	X	X
Total assets	-	-	-	-	-	-
C. Associated liabilities	-	-	-	-	-	-
1. Deposits from customers	-	-	-	-	-	-
2. Deposits from banks	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-
Net value as at December 31, 2017	-	-	-	-	-	-
Net value as at December 31, 2016	-	-	-	-	-	-

Key:

A = financial assets sold and wholly recognised

B = financial assets sold and partially recognised)

B. Assets sold and fully derecognised with recognition of continuing involvement

No data to report.

E.4 Covered bond transactions

No data to report.

F. Credit Risk Measurement Models

F.1. Credit Risk Measurement - Trading Book

The monitoring of credit risk as part of the management of the trading book is conducted through the rating of all financial instruments held.

F.2. Credit Risk Measurement - Banking Book

The banking book of the Bank consists of securities, current accounts and deposits with the Parent Company. Retail customer activities are limited to the granting of personal loans, mortgages, credit cards and credit lines.

(Amounts in € thousand)

HELD-TO-MATURITY INVESTMENTS (FAIR VALUE)		LOANS AND RECEIVABLES WITH BANKS (FAIR VALUE)		LOANS AND RECEIVABLES WITH CUSTOMERS (FAIR VALUE)		TOTAL	
A	B	A	B	A	B	12.31.2017	12.31.2016
-	-	-	-	-	-	-	55,291
-	-	-	-	-	-	-	55,291
X	X	X	X	X	X	-	-
X	X	X	X	X	X	-	-
-	-	-	-	-	-	-	-
X	X	X	X	X	X	-	-
-	-	-	-	-	-	-	55,291
-	-	-	-	-	-	-	55,013
-	-	-	-	-	-	-	55,013
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	X
-	-	278	-	-	-	X	278

Part E - Information on Risks and Hedging Policies (CONTINUED)

INFORMATION ON SOVEREIGN EXPOSURES

The Bank is exposed to the sovereign debt of some countries, having invested a portion of its assets in debt securities issued by governments and recognised in the "Available-for-sale financial assets" and "Held to maturity investments" portfolios. The following table shows the nominal value, the book value and the fair value of these exposures as at December 31, 2017.

We also underline that the Bank holds exposures to sovereign debt securities categorised as "Financial assets held for trading" for an amount of €11 thousand.

(Amounts in € thousand)

	NOMINAL VALUE AS AT 12.31.2017	BOOK VALUE AS AT 12.31.2017	FAIR VALUE AS AT 12.31.2017	% OF FINANCIAL STATEMENT ITEM
Exposures to the Italian government	3,080,000	3,282,795	3,300,504	
Available-for-sale financial assets	699,000	725,220	725,220	69,22%
Held-to-maturity investments	2,381,000	2,557,575	2,575,284	52,99%
Exposures to the Spanish government	2,100,000	2,362,769	2,373,266	
Available-for-sale financial assets	225,000	242,451	242,451	23,14%
Held-to-maturity investments	1,875,000	2,120,318	2,130,815	43,93%
Exposures to the Polish government	44,000	48,572	49,163	
Held-to-maturity investments	44,000	48,572	49,163	1,01%
Exposures to the French government	10,000	10,124	10,124	
Available-for-sale financial assets	10,000	10,124	10,124	0,97%
Exposures to the US government	66,706	64,671	64,671	
Available-for-sale financial assets	66,706	64,671	64,671	6,17%
Total Sovereign exposures	5,300,706	5,768,931	5,797,728	25,82%

As at December 31, 2017, investments in debt securities issued by sovereign states accounted for 25.82% of the Bank's total assets. There were no structured debt securities among the sovereign debt securities held by the Bank. The Bank is therefore exposed to fluctuations in the price of the public debt securities of the countries listed above. Tensions or volatility in the government bond market could negatively impact on the Bank's financial position and performance.

The following table shows the sovereign ratings as at December 31, 2017 for countries to which the Bank is exposed, provided by Fitch Ratings, Moody's and Standard & Poor's.

	ITALY	SPAIN	POLAND	FRANCE	USA
MOODY'S	Baa2	Baa2	A2	Aa2	Aaa
FITCH RATINGS	BBB	BBB+	A-	AA	AAA
STANDARD & POOR'S	BBB	BBB+	BBB+	AA	AA+

Section 2 - Market risk

Market risk derives from the effect that changes in market variables (interest rates, securities prices, exchange rates, etc.) can cause to the economic value of the Bank's portfolio, if it includes the assets held in the trading book (assets held for trading) as well as those in the banking book, i.e. the transactions connected to strategic investment choices.

Risk Management Strategies and Processes

The Board of Directors of the Parent Company, as part of its powers of management and coordination powers, sets the strategic guidelines for the assumption of market risks by defining maximum risk appetite levels.

The Board of Directors of Bank, in line with the Group's approach, approves a general framework of reference for market risk and any significant changes, relating to the organisational structure, strategies, and methods.

The Bank's strategy is to keep the minimum level of market risk in line with business needs and the limits set by the Risk Appetite Framework approved by the Board of Directors.

Market risk in FinecoBank is defined through two sets of limits:

- Global measures of market risk (e.g. VaR): which are meant to establish a boundary to the economic capital absorption and to the economic loss accepted in trading activities; these limits must be consistent with assigned revenue targets and the defined risk taking capacity;
- Granular measures of market risk (Sensitivity limits, Stress scenario limits, Nominal limits): which exist independently of, but act in concert with the global limits; in order to control more effectively and more specifically different risk types, desks and products, these limits are generally granular sensitivity or stress-related limits. The levels set for granular limits aim at limiting the concentration in individual risk factors and the excessive exposure in risk factors which are not sufficiently covered under VaR.

Structure and Organisation

In order to ensure the effective implementation of operations and the consistency of policies, methods and practices related to market risk in the Group legal entities, the Group model for activities related to market risk is based on the definition of specific responsibilities.

In its relations with FinecoBank, the Parent Company is mainly responsible for:

- establishing, implementing and refining appropriate measures at global level for measuring exposure to market risk;
- setting risk limits, based on measurements identified, in line with the risk appetite approved by the Group.

The Market Risk function of the Bank, within the Risk Management Unit, in full compliance with local legal and regulatory obligations, works together with the Financial Risk Management Italy Function of the Parent Company and is tasked primarily - but not exclusively - with:

- calculating the risk measurements for the global and granular measures for the Bank's portfolios;
- checking that the measurements are compatible with the approved limits;
- initiating the escalation process when limits are exceeded, engaging the Financial Risk Italy function of the Parent Company;
- discussing and approving new products with innovative and complex market risk profiles, providing the Financial Risk Italy function of the Parent Company with adequate information in order for the said function to issue a non-binding opinion on the matter.

Risk measurement and reporting systems

Trading Book

The main tool used by the Bank to measure the market risk of trading positions is Value at Risk (VaR), calculated using the historic simulation approach. The historic simulation method involves the daily revaluation of positions on the basis of market price trends over an appropriate observation period. The resulting distribution of gains and losses is analysed to determine the effect of extreme market fluctuations on portfolios. The percentile value of the distribution corresponding to the set confidence level represents the VaR. The following parameters are used to calculate VaR: confidence level 99%; time horizon of 1 day; daily update of the time series; observation period of 500 days.

Banking Book

The primary responsibility for monitoring and controlling Market Risk management in the Banking Book lies with the Bank's competent Bodies. The Parent Company is responsible for monitoring market risk in the banking book at consolidated level, while sharing this responsibility with the relevant functions of the Legal Entities at local level.

The Parent Company, defines structure, data and frequency of the necessary Group and local level reporting.

Market risk in the banking book mainly consists of credit spread risk, interest rate risk and exchange rate risk. Credit spread risk mainly arises from investments in debt securities held for liquidity purposes. Market risk associated with the bond portfolio is monitored and subject to limits on the notional amount, the sensitivity to Economic Value and the Value at Risk.

The management of interest rate risk focuses on stabilising this second type of risk. The banking book interest rate risk measure covers the dual aspect of the value and the net interest income/expense of the Bank. More precisely, the different, and complementary, perspectives involve:

- Economic value perspective: variation in interest rates can affect the economic value of assets and liabilities. The economic value of the Bank can be viewed as the present value of the expected net cash flows, defined as the expected cash flows on assets minus the expected cash flows on liabilities. A relevant risk measure from this perspective is the economic value sensitivity per time bucket for a 1 basis point rate shock. This measure is reported to the relevant committees to assess the economic value impact of various changes in the yield curve. The economic value sensitivity is also calculated for a 200bp parallel shock. A monitoring variable from this perspective is the value at risk resulting from interest rate risk exposure;
- Income perspective: the focus of analysis is the impact of changes of interest rates on accrual or reported Net Interest Income that is the difference between revenues generated by interest sensitive assets and the cost related to interest sensitive liabilities. An example of a measure of risks used is Net Interest Income sensitivity for a 100bp parallel shock in rates. This measure provides an indication of the impact that such a shock would have on the net interest margin over the next 12 months.

The third type of risk is exchange rate risk. This exposure mainly derives from a mismatching of assets and liabilities in USD. Exchange rate risk is hedged through the matching of assets and liabilities denominated in currency or through spot transactions in foreign currencies.

Procedures and methodologies for valuation of Trading Book positions

The Bank ensures that the value applied to each trading book position appropriately reflects the current fair (market) value, i.e. the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The fair value of each financial instrument is based on, or derived from, observable market prices or inputs. The availability of observable prices or inputs differs by product and market, and might change over time.

If observable prices or parameters are readily and regularly available (i.e. satisfying adequate liquidity requirements), they are directly employed in the determination of fair value (mark-to-market).

In non-active markets or for certain instruments, for which observable prices or inputs are not available, fair value is calculated using valuation techniques that are appropriate for the specific instrument (mark-to-model). This approach involves estimation and judgement and, therefore, might require valuation adjustments which take into account bid-ask spreads, liquidity and counterparty risk, besides the employed pricing model. In addition, each pricing model used for fair value calculation is validated by a dedicated function independent from business units.

Part E - Information on Risks and Hedging Policies (CONTINUED)

According to the Group Market Risk Governance Guidelines, which define principles and rules for managing and controlling activities potentially involving a market risk, in order to ensure the adequate separation between functions in charge of development activities and functions in charge of validation, all valuation models developed by the front-office functions of UniCredit Group companies need to be centrally and independently tested and validated by the Market Risk functions of the Parent Company UniCredit. Model validation is also carried out centrally for any novel system or analysis framework whose utilisation has a potential impact on the Bank's economic results.

In addition to daily marking to market or marking to model, Independent Price Verification (IPV) shall be performed by the Risk Management function. This is the process by which market prices or model inputs are regularly verified for accuracy and independence. While daily marking to market or marking to model may be performed by front-office dealers, verification of market prices and model inputs is performed at least monthly.

Risk measures

VaR

The VaR calculated within the measurement of the market risk of the banking and trading book uses a historical simulation approach. The choice of model adopted by the Parent Company has a series of advantages:

- easy to understand and communicate;
 - does not require any explicit assumptions about the particular functional form of the distribution of yields of the risk factors;
 - does not require estimation of the variance-covariance matrix of the market factors that may affect the value of the portfolio;
 - captures the correlation structure reflected in the simultaneous changes in market factors, implicitly assuming that it will remain constant in the future.
- On the other hand VaR models based on historical simulations do not provide any information on the amount of the loss exceeding the VaR. This is why the framework established by the Parent Company uses additional instruments such as stress tests.

2.1 Interest rate risk and price risk - regulatory trading book

QUALITATIVE INFORMATION

A. General Matters

The trading book is used to hold debt securities (ordinary and subordinated, structured and plain vanilla), equity instruments, and certificates - listed and non-listed - related to brokerage activities with retail customers.

The Bank does not perform proprietary trading and does not assume speculative positions in its books. Entries in the Bank's trading book are recorded against brokerage activities with retail customers particularly during the trading of OTC instruments. Other entries in the trading book are made for the internalisation of various financial instruments when the Bank is a counterparty to the customer. This activity is performed as a result of the options introduced by the MiFID which allow the execution of orders for financial instruments in a number of execution venues including internal execution.

B. Processes for managing and methods for measuring interest rate risk and price risk

For both a description of internal processes for monitoring and managing risk and an illustration of the approaches used to analyse exposure, please refer to the introduction.

QUANTITATIVE INFORMATION

1. Regulatory trading book: distribution by maturity (repricing date) of on-balance sheet financial assets and liabilities and financial derivatives - Currency: Euro

(Amounts in € thousand)

TYPE/UNEXPIRED TERM	ON DEMAND	UP TO 3 MONTHS	BETWEEN 3 AND 6 MONTHS	BETWEEN 6 MONTHS AND 1 YEAR	BETWEEN 1 AND 5 YEARS	BETWEEN 5 AND 10 YEARS	OVER 10 YEARS	INDEFINITE DURATION
1. On-balance sheet assets	30	-	1	3	-	9	3	-
1.1 Debt securities	30	-	1	3	-	9	3	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	30	-	1	3	-	9	3	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-balance sheet liabilities	-	-	-	-	-	-	-	-
2.1 Repos	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial derivatives								
3.1 With underlying security								
- Options								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	72	-	-
- Other derivatives								
+ Long positions	555	117,966	275	-	-	196	2,556	-
+ Short positions	585	118,070	275	-	-	34	2,556	-
3.2 Without underlying security								
- Options								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives								
+ Long positions	-	31,260	7,610	91,950	482	-	-	-
+ Short positions	-	97,220	300	22,810	582	-	-	-

Item 3.1 Financial Derivatives with underlying securities - Other Derivatives includes spot contracts for the purchase and sale of securities, other than shares and UCITS units, to be settled in times established by market practices ("regular way").

Item 3.2 Financial Derivatives without underlying securities - Other Derivatives includes spot contracts for the purchase and sale of foreign currencies, to be settled in times established by market practices ("regular way").

Part E - Information on Risks and Hedging Policies (CONTINUED)

Currency: Other currencies

(Amounts in € thousand)

TYPE/UNEXPIRED TERM	ON DEMAND	UP TO 3 MONTHS	BETWEEN 3 AND 6 MONTHS	BETWEEN 6 MONTHS AND 1 YEAR	BETWEEN 1 AND 5 YEARS	BETWEEN 5 AND 10 YEARS	OVER 10 YEARS	INDEFINITE DURATION
1. On-balance sheet assets								
1.1 Debt securities	-	-	-	-	-	1	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	1	-	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-balance sheet liabilities	-	-	-	-	-	-	-	-
2.1 Repos	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial derivatives								
3.1 With underlying security								
- Options								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives								
+ Long positions	-	45,769	-	-	-	-	58	-
+ Short positions	-	46,123	-	-	-	-	58	-
3.2 Without underlying security								
- Options								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives								
+ Long positions	-	130,838	990	42,445	-	-	-	-
+ Short positions	-	64,429	7,779	110,202	-	-	-	-

The effects of changes in the yield curve on net interest margin arising from instruments in the trading book are negligible. For similar considerations regarding the banking book, see paragraph 2. Banking book: internal models and other methods of sensitivity analysis.

2. Regulatory trading book: distribution of exposures in equity instruments and share indices for the main stock market countries

(Amounts in € thousand)

TYPE OF TRANSACTION/LISTING INDEX	LISTED						UNLISTED
	USA	SWITZERLAND	ITALY	GERMANY	FRANCE	OTHER	
A. Equity instruments							
- Long positions	2,017	-	232	-	-	46	2
- Short positions	341	-	-	35	-	6	-
B. Unsettled transactions on equity instruments							
- Long positions	45,321	-	104,950	8,890	-	12	-
- Short positions	44,972	-	104,961	8,855	-	-	-
C. Other derivatives on equity instruments							
- Long positions	1,047	-	82	-	-	-	1,440
- Short positions	3,144	-	265	-	-	45	-
D. Derivatives on share indices							
- Long positions	13,686	1,855	3,869	8,031	906	684	-
- Short positions	14,358	1,900	5,388	8,649	-	182	-

In relation to the lack of speculative activity and as discussed in section 2.1, the positions in equity instruments and equity indices in the regulatory trading book as at December 31, 2017 are negligible and only arise from settlement activities with institutional counterparties on behalf of customers; equally negligible is their impact on operating income, profit (loss) for the year and shareholders' equity.

3. Regulatory trading book: internal models and other methods of sensitivity analysis

The Bank monitors the VaR of the Trading Book on a weekly basis.

As at December 31, 2017, the daily VaR of the trading book amounted to €253.3 thousand.

2.2 Interest rate risk and price risk - banking book

QUALITATIVE INFORMATION

A. General aspects, management processes and measurement methods for interest rate risk and price risk

Interest rate risk consists of changes in interest rates that are reflected in:

- net interest margin sources, and thus, the Bank's earnings (cash flow risk);
- the net present value of assets and liabilities, due to their impact on the present value of future cash flows (fair value risk).

In line with the Group approach, the Bank measures and monitors interest rate risk daily, within the methodological framework and the corresponding limits or thresholds set by the Parent Company. These relate to the sensitivity of the net interest margin and the economic value.

Interest rate risk has an impact on all owned positions resulting from strategic investment decisions (banking book).

The main sources of interest rate risk can be classified as follows:

- repricing risk: the risk resulting from timing mismatches in terms of the repricing of the bank's assets and liabilities. These mismatches result in a risk associated with the rate curve. This risk relates to the Bank's exposure to changes in the slope and shape of the interest rate curve. An associated risk is the basis risk. This risk derives from the imperfect correlation in lending and borrowing interest rate changes for different instruments that may also show similar repricing characteristics;
- optionality risk - risk resulting from implicit or explicit options in the Group's banking book positions.

Within the organisational framework described above, the Board of Directors approves the limits on interest rate risk previously agreed with the Parent Company UniCredit S.p.A.. These limits are set in terms of VaR (calculated using the methodology described above in relation to the trading book).

The Bank is responsible for managing the exposure to interest rate risk within the limits assigned.

To assess effects of the change in the interest rate curve on the banking book, scenario analyses are conducted that involve the parallel shifts in the rate curve of +/- 100 bps and +/- 200 bps at weekly intervals. For more details see section 2. *Banking book: Internal models and other methods of sensitivity analysis.*

B. Fair value hedging activities

Hedging strategies aimed at complying with interest rate risk limits for the banking portfolio are carried out with unlisted derivative contracts.

These derivatives, which are usually interest rate swaps, are the type of contracts most used. Macro-hedging is generally used, meaning hedges related to the amounts of cash contained in asset or liability portfolios.

C. Cash flow hedging activity

There are currently no cash flow hedges generated by the Bank business operations.

D. Hedges of foreign investments

There are currently no hedges of foreign investments within the Bank's business operations.

Part E - Information on Risks and Hedging Policies (CONTINUED)

QUANTITATIVE INFORMATION

1. Banking book: distribution by maturity (repricing date) of financial assets and liabilities: Currency: Euro

(Amounts in € thousand)

TYPE/UNEXPIRED TERM	ON DEMAND	UP TO 3 MONTHS	BETWEEN 3 AND 6 MONTHS	BETWEEN 6 MONTHS AND 1 YEAR	BETWEEN 1 AND 5 YEARS	BETWEEN 5 AND 10 YEARS	OVER 10 YEARS	INDEFINITE DURATION
1. On-balance sheet assets	2.344.766	11.426.923	464.365	71.695	4.268.211	2.349.442	154.876	-
1.1 Debt securities	150,084	10,183,100	10,124	-	3,950,858	2,223,658	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	150,084	10,183,100	10,124	-	3,950,858	2,223,658	-	-
1.2 Loans to banks	1,508,708	549,685	413,758	7	-	-	-	-
1.3 Loans to customers	685,974	694,138	40,483	71,688	317,353	125,784	154,876	-
- current accounts	640,152	89	80	221	777	-	-	-
- other loans	45,822	694,049	40,403	71,467	316,576	125,784	154,876	-
- with early redemption option	4,428	199,714	39,495	70,306	313,380	125,748	154,876	-
- other	41,394	494,335	908	1,161	3,196	36	-	-
2. On-balance sheet liabilities	19,300,504	414,015	419,018	180,421	3,329	-	-	-
2.1 Deposits from customers	19,246,587	66,958	1,722	76,123	3,329	-	-	-
- current accounts	19,149,241	-	-	-	-	-	-	-
- other payables	97,346	66,958	1,722	76,123	3,329	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	97,346	66,958	1,722	76,123	3,329	-	-	-
2.2 Deposits from banks	53,917	347,057	417,296	104,298	-	-	-	-
- current accounts	39,323	-	-	-	-	-	-	-
- other payables	14,594	347,057	417,296	104,298	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial derivatives								
3.1 With underlying security								
- Options								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security								
- Options								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives								
+ Long positions	382,500	283,947	-	-	250,000	320,000	-	-
+ Short positions	-	574,863	4,951	9,984	461,899	93,169	91,581	-
4. Other off-balance sheet transactions								
+ Long positions	26,346	8,764	-	-	404	-	-	-
+ Short positions	8,764	26,750	-	-	-	-	-	-

Currency: Other currencies

(Amounts in € thousand)

TYPE/UNEXPIRED TERM	ON DEMAND	UP TO 3 MONTHS	BETWEEN 3 AND 6 MONTHS	BETWEEN 6 MONTHS AND 1 YEAR	BETWEEN 1 AND 5 YEARS	BETWEEN 5 AND 10 YEARS	OVER 10 YEARS	INDEFINITE DURATION
1. On-balance sheet assets	500.756	229.844	-	132	64.716	-	-	-
1.1 Debt securities	-	125,271	-	-	64,671	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	125,271	-	-	64,671	-	-	-
1.2 Loans to banks	498,860	67,676	-	46	-	-	-	-
1.3 Loans to customers	1,896	36,897	-	86	45	-	-	-
- current accounts	266	-	-	-	-	-	-	-
- other loans	1,630	36,897	-	86	45	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	1,630	36,897	-	86	45	-	-	-
2. On-balance sheet liabilities	794,881	10,690	-	-	-	-	-	-
2.1 Deposits from customers	791,448	10,690	-	-	-	-	-	-
- current accounts	786,045	-	-	-	-	-	-	-
- other payables	5,403	10,690	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	5,403	10,690	-	-	-	-	-	-
2.2 Deposits from banks	3,433	-	-	-	-	-	-	-
- current accounts	3,433	-	-	-	-	-	-	-
- other payables	-	-	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial derivatives								
3.1 With underlying security								
- Options								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security								
- Options								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
4. Other off-balance sheet transactions								
+ Long positions	6,916	1,269	-	-	-	-	-	-
+ Short positions	1,269	6,916	-	-	-	-	-	-

For a description of the effects of a change in interest rates on net interest margin, profit (loss) for the year, shareholders' equity and the results of scenario analysis, see paragraph 2. Banking book: Internal models and other methods of sensitivity analysis below.

Part E - Information on Risks and Hedging Policies (CONTINUED)

2. Banking book: internal models and other methods of sensitivity analysis

The following table provides the results of the analyses conducted.

To measure the interest rate risk contained in the Bank's financial statements it is necessary to measure the sensibility of the loans and deposits to changes in the interest rate curve. The UniCredit Group has developed specific behavioural models aimed at estimating the maturity profile of asset and liability items that do not have a contractual maturity; Indeed, what is perceived to be sight maturing in reality shows some stickiness.

The availability of historic data made it possible to completely align the representation of the interest rate risk profile to the profile used by the Group and that representation provided the breakdowns below.

The following table provides the results of the analyses conducted in all currencies.

(Amounts in € thousand)

	VALUE ANALYSIS (SHIFT + 200 BP)	VALUE ANALYSIS (SHIFT - 200 BP)	VALUE ANALYSIS (SHIFT +1 BP)	IRVAR*	INTEREST RATE ANALYSIS (+100)	INTEREST RATE ANALYSIS (-30)
12.31.2017	108,819	62,462	487	5,918	118,719	-34,726

* 1 day holding period, 99% confidence level%.

The sensitivity analysis on the value of shareholders' equity, which was conducted assuming a shift of + 200 basis points on the euro interest rate curve, showed a positive impact of €108,819 thousand. A shift of -200 basis points showed a positive impact of €62,462 thousand.

The sensitivity analysis on the value of shareholders' equity, which was conducted assuming a shift of + 1 basis point, showed a positive impact of €487 thousand.

The interest rate VaR figure for the Bank came to approximately €5,918 thousand.

Total VaR, including the Credit Spread Risk component arising mainly from Italian and Spanish government securities held as investment of liquidity, amounted to €29,918 thousand.

The sensitivity analysis on the value of shareholders' equity, which was conducted assuming a shift of +100 basis points on the euro interest rate curve, showed a positive impact of €118,719 thousand. A shift of -30 basis points would have a negative impact of €-34,726 thousand on the interest rate over the next 12 months.

2.3 Exchange rate risk**QUALITATIVE INFORMATION****A. General aspects, management processes and measurement methods for exchange rate risk**

As part of its treasury activities, the Bank collects funds in foreign currencies, mainly US dollars, through customer current accounts and repos, subsequently investing these funds in bonds, current accounts and time deposits, in the same currency, with the Parent Company UniCredit S.p.A.. The impact on the value of balance sheet items is estimated using the Forex VaR indicator.

The VaR of the Bank's positions is not used for the calculation of the Pillar 1 capital requirement because the traditional standardised approach is used. The VaR is only used for management and risk monitoring purposes.

B. Exchange rate risk hedging

Exchange rate risk is hedged through the matching of assets and liabilities denominated in currency or through spot transactions in foreign currencies. The component of exchange rate risk that contributes to the formation of the overall VaR is usually tied to the temporal mismatch between assets and liabilities in US dollars.

QUANTITATIVE INFORMATION

1. Breakdown by currency of assets, liabilities and derivatives

(Amounts in € thousand)

ITEMS	CURRENCIES					
	US DOLLAR	POUND STERLING	SWISS FRANC	YEN	SOUTH AFRICAN RAND	OTHER CURRENCIES
A. Financial assets	632,939	78,772	86,700	72	2,014	1,621
A.1 Debt securities	189,943	-	-	-	-	-
A.2 Equity instruments	6,650	2	-	6	-	10
A.3 Loans to banks	398,397	77,898	86,673	66	1,995	1,554
A.4 Loans to customers	37,949	872	27	-	19	57
A.5 Other financial assets	-	-	-	-	-	-
B. Other assets	153	12	-	-	966	23
C. Financial liabilities	637,881	78,339	86,186	106	2,059	1,346
C.1 Deposits from banks	-	-	-	106	2,059	1,268
C.2 Deposits from customers	637,881	78,339	86,186	-	-	78
C.3 Debt securities	-	-	-	-	-	-
C.4 Other financial liabilities	-	-	-	-	-	-
D. Other liabilities	210	53	-	-	-	493
E. Financial derivatives						
- Options						
+ Long positions	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-
- Other derivatives						
+ Long positions	104,802	25,355	4,488	5,980	4,360	29,288
+ Short positions	104,250	24,546	4,924	15,278	5,762	27,650
Total assets	737,894	104,139	91,188	6,052	7,340	30,932
Total liabilities	742,341	102,938	91,110	15,384	7,821	29,489
Difference	(4,447)	1,201	78	(9,332)	(481)	1,443

The impact of changes in exchange rates are quantified by the daily Forex VaR of the overall portfolio, as described in the following paragraph.

2. Internal models and other methods of sensitivity analysis

As at December 31, 2017, the daily Forex VaR of the overall portfolio (banking and trading books) was approximately €178 thousand.

Part E - Information on Risks and Hedging Policies (CONTINUED)

2.4 Derivative instruments

A. Financial derivatives

A.1 Regulatory trading book: end of period notional amounts

(Amounts in € thousand)

UNDERLYING ASSET/TYPE OF DERIVATIVE	12.31.2017		12.31.2016	
	OVER THE COUNTER	CENTRAL COUNTER-PARTIES	OVER THE COUNTER	CENTRAL COUNTER-PARTIES
1. Debt securities and interest rate indexes	1,135	162	3,519	2,889
a) Options	71	-	4	-
b) Swaps	-	-	-	-
c) Forwards	-	-	-	-
d) Futures	-	162	-	2,889
e) Other	1,064	-	3,515	-
2. Equity instruments and share indices	49,482	14,681	41,993	26,072
a) Options	72	-	-	-
b) Swaps	-	-	-	-
c) Forwards	-	-	-	-
d) Futures	-	14,681	-	26,072
e) Other	49,410	-	41,993	-
3. Currencies and gold	262,317	-	172,199	-
a) Options	-	-	-	-
b) Swaps	-	-	-	-
c) Forwards	-	-	-	-
d) Futures	-	-	-	-
e) Other	262,317	-	172,199	-
4. Commodities	-	-	-	-
5. Other underlying assets	-	-	-	-
Total	312,934	14,843	217,711	28,961

Letter e) Other in the "Over the counter" column consists of CFD derivatives.

A.2 Banking book: end of period notional amounts

A.2.1 Hedging instruments

(Amounts in € thousand)

UNDERLYING ASSET/TYPE OF DERIVATIVE	12.31.2017		12.31.2016	
	OVER THE COUNTER	CENTRAL COUNTER-PARTIES	OVER THE COUNTER	CENTRAL COUNTER-PARTIES
1. Debt securities and interest rate indexes	1,236,447	-	1,357,368	-
a) Options	-	-	-	-
b) Swaps	1,236,447	-	1,357,368	-
c) Forwards	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
2. Equity instruments and share indices	-	-	-	-
a) Options	-	-	-	-
b) Swaps	-	-	-	-
c) Forwards	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
3. Currencies and gold	-	-	-	-
a) Options	-	-	-	-
b) Swaps	-	-	-	-
c) Forwards	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
4. Commodities	-	-	-	-
5. Other underlying assets	-	-	-	-
Total	1,236,447	-	1,357,368	-

A.2.2 Other derivatives

No data to report.

A.3 Financial derivatives: gross positive fair value - breakdown by product

(Amounts in € thousand)

TRANSACTION TYPES/UNDERLYINGS	POSITIVE FAIR VALUE			
	12.31.2017		12.31.2016	
	OVER THE COUNTER	CENTRAL COUNTER-PARTIES	OVER THE COUNTER	CENTRAL COUNTER-PARTIES
A. Regulatory trading book	4,733	23	2,999	10
a) Options	-	-	-	-
b) Interest rate swaps	-	-	-	-
c) Cross currency swaps	-	-	-	-
d) Equity swaps	-	-	-	-
e) Forwards	-	-	-	-
f) Futures	-	23	-	10
g) Other	4,733	-	2,999	-
B. Banking book - hedges	458	-	552	-
a) Options	-	-	-	-
b) Interest rate swaps	458	-	552	-
c) Cross currency swaps	-	-	-	-
d) Equity swaps	-	-	-	-
e) Forwards	-	-	-	-
f) Futures	-	-	-	-
g) Other	-	-	-	-
C. Banking book - other derivatives	-	-	-	-
a) Options	-	-	-	-
b) Interest rate swaps	-	-	-	-
c) Cross currency swaps	-	-	-	-
d) Equity swaps	-	-	-	-
e) Forwards	-	-	-	-
f) Futures	-	-	-	-
g) Other	-	-	-	-
Total	5,191	23	3,551	10

A.4 Financial derivatives: negative fair value - breakdown by product

(Amounts in € thousand)

TRANSACTION TYPES/UNDERLYINGS	NEGATIVE FAIR VALUE			
	12.31.2017		12.31.2016	
	OVER THE COUNTER	CENTRAL COUNTER-PARTIES	OVER THE COUNTER	CENTRAL COUNTER-PARTIES
A. Regulatory trading book	538	27	549	41
a) Options	-	-	-	-
b) Interest rate swaps	-	-	-	-
c) Cross currency swaps	-	-	-	-
d) Equity swaps	-	-	-	-
e) Forwards	-	-	-	-
f) Futures	-	27	-	41
g) Other	538	-	549	-
B. Banking book - hedges	12,694	-	10,914	-
a) Options	-	-	-	-
b) Interest rate swaps	12,694	-	10,914	-
c) Cross currency swaps	-	-	-	-
d) Equity swaps	-	-	-	-
e) Forwards	-	-	-	-
f) Futures	-	-	-	-
g) Other	-	-	-	-
C. Banking book - other derivatives	-	-	-	-
a) Options	-	-	-	-
b) Interest rate swaps	-	-	-	-
c) Cross currency swaps	-	-	-	-
d) Equity swaps	-	-	-	-
e) Forwards	-	-	-	-
f) Futures	-	-	-	-
g) Other	-	-	-	-
Total	13,232	27	11,463	41

Part E - Information on Risks and Hedging Policies (CONTINUED)

A.5 Over the counter financial derivatives - regulatory trading book: notional values, positive and negative gross fair values by counterparty - contracts not covered by clearing agreements

(Amounts in € thousand)

CONTRACTS NOT INCLUDED IN NETTING AGREEMENT	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC ENTITIES	BANKS	FINANCIAL COMPANIES	INSURANCE COMPANIES	NON-FINANCIAL COMPANIES	OTHER ENTITIES
1. Debt securities and interest rate indexes							
- notional value	71	-	-	-	-	-	1,064
- positive fair value	-	-	-	-	-	-	3
- negative fair value	-	-	-	-	-	-	5
- add-on	1	-	-	-	-	-	-
2. Equity instruments and share indices							
- notional value	-	-	-	72	-	640	48,769
- positive fair value	-	-	-	-	-	1	1,880
- negative fair value	-	-	-	-	-	-	224
- add-on	-	-	-	7	-	64	4,694
3. Currencies and gold							
- notional value	-	-	119,806	9	-	1,023	141,480
- positive fair value	-	-	333	-	-	40	2,475
- negative fair value	-	-	97	-	-	1	211
- add-on	-	-	-	-	-	10	1,415
4. Other instruments							
- notional value	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- add-on	-	-	-	-	-	-	-

A.6 Over the counter financial derivatives - regulatory trading book: notional values, positive and negative gross fair values by counterparty - contracts not covered by clearing agreements

No data to report.

A.7 Over the counter financial derivatives - banking book: notional values, positive and negative gross fair values by counterparty - contracts not covered by clearing agreements

(Amounts in € thousand)

CONTRACTS NOT INCLUDED IN NETTING AGREEMENT	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC ENTITIES	BANKS	FINANCIAL COMPANIES	INSURANCE COMPANIES	NON-FINANCIAL COMPANIES	OTHER ENTITIES
1. Debt securities and interest rate indexes							
- notional value	-	-	603,947	-	-	-	-
- positive fair value	-	-	458	-	-	-	-
- negative fair value	-	-	2,171	-	-	-	-
- add-on	-	-	7,968	-	-	-	-
2. Equity instruments and share indices							
- notional value	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- add-on	-	-	-	-	-	-	-
3. Currencies and gold							
- notional value	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- add-on	-	-	-	-	-	-	-
4. Other instruments							
- notional value	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- add-on	-	-	-	-	-	-	-

A.8 Over the counter financial derivatives - banking book: notional values, positive and negative gross fair values by counterparty - contracts covered by clearing agreements

(Amounts in € thousand)

CONTRACTS INCLUDED IN NETTING AGREEMENT	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC ENTITIES	BANKS	FINANCIAL COMPANIES	INSURANCE COMPANIES	NON-FINANCIAL COMPANIES	OTHER ENTITIES
1. Debt securities and interest rate indexes							
- notional value	-	-	632,500	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	10,523	-	-	-	-
2. Equity instruments and share indices							
- notional value	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
3. Currencies and gold							
- notional value	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
4. Other instruments							
- notional value	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-

Part E - Information on Risks and Hedging Policies (CONTINUED)

A.9 OTC financial derivatives - residual life: notional values

(Amounts in € thousand)

UNDERLYING/UNEXPIRED TERM	UP TO 1 YEAR	BETWEEN 1 AND 5 YEARS	OVER 5 YEARS	TOTAL
A. Regulatory trading book	267,964	-	44,970	312,934
A.1 Financial derivatives on debt securities and interest rates	1,064	-	71	1,135
A.2 Financial derivatives on equity instruments and share indices	4,583	-	44,899	49,482
A.3 Financial derivatives on exchange rates and gold	262,317	-	-	262,317
A.4 Financial derivatives on other instruments	-	-	-	-
B. Banking book	19,798	711,899	504,751	1,236,448
B.1 Financial derivative contracts on debt securities and interest rates	19,798	711,899	504,751	1,236,448
B.2 Financial derivatives on equity instruments and share indices	-	-	-	-
B.3 Financial derivatives on exchange rates and gold	-	-	-	-
B.4 Financial derivatives on other instruments	-	-	-	-
Total as at December 31, 2017	287,762	711,899	549,721	1,549,382
Total as at December 31, 2016	805,714	477,368	291,997	1,575,079

A.10 Over the counter financial derivatives: Counterparty risk/financial risk - Internal models

No data to report.

B. Credit derivatives

No data to report.

C. Financial and credit derivatives

C.1 OTC financial and credit derivatives: net fair values and future credit exposure by counterparty

(Amounts in € thousand)

	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC ENTITIES	BANKS	FINANCIAL COMPANIES	INSURANCE COMPANIES	NON-FINANCIAL COMPANIES	OTHER ENTITIES
1) Bilateral arrangements - financial derivatives							
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	10,523	-	-	-	-
- add-on	-	-	1,265	-	-	-	-
- net counterparty risk	-	-	-	-	-	-	-
2) Bilateral arrangements - credit derivatives							
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- add-on	-	-	-	-	-	-	-
- net counterparty risk	-	-	-	-	-	-	-
3) Cross-product arrangements							
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- add-on	-	-	-	-	-	-	-
- net counterparty risk	-	-	-	-	-	-	-

Section 3 - Liquidity Risk

QUALITATIVE INFORMATION

A. General aspects, management processes and measurement methods for liquidity risk

Liquidity risk can be succinctly defined as the risk that the Bank, also due to unexpected future events, is unable to meet its payment obligations or to efficiently match expected cash inflows and outflows.

The different types of liquidity risk managed by the Bank are as follows:

- funding risk, the Bank may not be able to effectively address any expected or unexpected cash outflows due to the unavailability of funding sources;
- market risk, in liquidating a considerable amount of assets, the Bank may be facing a considerable (and unfavourable) change in price generated by internal or external factors;
- risk of mismatch, the risk generated by a mismatch between the amounts and/or the maturities of cash inflows and outflows;
- contingency risk, future unexpected commitments (credit facilities being drawn down, deposit withdrawals, increase of collateral) may require a higher amount of liquidity compared to that used by the Bank in ordinary operations.

To address its exposure to liquidity risk, the Bank invests the portion of liquidity that according to its internal analyses is less stable ("non-core liquidity") in liquid assets or assets readily convertible into cash, such as, for example, demand deposits, short-term loans or government bonds that can be used as a source of short-term financing with the central bank.

At the reporting date, there were no "Contingent liquidity and funding needs", such as, for example, accelerated repayment clauses or the issue of additional guarantees relating to a downgrade of the bank.

The key principles

"Fineco Liquidity Policy" approved by the Board of Directors of the Bank establishes the managerial autonomy of the Bank's Treasury department and sets forth the principles and rules that the Bank applies to both normal and emergency liquidity management in line with the UniCredit Group liquidity risk management.

Roles and responsibilities

The "Fineco Liquidity Policy" establishes the principles adopted in terms of internal governance, which envisage the involvement of the Finance, Treasury and Risk Management departments, in line with the Group's approach.

The operational management of liquidity is carried out by the Treasury department, which ensures effective and efficient management of liquidity in the short and medium/long term, monitoring of liquidity exposure and first-level controls on the management process.

The Risk Control function is responsible for monitoring compliance with limits and implementing the rules on liquidity risk, the implementation of selected risk metrics and the assessment of selected methods.

To this end, "Fineco Liquidity Policy" explicitly refers to Group rules regarding the implementation of first and second level monitoring, both from a regulatory and management standpoint:

1. Short-term liquidity risk management (operational liquidity), which considers the events that may impact upon the Bank's liquidity position from one day up to one year. The primary objective is to maintain the Bank's capacity to fulfil its ordinary and extraordinary payment obligations while minimising the relevant costs.
2. Structural liquidity risk management (structural risk), which considers the events that may impact upon the Bank's liquidity position over one year. The primary objective is to maintain an adequate ratio between medium/long term liabilities and medium to long-term assets, with a view to avoiding pressures on short-term funding sources (both current and future).
3. Stress tests: Liquidity risk is a low probability, high impact event. Therefore stress testing is a tool to reveal potential vulnerabilities. The Bank uses several scenarios ranging from general market crisis to idiosyncratic crisis, and combinations hereof.

In this context, the Bank takes into account all of the assets, liabilities, off-balance sheet positions and present and future events that generate certain or potential cash flows, thereby protecting the Bank from risks related to the transformation of maturity.

Short term liquidity management

Short-term liquidity management aims at ensuring that the Bank remains in a position to fulfil its cash payment obligations always, whether expected or unexpected, focused on the exposure for the first twelve months.

On a daily basis, the Bank calculates the Operative Maturity Ladder, which measures the cash inflows and outflows affecting the monetary base, with details of the main temporal buckets.

The Bank's objective is to provide sufficient short-term liquidity to deal with the particularly adverse liquidity crises for at least three months.

Part E - Information on Risks and Hedging Policies (CONTINUED)

Structural liquidity management

The objective of the Bank's structural liquidity management is to maintain an adequate ratio between medium/long term assets and liabilities (generally over one year), with a view to avoiding pressures on short-term funding sources, both current and future. To this end, the Bank adopts a prudent approach to its investments of liquidity, taking into account funding maturities. The indicators used and monitored as part of the wider Risk Appetite Framework (NSFR- and NSFR-adjusted) ensure that assets and liabilities have a sustainable maturity structure.

Liquidity Stress Test

Stress testing is a risk management technique used to evaluate the potential effects of a specific event on an entity's financial position. As a forward looking tool, liquidity stress testing diagnostics the institution's liquidity risk.

Periodically, the Bank uses scenario analysis to evaluate the impact of simultaneous changes in various risk factors, defining a hypothetical and consistent stress event whose assumptions and size are shared and agreed with the Parent Company's functions.

Behavioural modelling of Assets and Liabilities

The Group has developed specific behavioural models aimed at estimating the maturity profile of asset and liability items that do not have a contractual maturity: indeed, what is perceived to be sight maturing in reality shows some stickiness.

More specifically, modelling of assets and liabilities aims to construct a replication profile that best reflects the behavioural characteristics of the items. An example is on demand items: estimates of the maturity profile reflect the perceived stickiness. These behavioural models are developed by FinecoBank's CFO function in collaboration with the Parent Company's Competence Line and are validated by FinecoBank's Risk Management.

FinecoBank Contingency Liquidity Policy

A liquidity crisis is a high impact, low probability event. Therefore, a crisis-mode operating model, that can be activated effectively in case of crisis according to an approved procedure, has been defined in FinecoBank "Contingency Plan for liquidity risk".

The ability to act in time is essential to minimise the potentially disruptive consequences of a liquidity crisis. The analytics of the Stress tests form a valuable tool to identify the expected consequences and to define up front the most suitable actions in a certain crisis scenario. In combination with Early Warning Indicators (EWI) the Bank may be able to reduce the liquidity effects in the initial stages of a crisis.

FinecoBank "Contingency Plan on liquidity risk" has the objective of ensuring effective interventions also during the initial stage of a liquidity crisis, through the clear identification of individuals, powers, responsibilities, communication, and reporting criteria, with a view of increasing significantly the probability of successfully overcoming the state of emergency. This is achieved through:

- activation of extraordinary liquidity governance and operating model;
- consistent communication both internally and to the Group;
- a set of available mitigating liquidity actions;
- a set of early warning indicators that may point towards a developing crisis.

QUANTITATIVE INFORMATION

1. Time breakdown by contractual residual maturity of financial assets and liabilities Currency: Euro

(Amounts in € thousand)

ITEM/TIME BRACKETS	ON DEMAND	BETWEEN 1 AND 7 DAYS	BETWEEN 7 AND 15 DAYS	BETWEEN 15 DAYS AND 1 MONTH	BETWEEN 1 AND 3 MONTHS	BETWEEN 3 AND 6 MONTHS	BETWEEN 6 MONTHS AND 1 YEAR	BETWEEN 1 AND 5 YEARS	OVER 5 YEARS	INDEFINITE DURATION
On-balance sheet assets	2,194,021	38,766	425,198	504,807	384,155	940,400	985,686	10,986,188	4,254,676	199,104
A.1 Government securities	-	-	-	19,886	16,872	55,330	58,789	3,183,000	2,039,007	-
A.2 Debt securities	-	2,863	4,626	387,350	28,517	422,039	839,083	7,450,030	1,822,502	-
A.3 Units in investment funds	2,018	-	-	-	-	-	-	-	-	-
A.4 Loans	2,192,003	35,903	420,572	97,571	338,766	463,031	87,814	353,158	393,167	199,104
- Banks	1,508,708	545	166,758	2,421	180,709	413,335	7	-	-	199,104
- Customers	683,295	35,358	253,814	95,150	158,057	49,696	87,807	353,158	393,167	-
On-balance sheet liabilities	19,309,803	19,971	166,525	6,852	220,638	418,460	180,431	3,284	-	-
B.1 Deposits and current accounts	19,189,715	112	216	361	1,318	1,725	2,553	3,284	-	-
- Banks	39,323	-	-	-	-	-	-	-	-	-
- Customers	19,150,392	112	216	361	1,318	1,725	2,553	3,284	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	120,088	19,859	166,309	6,491	219,320	416,735	177,878	-	-	-
Off-balance sheet transactions										
C.1 Financial derivatives with exchange of capital										
- Long positions	-	138,306	49	-	-	300	-	-	2,328	587
- Short positions	-	137,457	39	-	162	300	-	30	2,238	586
C.2 Financial derivatives without exchange of capital										
- Long positions	985	666	-	202	1,501	3,281	5,397	-	-	-
- Short positions	97	-	-	-	771	793	1,526	-	-	-
C.3 Deposits and loans to be collected										
- Long positions	-	8,764	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	8,660	104	-	-	-
C.4 Irrevocable commitments to lend funds										
- Long positions	-	-	-	-	-	26,221	124	404	-	-
- Short positions	-	26,346	-	404	-	-	-	-	-	-
C.5 Financial guarantees given	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of capital										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without exchange of capital										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-

Part E - Information on Risks and Hedging Policies (CONTINUED)

Currency: Other currencies

(Amounts in € thousand)

ITEM/TIME BRACKETS	ON DEMAND	BETWEEN 1 AND 7 DAYS	BETWEEN 7 AND 15 DAYS	BETWEEN 15 DAYS AND 1 MONTH	BETWEEN 1 AND 3 MONTHS	BETWEEN 3 AND 6 MONTHS	BETWEEN 6 MONTHS AND 1 YEAR	BETWEEN 1 AND 5 YEARS	OVER 5 YEARS	INDEFINITE DURATION
On-balance sheet assets	500,959	5,855	21,172	4,239	74,750	42,637	2,242	150,133	1	-
A.1 Government securities	-	-	-	-	375	-	375	66,706	1	-
A.2 Debt securities	-	141	-	254	808	42,637	1,735	83,382	-	-
A.3 Units in investment funds	1	-	-	-	-	-	-	-	-	-
A.4 Loans	500,958	5,714	21,172	3,985	73,567	-	132	45	-	-
- Banks	498,860	-	20,311	-	47,410	-	46	-	-	-
- Customers	2,098	5,714	861	3,985	26,157	-	86	45	-	-
On-balance sheet liabilities	794,919	2,381	292	1,520	6,854	-	-	-	-	-
B.1 Deposits and current accounts	789,516	-	-	-	-	-	-	-	-	-
- Banks	3,433	-	-	-	-	-	-	-	-	-
- Customers	786,083	-	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	5,403	2,381	292	1,520	6,854	-	-	-	-	-
Off-balance sheet transactions										
C.1 Financial derivatives with exchange of capital										
- Long positions	-	65,637	39	-	-	-	-	-	63	-
- Short positions	-	66,753	48	-	-	-	-	-	63	-
C.2 Financial derivatives without exchange of capital										
- Long positions	3,771	-	-	-	-	-	-	-	-	-
- Short positions	467	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to be collected										
- Long positions	-	1,269	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	1,269	-	-	-	-
C.4 Irrevocable commitments to lend funds										
- Long positions	-	-	-	-	-	6,916	-	-	-	-
- Short positions	-	6,916	-	-	-	-	-	-	-	-
C.5 Financial guarantees given	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of capital										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without exchange of capital										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-

Assets received as collateral or loaned as part of repos and securities lending

(Amounts in € thousand)

	12.31.2017	12.31.2016
Fair value of securities received as guarantee in repos and securities lending with cash guarantee	258,844	122,584
Fair value of securities received on loan	949,550	1,094,173
Of which fair value of the securities delivered through reverse repos and securities lending with cash guarantee	(996,775)	(1,213,038)

Section 4 - Operational risk

QUALITATIVE INFORMATION

A. General aspects, operational processes and methods for measuring operational risk

Operational risk definition

Operational risk is defined as the risk of losses due to errors, violations, interruptions, or damage caused by internal processes, personnel, financial advisors, systems or by external events. This definition includes legal and compliance risks, but excludes strategic and reputational risk.

For example, losses arising from the following can be defined as operational: internal or external fraud, employment practices and workplace safety, customer claims, product distribution, fines and penalties for regulatory breaches, damage to the Company's physical assets, business disruption and system failures, and management of processes.

Group operational risk framework

The UniCredit Group has defined the policies and procedures for measuring and mitigating operational risk within the Group and its Subsidiaries. Operational risk policies, applicable to all Group entities, are common principles that define the roles of company bodies and of the risk management function as well as the interactions with other functions involved in the process. These principles and provisions have been set out in the Group Framework for the management of operational risk and adopted in FinecoBank's Operational Risk Manual.

The methods for classifying data and verifying its completeness, scenario analysis, risk indicators and risk capital reporting and measurement are set by the Group Operational & Reputational Risks department of the Parent Company and applied by FinecoBank in its capacity as a Group Legal Entity. A pivot element of the risk control framework is the operational risk management application, allowing the collection of the data required for operational risk control and capital measurement.

The compliance of the operational risk control and measurement system with external regulations and Group standards is assessed through an internal validation process, under the responsibility of the Group Internal Validation department of the Parent Company, which is independent from the Group Operational & Reputational Risks department.

The Bank has obtained the approval of the Bank of Italy for the use of advanced approaches (AMA) to calculate its capital requirement for operational risk with effect from June 30, 2010.

Organisational structure

the Board of Directors is responsible for approving all aspects relating to the Group operational risk framework and verifying the adequacy of the measurement and control system and is regularly updated on changes to the risk profile and operational risk exposure, with support from the appropriate risk committees if required.

The reports produced by Risk Management for the Board of Directors ensure that management and the control bodies are constantly updated on the trend in operational risk within the Bank and can actively intervene in the management and mitigation of the risks. The Chief Risk Officer's participation in the Products Committee also ensures oversight of the operational risk associated with the Bank's new business activities.

The Operational Risk Management (ORM) team is part of the broader Risk Management office which reports to the Chief Risk Officer of FinecoBank who in turn reports directly to the Chief Executive Officer and General Manager.

The main activities carried out by the Risk Management office in terms of operational risk are:

- recognition, classification, validation and reporting of operating losses with consequent identification of problem areas;
- assessment of potential risks through scenario analyses and risk indicators (Key Risk Indicator-KRI);
- monitoring and optimisation of the internal control system;
- policies to mitigate and transfer risk through insurance cover;
- development of an operational risk culture within the Bank;
- generating reports for the Board of Directors and Senior Management on risk trends.

Internal validation process

In compliance with external regulations, the operational risk control and measurement system is subject to an internal validation process established by the Parent Company, in order to verify its compliance with minimum requirements and Group standards. This process is owned by the Operational and Pillar II Risk Validation Unit, within the Group Internal Validation department.

The use of the Advanced Measurement Approach (AMA) to calculate regulatory capital requires the preparation of an annual report on the management and control system for operational risk by the Operational Risk team. This Annual Report contains a self-assessment of the system and a detailed examination of the governance structure, the process for collecting data on losses, the scenario analyses and internal control system, as well as the operational use of the measurement system.

The Report is submitted to the approval of the Board of Directors and is validated by the Internal Audit department and Group Internal Validation (GIV). For 2017, the Internal Audit department and Group GIV confirmed that adequate protection measures are in place for operating risk as well as the adequacy of the existing management and control system.

Operational risk management

Operational risk management consists of the review of processes to reduce the risks found and the management of the related insurance policies, with the identification of the suitable deductibles and limits.

Part E - Information on Risks and Hedging Policies (CONTINUED)

From September 2011, a Permanent Work Group (PWG) has been established, which includes the CRO, the Risk Manager as well as Information Security & Fraud Manager and Organisation, to allow them to share their respective expertise in relation to the projects planned or in under way, new processes and products, or changes to them, and anything else that may affect the Bank's risk profile; the PWG's ultimate objective is to identify and then develop new mitigation measures.

As part of the prevention of operational risk and to control sales channels remotely, the Risk Management office has focused on fraud prevention measures.

The development of remote monitoring to prevent fraud has led to the creation of a system called System of Fraud Identification and Analysis (SoFIA). This system enables a larger amount of data and information on individual indicators to be analysed at the same time and enables possible irregularities to be detected on a daily basis through an alert system.

In this way, all of the names put forward to be checked are assessed at the same time with regard to all remote indicators (31 indicators).

On the basis of qualitative and quantitative assessments of these indicators, the assigned staff select any cases that need to be reported to the Network Controls Department, Monitoring and Network Services Department - reporting directly to the Chief Executive Officer - for subsequent examination.

Moreover, the Operational Risk team is updated annually on the results of the tests conducted in accordance with the Business Continuity and Disaster Recovery plans.

Risk capital measurement and allocation mechanism

UniCredit developed an internal model for measuring the capital requirement. The capital requirement is calculated on the basis of internal loss data, external loss data, scenario loss data and risk indicators.

The collection and classification of operating losses is managed by a Group system called Application for Risk Gauging On line (ARGO). In addition to being used for internal prevention and improvement purposes, the information gathered is also used to calculate Pillar 1 and 2 capital requirements.

In terms of risk indicators, there are currently 42 key risk indicators split into eight control areas (Legal, Claims, Credit Cards, Back Office, PFA, IT systems, Payment Systems, Compliance) that contribute to the calculation of the regulatory capital, which the Bank uses to measure its exposure to operational risk. If an indicator shows an irregular value, this may be related to changes in the exposure to operational risk.

Scenario analyses enable the Bank's exposure to operational risk, characterised by low frequency but high potential impact, to be estimated. The scenarios are identified by analysing internal losses, external events, risk indicator trends, critical processes, products and risk classes.

The inclusion of the data generated through the analyses of the scenario and of the trend of risk indicators are a forward-looking element of the risk capital calculation model.

Data collection and control is managed by the Bank, while the management and maintenance of the model to calculate regulatory capital is centralised for all Legal Entities of the Group at the Parent Company.

Risk capital for operational risk used for regulatory purposes as at December 31, 2017, amounted to €55,762 thousand.

Risks arising from significant legal disputes

The Bank is involved in individually insignificant legal proceedings over which there is considerable uncertainty regarding the outcome and the amount of possible charges, which the Bank could be forced to incur. Where it is possible to reliably estimate the amount of possible charges and the charges are considered likely, provisions have been made in an appropriate amount based on the circumstances and consistent with international accounting standards, by making the best possible estimate of the amount that the Bank will reasonably be expected to incur in discharging its obligations. Specifically, as a precaution against these obligations and customer claims that have not yet resulted in legal proceedings, as at December 31, 2017, the Bank had a provision in place for risks and charges of €31,056 thousand. This provision includes the costs of proceedings borne by the Bank in the event of an adverse conclusion of the dispute plus the estimated expenses to be paid to lawyers, any technical advisors and/or experts who assist the Bank, to the extent that it is believed that they will not be reimbursed by the counterparties.

This estimate was determined by the Bank, in relation to the current dispute, based on the analysis of the historical trend of legal expenses incurred, by type of litigation and degree of judgment, consistent with the methodology defined by the Parent Company in this regard.

Risks arising from tax disputes and audits

Risks arising from tax disputes and audits as at December 31, 2017 mainly relate to a notice of assessment for the year 2003 containing an objection to the use of tax credits for €2.3 million, in relation to which the bank has appealed to the Supreme Court as it considers its position to be well-founded. The bank has already paid the additional taxes and interest due.

With regard to disputes, the higher taxes, interests and penalties have already been recognised in the income statement with a contra entry, respectively, in tax liabilities and the provision for risks and charges.

Moreover, tax receivables for the amounts paid have been recognised.

In light of the foregoing, as at December 31, 2017 the Bank had in place provisions that adequately reflect the specific circumstances and are in line with international accounting standards; specifically, to tax liabilities of for a total of €5.6 million, for higher tax, and to provisions for risks and charges of €3.9 million, for penalties and interest.

The assessment of ICT operational risk

The prudential regulations require Banks to conduct an analysis, at least annually, of the Bank's ICT risk and to submit the results of the assessment made to the Board of Directors.

In particular, the regulations have introduced standards and specific requirements for managing and assessing ICT risk that require Banks to assess the exposure to these risks, not only by gathering and analysing economic losses, but also by considering additional information, such as ICT incidents occurring and information related to the riskiness of the Bank's assets (hardware and software).

The Parent Company, in performing its role of direction, coordination and control, has established a common framework for the entire Group for the assessment of ICT risk and FinecoBank Risk Management function has adopted that framework.

The results of the analysis, conducted in collaboration with the Bank's Business, ICT and Organisation departments, were reported to the Bank's Board of Directors during 2017.

QUANTITATIVE INFORMATION

Internal operating loss data is the main component used to calculate capital requirements against operational risk. Loss analyses enable the ORM team to make assessments on the Bank's exposure to operational risk and to identify any critical areas. As at December 31, 2017, operating losses recorded in the accounts amounted to approximately €6 million.

The main sources of operating losses are shown below by "event type", i.e. by type of event that generated them according to the Basel II Accord:

- Internal fraud: losses due to unauthorised activities, fraud, embezzlement or infringement of laws, regulations or company directives that involve at least one internal staff member of the bank or a resource hired under an agency contract (PFA);
- External fraud: losses owing to fraud, embezzlement or violation of laws by subjects external to the bank;
- employment practices and workplace safety: losses due to actions not compliant with the law or to agreements regarding employment, health and safety, to the payment of compensation for bodily harm, or to cases of discrimination or non-application of equality conditions;
- customers, products and professional practices: losses arising from non-fulfillment of professional obligations towards customers or from the nature or characteristics of the products or services provided;
- damage from external events: losses arising from external events, including natural disasters, acts of terrorism and vandalism;
- business disruption and system failures: losses owing to business disruption and system failures or interruptions;
- process management, execution and delivery: losses due to deficiencies in the completion of transactions or management of processes, as well as losses due to relations with commercial counterparties, vendors and suppliers.

Section 5 - Other Risks and information

Although the types of risk described above represent the main categories, there are, other types that the Bank considers important. In accordance with the provisions of Basel II Pillar 2, the Bank - with the support of the Parent Company - has identified other types of risk in addition to the credit, market, operational and liquidity risks described above:

- **Business risk** is defined as the distance between the Bank's expected net result and any unforeseen and adverse variances. First of all, it may be caused by a significant deterioration of market conditions, changes to competition or the Bank's cost structure;
- **Strategic risk** is the risk of suffering potential losses due to decisions or radical changes in the business environment, improper implementation of decisions, lack of responsiveness to changes in the business environment, which result in negative impacts to the risk profile, capital and earnings as well as the overall direction and scope of a bank over the long run;
- **Reputational risk**, which represents the current or future risk of a fall in profits resulting from a negative perception of the Bank's image by Customers, counterparties, shareholders, investors or Supervisory Authorities.

The Bank has not included Real Estate Risk within the Bank's scope of risk, because it does not hold significant positions in real estate, nor insurance risk, as the insurance companies are not included in its scope of consolidation.

Following the identification of the significant risks, the Parent Company establishes the best way to analyse them in qualitative and quantitative terms. The quantitative measurement is carried out by the Parent Company using data sent by the Bank and is used to calculate the Internal Capital.

Credit, market, operational and business risks are measured quantitatively by the Parent Company, using:

- economic capital, calculation of the benefit of diversification and aggregation as a component of internal capital (including prudential cushion for model risk and variability of the economic cycle);
- Stress tests.

Internal Capital is the capital set aside as a buffer against the potential losses inherent in the Group's business activities and it takes into consideration all risk types that the Group has identified as measurable in terms of Economic Capital in line with Pillar II requirements.

For control purposes, Internal Capital is calculated quarterly by the Parent Company based on the periodic figures sent by the Bank.

The multi-dimensional nature of risk makes it necessary to supplement the measurement of economic capital with stress testing, not only in order to estimate losses in certain scenarios, but also to ascertain the impact of their determinants.

The stress test is one of the instruments used control significant risks in order to assess the Bank's vulnerability to "exceptional but plausible" events, providing additional information to the monitoring activities.

Stress testing, in accordance with regulatory requirements, is conducted on the basis of a set of internally defined stress scenarios and is periodically performed by specific Parent Company functions.

Part E - Information on Risks and Hedging Policies (CONTINUED)

ICAAP - Internal Capital Adequacy Assessment Process

Measuring the risk profile is a fundamental element of the Internal Capital Adequacy Assessment Process under Pillar 2 (ICAAP).

The UniCredit Group's approach to ICAAP relies on the definition of the "Risk Governance", as a preliminary requirement, while the process consists of following phases:

- defining the scope and identifying the risks;
- assessing the risk profile;
- risk appetite setting and capital allocation;
- monitoring and reporting.

Capital adequacy is assessed by considering the balance between assumed risks, both Pillar I and Pillar II, and the available capital. With respect to Pillar II, the relevant metric is the Risk Taking Capacity, which is the ratio of available capital (Available Financial Resources - AFR) to Internal Capital.

Risk Appetite

The main elements of the internal process for determining capital adequacy include the setting and monitoring of the risk appetite. The risk appetite is defined as the level of risk that the Bank is willing to accept for the pursuit of its strategic objectives and business plan, taking into account the interests of its customers and shareholders, capital requirements and other requirements.

The main objectives of the risk appetite are:

- explicitly assessing the risks, and their interconnections at local and Group level, that the Bank decides to assume (or avoid) in a long-term perspective;
- specifying the types of risk that the Bank intends to assume, setting targets, triggers and limits under both normal operating and stress conditions;
- ensuring a risk-return profile "ex-ante" consistent with sustainable long-term growth, as defined by the return forecasts of the strategic plan/budget;
- ensuring that the business developed within the limits of risk tolerance established by the Board of Directors, in accordance with the applicable national and international regulations;
- supporting discussions on future policy options with regard to the risk profile;
- guiding the vision of internal and external stakeholders towards a risk profile consistent with the strategic plan;
- providing qualitative descriptions for risks that are difficult to quantify (e.g. strategic, reputational, compliance) to strategically guide the review of processes and the internal control system.

The Risk appetite is defined consistently with the Bank's business model and local and Group ICAAP. For this reason, the Risk Appetite is incorporated in the budget process.

The risk appetite includes a statement and a set of KPIs. The Statement sets out the Bank's positioning in terms of strategic objectives and associated risk profiles, while the KPIs are designed to quantitatively measure the Bank's in the following categories:

- Pillar 1 KPI: regulatory requirements, to include the KPIs required by the Supervisory Authority (e.g., capital and liquidity requirements such as LCR and NSFR);
- Managerial KPI: to ensure alignment with the budget in terms of return on capital and credit quality;
- Specific Risk KPI: to ensure control of all major risks (such as Pillar 2 capital adequacy, market risk, interest rate risk and operating risk).

For each of the above mentioned factors, one or more KPIs are identified, in order to quantitatively measure the Bank's positioning under several respects: absolute values, ratio between comparable measures, sensitivity analysis on defined parameters.

The Targets represent the amount of risk that the Bank is willing to take in normal operating conditions in line with its Ambitions. The Targets should be considered as reference thresholds for business development. Triggers are the maximum acceptable deviation from the targets; they are defined to ensure operations under stress within the maximum acceptable level of risk.

Limits are the maximum level of risk that the Bank accepts to assume.

The setting of the thresholds is evaluated on a case by case basis, also through managerial decisions by the Board of Directors, in compliance with the regulatory requirements and of the supervisory bodies and considering the consistency with the Group risk appetite.

The metrics are the subject of regular monitoring and reporting, at least quarterly. The monitoring is respectively carried out by the CRO Department and the CFO Department.

Part F - Shareholders' equity

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Part F - Shareholders' equity

Section 1 - Bank's shareholders' equity

A. QUALITATIVE INFORMATION

The Bank has made a priority of capital management and allocation on the basis of the risk assumed in order to expand its operations and create value. These activities involve the various planning and control stages and, specifically, the planning, budgeting and monitoring processes (analysis of expected and actual performance, analysis and monitoring of limits, performance analysis and monitoring of capital ratios).

Capital and its allocation are therefore extremely important in defining strategies, since on the one hand it represents the shareholders' investment in the Bank which must be adequately remunerated, on the other hand it is a scarce resource on which there are external limitations imposed by regulatory provisions.

Capital is managed dynamically: the Bank prepares the financial plan, monitors capital requirements for regulatory purposes and anticipates the appropriate steps required to achieve goals.

Monitoring refers, on one hand, to both shareholders' equity and the composition of own funds and, on the other hand, to the planning and performance of risk-weighted assets (RWA).

B. QUANTITATIVE INFORMATION

B.1 Bank's shareholders' equity: breakdown

(Amounts in € thousand)

	AMOUNT 12.31.2017	AMOUNT 12.31.2016
1. Share capital	200,545	200,246
2. Share premium reserve	1,934	1,934
3. Reserves	323,932	278,407
- from profits	291,841	250,247
a) legal	40,109	40,049
b) statutory	-	-
c) treasury shares	365	4,338
d) other	251,367	205,860
- other	32,091	28,160
4. Equity instruments	-	-
5. (Treasury shares)	(365)	(4,338)
6. Revaluation reserves	(8,340)	(6,794)
- Available-for-sale financial assets	1,472	(455)
- Property, plant and equipment	-	-
- Intangible assets	-	-
- Hedging instruments of foreign investments	-	-
- Cash flow hedges	-	-
- Exchange differences	-	-
- Non-current assets classified as held for sale	-	-
- Actuarial gains (losses) on defined benefits plans	(9,812)	(6,339)
- Revaluation reserves for associates carried at equity	-	-
- Special revaluation laws	-	-
7. Net Profit (Loss) for the year	214,284	211,844
Total	731,990	681,299

B.2 Revaluation reserves for available-for-sale financial assets: breakdown

(Amounts in € thousand)

ASSET/AMOUNT	12.31.2017		12.31.2016	
	POSITIVE RESERVE	NEGATIVE RESERVE	POSITIVE RESERVE	NEGATIVE RESERVE
1. Debt securities	10,529	(10,216)	12,040	(12,747)
2. Equity instruments	1,159	-	252	-
3. Units in investment funds.	-	-	-	-
4. Loans	-	-	-	-
Total	11,688	(10,216)	12,292	(12,747)

B.3 Revaluation reserves for available-for-sale financial assets: annual changes

(Amounts in € thousand)

	DEBT SECURITIES	EQUITY INSTRUMENTS	UNITS IN INVESTMENT FUNDS	LOANS
1. Opening balance	(707)	252	-	-
2. Increases	4,628	907	-	-
2.1 Fair value increases	2,327	907	-	-
2.2 Reclassification through profit or loss of negative reserves	-	-	-	-
- from impairment	-	-	-	-
- from disposal	-	-	-	-
2.3 Other increases	2,301	-	-	-
3. Decreases	(3,608)	-	-	-
3.1 Fair value reductions	(332)	-	-	-
3.2 Impairment losses	-	-	-	-
3.3 Reclassification through profit or loss of positive reserves: from disposal	(1,574)	-	-	-
3.4 Other changes	(1,702)	-	-	-
4. Closing balances	313	1,159	-	-

B.4 Revaluation reserves on defined benefit obligations: annual changes

(Amounts in € thousand)

	ACTUARIAL GAINS (LOSSES) ON DEFINED BENEFITS PLANS
1. Opening balance	(6,339)
2. Increases	-
2.1 Fair value increases	-
2.2 Other Changes	-
3. Decreases	(3,473)
3.1 Fair value reductions	(3,473)
3.2 Other Changes	-
4. Closing balances	(9,812)

Section 2 - Own funds and regulatory ratios

2.1 Own funds

A. QUALITATIVE INFORMATION

Own funds are measured on a quarterly basis in accordance with regulatory provisions. The results are reported to the Parent Company's Board of Directors.

Own Funds at December 31, 2017 amounted to €484,960 thousand and were calculated by applying the supervisory regulations in force according to the Basel III regulatory framework including transitional adjustments.

The Common Equity Tier 1 includes the profit for the year (for the amount that will not be distributed) assuming the conditions established Article 26.2 of the EU Regulation 575/2013 (CRR) are satisfied.

(Amounts in € thousand)

	12.31.2017	12.31.2016
Common Equity Tier 1 - CET1	484,960	438,121
Additional Tier 1 - AT1	-	-
TIER 2 - T2	-	-
Total Own Funds	484,960	438,121

In addition, it is noted that the document "Disclosure by Institutions according to Regulation (EU) No. 575/2013 as at December 31, 2017", required by Regulation (EU) 575/2013, is published on FincoBank's website HYPERLINK "<http://www.fincoBank.com>" www.fincoBank.com.

1. Common Equity Tier 1 - CET1

The financial instruments included in the Common Equity Tier 1 consist of 607,713,345 ordinary shares with a par value of €0.33 euro, amounting to €200,545 thousand, net of 60,397 treasury shares, amounting to €365 thousand.

For information on the other items that make up the Common Equity Tier 1 see the details provided at the foot of the table presented in the Quantitative information.

Part F - Shareholders' equity (CONTINUED)

2. Additional Tier 1 - AT1

As at December 31, 2017 there were no Additional Tier 1 items.

3. TIER 2 - T2

As at December 31, 2017 there were no Tier 2 capital items.

B. QUANTITATIVE INFORMATION

(Amounts in € thousand)

	12.31.2017	12.31.2016
A. Common Equity Tier 1 - CET1 first time application of prudential filters	556,545	509,325
of which CET1 instruments subject to transitional provisions	-	-
B. Prudential filters for cet1 (+/-)	(1,256)	(577)
C. CET1 before items to be deducted and the effects of the transitional arrangements (A +/- B)	555,289	508,748
D. Items to be deducted from CET1	73,766	74,056
E. Transitional arrangements - Impact on CET1 (+/-)	3,437	3,429
F. Total Common Equity Tier 1 Capital - CET1 (C - D +/- E)	484,960	438,121
G. Additional Tier 1 - AT1 before items to be deducted and the effects of the transitional arrangements	-	-
of which AT1 instruments subject to transitional provisions	-	-
H. Items to be deducted from AT1	-	-
I. Transitional arrangements - Impact on AT1 (+/-)	-	-
L. Total Additional Tier 1 - AT1 (G - H +/- I)	-	-
M. Tier 2 before items to be deducted and the effects of the transitional arrangements	-	-
of which T2 instruments subject to transitional provisions	-	-
N. Items to be deducted from T2	-	-
O. Transitional arrangements - Impact on T2 (+/-)	-	-
P. Total Tier 2 (Tier 2 - T2) (M - N +/- O)	-	-
Q. Total own funds (F + L + P)	484,960	438,121

A. Common Equity Tier 1 - CET1 first time application of prudential filters

The item includes:

- share capital, comprising 607,713,345 ordinary shares with a nominal value of €0.33, equal to €200,545 thousand;
- the share premium reserve of €1,934 thousand;
- the legal reserve, extraordinary reserve and other reserves, equal to €323,932 thousand;
- accumulated other comprehensive income (OCI), which consists of €1,849 thousand from the net positive reserve of debt securities issued by central governments of EU member countries, held in the "available-for-sale financial assets" portfolio after December 31, 2009, €377 thousand from the net negative reserve for equity instruments and debt securities other than those mentioned above held in the "Available for sale financial assets" portfolio and €9,812 thousand from the negative IAS19 Reserve;
- the amount of the 2017 profits that will not be distributed, amounting to €40,888 thousand, assuming the conditions established in Article 26, paragraph 2, of EU Regulation 575/2013, have been met.

The following were deducted from this item:

- treasury shares, amounting to €365 thousand;
- CET1 equity instruments held indirectly, amounting to €2,019 thousand;
- synthetic exposures in own CET1 equity instruments held in the Bank's regulatory trading book, amounting to €30 thousand.

B. CET1 Prudential filters

This item includes the filter for additional valuation adjustments (AVA) calculated on the assets and liabilities measured at fair value, amounting to €538 thousand, and the equity exposure to the Voluntary Scheme set up by the Interbank Deposit Guarantee Fund, amounting to €718 thousand.

D. Items to be deducted from CET1

This item includes:

- goodwill, net of deferred taxes, amounting to €65,857 thousand;
- other intangible assets, amounting to €7,909 thousand.

B. Transitional arrangements - Impact on CET1

The item includes the effects of applying the transitional provisions on own funds, specifically:

- a negative prudential filter of 20% has been applied to the net positive revaluation reserves related to debt securities issued by central governments of EU member countries, held in the "available-for-sale financial assets" portfolio after December 31, 2009, for an amount of €370 thousand;
- a positive prudential filter of 20% has been applied to the net negative revaluation reserves related to equities and debt securities other than those mentioned above, held in the "Available-for-sale financial assets", for an amount of €75 thousand. At the same time a negative national filter of 20% has been applied to the same reserves, for amount of €75 thousand, which eliminated the positive prudential filter;
- a 40% negative prudential filter, amounting to €3,807 thousand, has been applied on the amount of the IAS19 reserve.

Regulation (EU) 575/2013 (CRR) also requires banks, as a general rule, to respectively include within and deduct from their own funds the unrealised gains and losses on assets measure that fair value classified in the "Available-for-sale financial assets" portfolio. For a transitional period, the CRR allows the partial inclusion/deduction of those gains and losses from the Common Equity Tier 1, on a gradually increasing basis, to reach their full inclusion/deduction by January 1, 2018. As an exemption to these transitional arrangements, solely for gains and losses resulting from exposures towards central governments recognised in the "Available-for-sale financial assets" portfolio, the CRR has given the competent authorities the option to allow banks not to include or deduct the unrealised gains or losses for any item of own funds if this treatment was applied before the CRR entered into force (January 1, 2014). By specific provision in the regulations, the neutralisation of the gains and losses can be applied until the Commission has adopted a regulation based on Regulation (EC) 1606/2002 that approves IFRS 9 as a replacement to IAS 39. Upon first time adoption of the CRR in Italy, this option was exercised by the Bank of Italy and the banks had the possibility of opting for the total neutralisation of the gains and losses.

In this regard, in March 2016, the European Central Bank issued Regulation (EU) 2016/445 on the exercise of the options and discretions available in Union law ("ECB Regulation"), which entered into force on October 1, 2016, which allowed the application of the ordinary transitional regime also for exposures to central governments for the banks subject to direct supervision by the ECB ("significant banks"). In addition, on November 29, 2016, Regulation (EU) 2016/2067 was published in the Official Journal of the European Union, through which the European Commission endorsed IFRS 9.

As a result of the above, from October 2016, FinecoBank as a significant bank must respectively include within or deduct from CET 1 the unrealised gains and losses resulting from exposures to central governments classified in the "Available-for-sale financial assets" portfolio, according to the following percentages: 60% for 2016, and 80% for 2017. The amounts remaining from the application of these percentages (20% for 2017) do not need to be included for the calculation of own funds, as they continue to be neutralised, based on the national regime in force as at December 31, 2013.

As reported in point E. "Transitional arrangements - Impact on CET1", as at December 31, 2017 the unrealised gains from exposures to central governments classified in the "Available-for-sale financial assets" portfolio amounted to €1,849 thousand, to which a negative prudential filter of 20% has been applied, amounting to €370 thousand.

With reference to defined-benefit plans under IAS 19, the amendment that took effect on January 1, 2013 (IAS 19R) resulting in the elimination of the corridor method - requiring recognition of the present value of defined benefit obligations - resulted in an impact on the Bank shareholders equity related to the recognition in the revaluation reserves of actuarial gains/losses not previously recognised using this method. From a regulatory point of view, the supervisory authority ordered the implementation of a prudential filter designed to neutralise 40% of the impact of these amendments.

(Amounts in € thousand)

a) Value of liabilities for defined benefits - old IAS 19	(57,734)
b) Value of liabilities for defined benefits - new IAS 19	(72,009)
c) Amount subject to "prudential filter"	(9,812)

O. Transitional arrangements - Impact on T2

No data to report.

Part F - Shareholders' equity (CONTINUED)

Reconciliation of Own funds with Carrying amounts

(Amounts in € thousand)

	12.31.2017	12.31.2016
Share capital, issue-premium reserves and other reserves	526,411	480,587
Accumulated other comprehensive income (OCI)	(8,340)	(6,794)
Profit allocated to reserves	40,888	41,684
Own CET 1 instruments	(2,414)	(4,403)
Commitments to purchase own CET1 instruments	-	(1,750)
Intangible assets - Goodwill	(65,857)	(66,324)
Intangible assets - Other intangible assets	(7,909)	(7,731)
Fair value adjustments (AVA)	(538)	(577)
Prudential filters - Exposure to the Voluntary Scheme	(718)	-
Other transitional adjustments to CET1 capital	3,437	3,429
Common Equity Tier 1 Capital - CET1	484,960	438,121
Additional Tier 1 - AT1	-	-
Tier 1 Capital (T1 = CET1 + AT1)	-	-
TIER 2 - T2	-	-
Total Own Funds	484,960	438,121

Changes in Own Funds

(Amounts in € thousand)

	01.01.2017 / 12.31.2017	01.01.2016 / 12.31.2016
Common Equity Tier 1 - CET1		
Start of period	438,121	390,977
Instruments and Reserves		
Share capital, issue-premium reserves and other reserves	4,140	6,237
Own CET1 instruments	1,988	4,154
Commitments to purchase own CET1 instruments	1,750	(1,750)
Accumulated other comprehensive income (OCI)	(1,546)	(18,421)
Profit allocated to reserves	40,888	41,684
Regulatory adjustments		
Intangible assets - Goodwill	467	467
Intangible assets - Other intangible assets	(178)	481
Fair value adjustments (AVA)	40	(523)
Deduction equity exposure Voluntary Scheme	(718)	-
Other transitional adjustments to CET1 capital	8	14,815
End of period	484,960	438,121
Additional Tier 1 - AT1		
Start of period	-	-
End of period	-	-
Tier 2 capital (T2)		
Start of period	-	2,926
Other transitional adjustments to Tier 2 capital	-	(2,926)
End of period	-	-
Total Own Funds	484,960	438,121

2.2 Capital adequacy

A. QUALITATIVE INFORMATION

The Bank's supervisory prudential requirements at December 31, 2017 have been calculated by applying the current Basel III supervisory provisions, standardised approach, with the exception of operational risk capital requirements, calculated using the advanced approaches.

On the basis of the EU regulations set out in Directive 2013/36/EU and Regulation No 575/2013/EU, collated and implemented by the Bank of Italy through Circular No. 285 of December 17, 2013 "Supervisory Regulations for Banks", the Bank must satisfy the following own funds requirements established in Article 92 of the CRR, expressed as a percentage of the total risk exposure amount (RWA - Risk Weighted Assets):

- a Common Equity Tier 1 capital ratio of at least 4.5%;
- a Tier 1 capital ratio of at least 6%;
- a total capital ratio of at least 8%.

Furthermore, in addition to the Common Equity Tier 1 necessary to meet own funds requirements under Article 92 of the CRR, banks are required to hold a capital buffer, for 2017, of 1.25% of the bank's overall risk exposure (1.875% for 2018 and 2.5% from 2019).

Article 136 of the directive EU/2013/36 (Capital Requirements Directive, CRD4) establishes the requirement for the designated national authorities to set up an operational framework for establishing the countercyclical capital buffer (CCyB) with effect from January 1, 2016. The buffer is reviewed on a quarterly basis. The European legislation was implemented in Italy through the Bank of Italy Circular 285/2013 (Supervisory regulations for banks), which contain specific rules on the CCyB. Legislative Decree 72 of May 12, 2015 identified the Bank of Italy as the authority designated to adopt the macro prudential measures in the banking sector, including the CCyB. The rules apply at individual and consolidated level to banks and investment firms. Accordingly, with effect from January 1, 2016, institutions are required to maintain an institution-specific countercyclical capital buffer, equivalent to their total risk exposure amount, calculated in accordance with Article 92(3) of Regulation (EU) No 575/2013 multiplied by the weighted average of the buffer rates. The introduction of the countercyclical buffer includes a phase-in period between January 1, 2016 and the end of 2018, and will become fully effective from January 1, 2019 (in 2016 the countercyclical buffer cannot be higher than 0.625%). The Bank's specific countercyclical capital buffer as at December 31, 2017 was 0.00005%, corresponding to around €1 thousand.

Lastly, according to Basel III supervisory regulations, entities that use internal ratings-based approaches for calculating capital requirements for credit risk and Advanced Measurement Approaches for calculating own funds requirements for operational risk must hold, until December 31, 2017, own funds that are at all times equal to or greater than 80% of the Basel I requirements (CRR 575/2013 art. 500). As at December 31, 2017, the Bank's capital requirements according to Basel I amounted to €374,964 thousand; accordingly, 80% of such amount was €299,971 thousand.

Following the results of the Supervisory Review and Evaluation Process (SREP) conducted by the ECB in 2017, the competent authorities determined that no decision is due for the Bank under the national legislation implementing article 104(1)(a) of Directive 2013/36/EU or article 16 of Regulation (EU) No 1024/2013.

As for the qualitative information on the methods used by the Bank for assessing its own funds adequacy to support current and future operations, please refer to Section 1 - Shareholders' Equity of this Part F.

B. QUANTITATIVE INFORMATION

(Amounts in € thousand)

CATEGORY/AMOUNT	NON WEIGHTED ASSETS		WEIGHTED ASSETS	
	12.31.2017	12.31.2016	12.31.2017	12.31.2016
A. RISK ASSETS				
A.1 Credit and counterparty risk	22,964,253	21,591,003	1,585,514	1,134,213
1. Traditional standardised approach	22,964,253	21,591,003	1,585,514	1,134,213
2. Internal rating method	-	-	-	-
2.1 Basic	-	-	-	-
2.2 Advanced	-	-	-	-
3. Securitisations	-	-	-	-
B. REGULATORY CAPITAL REQUIREMENTS				
B.1 Credit and counterparty risk			126,841	90,737
B.2 Risk of credit valuation adjustment			47	127
B.3 Regulatory risk			2	-
B.4 Market risk			4,149	2,433
1. Traditional standardised approach			4,149	2,433
2. Internal models			-	-
3. Concentration risk			-	-
B.5 Operational risk			55,762	59,480
1. Basic Indicator Approach			-	-
2. Traditional standardised approach			-	-
3. Advanced measurement approach			55,762	59,480
B.6 Other calculation elements			-	-
B.7 Total prudential requirements			186,801	152,777
C. RISK ASSETS AND CAPITAL RATIOS				
C.1 Risk-weighted assets			2,335,013	1,909,713
C.2 Common equity Tier 1 capital/Risk-weighted assets (CET1 capital ratio)			20.77%	22.94%
C.3 Tier 1 capital/Risk-weighted assets (Tier 1 capital ratio)			20.77%	22.94%
C.3 Own funds/risk-weighted assets (Total capital ratio)			20.77%	22.94%

Risk-weighted assets have been calculated by multiplying the total of prudential requirements by 12.5 (the inverse of the minimum compulsory coefficient of 8%).

Part F - Shareholders' equity (CONTINUED)

Exposure to credit and counterparty risk: breakdown by type of portfolio

(Amounts in € thousand)

PORTFOLIO	12.31.2017		12.31.2016	
	EXPOSURE TO CREDIT AND COUNTERPARTY RISK	RISK-WEIGHTED ASSETS	EXPOSURE TO CREDIT AND COUNTERPARTY RISK	RISK-WEIGHTED ASSETS
Exposures subject to the IRB method				
Total - IRB approach	-	-	-	-
Exposures subject to the standardised approach				
Exposures with or secured by central governments or central banks	6,051,345	72,270	4,040,518	80,911
Exposures with or secured by Institutions	14,656,637	28,597	16,259,880	22,784
Public sector organisations	99,924	-	-	-
Exposures to or guaranteed by multilateral development banks	-	-	3	-
Exposures with or secured by Companies or other entities	194,078	194,064	138,486	137,209
Retail exposures	1,347,655	1,010,741	1,034,666	776,000
Exposures secured by real estate property	515,982	180,847	917	329
Exposures in default	2,779	2,798	3,664	3,736
Exposures in equity instruments	5,006	5,006	3,532	3,532
Other exposures	90,818	90,812	109,337	109,331
Total - traditional standardised approach	22,964,224	1,585,135	21,591,003	1,133,832
Risk assets - credit and counterparty risk	22,964,224	1,585,135	21,591,003	1,133,832
Exposures to central counterparties in the form of pre-financed contributions to the Guarantee Fund		379		381
Capital requirement - credit and counterparty risk		126,841		90,737

Capital requirement per type of risk and approach used

(Amounts in € thousand)

TYPE OF RISK	APPROACH USED	CAPITAL REQUIREMENTS 12.31.2017	CAPITAL REQUIREMENTS 12.31.2016
1. On-balance-sheet risk assets	Traditional standardised approach	111,647	70,514
2. Guarantees given and commitments to disburse funds	Traditional standardised approach	100	882
3. Derivative contracts	Current value method	123	130
4. SFT Transactions	CRM - Comprehensive method with regulatory adjustments for volatility	14,941	19,181
Capital requirements - credit and counterparty risk		126,811	90,707
Capital requirements exposures to central counterparties in the form of pre-financed contributions to the Guarantee Fund		30	30
Market risk			
1. Exchange rate risk	Traditional standardised approach	1,090	827
2. Debt securities position risk	Traditional standardised approach	1,691	1,113
3. Equity securities position risk	Traditional standardised approach	722	493
4. Position risk on commodities	Traditional standardised approach	-	-
5. Position risk on OIC	Traditional standardised approach	646	-
Capital requirements for market risk		4,149	2,433
1. Concentration risk	Traditional standardised approach	-	-
Capital requirements for concentration risk		-	-
1. Risk of credit valuation adjustment	Traditional standardised approach	47	127
Capital requirements for risk of credit valuation adjustment		47	127
1. Regulatory risk	Traditional standardised approach	2	-
Capital requirements regulatory risk		2	-
1. Advanced measurement approach	Advanced approach	55,762	59,480
Capital requirements for operational risk		55,762	59,480
Total capital requirements		186,801	152,777

2.3 Minimum ratios established by the Bank

CAPITAL ADEQUACY INDICATORS	12.31.2017	TARGET 2017	TRIGGER 2017	LIMIT 2017
Common Equity Tier 1 ratio	20.77%	12.00%	8.25%	7.00%
Total capital ratio	20.77%	15.50%	11.80%	10.50%

The Common Equity Tier 1 and the Total Capital Ratio comply with the limits provided in the Risk Appetite Framework approved by the Board of Directors on January 9, 2017.

Part G - Business Combinations

Section 1 - Business combinations completed during the year

No information to report.

Section 2 - Business combinations completed after year-end

No information to report.

Section 3 - Retrospective adjustments

No information to report.

Part H - Related-Party Transactions

1. Details of compensation for key management personnel	424
2. Related-party transactions	424

Part H - Related-Party Transactions

Information on the fees paid to key management personnel and on related-party transactions, pursuant to IAS 24 is shown below.

1. Details of compensation for key management personnel

Key management personnel are persons having authority and responsibility for planning, directing, and controlling the Bank's activities, directly or indirectly. This category includes Board members and members of the Board of Statutory Auditors, pursuant to requirements of the Bank of Italy Circular no. 262 of December 22, 2005 as amended and updated, as well as the Chief Executive Officer and General Manager, the Deputy General Manager/GBS Manager, the Chief Financial Officer, the PFA Network Commercial Manager, the Deputy General Manager/Direct Bank Manager and the Investment & Wealth Management Services Manager.

(Amounts in € thousand)

	12.31.2017	12.31.2016
Fees paid to "Key Management Personnel", Directors and the Board of Statutory Auditors		
a) short-term benefits	5,470	5,231
b) post-employment benefits	213	218
<i>of which under defined benefit plans</i>	-	-
<i>of which under defined contribution plans</i>	213	218
c) other long-term employee benefits	-	-
d) termination benefits	-	-
e) share-based payments	2,479	3,082
TOTAL	8,162	8,531

2. Related-party transactions

In order to ensure continued compliance with applicable legal and regulatory provisions on corporate disclosure on transactions with related parties, during the Board of Directors' Meeting of June 6, 2017 and with the prior positive opinion of the Risk and Related Parties Committee and the Board of Statutory Auditors, the Bank approved the current "*Procedures for the management of transactions with persons in conflict of interest*".

The aforementioned procedures include the provisions to be complied with when managing:

- related-Party transactions pursuant to the Consob Regulation adopted by resolution 17221 of March 12, 2010 as amended by resolution 17389 of June 23, 2010;
- transactions with Associated Persons pursuant to the regulations on "Risk activities and conflicts of interest with Associated Persons", laid down by Bank of Italy Circular 263/2006, Title V, Chapter 5 ("*New regulations for the prudential supervision of banks*", as amended);
- obligations of Bank Officers pursuant to Article 136 of Legislative Decree 385 of September 1, 1993, "Consolidated Law on Banking".

Given that the Bank belongs to the UniCredit Group, the aforementioned Procedures are also based on the "*UniCredit Global Policy for the management of transactions with persons in conflict of interest*" and the relevant "Global Operational Instructions" issued by UniCredit to subsidiaries as part of its management and co-ordination.

Considering the above, the following transactions approved during 2017 are recorded:

1. on February 7th, 2017 the Board of Directors, upon recommendation by the Audit and Related Parties Committee, approved the renewal of the "*Framework Resolution related to the entering into of hedging derivative contracts with the Parent Company or companies in the UniCredit Group*", an ordinary Significant Transaction at market conditions with validity up until February 7th, 2018, which enables the Bank to enter into hedging derivatives with the Parent Company and with UniCredit Bank AG for commercial assets or liabilities that, for ALM purposes, require interest rate hedging for a ceiling of €1,000 million with the Parent Company and €1,300 million with UniCredit Bank AG. the aforementioned ceilings include the total of underwriting transactions and any early closure transactions;
2. the Board of Directors' meeting of May 9, 2017, upon recommendation by the Risk and Related Parties Committee, approved an ordinary Significant Transaction at market conditions, consisting of the renewal of the "*Framework Agreement - Repurchase Agreements and Term Deposits with the Parent Company*", (expiring May 9, 2018), concerning (i) Repurchase Agreements with the Parent Company for a maximum amount of €6.2 billion, calculated as the sum of the individual transactions in absolute value (either repos or reverse repos) and (ii) Term deposits with the Parent Company for an amount of €8.5 billion, calculated as the sum of the individual transactions in absolute value; these amounts were set also to cover transactions with the Parent Company that may be carried out in execution of the "liquidity framework agreement" renewed by resolution of the Board of Directors;
3. on June 6, 2017, the Board of Directors - with the favourable opinion of the Risk and Related Parties Committee - resolved on the early renewal of the "*Framework Agreement for the transactions on current accounts held with UniCredit*", an ordinary Significant Transaction at market conditions valid up to July 6, 2018, which will enable the Bank to manage its liquidity in euro and in foreign currencies through specific current accounts already held with UniCredit S.p.A. for an amount of less than €1,000 million understood as a single transaction (single payment and single withdrawal);

4. on July 4, 2017, the Board of Directors - with the favourable opinion of the Risk and Related Parties Committee - resolved on the renewal of the *"Framework Resolution - Trading of financial instruments with related-party institutional counterparties"*, an ordinary Significant Transaction at market conditions valid up to July 3, 2018, which enables the Bank to carry out trading in derivatives with related-party institutional counterparties, up to a maximum permitted limit of: (i) €1 billion with UniCredit Bank AG and (ii) €500 million with Mediobanca S.p.A.;
5. on September 19, 2017 the Board of Directors, subject to the positive opinion of the Risk and Related Parties Committee, approved the renewal of the *"Framework resolution - Stock lending activity with institutional clients"*, an ordinary Significant Transaction under market conditions (valid up to September 18, 2018) that enables the Bank to enter into stock lending transactions with institutional counterparties related parties, with a ceiling of: (i) €500 million with UniCredit Bank AG and (ii) €200 million with Mediobanca S.p.A.;
6. on November 7, 2017 the Board of Directors, subject to the positive opinion of the Risk and Related Parties Committee, approved the renewal of the *"Framework resolution - Liquidity investment with the Parent Company"* (formerly *"Short/medium-term liquidity investment with the Parent Company"*, passed on December 6, 2016 and expiring on December 6, 2017), an ordinary Significant Transaction under market conditions (valid up to November 7, 2018) that has as its object the subscription of UniCredit bonds with an estimated ceiling of €2.7 billion, estimated based on the amount of bonds maturing the following year and the possibility of buying and selling bonds of the Parent connected to the introduction of new accounting standard IFRS9;
7. finally, on December 5, 2017, the Board of Directors - with the favourable opinion of the Risk and Related Parties Committee - approved the signature of a new life insurance brokerage contract between FinecoBank S.p.A. and Aviva S.p.A. (related party), to replace the agreement originally signed in 2002 by UniCredit Xelion Banca S.p.A., which was replaced by FinecoBank S.p.A. as a result of the merger. The projected figures as at December 31, 2017 (€13.4 million net to be recognised to the Bank) meant that the transaction was categorised as a "Significant Transaction". The transaction is an "ordinary Significant Transaction at market conditions".

In relation to the above transactions, the Bank provided a simplified disclosure to CONSOB pursuant to Art. 13, paragraph 3, letter c) of CONSOB Regulation 17221/2010.

In the year ended December 31, 2017, no other transactions were undertaken with related parties that could significantly affect the Bank's asset situation and results, or atypical and/or unusual transactions, including intercompany and related party transactions.

Minor transactions were also carried out with the Parent Company, other Group Companies and/or with related parties in general, both Italian and foreign, within the ordinary course of business and related financial activities of the Bank, at market or standard conditions.

Lastly, with regard to transactions of significant financial and economic relevance, during 2012, the Bank issued 5 bank guarantees in favour of the Italian Revenue Agency upon (guaranteed) request by UniCredit, with indefinite duration (specifically, valid until the Italian Revenue Agency issues a declaration of receipt of the payment by UniCredit at the end of the collection process, in the event of an unfavourable outcome for UniCredit, or until a ruling is issued in favour of the Bank by means of final judgement), for a total amount of €256 million, plus interest accrued and accruing until request for payment from the Italian Revenue Agency. The bank guarantees were issued to secure the obligations assumed by UniCredit in relation to five VAT refund suspension orders issued by the Italian Revenue Agency, and entail the assumption by the Bank of an irrevocable payment commitment on demand, within 30 days and without any exceptions. In 2013, following the settlement of an overall assessment notice issued by the Regional Department of Liguria, for €4.5 million, replaced by another assessment notice issued by the same Department up to the amount settled, a guarantee already issued by the Bank was replaced, with amounts unchanged; this transaction did not change the commitments undertaken according to the forms, procedures and risks already assessed during 2012, which remained unchanged.

Part H - Related-Party Transactions (CONTINUED)

The following statement shows the outstanding assets, liabilities, guarantees and commitments as at December 31, 2017, for each group of related parties pursuant to IAS 24:

(Amounts in € thousand)

	AMOUNTS AS AT DECEMBER 31, 2017			% OF CARRYING AMOUNT
	DIRECTORS, BOARD OF STATUTORY AUDITORS AND KEY MANAGEMENT PERSONNEL	OTHER RELATED PARTIES	TOTAL	
Financial assets held for trading	-	30	30	0.28%
Loans and receivables with banks	-	2	2	0.00%
Loans and receivables with customers	16	9,373	9,389	0.44%
Total assets	16	9,405	9,421	0.04%
Deposits from banks	-	637	637	0.07%
Deposits from customers	1,389	38,383	39,772	0.20%
Other liabilities	148	36	184	0.05%
Total liabilities	1,537	39,056	40,593	0.18%
Guarantees given and commitments	-	-	-	-

The following table sets out the impact of transactions with related parties on the main Income Statement items, for each group of related parties.

(Amounts in € thousand)

	INCOME STATEMENT AS AT DECEMBER 31, 2017			% OF CARRYING AMOUNT
	DIRECTORS, BOARD OF STATUTORY AUDITORS AND KEY MANAGEMENT PERSONNEL	OTHER RELATED PARTIES	TOTAL	
Interest income and similar revenues	-	14	14	0.01%
Fee and commission income	4	35,037	35,041	6.57%
Fee and commission expense	-	(354)	(354)	0.13%
Gains (losses) on financial assets and liabilities held for trading	-	(6)	(6)	-0.01%
Other administrative expenses	-	(148)	(148)	0.06%
Other net operating income	29	7	36	0.04%
Total income statement	33	34,550	34,583	

With regard to the category "Directors, Board of Statutory Auditors and Key Management Personnel", in application of the special regulations laid down in Article 136 of Legislative Decree 385/93 (Consolidated Law on Banking), the obligations established for persons that perform administrative, management and control functions pursuant to those regulations were unanimously approved by a resolution of the Board of Directors with the favourable vote of all members of the Board of Statutory Auditors, in accordance with Article 136 of said Consolidated Law on Banking.

The category "Directors, Board of Statutory Auditors and Key Management Personnel" includes their dealings with the Bank (excluding their fees, which are discussed in point 1. *Details of compensation for key management personnel*) and the Parent Company UniCredit, mainly concerning assets for credit card use, liabilities for funds held by them with the Bank and costs and revenues generated from the aforesaid assets and liabilities.

The "other related parties" category includes:

- close family members of key management personnel (i.e., relatives who could be expected to influence, or be influenced by the party involved);
- companies controlled (or jointly controlled) by, or associated with, "key management personnel" or their close family members;
- associates, and their subsidiaries, of the Parent Company UniCredit;
- shareholders, and their subsidiaries, of the Parent Company UniCredit.

Transactions with "Other related parties", mainly refer to:

- assets for credit card use and liabilities for funds held with the Bank or securities lending transactions guaranteed by sums of money;
- assets for current receivables associated with the provision of financial services, mainly referring to fees for the placement of asset management and insurance products;
- costs and revenues generated from the above assets and liabilities, mainly referring to subscription and management fee and commission income related to the placement of asset management and insurance products and insurance premiums.

Amounts as at December 31, 2017 and the income components accrued in 2017 relating to the Parent Company UniCredit and the UniCredit group companies are not included, as they are presented further below.

Transactions with the parent company and other uncredit group companies

(Amounts in € thousand)

TOTAL TRANSACTIONS WITH UNICREDIT GROUP COMPANIES	12.31.2017	% OF CARRYING AMOUNT
Assets	13,839,392	61,95%
Loans and receivables with banks	13,834,737	99,69%
Loans and receivables with customers	15	0,00%
Other assets	4,640	1,47%
Liabilities	838,467	3,75%
Deposits from banks	824,135	89,00%
Hedging derivative liabilities	9,320	73,42%
Other liabilities	5,012	1,48%
Guarantees and commitments	2,381,070	92,24%
Guarantees issued and commitments	2,381,070	92,24%
Income Statement	240,166	
Interest income and similar revenues	196,380	72,80%
Interest expenses and similar charges	2,771	-53,65%
Fee and commission income	62,658	11,75%
Fee and commission expense	(6,527)	2,48%
Fair value adjustments in hedge accounting	(5,951)	n.c.
Gains (losses) from disposal or repurchase	3,951	83,85%
Administrative costs	(13,336)	4,12%
Other net operating income	220	0,24%

The following table summarises transactions with UniCredit group companies as at December 31, 2017. With reference to relations with Pioneer Investment Management SGR S.p.A. and Pioneer Asset Management SA Luxembourg, it should be noted that only the income statement figures accrued up to the companies' exit from the UniCredit Group have been indicated.

(Amounts in € thousand)

COMPANY	ASSETS	LIABILITIES	GUARANTEES AND COMMITMENTS	INCOME STATEMENT
UniCredit S.p.A.	13,838,693	797,362	2,381,070	187,589
Fineco AM Limited	46	-	-	46
UniCredit Bank AG	56	40,348	-	463
UniCredit Bank AG, Milan	-	-	-	237
UniCredit Factoring S.p.A.	-	-	-	10
UniCredit Leasing S.p.A.	-	-	-	3
UniCredit Luxembourg Finance SA	10	-	-	55
UniCredit Business Integrated Solutions S.C.p.A.	572	740	-	(9,882)
Pioneer Investment Management SGR S.p.A.	-	-	-	4,480
Cordusio Società Fiduciaria per Azioni	15	17	-	(1)
Pioneer Asset Management SA Luxembourg	-	-	-	57,166
Total	13,839,392	838,467	2,381,070	240,166

Part H - Related-Party Transactions (CONTINUED)

The following tables contain a breakdown of the items relating to Assets, Liabilities, Guarantees and Commitments, Costs and Revenue for each individual Group company.

Transactions with parent companies

(Amounts in € thousand)

TRANSACTIONS WITH UNICREDIT S.P.A.	12.31.2017
Assets	13,838,693
Loans and receivables with banks	13,834,695
Other assets	3,998
Liabilities	797,362
Deposits from banks	783,786
Hedging derivative liabilities	9,320
Other liabilities	4,256
Guarantees	256,070
Guarantees given	256,070
Commitments	2,125,000
Commitments to lend funds	2,125,000
Income Statement	187,589
Interest income and similar revenues	198,880
Interest expenses and similar charges	2,754
Fee and commission income	236
Fee and commission expense	(6,487)
Fair value adjustments in hedge accounting	(8,493)
Gains (losses) from disposal or repurchase	3,951
Administrative costs	(3,271)
Other net operating income	19

Transactions with subsidiaries controlled exclusively by FinecoBank S.p.A.

(Amounts in € thousand)

TRANSACTIONS WITH FINECO AM LIMITED	12.31.2017
Assets	46
Other assets	46
Income Statement	46
Other net operating income	46

Transactions with companies controlled by UniCredit S.p.A.

(Amounts in € thousand)

TRANSACTIONS WITH UNICREDIT BANK AG	12.31.2017
Assets	56
Loans and receivables with banks	42
Other assets	14
Liabilities	40,348
Deposits from banks	40,348
Income Statement	463
Interest income and similar revenues	99
Interest expenses and similar charges	17
Fee and commission income	357
Fee and commission expense	(10)

(Amounts in € thousand)

TRANSACTIONS WITH UNICREDIT BANK AG, MILAN	12.31.2017
Income Statement	237
Interest income and similar revenues	(2,599)
Fee and commission income	333
Fair value adjustments in hedge accounting	2,542
Administrative costs	(39)

(Amounts in € thousand)

TRANSACTIONS WITH UNICREDIT LEASING S.P.A.	12.31.2017
Income Statement	3
Administrative costs	3

(Amounts in € thousand)

TRANSACTIONS WITH UNICREDIT FACTORING S.P.A.	12.31.2017
Income Statement	10
Administrative costs	10

(Amounts in € thousand)

TRANSACTIONS WITH UNICREDIT LUXEMBOURG FINANCE SA	12.31.2017
Assets	10
Other assets	10
Income Statement	55
Fee and commission income	55

(Amounts in € thousand)

TRANSACTIONS WITH UNICREDIT BUSINESS INTEGRATED SOLUTIONS S.C.P.A.	12.31.2017
Assets	572
Other assets	572
Liabilities	740
Other liabilities	740
Income Statement	(9,882)
Fee and commission income	2
Administrative costs	(10,039)
Other net operating income	155

(Amounts in € thousand)

TRANSACTIONS WITH PIONEER INVESTMENT MANAGEMENT SGR S.P.A.	12.31.2017
Income Statement	4,480
Fee and commission income	4,480

(Amounts in € thousand)

TRANSACTIONS WITH CORDUSIO SOCIETÀ FIDUCIARIA PER AZIONI	12.31.2017
Assets	15
Loans and receivables with customers	15
Liabilities	17
Other liabilities	17
Income Statement	(1)
Fee and commission income	29
Fee and commission expense	(30)

(Amounts in € thousand)

TRANSACTIONS WITH PIONEER ASSET MANAGEMENT SA LUXEMBOURG	12.31.2017
Income Statement	57,166
Fee and commission income	57,166

Part I - Share-based payments

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Part I - Share-based payments

A. QUALITATIVE INFORMATION

1. Description of share-based payments

1.1 Outstanding instruments

The Medium & Long Term Incentive Plans for employees and financial advisors of the Bank include the following types of instruments:

- Equity-Settled Share Based Payments that involve payments settled with shares of the parent UniCredit S.p.A. and of the Bank;
- Cash Settled Share Based Payments that involve payments made in cash²³.

The above categories refer to the allocation of the following instruments:

- **Stock Options** allocated to selected Top & Senior Managers and Key Talents and consisting of rights to subscribe UniCredit shares;
- **Group Executive Incentive Systems** that offers eligible Group Executives a variable remuneration for which payment will be made within a maximum of five years. The beneficiaries receive a payment in cash and/or UniCredit shares, in relation to the achievement of performance conditions (other than marked conditions) stated in the Plan Rules;
- **Group Executive Incentive System (Bonus Pool)**, offering selected Executives and relevant personnel identified on the basis of regulatory requirements, a bonus structure consisting of immediate payments (following performance evaluation) and deferred payments in cash and ordinary UniCredit or FinecoBank shares, over a maximum period of 6 years. This payment structure ensures that bonuses are aligned to shareholders' interests and is subject to malus clauses (which apply in the event that specific profitability, liquidity and capital thresholds are not met at Group and/or at Country/Division level) and clawback clauses (to the extent they are legally applicable) in accordance with the plan rules (both represent vesting conditions other than market conditions);
- **Employee Share Ownership Plan (ESOP - Let's Share)**, which offers eligible Bank employees the possibility to buy UniCredit ordinary shares with the advantage of involving the granting of free ordinary shares ("Free Shares" or rights to receive them) measured on the basis of the shares purchased by each Participant ("Investment Share") during the "Enrolment Period". The granting of free ordinary shares is subordinated to vesting conditions stated in the Plan Rules;
- **Stock granting for employees** that grants the free allocation of FinecoBank shares to beneficiaries belonging to the category of Key management personnel ("*2014-2017 Multi-year Plan Top Management*"). Shares will be allocated to the beneficiaries in 4 yearly tranches starting from 2017. The plan is subject to access conditions (profitability and capital thresholds) and clawback clauses (as legally applicable) in accordance with its rules.
- **Stock granting for personal financial advisors** offering the allocation of free shares of FinecoBank to the network's personal financial advisors, subject to the achievement by the Bank's entire PFA network of a set net sales target for the year 2014 ("*2014 PFA Plan*") and for the three-year period 2015-2017 ("*2015-2017 PFA Plan*"). The shares will be allocated to the respective beneficiaries in 3 annual instalments from 2015, under the "*2014 PFA Plan*" and from 2018 under the "*2015-2017 PFA Plan*". The plans are subject to access conditions (profitability and capital thresholds) and clawback clauses (as legally applicable) in accordance with the plan rules.
- **Group Incentive System 2015 PFA**, offering selected financial advisors, identified as key personnel in accordance with regulatory requirements, an incentive system consisting of immediate cash payments (following performance evaluation) and deferred payments and the allocation of Phantom Shares, over a period of 5 years. This payment structure ensures that bonuses are aligned to shareholders' interests and is subject to malus clauses (which apply in the event that specific profitability, liquidity and capital thresholds are not met at Group and/or at Country/Division level) and clawback clauses (to the extent they are legally applicable) in accordance with the plan rules (both vesting conditions other than market conditions);
- **PFA Systems**, offering selected financial advisors, identified as key personnel in accordance with regulatory requirements, incentive systems consisting of immediate cash payments (following performance evaluation) and deferred payments, in cash and FinecoBank ordinary shares, over a period of 5 years. This payment structure ensures that bonuses are aligned to shareholders' interests and is subject to malus clauses (which apply in the event that specific profitability, liquidity and capital thresholds are not met at Group and/or FinecoBank level) and clawback clauses (to the extent they are legally applicable) in accordance with the plan rules (both vesting conditions other than market conditions).

Shares for employee incentive plans envisaging the allocation of FinecoBank shares will be issued through free capital increases in accordance with Article 2349 of the Italian Civil Code.

The financial instruments for incentive plans for the Bank's financial advisors involving the allocation of FinecoBank shares will be obtained through market purchases in implementation of the authorisation of the Bank Shareholders' Meeting pursuant to Article 2357 of the Italian Civil Code and of the Supervisory Authority.

23. Commensurate to the economic value of FinecoBank S.p.A.'s equity instruments.

It should also be noted that, in line with the provisions of amendment VII to the Circular 285 of the Bank of Italy of November 19, 2014 (Remuneration and bonus policies and practices), a specific policy ("Severance") was approved by the Shareholders' Meeting in 2017, updating the original document approved in 2015. When severance payments are made to Key Personnel, they may be subject to deferred payment mechanisms, in cash and shares, for the portion exceeding the indemnity in lieu of statutory notice and/or notice required under a collective agreement, similarly to the management of the variable compensation of this category of employees, in line with the regulations in force from time to time. As at December 31, 2017, no severance had been paid to Key Personnel.

1.2 Measurement model

1.2.1 Stock Options

The Hull and White Evaluation Model has been adopted to measure the economic value of Stock Options.

This model is based on a trinomial tree price distribution using the Boyle's algorithm and estimates the early exercise probability on the basis of a deterministic model connected to:

- reaching a Market Share Value equal to an exercise price-multiple (M);
- probability of beneficiaries' early exit (E) after the end of the Vesting Period.

The income statement and balance sheet effects are recognised during the vesting period of the instruments.

No new Stock Option Plans were granted in 2017.

1.2.2 Group Executive Incentive System

The amount of the incentive is determined on the basis of the achievement of quantitative and qualitative goals stated by the plan. In particular, the overall evaluation is expressed as a percentage, from a minimum of 0% to a maximum of 150% (non market vesting conditions). This percentage, adjusted by the application of a risk/opportunity factor - Group Gate - at first payment and multiplied by the incentive, determines the actual amount that will be paid to the beneficiary.

The balance-sheet and income statement effects are spread according to the term of the Plans.

1.2.2.1 Group Executive Incentive System (Bonus Pool)

The economic value of the shares granted is measured considering the share market price at the grant date less the present value of future dividends during the vesting period.

The plan is divided into clusters, each of which may include two to three deferred share-based payment instalments according to the period defined by the plan rules.

The profit and loss and net equity effects are recognised on the basis of the instruments' vesting period.

1.2.2.2 Group Executive Incentive System 2016 (Bonus Pool)

The economic value of the shares granted is measured considering the share market price at the grant date less the present value of future dividends during the vesting period.

The plan is divided into three deferred share-based payment instalments according to the period defined by the plan rules.

	FINECOBANK SHARES GRANTED			
	GROUP EXECUTIVE INCENTIVE SYSTEM 2016 (BONUS POOL)			
	2019 INSTALMENT	2020 INSTALMENT	2021 INSTALMENT	2022 INSTALMENT
Bonus Opportunity Economic Value Grant Date	12-Jan-16	12-Jan-16	12-Jan-16	12-Jan-16
Number of Shares - Date of Board resolution	07-Feb-17	07-Feb-17	07-Feb-17	07-Feb-17
Vesting Period Start Date	01-Jan-16	01-Jan-16	01-Jan-16	01-Jan-16
Vesting Period End Date	31-Dec-16	31-Dec-18	31-Dec-19	31-Dec-20
FinecoBank Share Market Price [€]	5.53	5.53	5.53	5.53
Average Economic Value of Vesting conditions [€]	-0.539	-0.819	-1.116	-1.692
Performance Shares value per share at Grant Date [€]	4.991	4.711	4.414	3.838

The plan was allocated in 2016 and the income statement and balance sheet effects will be recognised during the vesting period of the instruments.

1.2.2.3 Group Executive Incentive System 2017 (Bonus Pool)

The new 2017 incentive system is based on a bonus pool approach, in line with regulatory requirements and market practices; this approach sets out:

- the system's sustainability, by linking it directly to business results and aligning it to relevant risk categories through specific indicators that reflect the risk appetite framework;
- the link between the bonus and the organisational structure, the bonus pool being defined at Bank level and further reviewed at Group level;
- the allocation of bonuses to beneficiaries identified as Executives and other key personnel on the basis of criteria laid down in the Regulation of the European Banking Authority (EBA), and to other specific roles, based on local regulatory requirements;

Part I - Share-based payments (CONTINUED)

- a structure of payments spread over a period of up to 6 years and consisting of a mix of cash and shares, aligned with the latest regulatory requirements as set out in Directive 2013/36/EU (CRD IV).

The plan was assigned during the current year and the income statement and balance sheet effects will be recognised during the vesting period of the instruments.

1.2.3 Employee Share Ownership Plan (Let's Share Plan 2017)

The following table shows the parameters used in relation to free shares (or rights to receive them) connected to the "Employee Share Ownership Plan" approved in 2016.

Measurement of Free Shares ESOP 2017

	FREE SHARES
Grant Date for Free Shares to employees	31-Jul-17
Vesting Period Start Date	31-Jul-17
Vesting Period End Date	31-Jul-18
Free Shares Fair Value per unit [€]	17.00

All income statement and balance sheet effects related to free shares are booked during the vesting period (except adjustments, according to Plan Rules, that will be booked during the next closing after vesting period).

Let's Share for 2017 is a involving the use of the shares to be procured on the market. To this end, Participants delegate a broker to purchase the shares to be deposited on an account opened in their name.

1.2.4 Stock granting for employees

The economic value of the shares granted is measured considering the share market price at the grant date less the present value of future dividends during the vesting period.

1.2.4.1 2014 - 2017 Multi-year - Top management Plan

The plan offers the allocation of free shares of FinecoBank to beneficiaries belonging to the Top Management with strategic responsibilities. The shares will be allocated to the respective beneficiaries, once the vesting period has elapsed and satisfaction of the conditions has been verified, in 4 annual tranches, starting in 2017.

	SHARES GRANTED			
	TOP MANAGEMENT			
	FIRST INSTALMENT 2017	SECOND INSTALMENT 2018	THIRD INSTALMENT 2019	FOURTH INSTALMENT 2020
Bonus Opportunity Economic Value - (Grant Date)	02-Jul-14	02-Jul-14	02-Jul-14	02-Jul-14
Number of Shares - Date of Board resolution	15-Jul-14	09-Feb-15	08-Feb-16	07-Feb-17
Vesting Period Start Date	02-Jul-14	02-Jul-14	02-Jul-14	02-Jul-14
Vesting Period End Date	31-Dec-16	31-Dec-17	31-Dec-18	31-Dec-19
FinecoBank Share Market Price [€]	3.700	4.725	6.966	5.53
Average Economic Value of Vesting conditions [€]	-0.269	-0.590	-0.797	-0.826
Performance Shares value per share at Grant Date [€]	3.431	4.135	6.169	4.704

The plan was allocated in 2014 and the income statement and balance sheet effects will be recognised during the vesting period of the instruments.

1.2.5 Stock granting for PFAs

The economic value of the shares granted is measured considering the share market price at the grant date less the present value of future dividends during the vesting period.

1.2.5.1 2014 PFA Plan

The amount of the incentive was determined on the basis of the achievement of the goals stated by the plan, subject to the Bank's entire PFA network meeting their net sales targets in 2014.

The plan helps align the interests of beneficiaries, shareholders and other stakeholders and implement effective remuneration practices, in accordance with the applicable legislative and regulatory framework. The plan is subject to verification that the conditions established by the plan rules are satisfied. The plan was allocated in 2014 and the income statement and balance sheet effects will be recognised during the vesting period of the instruments.

On July 9, 2015, the Board of Directors resolved to settle the PFAs rights to the first tranche of the bonus in cash, instead of the allocation of FinecoBank ordinary shares, with a payment in cash corresponding to a third of the bonus consideration, made on July, 2015.

1.2.5.1 2015 - 2017 PFA Plan

The amount of the incentive will be determined on the basis of the achievement of the goals stated by the plan, subject to the Bank's entire financial advisors network meeting their cumulative net sales targets for the three-year period 2015-2017.

The plan helps align the interests of beneficiaries, shareholders and other stakeholders and implement effective remuneration practices, in accordance with the applicable legislative and regulatory framework. The plan is subject to verification that the conditions established by the plan rules are satisfied. The plan was allocated in 2014 and the income statement and balance sheet effects will be recognised during the vesting period of the instruments.

1.2.6 Group Incentive System 2015 PFA

The amount of the incentive is determined on the basis of the achievement of the goals stated by the plan.

The balance-sheet and income statement effects are spread across the term of the Plan.

The economic value of the phantom shares allocated corresponds to the market price of the FinecoBank shares.

The plan was allocated in 2015 and the income statement and balance sheet effects will be recognised during the vesting period of the instruments.

1.2.7 2016 PFA Incentive System

The 2016 incentive system is based on a bonus pool approach, in line with regulatory requirements and market practices; this approach sets out:

- the system's sustainability, by linking it directly to business results and aligning it to relevant risk categories through specific indicators that reflect the risk appetite framework;
- the link between the bonus and the organisational structure, the bonus pool being defined at Bank level and further reviewed at Group level;
- the allocation of bonuses to beneficiaries identified as key personnel based on criteria laid down in the Regulation of the European Banking Authority (EBA), and to other specific roles, based on local regulatory requirements;
- a structure of payments spread over a period of up to 5 years and consisting of a mix of cash and shares, aligned with the latest regulatory requirements as set out in Directive 2013/36/EU (CRD IV).

The plan was assigned during the previous financial year and the income statement and balance sheet effects will be recognised during the vesting period of the instruments.

	SHARES GRANTED		
	2016 PFA INCENTIVE SYSTEM		
	2019 INSTALMENT	2020 INSTALMENT	2021 INSTALMENT
Bonus Opportunity Economic Value Grant Date	12-Jan-16	12-Jan-16	12-Jan-16
Number of Shares - Date of Board resolution	07-Feb-17	07-Feb-17	07-Feb-17
Vesting Period Start Date	01-Jan-16	01-Jan-16	01-Jan-16
Vesting Period End Date	31-Dec-16	31-Dec-18	31-Dec-19
FinecoBank Share Market Price [€]	5.53	5.53	5.53
Average Economic Value of Vesting conditions [€]	-0.539	-0.819	-1.116
Performance Shares value per share at Grant Date [€]	4.991	4.711	4.414

1.2.8 2017 PFA Incentive System

The new 2017 incentive system is based on a bonus pool approach, in line with regulatory requirements and market practices; this approach sets out:

- the system's sustainability, by linking it directly to business results and aligning it to relevant risk categories through specific indicators that reflect the risk appetite framework;
- the link between the bonus and the organisational structure, the bonus pool being defined at Bank level and further reviewed at Group level;
- the allocation of bonuses to beneficiaries identified as key personnel based on criteria laid down in the Regulation of the European Banking Authority (EBA), and to other specific roles, based on local regulatory requirements;
- a structure of payments spread over a period of up to 5 years and consisting of a mix of cash and shares, aligned with the latest regulatory requirements as set out in Directive 2013/36/EU (CRD IV).

The plan was assigned during the current year and the income statement and balance sheet effects will be recognised during the vesting period of the instruments.

Part I - Share-based payments (CONTINUED)

B. QUANTITATIVE INFORMATION**1. Annual changes**

ITEMS/NUMBER OF OPTIONS AND EXERCISE PRICE	12.31.2017			12.31.2016		
	NUMBER OF OPTIONS	AVERAGE EXERCISE PRICE	AVERAGE MATURITY	NUMBER OF OPTIONS	AVERAGE EXERCISE PRICE	AVERAGE MATURITY
A. Opening balance	2,937,685	-	nov-17	3,346,584	-	mar-17
B. Increases	632,553	-	X	591,083	-	X
B.1 New issues	632,553	-	jan-20	591,083	-	jan-19
B.2 Other increases	-	-	X	-	-	X
C. Decreases	(1,598,253)	-	X	(999,982)	-	X
C.1 Cancelled	(4,897)	-	X	(15,770)	-	X
C.2 Exercised	(1,593,356)	-	X	(984,212)	-	X
C.3 Expired	-	-	X	-	-	X
C.4 Other changes	-	-	X	-	-	X
D. Closing balance	1,971,985	-	jan-19	2,937,685	-	nov-17
E. Vesting options at the end of the period	718,153	-	X	907,909	-	X

The number of shares specified in the above table only refers to plans for which the number of shares allotted to individual beneficiaries has already been defined. The average prices for the year have not been stated because only freely allocated shares were involved.

2. Other information**Effects on Profit and Loss**

The income statement and balance-sheet effects of the incentive systems based on FinecoBank and UniCredit shares are shown below, except for the balance of the reserve related to equity-settled plans.

The income statement impact is determined each year based on the vesting period of the instruments.

Financial statement presentation related to payments based on shares of FinecoBank and of the Parent Company UniCredit (Amounts in € thousand)

	12.31.2017		12.31.2016	
	TOTAL	VESTED PLANS	TOTAL	VESTED PLANS
Costs	8,275		10,573	
- connected to Equity Settled Plans	8,109		10,623	
- connected to Cash Settled Plans	166		(50)	
Sums paid to UniCredit S.p.A. for vested plans		231		1,653
Payable due to UniCredit S.p.A.	573		757	
Payable due to personal financial advisors for Cash Settled plans	365		199	

Please note that the charges relating to Equity Settled Plans were recognised as Administrative costs - Staff expenses with respect to the plans granted to employees and as Administrative costs or Fee and commission expense with regard to plans granted to personal financial advisors. Charges relating to Cash Settled Plans granted to financial advisors have been recognised as Fee and commission expense.

Part L - Segment reporting

Segment reporting information is not provided as the Bank's particular business model provides for a high level of integration among its different activities. The Bank offers its services (banking and investment services) through a network of personal financial advisors and online and mobile channels, that operate in a coordinated and integrated manner. The fully-comprehensive nature of the services offered allows the Bank to act as a one-stop solution for customers' banking and investment requirements.

This strategy, which is strongly anchored to the customer, means that revenues and margins relative to various products/services (investing, banking and brokerage) are highly interdependent on each other.

This integration approach has also inspired top management in setting company targets and identifying the means to achieve them.

As regards information on revenues from customers by product/service, in view of the above, reference should be made to information in Part C - Information on the income statement of these notes to the accounts.

FinecoBank mainly targets retail customers in Italy, as the impact of operations in the UK is still immaterial; information concerning geographic segments and the degree of dependency on main customers is therefore considered by top management as not being of material importance for information purposes, and is not therefore disclosed.

Attachment 1 - Reconciliation of condensed accounts to mandatory reporting schedule

(Amounts in € thousand)

ASSETS	AMOUNTS AS AT	
	12.31.2017	12.31.2016
Cash and cash balances = <i>item 10</i>	613	5
Financial assets held for trading = <i>item 20</i>	10,879	6,044
Loans and receivables with banks = <i>item 60</i>	13,877,651	15,735,540
Loans and receivables with customers = <i>item 70</i>	2,129,219	1,016,798
Financial investments flow	5,874,579	3,757,529
40. Available-for-sale financial assets	1,047,689	1,319,752
50. Held to Maturity Investments	4,826,390	2,437,777
100. Equity investments	500	-
Hedging instruments	10,048	9,211
80. Hedging derivatives	458	552
90. Changes in fair value of portfolio hedged financial assets	9,590	8,659
Property, plant and equipment = <i>item 110</i>	15,205	14,451
Goodwill = <i>item 120. Intangible assets of which: goodwill</i>	89,602	89,602
Other intangible assets = <i>item 120 net of goodwill</i>	7,909	7,731
Tax assets = <i>item 130</i>	9,226	13,165
Other assets = <i>item 150</i>	315,460	336,300
Total assets	22,340,391	20,986,376

(Amounts in € thousand)

LIABILITIES AND SHAREHOLDERS' EQUITY	AMOUNTS AS AT	
	12.31.2017	12.31.2016
Deposits from banks = <i>item 10</i>	926,001	1,111,106
Deposits from customers	20,205,036	18,801,073
20. Deposits from customers	20,205,036	18,801,073
Financial liabilities held for trading = <i>item 40</i>	2,617	2,626
Hedging instruments	8,922	11,371
60. Hedging derivatives	12,694	10,914
70. Changes in fair value of portfolio hedged financial assets	(3,772)	457
Provisions for risks and charges = <i>item 120</i>	112,414	111,756
Tax liabilities = <i>item 80</i>	10,234	10,048
Other liabilities	343,177	257,097
100. Other liabilities	338,178	251,844
110. Provisions for employee severance pay	4,999	5,253
Shareholders' Equity	731,990	681,299
- capital and reserves	526,046	476,249
160. Reserves	323,932	278,407
170. Share premium reserve	1,934	1,934
180. Share capital	200,545	200,246
190. Treasury Shares	(365)	(4,338)
- revaluation reserves	(8,340)	(6,794)
130. Revaluation reserves of which: Available-for-sale financial assets	1,472	(455)
130. Revaluation reserves for actuarial net gains (losses) for defined benefit plans	(9,812)	(6,339)
- net profit = <i>item 200</i>	214,284	211,844
Total liabilities and shareholders' equity	22,340,391	20,986,376

(Amounts in € thousand)

INCOME STATEMENT	YEAR	
	2017	2016
Net interest	264,581	249,388
30. Net interest margin	264,581	249,388
Dividends and other income from equity investments	29	6
70. Dividend income and similar revenue	54	19
less: dividends from held-for-trading equity instruments included in item 70	(26)	(13)
Net fee and commission income = item 60	270,083	242,881
60. Net fee and commission income	270,083	242,881
Net trading, hedging and fair value income	48,219	69,054
80. Gains (losses) on financial assets and liabilities held for trading	47,413	48,590
+ dividends from held-for-trading equity instruments (from item 70)	26	13
90. Fair value adjustments in hedge accounting	19	69
100. Gains (losses) on disposal or repurchase of: b) available-for-sale financial assets	761	20,382
Net other expenses/income	3,806	(2,211)
190. Other operating expenses/income	90,351	79,458
less: other operating income - of which: recovery of expenses	(93,369)	(85,395)
less: adjustments of leasehold improvements	2,873	3,726
100. Gains (losses) on disposal or repurchase of: a) loans and receivables	3,951	-
OPERATING INCOME	586,718	559,118
Payroll costs	(79,260)	(73,698)
150. Administrative expenses - a) payroll costs	(78,852)	(79,201)
less: integration costs	(408)	5,503
Other administrative expenses	(236,839)	(228,119)
150. Administrative expenses- b) other administrative expenses	(244,532)	(235,007)
+ adjustments of leasehold improvements	(2,873)	(3,726)
- ex-ante contributions to the Single Resolution Fund (SRF) Deposit Guarantee Systems (DGS)	10,566	10,614
Recovery of expenses	93,369	85,395
190. Other operating expenses/income - of which: recovery of expenses	93,369	85,395
Impairment/write-backs on intangible and tangible assets	(10,369)	(9,952)
170. Impairment/write-backs on property, plant and equipment	(5,569)	(4,853)
180. Impairment/write-backs on intangible assets	(4,800)	(5,099)
Operating costs	(233,099)	(226,374)
OPERATING PROFIT (LOSS)	353,619	332,744
Net impairment losses on loans and provisions for guaranteed and commitments	(5,151)	(4,199)
130. Impairment losses/writebacks on: a) loans and receivables	(5,158)	(4,206)
130. Impairment losses/writebacks on: d) other financial assets	7	1,423
less: net value adjustments for the impairment of other financial assets - contribution to the Interbank Fund for the Protection of Deposits	-	(1,416)
NET OPERATING PROFIT (LOSS)	348,468	328,545
Provisions for risks and charges	(19,025)	(9,981)
160. Net provisions for risks and charges	(8,459)	(783)
+ ex-ante contributions to the Single Resolution Fund (SRF) Deposit Guarantee Systems (DGS)	(10,566)	(10,614)
+ net value adjustments for the impairment of other financial assets - contribution to the National Interbank Deposit Guarantee Fund	-	1,416
Integration costs	408	(5,503)
Net income from investments	(13,399)	(6,724)
130. Impairment losses/writebacks on: b) available-for-sale financial assets	(12,891)	(6,724)
240. Gains (losses) on disposal of investments	(508)	-
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	316,452	306,337
Income tax for the period	(102,168)	(94,493)
260. Income tax for the period	(102,168)	(94,493)
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	214,284	211,844
PROFIT (LOSS) FOR THE YEAR	214,284	211,844

The Certification of the Annual Financial Statements pursuant to Article 81-ter of Consob Regulation no. 11971 of May 14, 1999 and subsequent amendments

The Certification of the Annual Financial Statements pursuant to Article 81-ter of Consob Regulation no. 11971 of May 14, 1999 and subsequent amendments

1. The undersigned, Alessandro Foti, as Managing Director and General Manager of FinecoBank S.p.A., and Lorena Pellicciari, as Nominated Official in charge of drawing up company accounts of FinecoBank S.p.A, taking into account the provisions of Article 154-bis, par. 3 and 4 of Legislative Decree 58 of February 24, 1998, do hereby certify:

- the adequacy in relation to the Company's features and
- the actual application

of the administrative and accounting procedures used in the preparation of the financial statements for the year ended December 31, 2017.

2. The adequacy of the administrative and accounting procedures employed to draw up the financial statements for the year has been evaluated by applying a model defined by the UniCredit Group, in accordance with the "Internal Control - Integrated Framework (CoSO)" and the "Control Objective for IT and Related Technologies (Cobit)", which are international commonly accepted standards for the internal control system and for financial reporting.

3. The undersigned also certify that:

3.1 The Annual Report and Accounts:

- a) were prepared in compliance with applicable international accounting standards recognised by the European Community pursuant to European Parliament and Council Regulation 1606/2002 of July 19, 2002;
- b) correspond to the results of the books and accounting records;
- c) are suitable to provide an accurate representation of the financial position and performance of the issuer;

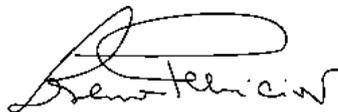
3.2. The Report on operations contains a reliable operating and financial review of the issuer, as well as the description of its exposure to the main risks and uncertainties.

Milan, February 6, 2018

FinecoBank S.p.A.
The Chief Executive Officer and
General Manager
Alessandro Foti



FinecoBank S.p.A.
The Manager Responsible for Preparing
the Company's Financial Reports
Lorena Pellicciari



Report of the External Auditors

**INDEPENDENT AUDITOR'S REPORT PURSUANT TO ARTICLE 14
OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010
AND ARTICLE 10 OF THE EU REGULATION 537/2014**

**To the Shareholders of
FinecoBank Banca Fineco S.p.A.**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of FinecoBank Banca Fineco S.p.A. (the "Bank"), which comprise the balance sheet as at December 31, 2017, the income statement, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and the related explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of FinecoBank Banca Fineco S.p.A. as at December 31, 2017 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05 and to art. 43 of Italian Legislative Decree no. 136/15.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Bank in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<p>Key audit matters – <i>Estimate of provisions for risks and charges related to legal disputes</i></p>	<p>Audit procedures in response to the key audit matters</p>
<p>Item 120 "Provisions for risks and charges" of the balance sheet - liabilities of the financial statements as at December 31, 2017 includes provisions for legal disputes amounting to Euro 31 million related to complaints and disputes for damage to customers arising from the unlawful behavior of the Bank's personal financial advisors, pending disputes with personal financial advisors and other ongoing court and out-of-court litigations with customers in relation to the normal banking activity. In addition to the court costs to be borne by the Bank in the event of an adverse conclusion of the dispute, these provisions include an estimate of the expenses to be paid to lawyers, technical advisors and/or experts who assist the Bank in the disputes, to the extent that it is believed that they will not be reimbursed by the counterparties.</p> <p>In Part E – <i>Information on Risks and Hedging Policies - Section 4 – Operational Risks</i>, paragraph "Risks arising from significant legal disputes" of the explanatory notes, the Directors point out that, in relation to the pending legal proceedings against the Bank, which are individually irrelevant, there is considerable uncertainty about the possible outcome and the extent of the possible charge that the Bank could incur; where it is possible to reliably estimate the amount of charges and the charges themselves are considered probable, provisions have been made to the extent deemed appropriate given the specific circumstances and in accordance with the international accounting standards, making the best possible estimate of the amount that reasonably the Bank will have to pay to settle its obligations. With reference to the legal expenses, the estimate was determined by the Bank, in relation to the current disputes, based on the analysis of the historical trend of legal expenses incurred, by type of litigation and degree of judgment.</p> <p>Paragraph "Risks and uncertainties related to the use of estimates" of Part A – <i>Accounting Policies, A. 1 – General, Section 4 – Other matters</i> of the explanatory notes, contains information on the subjectivity and complexity of the estimation process adopted to support the carrying amount of</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> • analysis and understanding of the relevant controls implemented by the Bank, at the various levels of its organization, in order to identify, manage and monitor complaints from customers and legal disputes with them arising from the banking operations and the activity of the Bank's personal financial advisors; • analysis and understanding of the process adopted by the Management – criteria, methods and assumptions – in estimating provisions, including provisions for the expected future costs related to the activity of lawyers appointed by the Bank; • periodic meetings with the heads of the Bank's legal department for analysis and discussion of the status of litigations and complaints; • analysis of the relevant documentation, including the register of complaints and reports prepared by control functions of the Bank; • obtaining and examining responses to requests for information to the lawyers appointed by the Bank; • verification, for a selection of disputes and complaints and on the basis of the data and information available gathered as a result of the above procedures, of the appropriateness of the related provision; • verification of the appropriateness of the provision for legal expenses through the analysis of the reasonableness and appropriateness of the criteria, assumptions and parameters adopted, as well as the verification of the accuracy and completeness of the data used for the estimates. <p>Lastly, we verified the adequacy and compliance of the disclosures provided in the explanatory notes with respect to the requirements of the relevant accounting standards.</p>

<p>some items subject to evaluation. For some of them, including provisions for risks and charges, the complexity and the subjectivity of the estimates are affected by the articulation of the assumptions, the number and variability of the information available and the uncertainties regarding the final future outcomes of proceedings and disputes.</p> <p>Given the number of complaints and disputes, albeit physiological with respect to the Bank's typical operations, the uncertainties related to their outcome and the complexity and articulation of the estimation process, we considered the estimate of provisions for risks and charges for legal disputes as a key audit matter of the financial statements of FinecoBank Banca Fineco S.p.A. as at December 31, 2017.</p>	
<p>Key audit matters – Disbursement, classification and evaluation of loans to customers</p>	<p>Audit procedures in response to the key audit matters</p>
<p>As represented in the explanatory notes, Part B – <i>Balance Sheet</i> and in the report on operations, as at December 31, 2017 loans to customers of FinecoBank Banca Fineco S.p.A. amount to Euro 2,129 million (net book value, including Euro 24.3 million of non-performing loans net of impairment losses of Euro 21.5 million).</p> <p>As part of this item, the loans portfolio with ordinary customers, consisting mainly of personal loans, mortgages, current accounts and credit cards, shows an overall increase of 121.1% compared to the previous year, also in relation to the disbursement, in 2017, of Euro 521 million of mortgages.</p> <p>During the year ended December 31, 2017, credit activity has been characterized by the expansion of the offer of credit products, especially through the offer of mortgage loans, a business launched by the Bank at the end of 2016. The disbursement mainly concerned loans for the purchase of first and second home (including subrogation), as well as <i>home-secured</i> loans and, on a residual basis, mortgages on non-residential properties.</p> <p>Part A – <i>Accounting Policies</i> of the explanatory notes includes the description of the processes for the classification and evaluation of credit exposures for which the Bank refers to the sector regulations, supplemented by the internal</p>	<p>We have preliminarily acquired a knowledge of the credit process which included, in particular, the understanding of the organizational and procedural safeguards established by the Bank's internal regulations and implemented by the Bank itself with reference to:</p> <ul style="list-style-type: none"> • assessment of creditworthiness in order to grant the credit; • measurement and monitoring of credit quality; • classification and evaluation of credit exposures in compliance with the sector regulations and in accordance with applicable accounting standards. <p>This activity included the verification of the implementation of the corresponding Bank processes and related procedures, as well as the operational effectiveness of the relevant controls regarding the credit grant and disbursement process.</p> <p>The audit procedures performed included, among others, the following:</p> <ul style="list-style-type: none"> • analysis and understanding of the IT systems and applications used, also with the support of IT experts belonging to our network; • obtaining and examining responses to requests of confirmations to the customers;

<p>provisions governing the classification and transfer rules within the various risk categories and evaluation methods. Part E - <i>Information on Risks and Hedging Policies</i> also illustrates the credit risk management policies.</p> <p>Considering the significance of the amount of loans to customers recorded in the financial statements, the complexity of systems of measurement, management and control of credit risk adopted by the Bank, both in the grant phase and subsequently, which involve an articulated classification activity of credit exposures and an evaluation process characterized by a relevant discretionary component, we have considered loans to customers, with particular reference to the mortgages due to their significant increase during the year, as a key audit matter of the financial statements of FinecoBank Banca Fineco S.p.A. as at December 31, 2017.</p>	<ul style="list-style-type: none"> • obtaining and analysis of the monitoring reports prepared by competent Bank departments and organizational units involved; • as regard performing loans, verification, on a sample basis, of the classification in accordance with the sector regulations and examination of the reasonableness of the evaluation criteria and of the assumptions adopted by the Bank in determining the impairment losses for each class of credit; • as regard non-performing loans, verification on a sample basis of the classification and of the related evaluation in compliance with the sector regulations and the applicable accounting standards. <p>Lastly, we verified the adequacy and compliance of the disclosures provided in the explanatory notes with respect to the requirements of the applicable accounting standards and the relevant legislation.</p>
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Responsibilities of the Directors and the Board of Statutory Auditors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05 and to art. 43 of Italian Legislative Decree no. 136/15 and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Bank’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Bank or the termination of the business or have no realistic alternative to such choices.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the Bank’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence applicable in Italy, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report.

Other information communicated pursuant to art. 10 of the EU Regulation 537/2014

The Shareholders' Meeting of FinecoBank Banca Fineco S.p.A. has appointed us on April 16, 2013 as auditors of the Bank for the years from December 31, 2013 to December 31, 2021.

We declare that we have not provided prohibited non-audit services referred to in art. 5 (1) of EU Regulation 537/2014 and that we have remained independent of the Bank in conducting the audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to the Board of Statutory Auditors, in its role of Audit Committee, referred to in art. 11 of the said Regulation.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinion pursuant to art. 14, paragraph 2 (e), of Legislative Decree 39/10 and art. 123-bis, paragraph 4, of Legislative Decree 58/98

The Directors of FinecoBank Banca Fineco S.p.A. are responsible for the preparation of the report on operations and the report on corporate governance and ownership structure of the Bank as at December 31, 2017, including their consistency with the related financial statements and their compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to express an opinion on the consistency of the report on operations and some specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, paragraph 4 of Legislative Decree 58/98 with the financial statements of FinecoBank Banca Fineco S.p.A. as at December 31, 2017 and on their compliance with the law, as well as to make a statement about any material misstatement.

In our opinion, the above-mentioned report on operations and some specific information contained in the report on corporate governance and ownership structure are consistent with the financial statements of FinecoBank Banca Fineco S.p.A. as at December 31, 2017 and are prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2 (e), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the company and of the related context acquired during the audit, we have nothing to report.

DELOITTE & TOUCHE S.p.A.

Signed by
Paolo Gibello Ribatto
Partner

Milan, Italy
March 15, 2018

This report has been translated into the English language solely for the convenience of international readers.

Report of the Board of Statutory Auditors

Report of the Board of Statutory Auditors

Dear Shareholders,

pursuant to Art. 2429, paragraph 2, of Italian Civil Code and Art. 153 of Italian Legislative Decree no. 58 of February 24, 1998 (TUF), the Board of Statutory Auditors (the "Board") of FinecoBank S.p.A. ("Finecobank" or the "Bank") reports on the supervisory activity carried out during the year ended December 31, 2017.

During 2017, the Board of Statutory Auditors performed its institutional duties in compliance with the Italian Civil Code, Italian Legislative Decree no. 385/1993 (TUB), no. 58/1998 (TUF) and no. 39/2010 (Consolidated Law on Auditing), with the company Bylaws and the rules issued by the Bodies that exercise supervisory and control activities, also taking into consideration the Rules of Conduct of the Board of Statutory Auditors issued by the National Board of Accountants and Accounting Experts.

Also in compliance with the indications expressed by CONSOB, provided with communication no. DEM/ 1025564 of April 6, 2001, we specify the following.

Administrative Body - Appointment, term of office and operation

The Board of Directors in office at the date of this Report was appointed by the Ordinary Shareholders' Meeting of FinecoBank on April 11, 2017 and shall remain in office until the next Shareholders' Meeting held to approve the Financial Statements at December 31, 2019.

On December 15, 2017 (regarding non-executive Directors) and January 3, 2018 (regarding the Chairman and the Chief Executive Officer), the Bank received the decision of the European Central Bank on the suitability of the members of the administrative body.

It should be noted that, pursuant to the applicable regulations and the Corporate Governance Code of listed companies, on February 6, 2018 the Board of Directors, with the favorable opinion of the Appointments and Sustainability Committee, carried out the annual assessment on the independence requirements applicable to the majority of Directors, with the findings listed in the Report on Corporate Governance and Ownership Structures, as well as on ongoing compliance with the requirements of integrity, professionalism and the ban on interlocking. The Board of Statutory Auditors verified the correct implementation of the criteria and procedures used by the Board of Directors to assess the independence of its members.

Board of Statutory Auditors - Appointment, term of office and operation

The Board of Statutory Auditors in office at the date of this Report was appointed by the FinecoBank Shareholders' Meeting of April 11, 2017 and will remain in office until the Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2019.

On September 4, 2017, Mr Stefano Fiorini resigned from the position of Chairman of the Board of Statutory Auditors and, pursuant to the law and the company Bylaws, the Alternate Auditor Mrs Elena Spagnol took office on the same date as Statutory Auditor and Chairman of the Board of Statutory Auditors, up to the present Shareholders' Meeting called to approve the financial statements at December 31, 2017. The Shareholders' Meeting is therefore invited to proceed with completing the composition of the Board of Statutory Auditors by appointing a Statutory Auditor who will lapse together with the members of the Board in office and, where necessary, a new Alternate Auditor.

Lastly, at the meeting held on January 30, 2018, the Board of Statutory Auditors assessed the independence of its members, in addition to meeting legal and statutory requirements and the absence of impediments pursuant to article 36 of Italian Legislative Decree no. 201/2011.

In compliance with the requirements of the Supervisory Bodies, in particular of Circular 285/2013 of the Bank of Italy and the Regulation of the Corporate Bodies of the Bank, the Board of Statutory Auditors carried out a self-assessment on its composition and operation.

During the year, the Board met thirty times and took part in one Shareholder's Meeting, fourteen meetings of the Board of Directors and twelve meetings of the Risk and Related Party Committee. Furthermore, at least one Statutory Auditor participated in the eleven meetings of the Remuneration Committee and eight meetings of the Appointments and Sustainability Committee.

The Company's compliance with the Corporate Governance Code and its actual implementation

FinecoBank complies with the Corporate Governance Code for listed companies ("Code") and, as required by the Code, within the Board of Directors, the Appointments and Sustainability Committee, the Remuneration Committee and the Risk and Related Party Committee perform advisory, consultative and coordination functions. The Committees consist of independent non-executive Directors. The Appointments Committee was also assigned the supervisory functions on sustainability issues with the Board of Directors' resolution of March 1, 2018.

The Board of Statutory Auditors ascertained the correct implementation of corporate governance regulations laid down in the aforementioned Corporate Governance Code.

Parent Company's direction and coordination activity.

As part of the UniCredit Group, FinecoBank S.p.A. is subject to the discipline for banking groups enshrined in the TUB and in the supervisory provisions for Banks aimed at ensuring the stability and unitarity of companies belonging to the same banking Group. In this context, UniCredit S.p.A. performs a direction and coordination activity on FinecoBank S.p.A. pursuant to Articles 2497 et seq. of the Italian Civil Code.

Compliance with the Law and company Bylaws - Sound governance principles

The Board of Statutory Auditors monitored compliance with the Law, the company Bylaws and sound governance principles both when performing its activity, including participating in meetings of the Board of Directors, the Statutory Audit Committee, and during meetings with the Management and the Heads of the Bank's various Departments and Functions.

Participation in the meetings of the Board of Directors allowed the Statutory auditors to obtain periodically information on the performed activities and the most significant economic, equity and financial transactions resolved during the year. On the basis of the information available, the Board can reasonably state that the transactions themselves are compliant with the law and the company Bylaws and are not manifestly imprudent, risky or such as to compromise the integrity of the corporate assets.

Among the significant events of the year, as shown in the Management Report, the Board notes the resolution of the Board of Directors of July 4, 2017 concerning the establishment of a new investment company incorporated under Irish law (Asset Management Company), dedicated to savings management, wholly owned by the Bank. The company is expected to start up during the current financial year 2018.

Furthermore, on January 23, 2018, in order to strengthen the Bank's capital structure in response to the diversification of its investment portfolio (in particular, increased purchases of government securities and development of financing products and loans to customers), the Board of Directors approved the issuance of an Additional Tier 1 bond loan, perpetual and non-callable until June 2023, for an amount of € 200 million, fully subscribed, through private placement, by UniCredit S.p.A. The coupon for the first 5.5 years was set at 4.82%.

Participating in the Board of Directors' Meetings enabled the Board to ascertain, inter alia, that the delegated parties reported on transactions executed based on the powers granted to them, pursuant to Article 150, paragraph 1, of the TUF.

In our opinion, the frequency of the meetings of the Board of Directors, the information provided during them and the information flows in general comply with legal and statutory obligations and with the applicable regulations.

The Board of Statutory Auditors verified compliance with information obligations for regulated and privileged information, or information requested by the Supervisory Body.

During meetings of the Board of Directors, the Statutory Auditors examined the quarterly reports of the Bank's Control Functions and those drafted by the Financial Reporting Manager, ascertaining compliance with the reports and information set forth by supervisory regulations.

On March 1, 2017, the Board of Directors of FinecoBank approved the 2017 Report on Corporate Governance and Ownership Structures pursuant to Article 123-bis of the TUF.

Atypical and/or unusual transactions

The Management Report, the information received during Board of Directors' Meetings and those provided by the Chairman and the Chief Executive Officer, the Management and the External Auditor did not reveal the existence of atypical and/or unusual transactions, including intragroup or related party transactions.

Intragroup or related party transactions - Transactions approved pursuant to Article 136 of the TUB

The intragroup or related party transactions of greatest economic, equity and financial significance are highlighted in the Management Report and in the appropriate section of the Explanatory Notes with the indication of the assets, liabilities, guarantees and commitments outstanding as of December 31, 2017, divided by the various types of related parties pursuant to IAS 24.

During the year, the Board always participated in the meetings of the Risk and Related Party Committee, which met to provide preliminary and motivated opinions on the Bank's interest in carrying out transactions with related parties and with connected persons in compliance with the "Procedures for managing transactions with persons in conflict of interest". The current version of these procedures was approved by the Board of Directors at the meeting held on June 6, 2017, with the prior favorable opinions of the Risk and Related Party Committee and of the Board of Statutory Auditors. The aforementioned Procedures include the provisions to be complied with when managing: (i) transactions with related parties pursuant to the CONSOB Regulation adopted by resolution no. 17221 of March 12, 2010; (ii) transactions with related parties pursuant to the regulations on "Activities at risk and with conflicts of interest with connected persons", as dictated by the new regulations for the prudential supervision of banks; (iii) the obligations of bank representatives pursuant to Art. 136 of the TUB.

The Board of Statutory Auditors supervised the compliance with the procedural rules adopted by the Bank and compliance with the provisions on transparency and information to the public and verified that the Board of Directors provided adequate information on transactions with related parties on the basis of current regulations in the Management Report and in the Notes to the Financial Statements.

With respect to detailed information about individual intragroup and related party transactions - most significant, ordinary and market price transactions - see the relevant sections of the Management Report and the Notes to the Financial Statements.

Comments on the adequacy of the organizational structure

The Board of Statutory Auditors monitored the adequacy of the organizational structure and its correct operation over the course of various meetings with the Management and the Heads of different Departments and functions; this activity did not reveal any significant organizational deficiencies.

Specifically, during 2017 the Board monitored corporate organization improvement measures and noted the changes - duly approved by the Board of Directors subject to prior opinion, where required, by the Appointments and Sustainability Committee and submitted, where required, to the assessment of the relevant Parent Company's function - made to the structures of the Headquarters and Network structures, to the Organizational Chart, with a clear identification of functions, duties and responsibilities, and to the Bank's Internal Regulations.

The Bank's Internal Regulations, whose most up-to-date version was approved by the Board of Directors on March 1, 2018, describe the organizational model and the structure it consists of (bodies, departments, teams). In addition to the Board committees, the following managerial committees are set up as corporate bodies aimed at ensuring unitary and participatory guidelines and guaranteeing management continuity:

- Strategic Committee
- Management Committee
- Advisory Committee
- Internal Control Business Committee
- Business Continuity & Crisis Management Committee
- Project Committee
- Risk Committee

Report of the External Auditors (CONTINUED)

- Network Committee
- Product Committee
- Disciplinary Committee
- Private Banking Committee
- Treasury Committee
- ICT Committee.

The Board noted the ongoing transposition and the degree of implementation of the Guidelines issued by the Parent Company - to whose direction and coordination activity the Bank is subject - and the subsequent organizational changes implemented by the Bank.

The Board acknowledges the continuous updating and implementation, in line with the current provisions of the Bank of Italy Circular no. 285 and with the Global Rules issued by the Parent Company, of the Bank's Business Continuity Plan and of the actual execution, with an overall positive result, of the Business Continuity and Disaster Recovery testing scheduled annually.

In compliance with applicable law and the Policies on "Outsourcing/Internalizations", the Statutory Auditors note that the Internal Audit function has prepared the report required by the supervisory provisions concerning the controls carried out on the outsourced important operating functions or control functions and any deficiencies detected. Said document "Outsourcing of corporate functions - Annual report of the Internal Audit function", assisted by the considerations of the Board of Statutory Auditors, was approved by the Board of Directors on March 1, 2018.

Based on the analyzed documentation and the information gathered when performing its monitoring activities, given the presence of an Organizational Chart and related Company Regulations that detail roles and responsibilities of the organizational structures, having verified the correct implementation of the system of delegated powers issued by the Board of Directors as well as the definition, implementation and monitoring of specific company regulations aimed at performing the activities typical of each function of FinecoBank S.p.A., the Board of Statutory Auditors deems the Bank's organizational structure as overall adequate.

Comments on the adequacy of the Internal Control system

In implementing the provisions of Circular no. 285, the Bank has adopted the "Document of the Bodies and Functions with Control duties", which defines the Bank's Internal Control System with the analytical identification of the duties and responsibilities of the corporate Bodies and of the control functions. FinecoBank's Internal Control System is based on the principles of the Corporate Governance Code for Listed Companies, applicable sector regulations and best practices.

The Bank has established permanent and independent corporate control functions: i) Compliance; ii) Risk Management; iii) Internal Audit.

The Chief Executive Officer and General Manager was appointed as the Director in charge of the Internal Control and Risk Management System in compliance with the provisions of the Corporate Governance Code of Borsa Italiana. On February 6, 2018, the "2017 Statement on ICS Managerial Assessment" was submitted to the Board of Directors, in which the Bank's CEO stated that in light of the completed analyses, FinecoBank's Internal Control System were "Mostly Satisfactory", identifying some areas for improvement at the same time, for which suitable corrective actions have been defined and initiated.

With respect to the Personal Financial Advisers Network, the "Risk Management" organizational structure also coordinates the activity of the "Operational and reputational risks" team, which carries out systematic remote checks on the entire network of Personal Financial Advisers using Risk Indicators, submitting specific reports. Moreover, in order to manage and prevent its own Personal Financial Advisers (PFAs) from adopting conducts that are not compliant with the regulations, FinecoBank has adopted a number of first- and second-tier checks by several internal functions and an information flow that, for the purpose of the immediate implementation of any actions deemed necessary for PFAs, gathers all information on a centralized basis and forwards it to the Network Control, Monitoring and Network Service Department on behalf of Risk Management, Compliance, the Anti-Money Laundering and Anti-Terrorism Service, the Information Security and Fraud Management team, other Bank functions and Internal Audit. Every six months, in compliance with the requirements of the New Regulations for the Prudential Supervision of Banks, the Network Controls Unit - operating within the Network Control, Monitoring and Network Service Department - submits to the Audit and Related Party Committee and the Board of Directors a specific Report on the activity of Financial Advisers that details, on the basis of specific anomaly indicators, the audits performed, their findings, any critical issues and the actions aimed at eliminating them.

The Internal Audit activity for FinecoBank is outsourced to resources of the Internal Audit Department of UniCredit S.p.A. on the basis of a specific service agreement and in compliance with the terms and conditions of the relevant "Group Audit Mandate" adopted by FinecoBank's Board of Directors. The Bank's Internal Audit Manager, Mrs Patrizia Verdesca, was appointed by the Board of Directors on March 7, 2017, effective from March 13, 2017 (following the opinion of the then Remuneration and Appointments Committee and the then Audit and Related Party Committee and having heard the Board of Statutory Auditors).

We have found that the quarterly Internal Audit Activity and Results Reports prepared by Internal Audit to assess the Internal Control System - containing sections dedicated to the findings of the Audit activity on the Personal Financial Advisers Network and the Audit Findings, including their composition over time - were duly submitted to the Risk and Related Party Committee and the Board of Directors and discussed within those bodies.

In December 2017, the Board of Directors approved, with the favorable opinion of the Risk and Related Party Committee, the 2018 Annual Audit Plan and the 2018-2022 Strategic Audit Plan.

During its activity, the Board ascertained the compliance with the previously defined Audit plan concerning central structures and processes as well as the Network structures, checking the actual timelines of implementation and the causes of any variances.

The 2017 Audit Plan, which concerned 12 audits planned on the processes, has been duly completed. All the completed audits were rated as “satisfactory”, with one “good”. The verification plan for the network of financial advisers was also completed, with the issuance of 420 audit reports in 2017.

Overall, the internal control system was rated “mostly satisfactory” by the internal audit function.

The Board also took note of the “Report on the internal auditing of FinecoBank pursuant to Article 14 of the CONSOB - Bank of Italy Joint Regulation, pursuant to CONSOB Resolution no. 17297 of April 28, 2010”, drawn up by Internal Audit on the basis of its activity carried out in 2017, presented first to the Risk and Related Party Committee and subsequently to the Board of Directors in the meeting of March 1, 2018. The analyses carried out have, among other things, highlighted the compliance with the MIFID regulations of the placement/consultancy processes of the financial products and instruments offered by the Bank. The aforementioned report highlights some areas for improvement and indicates, in this respect, any measure deemed appropriate. In response to this Report pursuant to Art. 14 of the Joint Regulation, the Board of Statutory Auditors will formulate its Considerations to CONSOB within the set deadlines.

The Board of Statutory Auditors examined the Audit Report issued by Internal Audit in 2017, using the information contained therein to carry out its activities and to monitor, with particular attention to the Managers of the organizational areas involved, the implementation of the recommendations and corrective actions contained therein, with particular attention to meeting deadlines for carrying out the planned remedial actions.

During the year, the Board of Statutory Auditors held periodic meetings with the Bank’s Head of Compliance, to assess the planning of controls based on the highlighted risks and the findings of the second-level controls performed, verifying and recommending compliance with the timing set in the quarterly monitoring for the closure of the corrective actions identified from time to time and paying particular attention to the residual risks highlighted in said monitoring actions.

The Board also took note of the “Annual Report of the Compliance Function of FinecoBank - 2017”, where the Compliance Function expresses a summary opinion of “mostly satisfactory” and highlights, in particular, that the assessment of primary risks of non-compliance subject to direct supervision of the Compliance Function has not identified any regulatory area with a “critical” and “significant” risk level and that the areas subject to indirect supervision present risk levels no higher than “medium”. The Board of Directors shall prepare its “Observations” that will supplement the “Compliance Report” to be forwarded to CONSOB within thirty days from the approval of the Financial Statements.

In 2017, the results of the monitoring carried out were presented to the Risk and Related Party Committee and to the Board of Statutory Auditors through specific quarterly reports. The summary report of the monitoring carried out in the last quarter shows a “medium” risk level on most regulatory areas considered.

During 2017, the Compliance function was involved in projects to adapt processes and procedures to the legislation introduced by Directive 2014/65/EU (MiFID II), by Regulation (EU) no. 600/2014 (MiFIR), by Regulation (EU) no. 1286/2014 (PRIIPs) and the EU Regulation 2016/679 (GDPR).

In particular, all the new requirements applicable on the date of entry into force of the MiFID II regulations (from January 3, 2018) have been implemented in line with the directions provided by the Compliance function. For some requirements, especially those not immediately applicable, fine tuning activities are underway, subject of reporting to the corporate bodies.

With reference to the activity carried out by the Anti-Money Laundering function, the Board of Statutory Auditors notes that the Bank has activated - pursuant to the Bank of Italy provision entered into force in September 2011 - adequate and timely information flows to the corporate bodies and top management on the situation of the company controls in FinecoBank to prevent the risk of money laundering and terrorist financing, including the results of second-level controls.

It should be noted that during the first half of 2017, the Bank of Italy carried out a survey on the procedures adopted for identifying and adequately verifying Politically Exposed Persons (so-called PEPs). As a result of the activities carried out by the Bank of Italy, some weaknesses and areas for improvement were highlighted, and in response the Bank prepared a plan of measures that was already partly completed.

The self-assessment carried out by the Anti-Money Laundering function, in compliance with the Bank of Italy’s communication of October 21, 2015, identified the Bank’s residual risk as “Medium”.

The Board of Statutory Auditors also took note of the “Report on the overall situation of complaints received by FinecoBank S.p.A. in 2017”, prepared by the Compliance function, concerning both the complaints related to the provision of investment services and other claims. The “Report on complaints” detected a percentage increase in the number of complaints received in 2017 versus those received in 2016, highlighting that the number of complaints received is, in absolute terms, still low if assessed against the growth in the number of clients and the transactions executed by the Bank. The highest number of complaints pertains to “Loans and Mortgages” for complaints on assignment of the fifth of the salary, a type of accounts that were disposed of in 2008 and is no longer marketed by FinecoBank.

Lastly, it should be noted that the Bank has an internal system for employees to report any irregularities or violations of the applicable legislation and internal procedures, guaranteeing their anonymity (so-called whistleblowing).

With reference to the requests received during the year by the Supervisory Bodies, please note that the Bank of Italy sent a letter to banks on March 24, requesting a check of compliance with the EMIR requirements. The Compliance and Internal Audit Functions carried out the appropriate checks, without detecting any significant deficiencies. Furthermore, on October 25, 2017 CONSOB requested information on the reporting requirements for transactions suspected of constituting market abuses under Art. 187-nonies of the TUF. The Bank replied on November 10, 2017, with a subsequent supplement on January 26, 2018, providing the information requested on the processes, procedures, controls in place and staff training.

Report of the External Auditors (CONTINUED)

FinecoBank relies on a Body set up specifically to perform the functions of Supervisory Body pursuant to Italian Legislative Decree 231/2001.

The Supervisory Body was appointed by resolution of the Board of Directors on April 11, 2017, for a period of three years. Its composition was subsequently changed, by the Board of Directors resolution of October 16, 2017, providing for the reduction from three to two "internal members" with the exit of the Internal Audit Manager, who still continues to participate in the meetings as a permanent guest, and the appointment of a new external member, in place of the Chairman of the Board of Statutory Auditors who attended the meetings until that date.

The Board of Statutory Auditors examined the "Information report on the activity performed by the Supervisory Body (SB) pursuant to Italian Legislative Decree no. 231 of June 8, 2001, at December 31, 2017". The activities carried out by the SB did not reveal any significant violations of the relevant legislation, and the same Body proposed amendments to the Organization and Management Model of Fineco (approved by the Bank's Board of Directors on September 19, 2017 and October 16, 2017), examined and approved the new versions of four decision protocols, analyzed the flows received in relation to the periodic and occasional reports regarding conduct contrary to the principles of the Decree, and examined the results of the audits carried out by Internal Audit in 2017 on three Decision Protocols.

Based on the documentation reviewed, information received and inspections performed during its supervisory activities, the Board of Statutory Auditors, despite referring to the existence of some corrective measures currently under way, deems the Internal Control System to be adequate as a whole.

Comments on the adequacy of risk management systems

FinecoBank S.p.A. has a Risk Management function aimed at assessing and monitoring the adequacy of the measurement, control and management systems for typical risks linked to the performance of financial and banking activities, in particular, liquidity, credit, market, operational, business, as well as reputational and IT risks.

The CRO function, in compliance with the provisions of prudential supervision, presented the "Report of the activity carried out by Risk Management in the financial year 2017 and planning for the year 2018" which, among other things, notes the monitoring of the Risk Appetite Framework and the operational limits for the assumption of the various types of risk, monitoring of the risks of the activities performed by the Bank and the proposal of risk mitigation policies where deemed necessary, the quarterly monitoring of the adequacy of the Bank's internal capital (ICAAP), and the information flows to the corporate bodies and the parent company.

In this Report, the Risk Management function highlights that during the past financial year, no particular critical issues emerged.

During 2017, Risk Management was also involved in projects and extraordinary activities, including the incorporation of the new IFRS 9 accounting standard, which involved the Credit Risk Team and the CFO Directorate, as well as the accounting auditor and Corporate Bodies. The Market Risk Team oversaw the internalization of ALM systems and alignment of the Bank's IT systems with those of the Group. The Operational Risk Team initiated the multi-year update of the SoFia fraud prevention system, which will be finalized in 2018. Risk Management also conducted the validation of the Sight Deposits model.

The Board of Statutory Auditors verified the effectiveness and adequacy of the information flows, including the reports that provide evidence of structural liquidity and the Bank's ability to fulfill short-term obligations, and those aimed at verifying compliance of individual limits for the management of liquidity.

In January 2017, in compliance with the Bank of Italy instructions, FinecoBank S.p.A. approved the "2107 FinecoBank Risk Appetite" document, whose metrics, which include the exchange rate risk with respect to hedging policies, were subject to an assessment by the Audit and Related Party Committee, and which also aims at monitoring consistency between the business model, the aforementioned RAF and the budgeting process.

With reference to operational risks, the Internal Audit function of the Bank in the document "Basel 2 - Operational Risk - AMA - Local Internal Audit Report on the Operational Risk Management System", issued on November 24, 2017, ascertaining the existence of the requirements established by the Bank of Italy in Circular 285/2013, expresses an overall satisfactory rating, as the audits showed an essential adequacy of the corporate processes aimed at identifying, managing and measuring operational risks. The Board expressed its positive opinion to the Board of Directors.

In February 2018, the Internal Audit of the Bank issued and presented to the Risk and Related Party Committee (and subsequently to the Board of Directors) the Report on the Internal Capital Adequacy Assessment Process (ICAAP) and the Risk Appetite Framework (RAF) of Fineco Bank, in compliance with Bank of Italy Circular no. 285/2013. The Report confirms the essential adequacy of the controls adopted by the Bank in the procedures for defining the Risk Appetite Framework and the assessment of capital adequacy (ICAAP).

In particular, the Report highlights that the final figures relating to the RAF 2017 metrics comply with the set limits, are consistent with the budget and the 2018-2020 Multi-Year Plan, and are reconciled with accounting records and supervisory reports.

The report also shows that the 2018 RAF was approved by the Board of Directors on December 5, 2017, following the assessment of the Risk and Related Party Committee.

During its activity, the Board periodically met with the Chief Risk Officer in order to assess, among other things, his work and analyze in more detail the information reports submitted by him to the Corporate Bodies.

The Board deems the risk management system overall adequate for the company's size and characteristics.

Supervisory activities pursuant to Art. 19 of Italian Legislative Decree 39/2010 Relations with the Auditing Company

The Board of Statutory Auditors, identified by Art. 19 of Italian Legislative Decree 39/2010 in the version reformulated following the reform of external audits implemented through Italian Legislative Decree 135/2016 "Internal control and external audit committee", monitored the financial reporting process, the external audit and the independence of the external auditor, in particular as regards the provision of non-auditing services.

The Board of Statutory Auditors examined the auditing reports issued on March 15, 2018 by the auditing company Deloitte and Touche S.p.A. pursuant to Art. 14 of Italian Legislative Decree no. 39/2010 and Art. 10 of Regulation (EU) 537/2014 on the individual and consolidated financial statements of the

Bank (the latter referred to the Bank and the Irish subsidiary, newly incorporated and not yet operational) at December 31, 2017. In particular, the audit reports on the individual and consolidated financial statements:

- express an opinion without findings on the individual and consolidated financial statements of FinecoBank at December 31, 2017, asserting that the financial statements provide a truthful and correct representation of the equity and financial situation, the economic result and the cash flows in accordance with the IFRSs adopted by the European Union, as well as the provisions issued in implementation of Art. 9 of Italian Legislative Decree 38/2005 and of Art. 43 of Italian Legislative Decree 136/2015;
- express an opinion of consistency and compliance which shows that the Management Report accompanying the individual and consolidated financial statements at December 31, 2017, is consistent with the aforementioned financial statements and is prepared in compliance with the law, as well as the specific information contained in the Report on Corporate Governance and Ownership Structures indicated in Art. 123-bis, paragraph 4, of the TUF;
- with reference to any significant errors in the Management Report, they declare, on the basis of the knowledge and understanding of the company and the related context acquired during the audit, that they have nothing to report.

On March 15, 2018, the Auditing Company presented the supplemental report to the Board pursuant to Art. 11 of Regulation (EU) no. 537/2014, which does not reveal significant deficiencies in the internal control system in relation to the financial reporting process deserving to be brought to the attention of those in charge of governance. Together with the Supplemental Report, the Auditing Company provided the Board with the declaration on independence (Article 6 of the aforementioned EU Regulation) which does not reveal any situations that could compromise their independence.

The Board held several periodic meetings with the Auditing Company, in compliance with Art. 150, paragraph 3, of the TUF and of the provisions introduced by Italian Legislative Decree no. 39/2010, examining the 2017 audit plan, verifying its adequacy, following its execution and promptly exchanging data and information relevant to the performance of their respective tasks, without any particular findings that required notification or facts deemed to be censurable that required formulating specific reports pursuant to Art. 155, paragraph 2, of the TUF. The Explanatory Notes include the disclosure of the external audit fees, as well as the fees for permitted services other than the audit provided in the year ended December 31, 2017, to FinecoBank by the Auditing Company and by the entities of the network that the Auditing Company belongs to.

These fees (net of VAT and expenses) are shown below:

(amounts in euros)

TYPE OF SERVICE	SERVICE PROVIDER	FEES
Accounting Audit	Deloitte & Touche S.p.A.	169,245
Certification services	Deloitte & Touche S.p.A.	95,000
Other Services	Deloitte Consulting S.r.l	30,000

The Certification Services refer to the development of procedures aimed at issuing the comfort letter for the ECB for the purpose of including the profit for the year in the Bank's own funds, the limited audit of the reporting package prepared by the Bank for the parent company for the first and third quarters of 2017 and the activities related to the IFRS 9 project of the Bank. The other services refer to consultancy activities related to the aforementioned project. Please note that on April 10, 2017, the Board authorized the assignment to the auditing company Deloitte & Touche of the non-audit tasks "Quality assurance and methodological support related to the impairment" on the IFRS 9 project and "Voluntary limited audit of the Reporting Package of Fineco of 1Q17 and 3Q17" for the purpose of including it in the interim consolidated financial statements of UniCredit S.p.A., subject to verification of the independence of the Auditing Company pursuant to the provisions of Italian Legislative Decree no. 39/2010 and the Art. 5 of Regulation (EU) no. 537/2014 of the European Parliament and of the Council of April 16, 2014.

On November 2, 2017, the Board authorized the addition of the remuneration set for the "external audit of the consolidated financial statements (half-yearly and annual) including the coordination of the auditing work on the consolidated financial statements and the verification of the consolidation process" and for "application of the new international auditing standards (for the years 2017-2021)".

On January 12, 2018, the Board of Statutory Auditors authorized the assignment to the Auditing Company of the agreed verification procedures "Asseveration of the data necessary for calculating the contributions to the SRF" for each of the years of the period 2018-2021.

Supervision of the financial reporting process - Comments on the adequacy of the administrative and accounting system

The Board of Statutory Auditors verified the compliance with the internal regulations pertaining to the process that allows the Financial Reporting Officer and the Chief Executive Officer to issue the certifications provided for by Article 154-bis of the TUF. The administrative and accounting procedures for the preparation of the financial statements and any other financial communication were prepared under the responsibility of the Financial Reporting Officer who, together with the CEO, in the periodic reporting on the same and, lastly, in the "Report on the system of internal controls on the financial reporting in compliance with Italian Law no.262/2005", approved by the Board of Directors on February 6, 2018, certifies - on the basis of the test of actual implementation of the controls - the adequacy and actual application for the preparation of the financial statements at December 31, 2017 and of the reporting package towards UCI Holding.

The Financial Reporting Manager, during his meetings with the Board of Statutory Auditors, did not report any deficiencies in the operating and control processes that may impact the assessment of adequacy and actual implementation of administrative and accounting procedures for the correct economic, equity and financial reporting of the accounting events in compliance with the adopted accounting principles. The Financial Reporting Manager periodically updates the Board of Directors on the completed activities and reports on the progress of the measures for improving the Internal Control System regarding the Financial Reporting. During the periodic meetings aimed at the exchange of information, the External Auditor did not report significant critical aspects of the internal control system regarding the financial reporting process.

The Board notes that the Financial Statements at December 31, 2017, have been drawn up in compliance with the accounting standards issued by the International Accounting Standards Board, including the related SIC and IFRIC interpretative documents, approved by the European Commission until December 31, 2017, as required by European Union Regulation no. 1606/2002 of July 19, 2002, and applicable to the financial statements starting from January 1, 2017.

Report of the External Auditors (CONTINUED)

The financial statements at December 31, 2017, consist of the Balance Sheet, the Income Statement, the Comprehensive Income Statement, the Statement of Changes in Net Assets, the Cash Flow Statement and the Explanatory Notes, and are accompanied by the "Directors' Management Report" and the Certificate relating to financial statements required by Art. 81-ter of CONSOB Regulation no. 11971 of May 14, 1999 and subsequent amendments and additions, issued on February 6, 2018. The financial statements use the statement structure and the explanatory notes required by the instructions established by the Bank of Italy with Circular no. 262 of December 22, 2005, subsequently updated and amended.

Pursuant to the Bank of Italy/CONSOB/ISVAP document no. 4 of March 3, 2010 and to the internal regulations that implemented Italian Law no. 262/2005, it is noted that the Board of Directors has approved, preliminarily and autonomously, at the time of approval of the financial statements, the impairment test procedure for the goodwill. The results confirmed the sustainability of the goodwill value recognized in the financial statements.

The Administration Department periodically forwarded information to the Parent Company for the purposes of calculating the Regulatory Capital and the Second Pillar Capital. At December 31, 2016, the CET1 Capital ratio (Tier one capital/Risk-weighted assets) was 20.77%, as detailed in the dedicated section of the Financial Statements "Part F - Information on assets".

Furthermore, considering the establishment on October 26, 2017, of the Irish company Fineco Asset Management, the consolidated financial statements have been prepared. However, it should be noted that at December 31, 2017, that company had not yet started doing business. As a result, the consolidated and individual results of Fineco Bank do not show significant differences.

The Board of Statutory Auditors, in light of the information received and the documentation examined and the activity performed, assesses the process of preparation of the financial reporting as substantially adequate.

Comments on the remuneration policy

During 2017, in line with the provisions of the Supervisory Body with respect to "Remuneration and bonus policies and practices", the Board of Statutory Auditors verified the adequacy and compliance with the external legal framework of the remuneration policies and practices adopted by FinecoBank and the related corporate processes.

The Bank has implemented the 2017 Remuneration Policy and, on March 1, 2018, taking into account the favorable opinion of the Remuneration Committee, it approved the "FinecoBank Remuneration Policy for the year 2018", formulated by the Human Resources function, with the involvement of the Risk Management and Compliance functions and including the identification of the "most significant persons", so-called identified staff, which will be submitted to the approval of the Shareholder's Meeting. This document also considers the Remuneration Policy applied to the members of FinecoBank's Independent Financial Advisers network, in line with their specific remuneration policies. The definition of the 2018 Policy was also supported and validated by the independent external consultant and the Remuneration Committee.

The Internal Audit function carried out the annual verification of the Bank's variable remuneration system, in line with the provisions of the Supervisory Regulations issued by the Bank of Italy, and verified the design, implementation and effects of the remuneration process, as well as its compliance with the regulatory requirements and the Bank's remuneration policy. The payment and deferral phase relating to the incentive system of the previous year, the process of defining and distributing the bonus pool and the compliance with the limits to the ratio between variable and fixed remuneration set forth by the Bank's remuneration policy were assessed. It also examined the process of identifying the resources belonging to the most significant staff category in order to ascertain their compliance with the requirements established by the Delegated Regulation (EU) no. 604/2014. The aforementioned annual audit, whose results were presented to the Remuneration Committee on February 28, 2018, ended with the formulation of a "good" rating, albeit recommending improvements to the process, which are expected to be finalized in time to show their effects on the next remuneration cycle.

The 2018 Remuneration Policy, including the "Annual Remuneration Report" which includes the "2017 remuneration plans based on financial instruments", has now been made available to the public pursuant to CONSOB Regulation no. 11971/1999. The report fulfills the disclosure requirements pursuant to Articles 114-bis and 123-ter of the TUF and the banking regulations' requirements at the same time.

Processing of Privileged Information

The Board of Directors, in the meeting held on April 15, 2014, approved the Procedure regarding the processing of Privileged Information aimed at preventing that such processing may take place in an untimely, incomplete or inadequate manner.

In compliance with the regulations in force, the Board of Directors, most recently on January 10, 2018, approved the current version of the Code of Conduct on internal dealing to regulate the management, processing and communication of information relating to transactions on FinecoBank listed shares and financial instruments, as well as on derivatives and related financial instruments carried out by significant persons and persons closely connected to them.

Complaints under Art. 2408 Italian Civil Code - Reports - Opinions issued pursuant to the law

During 2017, the Board did not receive any complaints under Art. 2408 of the Italian Civil Code. A report was received from a bank customer, via certified email, following a complaint which has been settled as of today's date.

The Board was asked to express its opinion in the following circumstances:

- opinion on changes to the "Procedures for managing transactions with parties in conflict of interest";
- opinion issued to the Board of Directors on the Bank's Operational Risk Management System in implementation of the AMA model.

Moreover, the Board expressed its comments about the Reports pursuant to Articles 13, 14 and 16 of the Bank of Italy and CONSOB Regulation (adopted with a provision dated October 29, 2007, in line with Article 6, paragraph 2-bis, of the TUF) and its "Remarks on the 'Outsourcing of corporate functions'. Annual Report of the Internal Audit function".

On the basis of the activity carried out and the information obtained, no omissions, reprehensible facts or significant irregularities were reported such as to require notification to the Supervisory Bodies or mention in this Report.

Conclusions

Based on its supervisory activity, the Board of Statutory Auditors did not find significant irregularities or omissions and/or censurable facts, nor did it become aware of transactions not based on compliance with the principles of proper administration, resolved and implemented not in compliance with the Law and the company Bylaws, not in the interest of FinecoBank, in contrast with the resolutions taken by the Shareholders' Meeting, or manifestly imprudent or risky, such as to compromise the integrity of the company's assets.

The Board of Statutory Auditors does not deem it necessary to exercise the right to submit proposals to the Shareholders' Meeting pursuant to Article 153, second paragraph, of the TUF.

Noting the results of the financial statements and the content of the "Directors' Management Report" that accompanies it, of the content of the attestation of the individual and consolidated financial statements, signed by the Chief Executive Officer and General Manager and by the Financial Reporting Manager, and considering the contents of the Reports drawn up by the Auditing Company, the Board of Statutory Auditors does not find, as regards its duties, any reasons impeding the approval of the financial statements at December 31, 2017, and the proposed allocation of profits for the year formulated by the Board of Directors.

Milan, March 15, 2018

The Statutory Auditors

Elena Spagnol - Chairman

Barbara Aloisi

Marziano Viozzi

Glossary

Glossary of technical terminology and acronyms used

Accelerated bookbuilding offering

Procedure through which particularly large shareholdings are sold to institutional investors. This type of transaction is used by majority shareholders to sell share packages or by the company to rapidly obtain capital (for acquisitions or to refinance debt).

Adjusted ROE

Ratio between net profit excluding non-recurring items and the average book shareholders' equity for the period (excluding dividends and any donations expected to be distributed and the revaluation reserves).

AMA (Advanced Measurement Approach)

Applying this methodology, operational risk requirement is obtained using calculation models based on operational loss data and other evaluation elements collected and processed by the Bank. Admittance threshold and specific suitability requirements have been established for the use of the standard and advanced approaches. For the AMA approach the requirements regard the measurement system, as well as the management system.

Assets under management

Investment funds, segregated accounts and insurance products.

Assets Under Custody

Government securities, bonds and shares.

Audit

Audit Process of controlling a company's activities and accounting, carried out either by an internal body (internal audit) or by an external firm of auditors (external audit).

Available financial resources (AFR)

AFR are the resources that can be used to safeguard the bank from insolvency. The AFR are an economic measure that consider the potential reserves, hybrid debt instruments, IFRS reserves, goodwill and other intangible assets, treasury shares held and the expected profits.

Banking book

Used in relation to financial instruments, particularly securities, this term identifies the portion of those portfolios intended for "proprietary" activities.

Bail-in

Resolution measures adopted by the competent authorities that can involve the conversion of debt instruments into shares or the reduction in the value of liabilities, imposing losses on certain categories of creditors in accordance with the BRRD.

Basel 2

International agreement on the capital requirements of banks in relation to the risks assumed by them. This agreement has been adopted, at national level, by the respective competent supervisory authorities, including the Bank of Italy. The new prudential regulations, which came into force in Italy in 2008, are based on three pillars.

- Pillar 1: while the objective of a level of capitalisation equivalent to 8% of the risk-weighted exposures remains unchanged, a new set of rules has been defined for measuring the typical risks associated with banking and financial activities (credit risk, counterparty risk, market risk and operational risk) which provides for alternative calculation methods characterised by different levels of complexity, with the ability to use internally developed models subject to prior authorisation by the Regulatory Authority;
- Pillar 2: requires banks to have processes and tools for determining the adequate level of total internal capital (Internal Capital Adequacy Assessment Process - ICAAP) for covering all types of risk, including risks other than those covered by the overall capital requirement (Pillar I), within the framework of an evaluation of current and future exposure that takes account of strategies and of changes in the reference context. It is the Supervisory Authority's task to examine the ICAAP process, formulate an overall judgement and, where necessary, apply the appropriate corrective measures;
- Pillar III: introduces obligations to publish information concerning capital adequacy, exposure to risks, and the general characteristics of the systems used for identifying, measuring and managing those risks.

Basel 3

International agreement amending Basel 2 adopted in December 2010, containing amendments to the prudential rules on the capital and liquidity of banks, with the gradual entry into force of the new capital requirements from January 1, 2014 until December 31, 2019. These rules have been implemented at European level through the CRD IV "Package".

Bank Recovery and Resolution Directive or BRRD

Refers to the Directive approved by the European Parliament and the Council, respectively. On April 15 and May 6, 2014, regarding the establishment of a recovery and resolution framework for the crisis affecting credit institutions and investment firms.

Basis point

The bp or basis point represents 0.01% of a particular amount, or one hundredth of a percentage point. 100 basis points are equivalent to 1%.

Best practice

Behaviour commensurate with the most significant experience and/or the best level of knowledge achieved in relation to a given technical or professional field.

Budget

Statement forecasting the future costs and revenues of a business.

Capital conservation buffer

According to the definition contained in Article 128 of the CRD IV, this is a capital reserve whose establishment is required by the regulations - as also specified in the Supervisory Provisions - aimed at providing banks of a high quality capital buffer to be used in periods of market strain to prevent malfunctions of the banking system and avoid disruptions in the credit granting process, amounting, when fully loaded, to 2.5% of risk-weighted assets, calculated in accordance with Article 92, sub-section 3, of the CRR on an individual and consolidated basis.

CDS - Credit Default Swap

A derivative in which a seller of protection engages, for a fee, to pay the buyer of protection a fixed amount if a certain event indicating a deterioration of the creditworthiness of a reference entity occurs.

CFO

Chief Financial Officer.

CGU - Cash Generating Unit

A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Common Equity Tier 1 or CET 1

The Common Equity Tier 1 under Basel 3, mainly consisting of ordinary paid-up capital, the related share premium, operating profit, reserves and other regulatory adjustments, as provided for by the CRR regulation and the Supervisory Regulations (both during the transitional period and fully loaded).

Clawback clause

Action of repayment of the bonus received when, after its disbursement, intentional or negligent conduct of the employee emerges that, if it had been known at the time of disbursement, would have been sufficient not to satisfy the assessment of compliance, or that disbursement has been made in breach of legal or regulatory provisions.

Corporate

Customer segment consisting of medium to large businesses.

Cost/income ratio

The ratio of operating expenses to operating income. It is one of the main key performance indicators of the bank's efficiency: the lower the ratio, the more efficient the bank.

Cost of Risk

The ratio between loan loss provisions and loans and receivables with customers. It is one of the indicators of the bank assets' level of risk: the lower the ratio, the less risky the bank assets.

CoR (incentive system)

The ratio of Net write-downs of loans and Loans and receivables with customers (average of the balance at period end and the balance at December 31 of the previous year). The scope of the exposures excludes positions deriving from bonds and advances to personal financial advisors.

Countercyclical capital buffer

The countercyclical capital buffer consisting of Common Equity Tier 1 pursuant to Supervisory Regulations, according to the concept contained in Articles 128 and 130 of the CRD IV, equal to the risk weighted assets, calculated in accordance with Article 92, paragraph 3, of the CRR by the Company's countercyclical capital buffer, determined according to the criteria established by the Supervisory Regulations at an amount ranging from 0% to 2.5%.

Covenant

A loan agreement clause whereby the lender is entitled to restructure or call in the loan upon occurrence of the events specified in the clause, which ties changes in the borrower's earnings and financial performance to default events/events modifying the contractual terms and conditions (maturity, interest rates, etc.).

Covered bond

A bond which, in addition to being guaranteed by the issuing bank, may also be covered by a portfolio of mortgages or other high-quality loans transferred, for that purpose, to a specific SPV - Special Purpose Vehicle (q.v.).

Glossary of technical terminology and acronyms used (CONTINUED)

Credit Quality - EL

EL%= EL/EAD

Represents the expected loss as a percentage of the exposure in the event of default (EAD) of the performing portfolio.

The perimeter is the customers of the performing portfolio.

Credit quality step

A Step, based on external ratings, which is used to assign risk weights under the standardised approach for credit risk.

CRD (Capital Requirements Directives)

EU Directives 2006/48 and 2006/49, adopted by Bank of Italy circular 263/2006 of December 27, 2006 as amended. The CRD IV "Package" has replaced the two aforementioned Directives and consists of the EU Directive 2013/36 on the taking up of the business of credit institutions and prudential supervision and the EU Regulation 575/2013 on prudential requirements, adopted by the Bank of Italy circular 285 of December 17, 2013 as amended.

Credit risk

The risk that an unexpected change in the credit rating of a counterparty, the value of the collateral they have provided, or of the amount used in the event of insolvency generates an unexpected change in the lending position of the Bank.

Credit counterparty risk

The risk that the counterparty in a transaction in financial instruments may enter default before settling all the agreed cash flows.

CRM - Credit Risk Mitigation

Credit Risk Mitigation is a set of techniques, ancillary contracts to the loan or other instruments (e.g. securities, guarantees), which reduces credit risk capital requirements.

CRO

Chief Risk Officer.

Default

A party's declared inability to honour its debts and/or the payment of the associated interest.

Direct deposits

Current accounts, repos and time deposits.

EAD - Exposure At Default

Relating to the on-balance and off-balance sheet positions, EAD is defined as the estimation of the future value of an exposure at the time of the debtor's default. Only banks that meet the requirements for adopting the "IRB - Internal Rating Based" advanced approach are allowed to estimate EAD (q.v.). Other banks are required to refer to regulatory estimations.

EBA European Banking Authority

The European Banking Authority is an independent EU Authority which works to ensure effective and consistent prudential regulation and supervision across the European banking sector.

ECA

Export Credit Agency.

ECAI

External Credit Assessment Institution.

ECB

European Central Bank. The ECB is the central bank for Europe's single currency, the euro.

Economic capital

Capital level that is required by a bank to cover the losses that may occur with at a time horizon of one year and a certain probability or confidence level. Economic Capital is a measure of the variability of the Expected Loss of the portfolio and depends on the degree of diversification of the portfolio itself.

EPS - Earnings Per Shares

An indicator of a company's profitability calculated by dividing the net profit by the average total outstanding shares (excluding treasury shares).

EVA (Economic Value Added)

EVA is an indicator of the value created by a company. It shows the firm's ability to create value; calculated as the difference between net operating profit and the figurative cost of the allocated capital. The latter was calculated using either the greater of the regulatory capital absorbed and the economic capital (in Fineco's case, the economic capital) or the book value of shareholders' equity.

Expected Losses

The losses recorded on average over a one year period on each exposure (or pool of exposures).

Fair value

The price at which an asset can be traded or a liability settled in a free-market transaction between independent parties at arm's length.

Forbearance/Forborne exposures

According to the EBA Implementing Technical Standard, forborne exposures are exposures in respect of which forbearance measures have been extended, consisting of concessions towards a debtor facing or about to face difficulties in meeting its financial commitments ("financial difficulties").

Funding

Provision, in various forms, of the funds necessary to finance business activities or particular financial transactions.

Futures

Standardised contracts through which parties undertake to exchange money, transferable securities or goods at a set price at a future date. These contracts are traded on regulated markets, where their execution is guaranteed.

Goodwill

The additional sum paid for the acquisition of an equity interest, equal to the difference between the cost and the corresponding share of net assets, for the portion not attributable to the identifiable assets of the acquired company.

Guided Products & Services/AUM

The ratio of Guided Products & Services (q.v.) to Assets under Management (q.v.).

Guided Products & Services/TFA

The ratio of Guided Products & Services to Total Financial Assets.

Guided products & services

The Bank's products and/or services developed by investing in UCITs selected from among those distributed for each asset class taking into account customers' different risk profiles and offered to the Bank's customers under the guided open architecture model. At the date of this report, the guided products category included the "Core Series" umbrella fund of funds, "Core Funds", the Individual Savings Plans ("Piani Individuali di Risparmio" or "PIR") and the "Core Unit", "Advice Unit", "Core Multiramo" and "Advice Top Valor" and "Old Mutual" unit-linked policies, while the "Fineco Advice" and "Fineco Stars" advanced advisory services (for investment) fall under the guided service category.

HNWI

High Net Worth Individual, i.e. Private customers with TFA of over one million euros.

IAS/IFRS

International accounting standards issued by the International Accounting Standard Board (IASB), a private international body established in April 2001, involving representatives of the accounting professions of the principal countries and, as observers, the European Union, IOSCO (International Organization of Securities Commissions) and the Basel Committee. This body is the successor of the International Accounting Standards Committee (IASC), set up in 1973 to promote harmonisation of the rules for the preparation of company accounts. When the IASC became the IASB, it was decided, among other things, to name the new accounting principles "International Financial Reporting Standards" (IFRS). At international level, work is currently underway to harmonise the IAS/IFRS with the US GAAP - United States Generally Accepted Accounting Principles (q.v.).

ICAAP - Internal Capital Adequacy Assessment Process

See "Basel 2 - Pillar 2".

Impairment

Within the framework of the IAS/IFRS (q.v.), this refers to the loss of value of a balance sheet asset, recorded when the book value is greater than the recoverable value, i.e. the sum that can be obtained by selling or using the asset.

Glossary of technical terminology and acronyms used (CONTINUED)

Impaired loans

Loans and receivables are reviewed periodically in order to identify those that, following events occurring after initial recognition (at market value, which is, usually, equal to the amount paid including transaction costs and income directly attributable to the disbursement of the credit) show objective evidence of possible impairment. These include a loans to which the status of non-performing, unlikely to pay and past due has been assigned, according to the Bank of Italy rules in line with the IAS/IFRS (q.v.).

Internal Capital

Represents the amount of capital required to cover potential losses and is required to support the business activities and positions held. Internal Capital is the sum of the aggregated Economic Capital and a cushion that considers the effects of the cycle and model risk.

(Internal) validation

Expert unit, internal but sufficiently independent, that verifies the adequacy of internal models for internal and regulatory purposes and issues a formal opinion about their usefulness and effectiveness. Usually a prerequisite for the validation process carried out by the authorities.

Index linked

Policies whose performance at maturity depends on a benchmark parameter that may be a share index, a basket of securities or another indicator.

IRB - Internal Rating Based

Method for determining the capital needed to cover credit risk within the framework of Pillar 1 of Basel 2 (q.v). The rules are applied to the exposures of the banking book. Furthermore, in the IRB methods the risk weightings of the assets are determined on the basis of the bank's own internal evaluations of the debtors (or, in some cases, of the transactions). Using systems based on internal ratings, the banks determine the weighted risk exposure. The IRB methods consist of a basic method and an advanced method, which differ in terms of the risk parameters that the bank must estimate: in the basic method, the banks use their own estimates for "PD - Probability of Default" and the regulatory values for the other risk parameters; in the advanced method, the banks use their own estimates for "PD - Probability of Default", "LGD - Loss Given Default", "CCF - Credit Conversion Factors" and, where provided for, "M - Maturity" (q.v.). The use of IRB methods for the calculation of capital requirements is subject to authorisation from the Bank of Italy.

IRS - Interest Rate Swap

See "Swap".

Joint venture

Agreement between two or more companies for the conduct of a given economic activity, usually through the constitution of a joint stock company.

Ke

The cost of equity is the minimum return on investment required by the shareholder. It is the sum of a risk-free rate and an additional spread remunerating the shareholder for the credit risk and the volatility of the share price. The cost of capital is based on medium-long term averages of market parameters.

KPI - "Key Performance Indicators"

Set of indicators used to evaluate the success of a particular activity or process.

Key Risk Indicators

The risk indicators are quantitative metrics that reflect exposure to Operational Risks of specific processes or products: the value expressed by an indicator should be related to changes in risk levels.

LCP

Loss Confirmation Period.

Leasing

Contract whereby one party (the lessor) grants to another party (the lessee) for a given period of time the enjoyment of an asset purchased or built by the lessor at the discretion and according to the instructions of the lessee, with the latter having the option of acquiring ownership of the asset under predetermined conditions at the end of the leasing contract.

LGD - Loss Given Default

Expected value (which may be conditional upon adverse scenarios) of the ratio, expressed as a percentage, between the loss giving rise to the default and the amount of exposure at the time of the default ("EAD - Exposure At Default", q.v.).

Liquidity risk

The risk of the company being unable to meet its payment commitments due to the inability to liquidate assets or obtain sufficient funding from the market (funding liquidity risk) or due to the difficulty/inability to easily liquidate positions in financial assets without significantly and unfavourably affecting the price because of insufficient depth or temporary malfunction of the financial market (market liquidity risk).

Long and Short Margining

Margining is a trading method that allows investors to buy (long leverage) or sell (short selling) by investing only a part of the liquidity required.

Market risk

Consists of the effect that changes in market variables (interest rates, securities prices, exchange rates, etc.) can cause to the economic value of the portfolio, when it includes assets held in the trading book, as well as those posted in the banking book, both on the operations characteristically involved in commercial banking and in the choice of strategic investments.

Master servicing agreement

Type of contract under which two or more parties regulate the key terms of subsequent transactions and/or further agreements to be implemented between them in the future.

Maturity Ladder

Instrument for managing and monitoring short-term liquidity (operational liquidity), which, by offsetting assets and liabilities whose maturity falls within each individual time band, enables the identification of mismatches (periodic and cumulative) between incoming and outgoing cash flows and, therefore, to calculate the net financial requirement (or surplus) over the period of the year.

Model Risk Category

The MRCs have been introduced at the group level in order to characterise the types of operational loss in more detail. They are obtained from the combination of the seven event types established by Basel II with one or more of products offered to customers.

Non-performing exposures

According to the EBA Implementing Technical Standards, non-performing exposures are all on-balance-sheet and off-balance-sheet exposures that satisfy either or both of the following criteria:

- (i) material exposures which are more than 90 days past due/overdrawn;
- (ii) exposures for which the debtor is assessed as unlikely to pay its credit obligations in full without realisation of collateral, regardless of the existence of any past-due amount or of the number of days past due.

Non-performing loans

Exposures to borrowers in a state of insolvency (even when not recognised in a court of law) or in an essentially similar situation, regardless of any loss forecasts made by the bank (i.e. irrespective of whether there are any - secured or personal - guarantees covering the exposures).

Operational risk

The risk of losses due to errors, violations, interruptions, or damage caused by internal processes, personnel, systems or by external events. This definition includes legal and compliance risks, but excludes strategic and reputational risk. For example, losses arising from the following can be defined as operational: internal or external fraud, employment practices and workplace safety, customer claims, product distribution, fines and penalties for regulatory breaches, damage to the Company's physical assets, business disruption and system failures, and management of processes.

Option

The right, but not the commitment, acquired by the payment of a premium, to buy (call option) or sell (put option) a financial instrument at a given price (strike price) by or at a determined future date (American option/European option).

OTC - Over The Counter

Over-the-counter (OTC) trading consists of the exchange of financial instruments such as shares, bonds, derivatives or goods directly between two counterparties. The OTC markets do not have standardised contracts or buying/selling procedures and are not associated with a set of rules (admissions, controls, obligations of information, etc.) like those that govern the official markets.

Own funds or Total Capital

The own funds of a bank consist of a series of regulatory defined items (excluding the negative items to be deducted), classified based on capital quality and loss absorbing capacity. From January 1, 2014, after the CRR came into force, Own Funds consists of the sum of Tier 1 capital and Tier 2 capital.

Past-due and/or overdrawn impaired exposures:

i.e. on-balance sheet exposures, other than those classified as non-performing or unlikely to pay that are past due or overdrawn at the reporting date. The past due and/or overdrawn impaired exposures may be determined, alternatively, with respect to the individual debtor or the individual transaction. Specifically, they represent the total exposure to any borrower not included in the unlikely to pay and non-performing loans categories, who at the reporting date has expired facilities or unauthorised overdrafts that are more than 90 days past due and meet the requirements set out by local supervisory regulations for their classification under the "past due exposures" category (TSA banks) or "defaulted exposures" (IRB banks).

Payout ratio

The percentage of net income that is distributed to shareholders. The percentage paid out is determined mainly on the basis of the company's self-financing needs and the return expected by shareholders.

Glossary of technical terminology and acronyms used (CONTINUED)

PD - Probability of Default

Default Probability of a counterparty entering into a situation of "default" (q.v.) within a period of one year.

Private banking

Financial services aimed at "high-end" private customers for the global management of financial needs.

RARORAC - Risk adjusted Return on Risk adjusted Capital

An indicator calculated as the ratio between EVA (using either the greater of the regulatory capital absorbed and the economic capital or using the book value of shareholders' equity) and Allocated/Absorbed Capital and expresses, in percentage, the capacity to create value for unit of risk taken.

Rating

Evaluation of the quality of a company or its issues of debt securities on the basis of the company's financial soundness and prospects. This evaluation is made either by specialist agencies or by the bank on the basis of internal models.

Retail

Customer segment consisting principally of private individuals, self-employed professionals, traders and artisans.

Risk Taking Capacity

Ratio between Available Financial Resources and Internal Capital.

Risk-weighted assets

See the item "RWA - Risk-Weighted Assets".

ROAC - Return on Allocated Capital

An indicator calculated as ratio of net operating profit to allocated capital. Allocated Capital means the greater of internally calculated capital based on shared UniCredit Group models (Economic Capital) and regulatory capital or using the book value of shareholders' equity.

ROE

Ratio between net profit and the average book shareholders' equity for the period (excluding dividends and any donations expected to be distributed and the revaluation reserves).

RWA - Risk-Weighted Assets

It is the value of on-balance sheet and off-balance sheet risk-weighted assets on the basis of different weighting factors according to the class in which the exposure is classified and its credit quality, in accordance with the banking regulations issued by the regulatory authorities for the calculation of the solvency ratios.

Sensitivity

The greater or lesser degree of sensitivity with which certain assets or liabilities react to changes in rates or other reference parameters.

Sensitivity Analysis

Sensitivity analysis quantifies the change in value of a financial portfolio resulting from an unfavourable change in major risk factors (interest rate, exchange rate, equity).

SME

Small and medium enterprises.

Significant exposures

The sum of all the exposures towards a counterparty that are equal to or more than 10% of the eligible capital of the Issuer, when: (i) the exposures are the sum of the on-balance-sheet risk assets and the off-balance-sheet operations with a counterparty, as defined by the regulations on credit risk, without applying the weighting factors established therein (these exposures do not include the risk assets deducted in the determination of the Own Funds); (ii) a counterparty is a customer or a group of connected customers; (iii) the eligible capital is equal to the Own Funds of the Issuer.

SPV -Special Purpose Vehicle

An entity - partnership, limited company or trust - set up to pursue specific objectives, such as isolating financial risk or obtaining special regulatory or tax treatment for specific portfolios of financial assets. SPV's operations are accordingly limited by a set of rules designed for this purpose. In general the SPVs' sponsors (q.v.) do not hold equity in them. The equity is held by other entities in order to ensure that there is no shareholder relationship with the Sponsor (q.v.). SPVs are usually bankruptcy-remote, in that their assets cannot be claimed by the creditors of the sponsor, even if the latter becomes insolvent.

Swap

A transaction that generally consists of the exchange of financial streams between operators according to different contractual arrangements. In the case of an interest rate swap (IRS), the counterparties exchange payment streams that may or may not be linked to interest rates, calculated on a notional principal amount (for example, counterparty pays a stream on the basis of a fixed rate, while the other does so on the basis of a variable rate). In the case of a currency swap, the counterparties exchange specific amounts in two different currencies, with these amounts being exchanged back in due course according to predefined arrangements that may concern both the capital (notional) and the streams of interest payments.

Tier 1 Capital

The most reliable and liquid part of a bank's capital, as defined by the regulatory rules.

Tier 1 Capital Ratio

The percentage of a bank's Tier 1 Capital to its risk weighted assets "RWA - Risk Weighted Assets" (q.v.).

Total Financial Assets - TFA

Assets Under Management (q.v.), Assets Under Custody (q.v.) and Direct Deposits (q.v.).

Trading Book

Positions held for trading are those held intentionally for a subsequent sale in the near term and/or assumed with the intention of benefiting, in the short term, from the differences between buying and selling prices, or other price or interest rate interest variations.

UCI - Undertakings for Collective Investment

This term includes "UCITS - Undertakings for Collective Investment in Transferable Securities" (q.v.) and collective investment funds (real estate collective investment funds, closed-end investment funds).

UCITS - Undertakings for Collective Investment in Transferable Securities

This term covers open-end real estate investment funds, both Italian and foreign, and investment companies with variable capital. The latter are joint stock companies that have the sole purpose of collective investment of the assets gathered through a public offer of their own shares.

Unlikely to pay

On-balance and off-balance sheet exposures that meet the definition of unlikely to pay, which do not meet the conditions to be classified as bad loans. The classification as "unlikely to pay" derives from the assessment of the debtor's unlikeliness (without actions such as realisation of collateral) to repay fully his credit obligation (principal and/or interest). This assessment is made independently of any past due and unpaid amount (or instalment). The classification of an exposure as unlikely to pay is not necessarily tied to evident issues (non-repayment), but is rather linked to indicators of a potential default of the borrower.

VaR - Value at Risk

A method used for quantifying risk. It measures potential future losses which will not be exceeded within a specified period and with a specified probability.

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R E P O R T

ON THE CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURES

pursuant to Article 123-*bis* of the Legislative
Decree no. 58 of February 24, 1998 (traditional
management and control model)

Name of Issuer:
“FinecoBank S.p.A.”

Website:
finecobank.com

Financial year of reference of the Report:
January 1, 2017 / December 31, 2017

Date of approval of the Report:
March 1, 2018

This is an English translation of the original Italian document. The original version in Italian takes precedence.

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GLOSSARY

Appointments and Sustainability Committee:	Board committee established in compliance with articles 4 and 5 of the Corporate Governance Code.
Bank of Italy Circular:	Bank of Italy Circular no. 263 of 27 December 2006 (with <i>New regulations for the prudential supervision of banks</i>) as amended.
Board / Board of Directors:	the Board of Directors of the Issuer.
Board of Statutory Auditors:	the Board of Statutory Auditors of the Issuer.
By-laws:	the By-laws of the Company in force at the date of approval of this Report (available on the Company's website).
Borsa Italiana:	Borsa Italiana S.p.A.
Civil Code:	the Italian Civil Code approved by Royal Decree no. 262 of 16 March 1942 as amended.
Code / Corporate Governance Code:	the Corporate Governance Code of listed companies approved in July 2015 by the Corporate Governance Committee and endorsed by Borsa Italiana, ABI, Ania, Assogestioni, Assonime and Confindustria.
Consob:	Commissione Nazionale per le Società e la Borsa (public authority regulating Italian financial markets) with headquarters in Rome, Via G.B. Martini n. 3.
Directive CRD IV	Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms.
External auditors:	Deloitte & Touche S.p.A., with registered office in Via Tortona 25, Milan, VAT no. 03049560166, tax code and Milan Companies Register no. 03049560166, Economic and Administrative Index (R.E.A.) no. 1720239, a registered auditor, appointed to independently audit the accounts of the Issuer.
Group or UniCredit Group:	UniCredit and its subsidiaries pursuant to article 2359 of the Civil Code and article 93 of the TUF.
Instructions on Stock Exchange Regulations:	instructions on Regulations for Markets organised and managed by Borsa Italiana, in force at the date of approval of this Report.
Issuer or FinecoBank or Bank or Company:	FinecoBank S.p.A., an issuer of securities to whom the Report refers, a company of the UniCredit Banking Group, a registered Banking Group no. 02008, with registered office in Piazza Durante 11, Milan, Headquarters in Via Rivoluzione d'Ottobre 16, Reggio Emilia, VAT no. 12962340159, Tax code and Milan Companies Register no. 01392970404, Economic and Administrative Index (REA) no. 1598155, member of the National Guarantee Fund and the Interbank Fund for the Protection of Deposits.
Issuer Regulations:	the Regulations issued by Consob with resolution no. 11971 of 14 May 1999 (as amended), on issuers.
Market Regulations:	the Regulations issued by Consob with resolution no. 20249 of 28 December 2017, on markets.
MTA:	the main Stock Exchange organised and managed by Borsa Italiana, where

	FinecoBank shares are also traded.
Regulations of company bodies:	the Regulations approved by the Board of Directors (last version May 2017) governing the functioning and responsibilities of the Board of Directors and Board of Statutory Auditors of the Company and related information flows, in compliance with laws, regulations and the By-laws, as well as the principles in Guidelines issued by UniCredit, in carrying out management and coordination as the parent company of the UniCredit Group Banking Group. This document is available on the Issuer's website www.finecobank.com ("Governance/Company Positions" Section).
Related-Party Regulations:	the Regulations issued by Consob with resolution no. 17221 of 12 May 2010 (as amended), on related-party transactions.
Remuneration Committee:	Board committee established in compliance with articles 4 and 6 of the Corporate Governance Code.
Report:	this Report on corporate governance and ownership structures which companies are required to prepare pursuant to article 123- <i>bis</i> of the TUF.
Risks and Related Parties Committee:	Board committee established in compliance with articles 4 and 7 of the Corporate Governance Code.
Shareholders:	owners of FinecoBank shares.
Shareholders' Meeting:	Shareholders' Meeting of the Issuer.
Stock Exchange Regulations:	the Regulations for Markets organised and managed by Borsa Italiana, approved by the shareholders' meeting of Borsa Italiana, in force at the date of approval of this Report.
Supervisory Regulations:	the Supervisory regulations for banks as of Bank of Italy Circular no. 285 of 17 December 2013.
Supervisory Regulations on Corporate Governance:	the Supervisory regulations for banks on organisation and corporate governance as of Bank of Italy Circular no. 285 of 17 December 2013, Part I, Title IV, Chapter 1.
TUB:	Legislative Decree no. 385 of 1 September 1993 as amended (Consolidated Law on Banking).
TUF:	Legislative Decree no. 58 of 24 September 1998 as amended (Consolidated Law on Finance).
UniCredit:	UniCredit S.p.A., with registered office in Milan, Piazza Gae Aulenti no. 3, Tower A, VAT no., tax code and Rome Companies Register of Milan-Monza-Brianza-Lodi no. 00348170101, a registered bank and Parent Company of the UniCredit Banking Group, a registered Banking Group no. 02008.1, a member of the Italian Banking Association code 02008, a member of the Interbank Fund for the Protection of Deposits.
Year:	the financial year this Report refers to.



B A N K

INTRODUCTION

This Report has been prepared pursuant to article 123-*bis* of the TUF, in compliance with the “*Format for corporate governance and ownership structure reports*”, VII edition, January 2018, as well as Supervisory Regulations on Corporate Governance. The information in this Report refers to the 2017 financial year, unless otherwise indicated.

The Report, approved by the Board of Directors of the Company on March 1, 2018, is published at the same time as the Management Report on the Issuer’s *website* (*Governance* Section) and is also available on the website of the authorised storage system managed by Spafid Connect S.p.A. (www.emarketstorage.com).

The Report has been submitted to the External Auditors, for its findings and fairness opinion pursuant to article 123-*bis*, paragraph 4 of the TUF. The results of the work carried out by the External Auditors are contained in its report, prepared pursuant to article 14 of Legislative Decree no. 39 of 27 January 2010, and attached to the 2017 Financial Statements of the Company.

1. PROFILE OF THE ISSUER

FinecoBank is the UniCredit Group's direct multichannel bank. It has one of the largest advisory networks in Italy, and is the number one broker in Italy for equity trades in terms of volume of orders and number one broker in Europe for number of executed orders. FinecoBank offers an integrated business model combining direct banking and financial advice, with a single free-of-charge account including a full range of banking, credit, trading and investment services, which are also available through applications for smartphone and tablet ⁽¹⁾.

FinecoBank is listed on the MTA ⁽²⁾.

1.1. Corporate governance model

The Company's corporate governance system is based on principles recognised by international best practices as fundamental for good governance: the central role of the Board of Directors, the correct management of conflicts of interest, an efficient internal control system and transparency in relations with the market, with particular reference to the disclosure of corporate management decisions.

FinecoBank is part of the UniCredit group and is managed and coordinated by the Parent Company UniCredit, pursuant to and for the purposes of articles 2497 and subsequent of the Civil Code.

FinecoBank's overall corporate governance structure has been defined in compliance with applicable laws and regulations, also considering recommendations in the Corporate Governance Code. The Company must also comply with Supervisory Regulations issued by the Bank of Italy and, in particular, as regards corporate governance, with Supervisory Regulations on Corporate Governance. Pursuant to these regulations, FinecoBank, as a listed bank and under the direct prudential supervision of the European Central Bank (ECB), qualifies as a bank of significant size or operational complexity and, therefore complies with the provisions applicable to these banks.

FinecoBank adopts a traditional administration and control system based on two bodies appointed by the Shareholders' Meeting: the Board of Directors, with strategic oversight and business management functions, and the Board of Statutory Auditors, with administration control functions. External auditors are appointed to audit the accounts, in compliance with applicable laws.

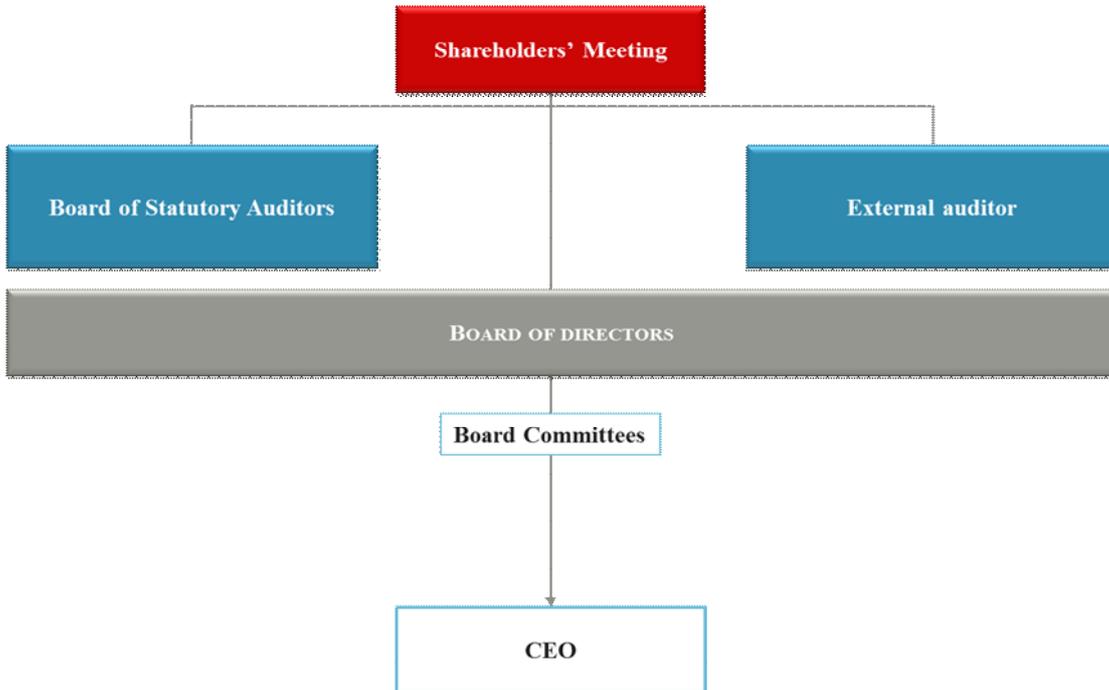
At the date of approval of this Report, the governance of FinecoBank also included the following Board Committees:

- the Risks and Related Parties Committee;
- the Remuneration Committee; and
- the Appointments and Sustainability Committee.

FinecoBank's governance structure is illustrated in the diagram below:

⁽¹⁾ Since the start of the Year, FinecoBank has extended its operations to the UK market, offering services and a single online platform of banking and brokerage services, thus without a network of financial advisors, unlike FinecoBank in Italy.

⁽²⁾ FinecoBank was admitted to trading on the MTA on July 2, 2014. Since April 1, 2016, FinecoBank has been included in the FTSE-Mib index.



1.1.1 Shareholders' Meeting

The Shareholders' Meeting is the body that represents the interest of all shareholders and through its decisions, the intentions of the Company.

The Shareholders' Meeting passes resolutions in ordinary and extraordinary session with the meeting and voting quorums envisaged by law and the By-laws, in view of specific matters to discuss.

The Ordinary Shareholders' Meeting approves, among others, the financial statements and resolves on profit distribution. It appoints the Directors, the Statutory Auditors and the external auditors, establishing their fees. It also resolves on remuneration and incentive policies and practices established by current regulations.

The Extraordinary Shareholders' Meeting resolves on amendments to the By-laws, capital increases and mergers and demergers.

Holders of voting rights and for whom the Company has received notice from the intermediary holding the relative account, within the deadlines established by applicable laws (record date, the seventh open trading day prior to the date convened for the Meeting) may participate in the Shareholders' Meeting.

For further information on the Shareholders' Meeting, see Section 16

1.1.2 Board of Directors

Pursuant to the By-laws, the **Board of Directors** is the body given all powers, within the framework of the company object, which are not expressly assigned to the Shareholders' Meeting according to law or the By-laws, and that exclusively oversees business management. For this purpose, the Board of Directors is given full powers for the ordinary and extraordinary management of the Company.

Members of the Board of Directors have the professional standing, integrity and independence required by the By-laws and by applicable laws and regulations.

As established in the By-laws, members of the Board of Directors are appointed by the Shareholders' Meeting for a three-year term of office, save for a shorter term established by the Shareholders' Meeting when making appointments, based on a list voting system, to guarantee an adequate number of board directors elected by the minority.

The Board of Directors elects a **Chairman** from its members and, where considered appropriate, one or two **Deputy Chairmen**, one of whom will act as a stand-in. The Chairman and Deputy Chairmen remain in office for the entire duration of the Board. The Board of Directors also appoints a **Secretary**, who is not necessarily a board member. The Board may establish committees or commissions with advisory, decision-making or coordination functions, in compliance with applicable laws and regulations.

The Board of Directors may also appoint a **Managing Director**, establishing the term of office and relative duties and powers, as well as a **General Manager** and one or more **Deputy General Managers**, who comprise Head Office. In compliance with the By-laws, the Board of Directors of the Company appointed Alessandro Foti as Managing Director and General Manager of the Bank.

For further information on the Board of Directors, see Section 4

1.1.3 Board committees

To promote an efficient information and consultation system in order for the Board of Directors to evaluate issues to the best of its ability, three board committees, with advisory, decision-making or coordination functions, are established at the date of approval of this Report, in compliance with Supervisory Regulations on Corporate Governance and the recommendations of the Corporate Governance Code; more specifically: (i) a **Risks and Related Parties Committee**; (ii) a **Remuneration Committee**; and (iii) an **Appointments and Sustainability Committee**.

For further information on the Risks and Related Parties Committee, the Remuneration Committee and Appointments and Sustainability Committee, see Sections 6.1, 7, 8 and 18

1.1.4 Board of Statutory Auditors

Pursuant to FinecoBank's By-laws, the **Board of Statutory Auditors** comprises three statutory and two stand-in auditors. Statutory Auditors are appointed by the Shareholders' Meeting based on a list voting system, to guarantee an auditor elected by the minority, as well as compliance

with provisions on gender balance.

Auditors remain in office for three years, they may be re-elected and their term ends on the date of the Shareholders' Meeting convened to approve the financial statements for the third year of their appointment. The Board of Statutory Auditors performs the functions assigned to it by law and other applicable regulations. For the entire period while the Company's shares are admitted to trading on a regulated Italian market, the Board of Statutory Auditors also exercises all powers and carries out all duties provided for by special laws; with particular reference to disclosure, Directors are required to report on a quarterly basis, pursuant to article 150 of the TUF, according to the procedures in article 15 of the By-laws. The Board of Statutory Auditors, acting as the "*Internal control and audit committee*", pursuant to Legislative Decree no. 39 of 27 January 2010 carries out all other activities provided for by this decree.

Members of the Board of Statutory Auditors are registered auditors and meet the requirements of professional standing, integrity and independence of applicable laws and statutory regulations.

For further information on the Board of Statutory Auditors, see Section 14

1.1.5 External Auditors

As established in the By-laws, the accounts are audited, pursuant to applicable legal provisions, by an entity that meets the requirements of applicable regulations.

The **External Auditors** represent the external control body auditing the accounts. In particular, the External Auditors are required, during the year, to verify the accounts of the company, and to give an opinion on the financial statements (including the consolidated financial statements), in a relative report.

For further information on the External Auditors, see Section 11.4

* * *

The duties and operating procedures of company bodies are governed by law, by the By-laws and by decisions taken by competent bodies.

For further information on each body and/or entity comprising the Company's governance system, see specific sections of this Report.

2. INFORMATION ON OWNERSHIP STRUCTURES (PURSUANT TO ARTICLE 123-BIS, PARAGRAPH 1 OF THE TUF)

a) Structure of Share Capital (pursuant to article 123-bis, paragraph 1, letter a) of the TUF)

As at 31 December 2017, the share capital, fully subscribed and paid up, was equal to €200,545,403.85 divided into 607,713,345 ordinary shares with a par value of €0.33 each.

The Board of Directors, partially exercising the authority granted to it pursuant to article 2443 of the Civil Code by the Extraordinary Shareholders' Meetings of 5 June 2014 and 23 April 2015, resolved on 6 February 2018 to increase the share capital, as follows:

- (i) with effect from 6 February 2018, by a nominal amount of €163,182.69, corresponding to 494,493 ordinary shares with a par value of €0.33 each, to service Employee incentive plans ("*2014-2017 Top Management Multi-year plan*" – assignment of the 2nd tranche);
- (ii) with effect from 30 March 2018, by a nominal amount of €37,105.20, corresponding to 112,440 ordinary shares with a par value of €0.33 each, to service Employee incentive plans ("*2014 Group Incentive System*" – 4th tranche of the plan and 2nd tranche share);
- (iii) with effect from 30 March 2018, by a nominal amount of €27,758.61, corresponding to 84,117 ordinary shares with a par value of €0.33 each, to service Employee incentive plans ("*2015 Group Incentive System*" 3rd tranche of the plan and 1st tranche share).

Ordinary shares are registered and are admitted for trading on the MTA. No further categories of shares, equity-based instruments, convertible or exchangeable bonds were issued.

Shares are indivisible and joint ownership is governed by law.

Shares are not subject to any privileges or constraints; there are no shares reserved for issue under option and sales contracts.

Each ordinary share carries the right to one vote in ordinary and extraordinary Shareholders' Meetings. Ordinary shares have all administrative and equity rights and obligations in accordance with law.

For equity-based incentive plans, which involve free share capital increases approved by the Shareholders' Meeting, see the relative information documents drawn up pursuant to article 84-bis of the Issuer Regulations ⁽³⁾, as well as the Compensation Report drawn up pursuant to article 84-quater of the Issuer Regulations ⁽⁴⁾.

b) Restrictions on the transfer of securities (pursuant to article 123-bis, paragraph 1, letter b) of the TUF)

At the date of approval of this Report, there were no restrictions on the transfer of securities.

⁽³⁾ Information documents are available at the following address on FinecoBank's website: https://images.fineco.it/pub-fineco/pdf/corporate/assemblea/2018/en/Annex_2_2018_CompensationPolicy.pdf. See information on page 2 et seq.

⁽⁴⁾ The Compensation Report is available at the following address on FinecoBank's website: https://images.fineco.it/pub-fineco/pdf/corporate/assemblea/2018/en/2018_CompensationPolicy.pdf. Moreover, the information pursuant to article 84-quater are reported in the Annex 1 to 2018 Compensation Policy, available at the following address on FinecoBank's website https://images.fineco.it/pub-fineco/pdf/corporate/assemblea/2018/en/Annex_1_2018_CompensationPolicy.pdf. See in particular the information reported on page 3 et seq. of the document.

c) Significant holdings in capital (pursuant to article 123-bis, paragraph 1, letter c of the TUF)

Based on entries in the Shareholders' Register and notices received pursuant to article 120 of the TUF, as well as other information available to the Company, direct or indirect significant holdings in share capital as at 31 December 2017 are presented below.

The table does not include entities that are exempt from the disclosure requirements of article 119-bis of the Issuer Regulations.

Declarer or entity at the top of the ownership chain	Direct shareholder	No. of ordinary shares	% Share of ordinary capital	% Share of voting capital
UniCredit S.p.A.	UniCredit S.p.A.	215,066,403	35.389%	35.389%
	UniCredit Bank AG	219,550	0.036%	0.036%
	Total	215,285,953	35.426%	35.426%
BlackRock Inc. (*)	Blackrock Netherlands B.V. Management llc	49,007	0.008%	0.008%
	BlackRock Advisors (UK) Limited	3,121,252	0.514%	0.514%
	Blackrock Advisors, LLC	790,717	0.130%	0.130%
	BlackRock Asset Management Canada Limited	34,459	0.006%	0.006%
	BlackRock Asset Management Deutschland AG	2,102,294	0.346%	0.346%
	BlackRock Asset Management North Asia Limited	326	0.000%	0.000%
	BlackRock Financial Management, Inc.	4,981	0.001%	0.001%

	BlackRock Fund Advisors	1,955,847	0.322%	0.322%
	BlackRock Institutional Trust Company	691,579	0.114%	0.114%
	BlackRock International Limited	263,685	0.043%	0.043%
	BlackRock Investment Management (Australia) Limited	18,405	0.003%	0.003%
	BlackRock Investment Management (UK) Limited	21,670,298	3.566%	3.566%
	BlackRock Investment Management, LLC	7,062	0.001%	0.001%
	BlackRock Japan Co., Ltd	85,196	0.014%	0.014%
	Total	30,795,108	5.067%	5.067%
Wellington Management Group LLP (*)	Wellington Management International LTD	2,503,099	0.412%	0.412%
	Wellington Management Company LLP	27,151,921	4.468%	4.468%
	Total	29,655,020	4.880%	4.880%

(*) Type of possession: non-discretionary asset management.

d) Securities conferring special rights (pursuant to article 123-bis, paragraph 1, letter d) of the TUF)

At the date of approval of this Report, FinecoBank had not issued any shares conferring special control rights, nor adopted By-law provisions allowing multiple or increased voting rights.

e) Employee shareholdings: mechanism to exercise voting rights (pursuant to article 123-bis, paragraph 1, letter e) of the TUF)

There is no employee share ownership scheme in which the voting right is exercised by representatives of the employees.

b) Restrictions on voting rights (pursuant to article 123-bis, paragraph 1, letter f) of the

TUF)

There are no restrictions on voting rights.

g) Shareholder agreements (pursuant to article 123-bis, paragraph 1, letter g) of the TUF)

The Issuer is not aware of any shareholder agreements pursuant to article 122 of the TUF.

h) Change of control clauses (pursuant to article 123-bis, paragraph 1, letter h) of the TUF and statutory provisions on Takeover bids (pursuant to articles 104, paragraph 1-ter, and 104-bis, paragraph 1)

FinecoBank has not entered into any significant agreements that become effective, are modified or are terminated in the event of a change in control of the company which is party to the agreement ⁽⁵⁾.

* * *

The Bank's By-laws do not envisage any exceptions to the provisions on the passivity rule as of article 104, paragraphs 1 and 1-bis of the TUF, nor the application of the neutralisation provisions as of article 104-bis, paragraphs 2 and 3 of the TUF.

i) Delegated powers to increase share capital and authorisation to purchase treasury shares (pursuant to article 123-bis, paragraph 1, letter m) of the TUF)

The Board of Directors has been authorised by the Extraordinary Shareholders' Meeting to carry out free capital increases, to implement the incentive plans for Bank personnel classified as "identified staff". The Board of Directors was not assigned the power to issue equity-based financial instruments.

On 12 April 2016, the Shareholders' Meeting, at the proposal of the Board of Directors, authorised the purchase and disposal of 250,000 treasury shares in favour of FinecoBank network managers and financial advisors identified as key personnel.

On 11 April 2017, the Shareholders' Meeting, at the proposal of the Board of Directors, authorised the purchase and disposal of 346,000 treasury shares to service the 2017 incentive system for FinecoBank financial advisors identified as key personnel.

On 10 January 2018, the Board of Directors resolved to put to the Shareholders' Meeting convened to approve the 2017 Financial Statements, the proposal to authorise the purchase and disposal of 297,620 treasury shares to service the 2018 incentive system for FinecoBank financial advisors identified as key personnel.

As at 31 December 2017, the Company held 60,397 treasury shares equal to 0.01% of the share capital.

l) Management and coordination (pursuant to article 2497 and subsequent of the Civil Code)

UniCredit carries out management and coordination activities in conformity to and within the

⁽⁵⁾ In addition to the above, on 26 October 2017, a company under Irish law was established. It is a wholly-owned subsidiary of the Issuer and will manage CIUs, subject to all authorisations being issued by the relevant Supervisory Authorities. In this regard, the above company did not enter into any agreements considered significant pursuant to article 123-bis, paragraph 1, letter h) of the TUF.

limits of the TUB and Supervisory Regulations, based, among others, on the following: (i) proposing members of the board of directors and control bodies, and managerial positions, of Group companies, to the shareholders' meetings; (ii) disseminating best practices, methodologies, procedures and IT systems in order to standardise operating procedures within the Group; (iii) defining and implementing a managerial/functional system that defines mechanisms for managerial coordination at group level, assigning the managers of parent company functions specific responsibilities and powers vis-à-vis corresponding functions of subsidiaries, in order to ensure the overall consistency of the group's corporate governance system, through adequate coordination among bodies, structures and company functions of different entities comprising the Group; (iv) defining, disseminating and implementing Group regulations for activities which are significant in terms of legal compliance and/or risk management, concerning, for example: (a) the reporting of inside information; (b) the preparation of periodic financial information; (c) the drafting of the strategic budget; (d) management control and reporting management information; (e) the structure, composition and remuneration of the Board of Directors; (f) transactions with related parties and associated persons; (g) supplier selection; (h) personnel and personnel training.

* * *

The information required by article 123-*bis*, paragraph 1, letter i) of the TUF is contained in the Compensation Report published pursuant to article 123-*ter* ⁽⁶⁾ of the TUF.

* * *

The information required by article 123-*bis*, paragraph 1, letter l) of the TUF regarding the appointment and replacement of directors is given in the section of this Report on the Board of Directors (Section 4.1.).

⁽⁶⁾ The Compensation Report is available at the following address on FinecoBank's website: https://images.fineco.it/pub-fineco/pdf/corporate/assemblea/2018/en/2018_CompensationPolicy.pdf

3. COMPLIANCE (PURSUANT TO ARTICLE 123-BIS, PARAGRAPH 2, LETTER A) OF THE TUF)

FinecoBank adheres to the Corporate Governance Code, bringing its own conduct in line with the principles therein, where applicable.

The Code is available to the public on the website of the Corporate Governance Committee, at: <http://www.borsaitaliana.it/comitato-corporate-governance/codice/2015clean.pdf>.

For additional information on the corporate governance structure of FinecoBank, in addition to specific sections of this Report, see the Company's website, where the Report is published together with economic/financial information, data and documents of interest to shareholders.

* * *

The Issuer is not subject to provisions of law outside Italy that affect its corporate governance structure ⁽⁷⁾.

⁽⁷⁾ With reference to the company recently established under Irish law, a wholly-owned subsidiary of the Issuer (See note 5 above), the legal provisions this company is subject to (or will be subject to, following authorisation to manage CIUs from relevant Supervisory Authorities), do not or will not affect the Issuer's governance structure.

4. BOARD OF DIRECTORS

4.1 Appointment and replacement (pursuant to article 123-bis, paragraph 1, letter l), of the TUF)

In compliance with laws and regulations applicable to listed companies, article 13 of the By-laws requires the Board of Directors to be appointed by the Shareholders' Meeting, based on lists of candidates submitted by Shareholders, with each list containing the names of candidates numbered progressively, according to the procedure described below.

Shareholders can submit a list for the appointment of Directors, provided that when they submit the list they hold, alone or together with others presenting shareholders, at least the minimum shareholding established by Consob pursuant to article 147-ter, paragraph 1, of the TUF and in compliance with relevant provisions in the Issuer Regulations. Ownership of the minimum shareholding required is calculated based on the shares registered for each shareholder on the day when the lists are filed at the Company; relative certification may be submitted after the lists have been filed, provided this is within the deadline for publication of the lists.

Each party entitled to vote (as well as (i) entitled persons belonging to the same group, intended as a party, which need not be a corporation, exercising control pursuant to article 2359 of the Civil Code and any subsidiary controlled by, or under the control of said party, or (ii) shareholders who are party to a shareholders' agreement as of article 122 of the TUF, or (iii) entitled persons who are otherwise associated with each other in a material relationship pursuant to current and applicable statutory or regulatory provisions) may submit individually or with others only one list, likewise each candidate may be included in only one list, or otherwise be considered ineligible.

Each list that has three or more candidates must include candidates from both genders, so as to ensure compliance with at least the minimum requirements of applicable laws and regulations on gender balance.

The lists shall be filed at the registered office or head office – also by remote communication and in accordance with procedures in the notice of call, so as to allow the identification of parties submitting the list – at least twenty-five days before the date of the Shareholders' Meeting to appoint members of the Board of Directors, in single call. The Company shall ensure that lists are made public on the Company's website and by other means established by applicable provisions, at least twenty-one days prior to the above Shareholders' Meeting, in one session or on first call.

The lists also contain attachments with any additional documents and declarations required by applicable laws and regulations, as well as:

- information on the identity of parties submitting the lists, indicating the total percentage of shares held;
- information on the personal and professional characteristics of the candidates in the list;
- a statement whereby individual candidates irrevocably accept the position (subject to their appointment) and certify, under their responsibility, that there are no grounds for their ineligibility or incompatibility to stand as candidate, and that they meet the requirements of professional standing and integrity required by applicable laws and regulations;
- a statement that the independence requirements in the By-laws have been met.

Lists that do not comply with the above requirements shall be considered as not submitted.

Each eligible voter may vote for one list only.

After the vote, candidates are elected from lists that have obtained the largest number of votes, with the following criteria:

- (a) a number of directors equal to the number of directors to be elected minus one shall be taken from the list that obtained the majority of votes cast, in the consecutive order in which they appear on the list. The remaining director is taken - in consecutive order - from the list that obtained the most votes among minority lists;
- (b) if the number of candidates in the majority list is not sufficient to ensure the appointment of all directors according to the mechanism specified in (a) above, all the candidates of the majority list shall be appointed and the remaining directors shall be taken from the list that obtained the most votes from among the minority lists, according to the consecutive order in which they appear on the list and, if necessary, from the next minority lists below the most voted minority list, in the consecutive order in which the candidates appear on the list, until the required number of directors has been appointed;
- (c) if the number of candidates included in both the majority and minority submitted lists is below that of the Directors to be appointed, the remaining Directors shall be appointed by resolution of the shareholders' meeting passed by relative majority, making sure that the independence and gender balance principles of applicable laws and regulations are complied with. In the event of a tie between candidates, the shareholders' meeting holds a second round of voting;
- (d) where only one, or no lists have been submitted, the Shareholders' Meeting shall resolve in accordance with the procedures specified in subparagraph (c) above;
- (e) if the required number of independent Directors and/or of Directors of the less represented gender is not appointed, the Directors of the most voted list and appearing first on the list and not satisfying the requirements in question are replaced by the next directors from the same list satisfying the requirement(s). In the event that, following the application of this criterion, it is still not possible to identify Directors with the mentioned characteristics, the said replacement criterion shall be applied to the progressively most voted minority lists from which any appointed candidates have been drawn;
- (f) in the event that, following the application of the replacement criterion set out in (e), it is still not possible to identify any suitable directors, the Shareholders' meeting shall resolve by relative majority. In this case, replacements shall be made starting from the most voted lists and from the candidates appearing first on the list.

In the event of death, resignation, withdrawal or removal from office for any other reason of a Director, or where a Director no longer meets the professional standing and integrity requirements, the Board of Directors can take steps to co-opt a Director, in compliance with the principles of minority representation and gender balance. If, in the above cases, the minimum number of independent Directors falls below the level required by laws and regulations in force at the time and/or the number of Directors belonging to the least represented gender falls below the level required by law, the Board of Directors shall replace them.

For the appointment of Directors needed to fill vacancies on the Board of Directors, the Shareholders' Meeting shall resolve by relative majority, ensuring that the principles of independence and gender balance established by current law and regulations are met.

The Board of Directors shall elect a Chairman from among its members and – where appropriate – one or more Deputy Chairmen, one of which will act as a stand-in.

In compliance with applicable sector laws and regulations, the Board of Directors defines the optimal number and type of directors to effectively carry out its duties and oversee its responsibilities assigned by law, by Supervisory Regulations on Corporate Governance and the By-laws. The Board also establishes requirements applicable to FinecoBank directors, in addition to requirements of applicable laws and regulations, and provides guidance on the maximum number of positions that directors may hold in other companies.

Before appointing directors, the Board informs shareholders of the optimal board composition, so that candidates may be selected considering the professional competencies required. Shareholders may in any case make their own evaluations of the optimal board composition, and submit candidate proposals, giving reasons for any differences from evaluations made by the Board.

Succession Plans

On 5 December 2017, the Board of Directors approved the succession plan for the Managing Director and General Manager and for the other key managers, in which the professional competencies and expertise required for possible candidates are established.

Only the Managing Director and General Manager has a specific term of office; other key managers are employees of the Bank. For the Managing Director and General Manager, the succession plan provides information to support the appointment of the successor also in the event of early replacement, subject to UniCredit being involved in the replacement process, in its capacity as the parent company. This succession plan is submitted annually for approval to the Board of Directors by the Human Resources department, after being approved by the Appointments Committee. The annual review consists of detailed analysis of the competencies and requirements necessary to hold individual positions. Tools used to identify the pool of possible candidates for succession plans include assessment and development processes for staff in Band 4 or higher (EDP – Executive Development Plan) and staff with high a potential.

4.2 Composition (pursuant to article 123-bis, paragraph 2, letter d) of the TUF)

Pursuant to article 13 of the By-laws, the Company is managed by a Board of Directors comprising a minimum of five and a maximum of thirteen Directors, elected by the Shareholders' Meeting. The Shareholders' Meeting shall also determine the term of office, on the understanding that said term may not be less than one year or more than three years from acceptance of the position and shall expire on the date of the Shareholders' Meeting convened to approve the financial statements relative to the last year of office. Members of the Board of Directors may be re-elected.

According to the Corporate Bodies Regulations, the number of Board Directors shall be commensurate with the size and complexity of the Bank's organisational structure, and allow for the oversight of all company operations, as regards management and controls. Moreover, the Board shall comprise (i) various representatives of the shareholder base, (ii) the professional competencies necessary to foster internal dialogue and (iii) a sufficient number of independent directors pursuant to the Corporate Governance Code. The composition of the Board shall also

guarantee a gender balance.

To ensure its proper functioning, the Board of Directors has established requirements for FinecoBank's Directors, in addition to requirements of applicable laws and regulations, and the number of positions directors may hold in other companies, as shown in the document "*Qualitative and quantitative composition of the Board of Directors of FinecoBank S.p.A.*" (approved by the Board of Directors on February 7, 2017), published on the Company's website, to which reference is made (hereinafter, the "**2017 Qualitative/Quantitative Profile**").

Save for limits on the number of positions directors may hold, directors may accept a position on the board when they consider they have sufficient time to diligently carry out their duties, also considering their own work and professional commitments, as well as the number of positions held in other companies (including non-Italian firms).

Moreover, all Directors shall meet the requirements for eligibility and professional standing of applicable laws and other provisions, including regulatory and industry provisions.

Pursuant to article 147-ter and 148 of the TUF and article 16 of the Market Regulations, as well as Supervisory Regulations on Corporate Governance, the majority of FinecoBank's Board members shall meet the independence requirements in article 3 of the Corporate Governance Code, as the Company is managed and coordinated by another Italian company with shares listed on regulated markets (*i.e.* UniCredit).

The Board shall assess whether the independence requirements have been met with regard to the prevalence of substance over form. This assessment shall be performed:

- (i) following the appointment of a new Director who qualifies as independent; and
- (ii) annually, for all Directors.

For this purpose, the Board of Directors, based on statements provided and any other information available, shall examine the Director's direct or indirect commercial, financial or professional relationships with the Company, assessing their significance both in absolute terms and with regard to the economic and financial position of the individual concerned. The Board of Statutory Auditors shall ascertain the correct application of the criteria and procedures adopted by the Board of Directors for the above-mentioned assessment. The results of the above assessments shall be disclosed to the market.

The Board of Directors in office at the date of this Report was appointed by the Shareholders' Meeting of 11 April 2017 and shall remain in office until the next Shareholders' Meeting convened to approve the Financial Statements as at 31 December 2019.

Accordingly, and in compliance with Supervisory Regulations on Corporate Governance, the appointment of Board members was proposed to the above Shareholders' Meeting in April 2017, after determining the number of members and their term of office. During the meeting, the Board of Directors also requested shareholders to consider the 2017 Quantitative/Qualitative Profile when submitting lists.

In compliance with applicable laws, the following lists of candidates for appointment to the Board of Directors were presented:

- List no. 1, presented by UniCredit (owner of a total of 215,066,403 ordinary shares representing 35.39% of the share capital), with Enrico Cotta Ramusino, Alessandro Foti, Francesco Saita, Manuela D'Onofrio, Maria Chiara Malaguti, Gianmarco Montanari and Patrizia Albano;

- List no. 2, presented by a number of asset management companies and institutional investors (owners of a total of 16,347,439 ordinary shares representing 2.6901% of the share capital), with Elena Biffi and Maurizio Santacroce.

The following documents were filed and published along with the two lists, according to established times and procedures:

- (i) a statement from shareholders other than shareholders that hold, even jointly, a controlling or relative majority interest, certifying the absence of any connection and/or significant relations with the latter as provided for by article 147-ter, paragraph 3 of the TUF and article 144-quinquies of the Issuers Regulation, also having examined Consob recommendations in its Communication no. DEM/9017893 of 26 February 2009;
- (ii) exhaustive information on the personal and professional characteristics of the candidates included in the list (curriculum vitae) and the list of administration, management and control positions they hold in other companies, which are relevant pursuant to law);
- (iii) statements whereby individual candidates irrevocably accepted the position (subject to their appointment) and certified, under their responsibility, that there were no grounds for their ineligibility or incompatibility to stand as candidate, and that they met the requirements of applicable laws, regulatory provisions, the By-laws and Corporate Governance Code;
- (iv) a statement from each candidate certifying that they met the independence requirements established by law, the By-laws and Corporate Governance Code;
- (v) a statement from each candidate on their knowledge and expertise in the areas indicated in the 2017 Qualitative/Quantitative Profile.

The lists, together with the above documents, were filed on the Company's website ("*Governance/Shareholders' Meetings*" section).

After establishing the number of Board Directors as 9, the Shareholders' Meeting of 11 April 2017 appointed Directors for the 2017-2019 period as follows:

- Enrico Cotta Ramusino, Alessandro Foti, Francesco Saita, Manuela D'Onofrio, Maria Chiara Malaguti, Gianmarco Montanari and Patrizia Albano from the list presented by UniCredit, which was voted by the majority of shareholders;
- Elena Biffi and Maurizio Santacroce from the list presented by several asset management companies and institutional investors, which was voted by the minority of shareholders.

For the percentage of votes for the above lists in relation to voting capital, see the summary report on voting, available on the Company's website ("*Governance/Shareholders' Meeting*" section).

The qualitative and quantitative composition of the appointed Board complied with the optimal composition defined by the Board (as described in the Qualitative/Quantitative Profile), in terms of: (i) the number of board members, optimally set by the Board as 9, in order to foster dialogue and promote the decision-making process, and which is commensurate with the size and complexity of the Company's organisational structure, for an effective oversight of all company operations; (ii) meeting requirements of integrity, professional competencies (in particular all Board members have a good knowledge and expertise of two or more areas listed) and independence (the majority of Board members are independent directors pursuant to the Corporate Governance Code); (iii) gender balance (at least one third of members on the board must comprise the least represented gender, as established in article 147-ter, paragraph 1-ter of

the TUF); (iv) complying with the limit on positions (no Board Directors exceeds the limit) and time available (based on the nature and extent of additional positions held, as well as various professional and work commitments) ⁽⁸⁾. As regards the personal and professional profile of each Director, see the information published on FinecoBank’s website (www.finecobank.com, “Governance” Section).

In this regard, the Company received a positive decision from the European Central Bank (ECB) on the suitability of board members, on 15 December 2017 for non-executive directors, and on 3 January 2018 for the Chairman and the Managing Director and General Manager.

The table below presents significant information on each Board member in office at the date of approval of this Report.

Position	Members	Born in	Date of first appointment *	In office since	In office until	List **	Exec. (¹)	Non-exec.	Indep. Code (²)	Indep. p. TUF (³)	(⁴)	Number of other positions ***
Chairman	Enrico Cotta Ramusino	1959	13.12.2001	11.04.2017	Approval of the Financial Statements as at 31.12.2019	M		X		X	14/14 (100%)	0
Deputy Chairman	Francesco Saita	1967	15.04.2014	11.04.2017	Approval of the Financial Statements as at 31.12.2019	M		X	X	X	14/14 (100%)	0
Managing Director and General Manager	Alessandro Foti	1960	20.10.1999	11.04.2017	Approval of the Financial Statements as at 31.12.2019	M	X				14/14 (100%)	0
Director	Patrizia Albano	1953	11.04.2017	11.04.2017	Approval of the Financial Statements as at 31.12.2019	M		X	X	X	9/10 (90%)	0
Director	Manuela D’Onofrio	1962	08.11.2016	11.04.2017	Approval of the Financial Statements as at 31.12.2019	M		X			14/14 (100%)	0
Director	Elena Biffi	1966	11.04.2017	11.04.2017	Approval of the Financial Statements as at 31.12.2019	m		X	X	X	10/10 (100%)	0
Director	Maria Chiara Malaguti	1964	11.04.2017	11.04.2017	Approval of the Financial Statements as at 31.12.2019	M		X	X	X	9/10 (90%)	0
Director	Gianmarco Montanari	1972	11.04.2017	11.04.2017	Approval of the Financial Statements as at 31.12.2019	M		X	X	X	10/10 (100%)	1

⁽⁸⁾ See Paragraph 4.2.1. below.

Director	Maurizio Santacroce	1971	11.04.2017	11.04.2017	Approval of the Financial Statements as at 31.12.2019	m		X	X	X	10/10 (100%)	0
----- Directors no longer in office during the Year -----												
Director	Gianluigi Bertoli	1951	15.04.2014	15.04.2014	11.04.2017	--		X	X	X	4/4 (100%)	--
Director	Mariangela Grosoli	1960	12.04.2011	15.04.2014	11.04.2017	--		X	X	X	4/4 (100%)	--
Director	Pietro Angelo Guindani	1958	15.04.2014	15.04.2014	11.04.2017	--		X	X	X	4/4 (100%)	--
Director	Girolamo Ielo	1947	14.04.2008	15.04.2014	11.04.2017	--		X	X	X	4/4 (100%)	--
Director	Laura Stefania Penna	1965	17.04.2012	15.04.2014	11.04.2017	--		X			3/4 (80%)	--
Quorum required to present lists during the last appointment: 1%												
<p>* The date of the first appointment of each Director means the date when the Director was appointed for the first time (ever) to the Board of Directors of the Company.</p> <p>** This column indicates the list on which each director was presented (“M”: member from the majority list; “m”: member from the minority list).</p> <p>*** Number of positions as Director or Statutory Auditor held in other companies listed on regulated markets, also abroad, in financial banking, insurance companies or companies of a considerable size (see Section 4.2.1 below, listing companies with reference to each Director).</p> <p>(¹) Executive Director pursuant to the Corporate Governance Code.</p> <p>(²) Independent Director pursuant to article 3 of the Corporate Governance Code.</p> <p>(³) Independent Director pursuant to article 148, paragraph 3 of the TUF.</p> <p>(*) Percentage attendance at Board meetings (no. of attendances/ no. of meetings held during the actual period of office of the person concerned during the Year).</p>												

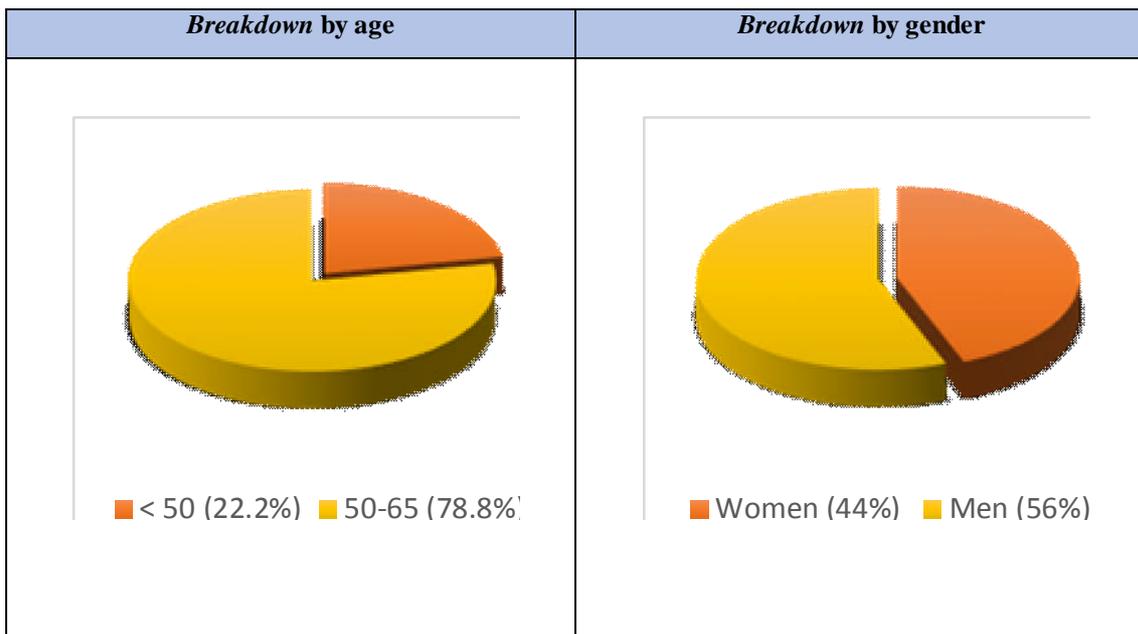
Diversity policies

Save for applicable laws and regulations, the Board has adopted a specific policy with general guidelines on the structure, composition and remuneration of company bodies of associates and on procedures to appoint company officers, issued by UniCredit in its capacity as a steering, coordination and control body, in order to define principles, guidelines and rules to manage officers that shall be appointed in particular to the company boards of subsidiaries at a Group level.

In this regard, the process regulated by the policy establishes, among others, some guidelines on the structure of company bodies and requirements of relative members, in order to achieve a balance between internal and external (independent) members and gender, and a composition that can effectively oversee all company operations in terms of management and controls, also considering the dimensions and complexity of the organisational structure of the specific company. In this context, besides aspects concerning professional standing, integrity, independence and gender, the policy establishes, among others, general guidelines which establish a maximum age for board members as follows: (i) 75 years for the position of Chairman and Deputy Chairman; (ii) 65 years for the appointment of managing director and/or sole director.

With reference to FinecoBank, the principles and rules of this policy shall apply, considering national and EU laws and regulations on requirements for directors – and more in general the composition of the administrative body overall – and also indications in the 2017 Qualitative/Quantitative Profile, previously referred to.

Members of the Board of Directors in office are broken down below, by age and gender.



4.2.1. Maximum number of board mandates in other companies

Based on information from Directors, the Board annually identifies and indicates, in the report on corporate governance and ownership structures, the positions of director or auditor held by the Directors in other companies and, in general, compliance with qualitative and quantitative requirements concerning time (based on the nature and extent of the positions held, as well as other work and professional commitments). The Directors shall promptly notify the Company of positions held or from which they have resigned during their term of office, as well as of any changes that may affect their availability.

In this regard, when approving the 2017 Qualitative/Quantitative Profile, the Board of Directors established new guidelines on the maximum number of positions that may be held by Company directors ⁽⁹⁾, in line with provisions in the Directive CRD IV.

In particular, save for additional and/or different provisions that could arise from Ministerial Decrees implementing article 26 of the TUB (as amended by Legislative Decree no. 72 of 12 May 2015 implementing Directive CRD IV in Italian law), each Director may hold the following number of positions (in any type of company, apart from organisations that are chiefly non-commercial):

- 1 executive position and 2 non-executive positions;
- 4 non-executive positions;

the following are considered as a single position as director: (a) the position of executive or non-executive director in the same group; e (b) positions are executive or non-executive director held in companies in which the entity has a qualified participation (see article 91 of the Directive CRD IV).

The table shows the overall number of positions held by Directors in office at the date of approval of this Report. The limit on the total number of positions held by Directors, as required by the Board in its 2017 Qualitative/Quantitative Profile, in line with the Directive CRD IV, was considered complied in view of requirements applicable to positions held in the same group, positions held in organisations that are chiefly non-commercial (that are not relevant for the total number of positions), statements provided by directors and the principles outlined in the document “*Guide to fit and proper assessments*”, published by the European Central Bank (ECB) on 15 May 2017.

Name	Total number of positions held by Directors	Number of relevant positions held
Enrico Cotta Ramusino <i>Chairman</i>	3 non-executive positions	1 non-executive position ⁽¹⁾
Francesco Saita <i>Deputy Chairman</i>	2 non-executive positions	2 non-executive positions
Alessandro Foti <i>Managing Director and General Manager</i>	1 executive position and 2 non-executive positions	1 executive position and 1 non-executive position ⁽¹⁾

⁽⁹⁾ In the Qualitative and Quantitative Profile approved in 2014, the Board had already set guidelines for the maximum number of positions that could be held by directors of the Company, in line with provisions in the Code of Corporate Governance and Supervisory Regulations on Corporate Governance.

Patrizia Albano <i>Director</i>	4 non-executive positions	2 non-executive positions ⁽²⁾
Elena Biffi <i>Director</i>	1 executive position and 3 non-executive positions	1 executive position and 2 non-executive positions ⁽¹⁾
Manuela D'Onofrio <i>Director</i>	1 executive position	1 executive position
Maria Chiara Malaguti <i>Director</i>	1 executive position	1 executive position
Gianmarco Montanari <i>Director</i>	5 non-executive positions and 1 position as general manager	2 non-executive positions ⁽³⁾
Maurizio Santacroce <i>Director</i>	1 executive position and 2 non-executive positions	1 executive position and 2 non-executive positions
<p>⁽¹⁾ Considering the impact of positions held in organisations that are chiefly non-commercial, the total number of positions held complies with established limits.</p> <p>⁽²⁾ Considering the impact of positions held in the same group, the total number of positions held complies with established limits.</p> <p>⁽³⁾ Considering the impact of positions held in organisations that are chiefly non-commercial and the position of general manager, which is not relevant for calculation purposes, the total number of positions held complies with established limits.</p>		

* * *

In addition to the above, in compliance with article 36 of Law Decree no. 201 of 6 December 2011, ratified with amendments by Law no. 214 of 22 December 2011 establishing provisions on “*personal crossholdings in the credit and financial markets*” it is forbidden for “*those who hold offices in the management, control and supervisory bodies and the top officers of firms or groups of firms engaged in credit, insurance and financial markets, to accept or exercise similar positions in competing firms or groups of firms*” (interlocking ban). Persons who hold incompatible offices must notify the option exercised within 90 days of the appointment. Otherwise, on expiry of this deadline, they shall be removed from both offices.

Directors shall annually renew the certificate stating they do not hold positions in the management, supervisory or control bodies of competing companies or groups of companies, in

order to enable the Board to carry out its annual assessment. This assessment was carried out on the appointment of Directors, with a positive outcome for the year.

Directors are also required to inform the Bank regarding positions held in other companies and entities. In accordance with provisions of the Corporate Governance Code, the summary table in Paragraph 4.2 above shows the number of positions held as director/auditor by board members of FinecoBank in other companies listed on regulated markets (including foreign markets), in financial, banking, insurance or large sized companies, and notified by them.

The table below lists, instead, these positions, without listing positions held by officers in organisations/associations that are chiefly non-commercial.

Name	List of positions held by FinecoBank Directors in other companies listed on regulated markets (including foreign markets), in financial, banking, insurance or large sized companies	Companies belonging to the UniCredit Group	
		YES	NO
Enrico Cotta Ramusino <i>Chairman</i>		-	-
Francesco Saita <i>Deputy Chairman</i>		-	-
Alessandro Foti <i>Managing Director and General Manager</i>		-	-
Patrizia Albano <i>Director</i>		-	-
Elena Biffi <i>Director</i>		-	-
Manuela D'Onofrio <i>Director</i>		-	-
Maria Chiara Malaguti <i>Director</i>		-	-
Gianmarco Montanari <i>Director</i>	Non-executive director of GTT S.p.A.	-	x
Maurizio Santacroce <i>Director</i>		-	-

4.2.2. Induction and ongoing training

During the Year, at the request of the Chairman of the Board of Directors, five induction and training meetings were held on the following: “Revision of the Items on demand model”; “FinecoBank’s compensation policy”; “Investment policy, capital and RAF”; “MIFID II”;

“Receivables and the new version of IFRS 9”.

In addition, as required by the Supervisory Regulations on Corporate Governance, during 2017 an off-site meeting was held on *“Establishing an asset management company (FAM)”*.

In early financial year 2018, assisted by an external expert, the Company began to systematically plan an assessment of the expertise and training of company officers.

4.3 Role of the Board of Directors (pursuant to article 123-bis, paragraph 2, letter d) of the TUF)

4.3.1 Duties

Pursuant to current regulations for companies with shares listed on regulated markets and in accordance with recommendations in the Corporate Governance Code, the Board of Directors plays a central role in the Company’s governance system. As a body with strategic oversight, the Board of Directors approves the Bank’s strategic guidelines and monitors their ongoing implementation.

Article 17 of the By-laws requires the Board of Directors to have the broadest powers for the management of the Company, except for powers reserved by applicable law, regulations and the By-laws to the Shareholders’ Meeting.

In particular, in addition to duties and powers that cannot be delegated pursuant to law, the By-Laws or Corporate Bodies Regulations, the Board of Directors shall have exclusive responsibility for the following:

- general guidelines, as well as the adoption and changes to the Company’s industrial, strategic and financial plans, within the framework of directives from UniCredit;
- the appointment and dismissal of the Managing Director and/or the General Manager and Deputy General Manager(s) and of the Financial Reporting Officer;
- assessments on the general performance of company management ⁽¹⁰⁾;
- alignment of the By-laws with legal provisions;
- corporate mergers and demergers in cases envisaged in articles 2505, 2505-bis and 2506-ter of the Civil Code;
- capital reduction in the event of Shareholder withdrawal;
- guidelines, as well as provisions in the By-laws, adopted by Directors to represent the Company;
- the establishment of committees or commissions with advisory, decision-making or coordination functions;
- the risk management policies, as well as the evaluation of the functioning, efficiency and effectiveness of the internal control system and adequacy of the organisational,

⁽¹⁰⁾ Taking into account the information received from authorised bodies, and periodically comparing results achieved with those planned. In this regard, the assessment was conducted monthly during the Year.

administrative and accounting structure within the framework of directives issued by UniCredit;

- the purchase and sale of investments, companies and/or business units, save for the provisions in article 2361, paragraph 2 of the Civil Code;
- the purchase and sale of property;
- the approval of and amendments to internal regulations;
- the appointment and dismissal of the heads of the Internal Audit, Compliance and Risk Control functions, after consulting with the Board of Statutory Auditors;
- the establishment and organisation, also for establishing powers of signature, in Italy and abroad, of secondary offices, branches, agencies and representation offices, however named, as well as their closing.

In accordance with the Supervisory Regulations on Corporate Governance, the Corporate Governance Code, the provisions of the By-laws and the Corporate Bodies Regulations, the Board of Directors, among others:

- (a) defines the nature and the level of risk consistent with the Bank's strategic objectives, including in its assessment all risks that could be relevant for the sustainability of Bank operations in the medium to long term; approves the business model while being aware of the risks to which this model exposes the Bank; formalises policies for the management of risks to which the Bank may be exposed, as well as the risk objectives and tolerance thresholds;
- (b) defines and approves the Bank's organisational and corporate governance structure, checking the correct adoption and promptly taking corrective measures in the case of any shortcomings or inadequacies; in particular, the Board of Directors is required in this framework to guarantee a clear separation of duties and functions, the prevention of conflicts of interest, the company structure and governance models/guidelines;
- (c) approves the accounting and reporting systems;
- (d) approves policies and processes for the assessment of company operations, and, in particular, financial instruments, ensuring ongoing adequacy; establishes the Bank's maximum exposure limits for financial instruments or products that are uncertain or difficult to measure;
- (e) approves the process for the development and validation of internal risk measurement systems not intended for regulatory purposes, periodically assessing their correct use; also approves the adoption of internal risk measurement systems for assessing capital requirements, periodically checking their validity and adopting – annually, and after consulting with the Board of Statutory Auditors – a formal resolution regarding compliance with the use of such systems;
- (f) defines the process for the approval of new products and services, the start of new activities and entry on new markets;
- (g) approves the company policy on outsourcing company functions;
- (h) in order to mitigate the Bank's operational and reputational risks and encourage the dissemination of a culture based on internal controls, the Board of Directors approves a code of ethics which must be complied with by all members of company bodies and

employees. The code defines the principles of conduct (e.g. rules of professional conduct and rules to follow in dealings with clients) on which company activities must be based;

- (i) approves internal systems for reporting violations;
- (j) as regards ICT, the Board of Directors approves: (i) the development strategies of the information system and reference model for system architecture; (ii) the IT security policy; (iii) guidelines on the recruitment of personnel with technical functions and the procurement of systems, software and services, including the use of external suppliers and promotes the development, sharing and updating of ICT knowledge; (iv) the organisational and methodological framework for IT risk analysis; (v) the IT risk appetite, regarding internal services and services provided to customers, in compliance with risk objectives and the reference framework to determine risk appetite defined at a company level; (vi) company documents required by law for management and supervision of the information system; the Board shall be informed at least once a year on the adequacy of services provided and the support given by these services to developments in company operations in relation to costs incurred and, promptly, in the event of serious problems for company operations due to information system incidents and malfunctions;
- (k) as regards business continuity: (i) defines the objectives and business continuity strategies of the service, ensuring adequate human, technological and financial resources; (ii) approves the business continuity plan and subsequent amendments as a result of technological and organisational change, accepting residual risks not managed by the business continuity plan, and also promoting development, periodic monitoring and updating following significant innovations, or any deficiencies/gaps or risks that may occur; (iii) appoints the business continuity plan manager; (iv) approves the annual plan for testing business continuity measures and examines the test results documented in writing;
- (l) defines the criteria for identifying the most significant transactions to be submitted for prior examination by the Risks and Related Parties Committee, and decides on transactions with related parties and associated persons pursuant to procedures adopted in this regard;
- (m) determines the remuneration/incentive systems in favour of key personnel and the network of financial advisors, and check that these systems do not increase business risks and are consistent with long-term strategies;
- (n) prepares and submits the compensation and incentives policy to the Shareholders' Meeting, on an annual basis, and is responsible for its proper implementation;
- (o) approves processes concerning the provision of investment services and the periodic testing of their adequacy.

The Board also ensures that:

- (i) the Bank's structure is consistent with activities carried out and with the business model adopted, avoiding the creation of complex structures which are not justified by operating aims;
- (ii) the implementation of the relevant framework for determining the Risk Appetite Framework ("RAF") is consistent with approved risk objectives and tolerance thresholds (where identified); in this regard, the Board of Directors periodically assesses the suitability and effectiveness of the RAF and the compatibility between actual risk and risk objectives;

- (iii) the strategic plan, RAF, Internal Capital Adequacy Assessment (ICAAP) process, the budget and internal control system are consistent, also in view of changing internal and external conditions in which the Bank operates;
- (iv) the quantity and allocation of capital and liquidity held is consistent with the risk appetite, risk governance policies and risk management process;
- (v) where the Bank operates in jurisdictions lacking transparency or through especially complex structures, the Board assesses the related operational risks, especially of a legal, reputational and financial nature, identifying oversight measures to mitigate these risks and ensure they are effectively monitored;
- (vi) the Board approves, at least once a year, the plan of activities (including the audit plan) and reviews the annual reports prepared by the company control functions (Compliance, Internal Audit and Risk Management). In this context, the Board also approves the long-term audit plan.

The Board of Directors also ensures the adoption of directives issued by UniCredit in exercising the power attributed to the latter - by relevant laws and regulations – to give instructions to various Group entities.

Lastly, the Board is exclusively responsible for reporting to shareholders at Shareholders' Meetings.

4.3.2 Meetings and functioning

The Board of Directors held fourteen meetings during the Year, with an average duration of two hours and thirty-six minutes and each lasting more than two hours. For details of the percentage of attendance by each Director, see the table in Section 4.2 above.

Twelve meetings have been scheduled for 2018, of which four had already been held at the date of approval of this Report.

The Chairman is responsible for planning the Board's schedule with regard to the agenda, as proposed by the Managing Director and General Manager. The Chairman shall also ensure that enough time is dedicated to items on the agenda in order to have a constructive debate, encouraging Directors to actively contribute to meetings.

Article 16 of the By-laws requires the Company's Board of Directors to be convened, also using telecommunication facilities, at the registered office of the Company or elsewhere, provided the venue is in Italy by the Chairman (or his/her representative), usually at least once every three months, and however any time deemed necessary by the Chairman, or if requested in writing by the Managing Director and General Manager or by at least two Directors of the Board of Directors. A Board meeting may also be convened on the proposal of a Statutory Auditor.

The Board of Directors shall be validly composed even without a call notice, provided that all Directors and Standing Auditors are present.

Article 16 of the By-laws envisages the possibility for participants of Board meetings to attend remotely, through audio-visual communication systems (video conference or conference call) where the conditions are in place to identify the attendees, allow their real-time participation in discussing the topics examined and to receive, transmit and examine any documents not previously seen.

Pursuant to the Corporate Bodies Regulations, notice of meetings must be given to all Directors and Statutory Auditors within a reasonable period of time, except in urgent cases. The notice should include, except in cases where this is not possible due to confidentiality issues, the items on the agenda so that the attendees can come prepared to the meeting. The Corporate Bodies Regulations also require documentation in support of proposals and any necessary information to be given to Directors at least three business days prior to the meeting (with the exception of the financial documents, that must be given at least one business day before the meeting), so that the Directors can give an informed opinion on the issues being decided. In this regard and with reference to the Year, the above term was complied with.

The Chairman is responsible for planning the Board's schedule with regard to the agenda, as proposed by the Managing Director and General Manager. The Chairman shall also ensure that adequate information – both in terms of quality and quantity – on items on the agenda is provided to all Board members, so as to allow the Board to make informed decisions on the business to be discussed and approved; the Chairman shall also ensure that enough time is dedicated to items on the agenda in order to have a constructive debate, encouraging Directors to actively contribute to meetings.

The Chairman of the Board of Directors, also at the request of one or more Directors, may request the Managing Director and General Manager that senior managers of the issuer and of Group companies, as well as Heads of relevant company departments, attend board meetings, in order to provide appropriate additional information on items on the agenda. In this regard and with reference to the year, senior managers attended Board meetings.

Pursuant to article 15 of the By-laws, the General Manager, if appointed, may take part, without voting rights, in Board meetings. If a Managing Director has not been appointed, the General Manager shall take part in Board meetings with the power to make proposals.

Pursuant to article 16 of the By-laws, the Chairman may request Deputy General Managers and other managerial staff to take part in Board meetings.

Apart from Board meetings, the Directors attend “off-site” meetings, in order to further examine and discuss strategic issues.

The Independent Directors meet at least once a year in a closed session.

In these meetings, an Independent Director appointed at the first meeting of Independent Directors acts as Chair.

4.3.3 Self-assessment

The Board of Directors started the annual self-assessment on the functioning of the Board and its committees, as well as on their size and composition. The self-assessment is conducted in compliance with provisions of the Corporate Governance Code and Supervisory Regulations on Corporate Governance, with the assistance of an external expert, Spencer Stuart.

4.3.4 Competing activities

The Company has not authorised any exceptions to the non-competition clause pursuant to article 2390 of the Civil Code.

4.4 Executive bodies and officers

In accordance with FinecoBank's Corporate Bodies Regulations, powers are delegated so that the Board is not stripped of its fundamental rights and prerogatives.

The Board establishes the content of the delegated powers in a detailed, clear and precise manner, also indicating the limits in terms of quantity and amount, as well as the means of exercising the delegated powers; this also allows the Board to specifically check that delegated powers have been correctly complied with, as well the possibility to exercise its overriding executive and evocation right.

Executive bodies and officers report to the Board of Directors and Board of Statutory Auditors at least every three months, on operations carried out as part of their powers.

4.4.1 Managing Director and General Manager

Pursuant to article 15 of the By-laws, the Board of Directors may appoint a Managing Director, determining the term of office and the respective duties and powers, a General Manager and one or more Deputy General Managers, who make up Head Office, together with other employees assigned to this function.

The Managing Director or – where not appointed – the General Manager shall oversee the Head Office.

The Managing Director shall take up the powers and duties of the General Manager if the latter has not been appointed.

If a Managing Director and General Manager are appointed, both positions must be held by the same person.

The Managing Director, or where not appointed, the General Manager shall be responsible for implementing the resolutions passed by the Board of Directors, with the assistance of the Head Office.

If a Managing Director has not been appointed, the General Manager shall take part in the meetings of the Board of Directors with the power to make proposals and without voting rights.

The Managing Director and other Directors with particular responsibilities, as well as the General Manager, where no Managing Director has been appointed, report to the Board of Directors on their activities, according to the procedures and time limits established by the Board, in accordance with law.

The Managing Director, or where not appointed, the General Manager as requested by the Managing Director, is responsible for implementing the resolutions passed by the Board of Directors, with the assistance of General Management.

On April 11, 2017 the Board of Directors confirmed the appointment of Alessandro Foti as Managing Director and General Manager, assigning him powers in all sectors of Bank operations. More information on powers granted is given in the document "*Delegated powers*" available for public consultation at the Milan Companies' Register.

The Managing Director and General Manager is responsible for managing the company and does not fall within the interlocking directorate scenario envisaged by the Corporate Governance Code (Application Criterion 2.C.5.).

4.4.2 Chairman of the Board of Directors

Pursuant to article 14 of the By-laws, the Board of Directors shall elect a Chairman from its members and – where appropriate – one or two Deputy Chairmen, one of whom will act as a stand-in.

By resolution of 11 April 2017, the Board of Directors appointed Enrico Cotta Ramusino as Chairman of the Board of Directors.

In accordance with article 10 of the By-laws, the Chairman of the Board of Directors chairs the Shareholders' Meeting, as well as directing and moderating discussions, establishing the voting procedures and confirming the results, in compliance with provisions of applicable regulations and procedures for Shareholders' meetings.

The Chairman of the Board of Directors has not been granted any management powers and therefore does not have any executive role. He/she does not have a specific role in the development of business strategies, is not the entity mainly responsible for company management, nor has directly or indirectly, significant investments in the Company's capital share.

For additional information, see Part A, § 2.1. of the Corporate Bodies Regulations available on the Company's website www.finecobank.com ("*Governance/Company positions*" section)

4.4.3 Reporting to the Board of Directors

Corporate Bodies Regulations require information flows between and within company bodies as an essential condition for achieving objectives of efficient management and effective control of the company.

To ensure continual and comprehensive information flows between and within company bodies, the Board is called on to approve and oversee the maintenance and update of a structured information flow system over time, that regulates the circulation of information and ensures the correct flow in a timely and comprehensive manner, whilst respecting the responsibilities of various bodies with supervisory and control functions. The Board of Directors analytically identified these flows, their content and timing in, among others, the "*Document on company bodies and functions with supervisory tasks*", which it approved. As regards transactions with related parties and associates, see "*Procedures for the management of transactions with persons in conflict of interest*" ("**RPT Procedures**") and information flows therein ⁽¹¹⁾.

The Corporate Bodies Regulations identify persons required to submit information flows to company bodies and describe the minimum content and timing of main participation flows. To implement necessary organisational controls for the proper management of information flows and provide the necessary information on other aspects (forms, tasks and duties and other content), not covered in the Corporate Bodies Regulations, specific organisational procedures are adopted that specifically describe the activities and controls related to the "*Management of the Board of Directors*", the "*Management of inside information*", in relation to the complexity

⁽¹¹⁾ The RPT Procedures are available at the following address on FinecoBank's website: <https://finecobank.com/en/public/corporate/governance/parti-correlate>.

of the information processed, as well “*Procedures for the management of transactions with persons in conflict of interest*”.

In accordance with Article 21 of the By-laws, decisions made by those with delegated powers must be disclosed to the Board according to the procedures and frequency (at least quarterly) established by the Board. In particular, executive bodies and officers shall report to the Board of Directors and the Board of Statutory Auditors, at least on a quarterly basis, on the general performance of the company, the business outlook, and transactions that have a significant effect on the results of operations and financial position – with particular regard to transactions that could potentially give rise to conflict of interest – carried out by the Company and its subsidiaries.

In this regard, delegated bodies reported to the Board of Directors and the Board of Statutory Auditors, on at least a quarterly basis, on activities performed as part of their delegated powers.

4.5 Other executive directors

At the date of approval of this Report, no other Directors have been granted management powers besides the Managing Director and General Manager.

4.6 Independent directors

At the date of approval of this Report, the Board of Directors had six independent Directors pursuant to article 3 of the Corporate Governance Code, as identified below.

Save for paragraph 4.2 above regarding the procedures and timing for checking the independence of directors, the Board of Directors: (i) pursuant to article 144-*novies*, paragraph 1-*bis*, of the Issuer Regulations and Application Criterion 3.C.4. of the Corporate Governance Code, assessed, at the first available opportunity after the appointment (i.e. in the meeting of 9 May 2017), that non-executive Directors met independence requirements and disclosed the results of its assessments in press release; (ii) assessed, before the approval of this Report, the continued independent status of the Directors. To enable the Board of Directors to assess the independence requirements of its members, each Director was asked to make a personal updated assessment of their independence status, taking into account the criteria in articles 147-*ter*, paragraphs 3 and 4, and 148 paragraphs 3 and 4 of the TUF and article 3 of the Corporate Governance Code, providing specific certification.

Subject to the opinion of the Appointments Committee (now the Appointments and Sustainability Committee) of 2 February 2018, the Board of Directors, in its meeting of 6 February 2018, verified the existence of the independence requirements for Directors, pursuant to article 148 of the TUF and article 3 of the Corporate Governance Code. In performing the above assessments, the Board of Directors applied (among others), all the criteria established by the Corporate Governance Code.

In this regard, and with particular reference to the independence requirements referred to in the Corporate Governance Code and By-laws, information on the direct or indirect relationships (loans, significant positions held, work as a paid employee and business/professional relations) of Board Directors with FinecoBank and the Parent Company were considered.

To verify the significance of the above relations, the Board of Directors decided to not only identify the financial parameters which if exceeded, “automatically” affect independence, but

also subjective and objective aspects, in overall terms. For this purpose the following criteria were identified: (i) the nature and characteristics of the relationship; (ii) the amounts of transactions in absolute and relative terms; (iii) the subjective profile of the relationship.

In particular, in evaluating the significance of the relationship, the Board considered the following information, where available:

- (a) for loans, the amount in absolute terms of the loan granted, its impact in relation to system data and, where necessary, the financial status of the borrower;
- (b) for professional/business relations, the characteristics of the transaction/relationship, the amounts involved and, where necessary, the financial status of the counter party.

In both cases, subjects involved (director or family member; FinecoBank or the Parent Company) were considered, and for relations with companies/entities, the type of "connection" with the director or family member (position held/controlling interest) was taken into account.

In view of the above, and as part of the verification process, the Board ascertained the independence requirements declared by Board Directors. In particular, with reference to Directors for whom information obtained indicated the existence of the above relations, the Board considered that the relations were not of an extent that could affect the independence requirements declared.

The results of the verification are as follows:

- *Independent directors pursuant to article 148 of the TUF and article 3 of the Corporate Governance Code:* Francesco Saita, Patrizia Albano, Elena Biffi, Maria Chiara Malaguti, Gianmarco Montanari, Maurizio Santacroce;
- *Independent directors pursuant to article 148 of the TUF:* Enrico Cotta Ramusino;
- *Non-independent directors pursuant to article 148 of the TUF and article 3 of the Corporate Governance Code:* Alessandro Foti, Manuela D'Onofrio.

The Board of Statutory Auditors ascertained the correct application of the assessment criteria and procedures adopted by the Board of Directors for evaluating the independence of its members. In this regard, the results of checks carried out will be made known in the annual report to the shareholders' meeting, which will be published together with the Financial Statements as at 31 December 2017 in accordance with procedures and times established by law.

Meetings of the Independent Directors, as of Application Criterion 3.C.6 of the Corporate Governance Code, were held on 24 January and 5 December 2017. In particular, the Independent Directors met without the other Directors, to mainly discuss corporate governance issues (specifically the functioning of Boards and Committees).

4.7 Lead Independent Director

As the Code does not establish provisions for the appointment of this position, the Board of Directors has not appointed any independent Director as lead independent director ⁽¹²⁾.

⁽¹²⁾ Pursuant to Application Criterion 2.C.3. of the Corporate Governance Code, the Board of Director appoints an independent director as the lead independent director in the following cases: (i) if the chairman of the board of directors is the chief executive officer of the company; (ii) if the office of

5. PROCESSING OF COMPANY INFORMATION

In compliance with Stock Exchange Regulations and relative Instructions, as well as relevant provisions of the TUF and Issuer Regulations, which require Directors and Statutory Auditors to keep documents and information acquired in performing their duties confidential, the Corporate Bodies Regulations require the Board of Directors to define procedures for the internal management and disclosure of documents and information on the Company, also with reference to inside information.

In the meeting of 15 April 2014, the Board of Directors approved the procedure for the processing of inside information (hereinafter, the “**Procedure for processing Inside Information**”).

The aim of the Procedure for processing Inside Information is to prevent the processing of Inside Information (as defined below) in a manner which is not prompt, is incomplete or inadequate and in any case may result in inconsistent disclosure.

In particular, the disclosure of Inside Information, as regulated by this Procedure, makes it possible to protect the market and investors, giving them adequate knowledge of matters concerning the Issuer, on the basis of which they may make investment decisions.

The Procedure for processing Inside Information also aims to prevent some persons or categories of persons from acquiring information which is not in the public domain in order to carry out speculative transactions on markets to the detriment of investors, that are not aware of this information.

The Procedure explains:

- with reference to FinecoBank as the entity controlled by the listed issuer UniCredit, the process to assess inside information concerning UniCredit, as well as requirements for managing the List of Persons who have access to the inside information (the “*UCI List*”);
- with reference to FinecoBank as a listed issuer, the process to assess and disclose inside information concerning FinecoBank, as well as requirements for managing the List of Persons who have access to this information (the “**Fineco List**”).

The Procedure regulates the management of company information (meaning all information and data concerning FinecoBank, UniCredit and/or other Group companies, which is not in the public domain, acquired by persons required to comply with the Procedure, in performing their duties), with particular reference to “*Inside Information*” as defined in article 181 of the TUF.

It establishes, firstly, the obligation for all persons that perform activities within the Group to keep company information acquired in performing their duties confidential and to use this information exclusively for carrying out their duties.

At present, the Procedure for processing Inside Information assigns:

- (a) responsibility for assessing whether information is classified as inside information, also for the purpose of disclosure to the public,
 - as regards information relative to UniCredit, to the *Planning, Finance and*

chairman is held by the person that controls the issuer; (iii) if the issuer is part of the FTSE-Mib index when requested by the majority of independent directors.

Administration Department (hereinafter, the “**UCI CFO**”), assisted as necessary by the *Group Investor Relation Department* and the *Legal & Compliance Department*, for areas in their remit;

- as regards information relative to the Company, to the *Chief Financial Officer* of FinecoBank (hereinafter, the “**FinecoBank CFO**”) assisted, as required by heads of *Investor Relations*, *Legal* and *Compliance*, for areas in their remit. In any case, the FinecoBank CFO shall notify the UCI CFO of its assessments, to verify whether inside information relative to the Issuer may also have an impact on UniCredit.

In particular, the Procedure for processing Inside Information establishes that anyone who has inside information relative to UniCredit and/or FinecoBank and/or the Group shall promptly report the circumstance – as necessary – to the FinecoBank CFO and/or UCI CFO to allow for an assessment of the inside nature of the information disclosed and to take the necessary measures to correctly manage the information, including its prompt disclosure to the market, as applicable;

- (b) appropriate, effective measures to ensure the confidentiality of information until it is disclosed to the public shall be adopted.

To this end, FinecoBank has established a “*List of persons who have access to inside information*” which is price sensitive, as regards the Company’s shares, in compliance with applicable regulations. It has also established a process to add data to, update and maintain the List, identifying the Compliance Officer of the Company as the entity responsible for managing the FinecoBank List.

With reference to price sensitive information about UniCredit shares, the Issuer has assigned UniCredit to keep the UCI List, that shall add data to the list, notified as and when necessary by the Compliance Officer of the Issuer;

- (c) the FinecoBank CFO shall be responsible for assessing disclosure to the public of information about the Company, and – in agreement with the UCI CFO – the opportunity to delay disclosure to the public of Inside Information, in cases specifically indicated by the Procedure for processing Inside Information;
- (d) the FinecoBank CFO and Head of Investor Relations shall be responsible for preparing press releases in which Inside Information is disclosed, assisted by Company units involved and with the equivalent units at UniCredit (if UniCredit is also required to disclose the same information);
- (e) the FinecoBank CFO shall be responsible for sending the prepared press release to the UCI CFO, so that he/she, if the Inside Information is also relevant for UniCredit shares, may submit it to the Board of Directors of the Parent Company for approval or, when relative to delegated transactions, to the Chairman, Managing Director, General Manager or one of the Deputy General Managers, for areas in their responsibility;
- (f) the press release shall be disclosed, subject to approval from the Managing Director of the Issuer, via the “*eMarket-SDIR*” system, to Borsa Italiana and Consob.

As established by the procedure, if the press release concerns particularly significant events, the Head of Media Relations and Executive Communications, assisted by the Legal & Compliance Unit, informs Consob and Borsa Italiana before sending the press release.

Press releases are published on the Company’s website before the opening of the market on the day after disclosure and are available on the site for at least five years from publication.

In compliance with provisions set forth in article 114, paragraph 7 of the TUF and article 152-*quinquies.1* and subsequent of the Issuer Regulations, and in order to reflect changes in laws resulting from the entry into force of Regulation (EU) No 596/2014 of the European Parliament and of the Council of April 16 2014, as amended by article 56 of Regulation (EU) No 2016/1011 – on market abuse and repealing Directive 2003/6/EC of the European Parliament and of the Council and Directives 2003/124/EC, 2003/125/EC and 2004/72/EC - and relative Commission Delegated Regulations (No 2016/522 and 2016/523), the Board of Directors approved the current version of the Code of conduct on *internal dealing* on 10 January 2018; the Code regulates the management, processing and disclosure of information relative to transactions on FinecoBank’s listed shares and debt instruments (and on the derivatives and financial instruments connected to them) undertaken by *insiders* and by persons strictly related to them (hereinafter, the “**Internal Dealing Code**”). This procedure regulates disclosure obligations to be complied with and conduct to be observed by the above persons and by FinecoBank in order to ensure maximum transparency in disclosure to the market.

The main aim of the Internal Dealing Code is to improve transparency and uniformity in disclosure relative to financial transactions undertaken by the above persons, to give investors an idea of how these persons perceive the prospects of the company and/or the group it belongs to. Thus the Code does not directly address whether significant persons have acquired confidential information and used said information unlawfully (a conduct which instead constitutes the offence of insider trading), assuming that the undertaking of certain financial transactions by particular persons considered “significant” (i.e. by persons that, due to their position, are able to acquire information on matters of the company and the group it belongs to), is, per se, price sensitive.

The Internal Dealing Code identifies “Significant Persons” and “Closely-Related Persons” to the Significant Persons in compliance with the Issuer Regulations and establishes that “Material Transactions” (and thus which are subject to the disclosure obligations of the Internal Dealing Code) are transactions concerning the purchase, sale, underwriting or exchange of shares and debt instruments issued by FinecoBank (admitted to trading – or for which an application has been made for admission to trading – on a regulated market or an MTF), or derivatives or other financial instruments linked to those instruments carried out by the above persons, directly or through intermediaries, trusts or subsidiaries. The Internal Dealing Code also identifies some types of transactions, which are exempt from disclosure obligations.

The Internal Dealing Code also contains regulations on the management, processing and disclosure of information relative to these transactions. To this end it regulates:

- (a) disclosure obligations of Significant Persons to the Company;
- (b) disclosure obligations of Significant Persons and the Company to Consob;
- (c) cases in which Significant Persons are prohibited from or limited in undertaking transactions on financial instruments.

In compliance with the Internal Dealing Code, the Bank’s Compliance Officer is the Officer Responsible for providing information to the public and to Consob with regard to notices received from Significant Persons.

6. BOARD COMMITTEES (PURSUANT TO ARTICLE 123-BIS, PARAGRAPH 2, LETTER D) OF THE TUF)

At the date of approval of this Report, three Board committees were established, with advisory, decision-making and coordination functions, and specifically: (i) a Risks and Related Parties Committee; (ii) a Remuneration Committee; (iii) an Appointments and Sustainability Committee.

None of the functions assigned to board committees by the Corporate Governance Code was assigned to the Board of Directors. Apart from the Appointments and Sustainability Committee, as of Sections 8 and 18, none of the other committees carry out multiple functions of two or more committees as provided for by the Corporate Governance Code ⁽¹³⁾ and functions are not assigned to various committees in a way that differs from provisions in the Code. Committee members are selected for their expertise and availability to carry out relative duties.

Save for a shorter term of office established on appointment, Committee members remain in office for the same time as the Board on which they are members. They may step down from their position on Committees, without stepping down from the Board of Directors.

If, for any reason whatsoever, a member no longer holds the position, the Board of Directors will replace the member. The expiry of the new member's term of office coincides with that of the outgoing member. If the Chairman of the Committee ceases to hold office, the Board of Directors will appoint a new Chairman with the decision to appoint the replacement member.

Committees meet regularly as scheduled and whenever deemed necessary due to particular requirements; the majority of members shall be present for Committee meetings to be duly established. Committee meetings may be held using telecommunication means, provided that each attendee can be identified by all the other attendees, and that each attendee is able to intervene in real time during discussions, and is able to receive, transmit and view the documents. The Secretary, who is not necessarily a Committee member, or if absent or incapacitated, a person appointed by the committee Chair to replace the secretary, shall take minutes of the meeting, which will include among others, the reasons for any disagreement expressed by Committee members. The Secretary shall retain the minutes of the meeting for consultation by Committee members who did not attend the meeting, as well as Directors and Statutory Auditors.

The Chair of each Committee shall report on the meeting during the first subsequent Board meeting.

Committees also have financial resources adequate for their duties, within the limits of the budget set by the Board, which are sufficient to guarantee operating independence; in cases of particular need, these limits may be extended. The Committees may be assisted by external experts.

The Shareholders' meeting determines the annual fees for Committee members and a fee for attending committee meetings. To carry out their duties, Committees have adequate tools and information flows, guaranteed by adequate functions, which enable them to make evaluations and have access to relevant company information.

⁽¹³⁾ In compliance with Consob indications and guidelines as of Communication no. DEM/10078683 of 24 September 2010, to adopt the Regulations on Related-party Transactions, the Company assigned its audit committee pursuant to the Corporate Governance Code to carry out the functions of the related-parties committee.

The committees established within the Board of Directors are described below.

6.1 Risks and Related Parties Committee

The Risks and Related Parties Committee was established on 17 June 2008 as the “Audit Committee”. Over the years, the original name of the Committee, its structure and relative duties, changed, in line with developments in the legal and regulatory framework, and with industry best practices. With a resolution of April 11, 2017, the Board of Directors established an internal controls and risks committee, to oversee related-party transactions, pursuant to the Related-Parties Regulations, called the “*Risks and Related Parties Committee*”; this committee has functions and powers referred to in applicable Supervisory Regulations on Corporate Governance and the Corporate Governance Code.

In compliance with provisions in Application Criterion 4.C.1 of the Corporate Governance Code, the composition, functioning, organisation and activities of the Risks and Related Parties Committee are governed in the Corporate Bodies Regulations.

6.1.1. Composition

The Board of Directors appointed members of the Risks and Related Parties Committee on April 11, 2017, in compliance with provisions in article 16 of the Market Regulations (formerly article 37 of the repealed Regulation no. 16191/2007), according to which all members of the Committee must be non-executive, independent directors, as FinecoBank is managed and coordinated by UniCredit.

Furthermore, in accordance with Principle 7.P.4 of the Corporate Governance Code, under which at least one member of the committee is required to have an adequate experience in accounting and finance or risk management, the Board of Directors established that all members of the Committee, on their appointment, met the above requirements, and more in general, have the knowledge, expertise and experience to fully understand and monitor the Bank's risk strategies and guidelines.

At the date of approval of this Report, the composition of the Risks and Related Parties Committee was as follows:

Name	Executive	Non-executive	Indep. Code	Indep. TUF	% (*)	(**)
Francesco Saita		X	X	X	100%	C
Gianmarco Montanari		X	X	X	87% as from 11 April 2017, i.e. from his appointment as director	M
Maurizio Santacroce		X	X	X	100% as from 11 April 2017, i.e. from	M

					his appointment as director	
----- Members no longer in office during the Year -----						
Pietro Angelo Guindani		X	X	X	100% Until the end of the term of office on 11 April 2017	M
Mariangela Grosoli		X	X	X	75% Until the end of the term of office on 11 April 2017	M
No. of Committee meetings: 12						
(*) This column shows the percentage attendance at Committee meetings (no. of attendances / no. of meetings held during actual period office of the person concerned during the Year).						
(**) This column shows the position of the director on the Committee (“C”: Chairman; “M”: member).						

All the members of the Risks and Related Parties Committee will end their term of office at the time of the next Shareholders’ Meeting called to approve the Financial Statements as at 31 December 2019.

6.1.2. Functioning

The Committee shall meet, also by telecommunication means, as often as necessary to perform its functions, and at the request of any of its members or the Chairman of the Board of Statutory Auditors. Committee meetings are convened by notice of call sent by the Chairman of the Committee, also through the Secretary of the Committee, usually at least three days before the scheduled date of the meeting. In urgent circumstances, as determined by the Chairman of the Committee, meetings may be convened with one day's notice.

The notice can also be sent by fax or email and shall indicate the date, time and venue of the meeting, and the list of items to be discussed.

The Committee shall be considered duly established with the presence of the majority of its members in office and with the absolute majority vote of those present for resolutions.

In the event the Chairman is absent or incapacitated, the most senior member of the Committee shall act as Chair.

The Financial Reporting Officer, Internal Audit Officer, Chairman of the Board of Statutory Auditors and a Statutory Auditor nominated by the former may attend Committee meetings; Directors and senior managers of the Company may also be requested to take part in meetings for specific issues, as well as external auditors.

The Chairman of the Board of Directors and the Managing Director and General Manager of the Company may take part in meetings.

The Corporate Bodies Regulations also establish the rules for temporary replacement of a Committee member with reference, in particular, to cases where the Committee is called on to give an opinion on transactions with related parties and/or associates.

In this regard, the Regulations, after making it clear that, for each transaction considered, members of the Risks and Related Parties Committee must be different from the counterparty and parties related thereto, establishes that, in the event a member of the Committee is a counterparty of the transaction (or a person associated to the counterparty), they must promptly inform the Chairman of the Board of Directors and the Chairman of the Committee, and refrain from taking part in any further work of the Committee concerning the relevant transaction.

In this event, the Chairman of the Board of Directors, after consulting with the Chairman of the Risks and Related Parties Committee, immediately replaces the member who is in conflict of interest by appointing, after having contacted him/her, another independent and unconnected member of the Board of Directors.

In case of transactions with related parties and/or associated persons whose completion is urgent and for which the Committee is involved in the negotiation and diligence phases and/or when issuing an opinion, the Chairman of the Risks and Related Parties Committee, after having acknowledged the urgency of the transaction and established the unavailability of the majority or of all members to meet or to carry out the required activities in time for the transaction to be concluded, shall promptly notify the Chairman of the Board of Directors.

In any case, this notice shall be given no later than the day following the day when the Chairman of the Committee received notice of the unavailability of the majority or of all members.

The Chairman of the Board of Directors, after consulting with the Managing Director and General Manager to assess the actual urgency of the transaction, shall immediately re-establish the Risks and Related Parties Committee by appointing the required number of Independent Directors, following the same procedure adopted for the temporary replacement of a member in case of a conflict of interest (appointment of the replacement(s) from independent members of the Board of Directors).

The above shall also apply if the unavailability of the majority is due to the resignation of a member of the Committee.

6.1.3 Duties and Responsibilities

The role of the Committee is to provide information, advice, make proposals and enquiries, with a risk-oriented approach, when defining guidelines for the entire internal control system, and to assess its effectiveness and efficiency, so that main risks are properly identified, as well as appropriately measured, managed and monitored, without prejudice to the Board of Director's power to make all relevant decisions.

The Committee helps to promote a corporate culture that values the control function, steering it towards a risk-oriented approach.

The Committee's mission also includes evaluating the correct use of accounting standards in preparing financial statements, and overseeing the effectiveness of audits and the activities of external auditors.

The Committee is also responsible for related-party transactions in accordance with the Related-Party Regulations, pursuant to applicable Supervisory Regulations on Corporate Governance.

The Risks and Related Parties Committee, among other things:

- (a) in relation to the model for outsourcing audits adopted by the Bank (see Section 11.2

below):

- ensures ongoing compliance with service levels covered by the external audit agreement, assisting the Board of Directors and appointed Director in assessing the adequacy of the service and ensuring that audit activities carried out by the Internal Audit unit are primarily based on continuously updated risk-assessment analyses;
 - monitors compliance with the Group Internal Audit Framework;
- (b) identifies and proposes to the Board of Directors, the Compliance, Internal Audit and Risk Management Officers to be appointed, assisted by the Appointments and Sustainability Committee;
 - (c) helps identify internal control system guidelines, based on a risk-oriented approach, so that the main risks concerning the Company are correctly identified and adequately measured, managed and monitored, making assessments and recommendations to the Board of Directors on compliance with the principles the internal controls and business organisation system must be aligned with, and the requirements to be met by the Compliance, Internal Audit and Risk Management functions, bringing any weaknesses and consequent corrective actions to adopt to the attention of the Board;
 - (d) reports to the Board of Directors, at least every six months, when the annual financial statements and the half-yearly financial statements are approved, on activities carried out and the adequacy of the Company's Internal Control and Risk Management System;
 - (e) previously reviews activity schedules (including the Internal Audit plan) and the annual reports of the Compliance, Internal Audit and Risk Management functions submitted to the Board;
 - (f) examines the periodic reports and audit reports produced by the internal audit function, and evaluating any findings, following actions taken to remedy deficiencies/anomalies identified, as well as the adoption of corrective measures proposed and the adoption of suggested recommendations;
 - (g) carries out adequate preliminary activities to support the assessments and decisions of the Board of Directors as regards the management of risks arising from detrimental events which come to the knowledge of the Board of Directors;
 - (h) contributes, through assessments and opinions, to the definition of the company's policy on outsourcing control functions;
 - (i) verifies that the Compliance, Internal Audit and Risk Management functions conform exactly to the indications and guidelines of the Board and assists the latter in preparing the coordination documents required by Supervisory Regulations;
 - (j) evaluates the proper use of accounting standards for preparing the financial statements, in conjunction with the company financial reporting officer and external auditors;
 - (k) examines the process of preparing interim reports required by law, as well as the annual financial statements, based on reports of relevant department heads;
 - (l) evaluates applications of external auditors, including the amount of their fees;
 - (m) oversees the audit process, reviewing the audit work plans and findings contained in audit report and any letter of recommendations;
 - (n) meets with the external auditors at least once a year;

- (o) examines reports received from the Board of Statutory Auditors, from the Supervisory Board pursuant to Legislative Decree no. 231 of 8 June 2001, and the Regulatory Authorities, assessing the findings and ensuring that any abnormal situations and possible deficiencies are remedied;
- (p) may request the Internal Audit function to make assessments on specific operating areas, informing the Chairman of the Board of Statutory Auditors, the Chairman of the Board of Directors and the Supervisory Director, at the same time;
- (q) expresses its opinion on the corporate governance report to the Board of Directors, for in order to describe the main features of the Internal Control and Risk Management system, and evaluate its adequacy;
- (r) formulates preliminary opinions (binding, where appropriate) on procedures for the identification and management of transactions with related parties and/or associated persons carried out by the Company as well as on relevant changes;
- (s) formulates preliminary, reasoned opinions, when explicitly required, also in the interest of carrying out transactions with related parties and/or associated persons to be completed by the Bank, and on the appropriateness and substantial fairness of the relative terms and conditions;
- (t) in case of material transactions with related parties and/or associated persons, the Committee is involved – if considered necessary, through one or more of its members – in the negotiation and preliminary phases, receiving complete and prompt information flows, and may request information from and make observations to appointed bodies and persons in charge of conducting the negotiation or preliminary phase.

With particular reference to risk management and control duties, the Committee assists the Board:

- in defining and approving strategic guidelines and risk management policies; as regards the Risk Appetite Framework (RAF), the Committee makes evaluations and suggestions so that the Board, as required by Supervisory Regulations, may define and approve risk objectives (Risk Appetite) and the tolerance threshold (Risk Tolerance);
- in checking the correct adoption of risk governance strategies and policies, and the Risk Appetite Framework (RAF);
- in defining policies and processes for evaluating company activities, including verification that the price and conditions of transactions with customers are consistent with the business model and risk strategies.

Without prejudice to the duties of the Remuneration Committee, the Risks and Related Parties Committee is involved in the process to identify the Bank's key personnel (see EBA guidelines of 27 June 2016 on "*sound remuneration policies pursuant to article 74, paragraph 3, and article 75, paragraph 2, of Directive 2013/36/EU and on disclosure pursuant to article 450 of (EU) Regulation No 575/2013*", § 101) and ensures that remuneration and incentive system incentives are consistent with the RAF, considering in particular risks, capital and liquidity.

The Risks and Related Parties Committee and Board of Statutory Auditors exchange all information of mutual interest and, where appropriate, coordinate to develop their duties.

6.1.4 Activities performed

During the Year, the Committee carried out the duties assigned to it by the Board of Directors, with an advisory role as regards issues concerning the internal control and risk management system.

The Committee met twelve times, with each meeting lasting on average three and a half hours, analysing the results of activities carried out by the control functions (audit, compliance and risk management), with in-depth analysis of quarterly reports prepared by the functions. Minutes of each meeting were taken by the appointed Secretary.

In particular, the Committee examined the new version of Procedures for the management of transactions with persons in conflict of interest, providing an opinion to the Board of Directors. Besides these activities and analysis of the control function reports previously submitted, the Committee also reviewed administration and accounting procedures, as well as the accounting standards used to prepare the 2016 Financial Statements and the Interim Report (meeting with the external auditors, for this purpose), and the Corporate Governance Report submitted to the Board of Directors on 7 March 2017. The Committee spent a part of some of the meetings to fully review significant issues, such as the progress of audit findings (with a particular focus on overdue status), procedures of incentive systems used by the Bank for employees and financial advisors authorised to offer products off Bank premises, considering significant risk factors, reviewing requests from Supervisory Authorities, proposals for amendments to the RAF and the “demand item model” and updates to the liquidity investment policy, the project to align with new requirements of MiFID II and a review of Compliance and Audit plans for 2018, also discussing major topics in this regard. Moreover, the Committee also reviewed the Contingency Plan submitted to the Board of Directors for further amendments, on issuer risk in bonds, prepared by the CRO and the risk management function, in response to issues raised by the Committee.

As regards transactions with related and/or associated parties, in cases specifically envisaged by internal procedures, the Committee provides preventive and justified opinions on the Bank's interest in carrying out the transactions and on the appropriateness and substantial fairness of the relative conditions.

In compliance with the above, non-committee members took part in Committee meetings on request of the Committee, as regards individual items on the agenda.

12 Committee meetings have been scheduled for the current year, of which 4 have already taken place.

7. REMUNERATION COMMITTEE

Without prejudice to Section 6 above, at the date of approval of this Report, the composition of the Remuneration Committee was as follows:

Name	Executive	Non-executive	Indep. Code	Indep. TUF	% (*)	(**)
Gianmarco Montanari		X	X	X	100% as from 11 April 2017, i.e. from his appointment as director	C
Elena Biffi		X	X	X	100% as from 11 April 2017, i.e. from his appointment as director	M
Enrico Cotta Ramusino		X		X	100% as from 11 April 2017, i.e. from his appointment as director	M
----- Members no longer in office during the Year -----						
Gianluigi Bertolli		X	X	X	100% until the end of the term of office on 11 April 2017	C
Mariangela Grosoli		X	X	X	80% until the end of the term of office on 11 April 2017	M
Girolamo Ielo		X	X	X	100% until the end of the term of office on 11 April 2017	M
No. of Committee meetings: 11						
(*) This column shows the percentage attendance at Committee meetings (no. of attendances/ no. of meetings held during actual period office of the person concerned during the Year).						
(**) This column shows the position of the director on the Committee (“C”: Chairman; “M”: member).						

All the members of the Remuneration Committee will end their term of office at the time of the next Shareholders’ Meeting called to approve the Financial Statements as at December 31, 2019.



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For further information on the establishment, duties and functioning of the Remuneration Committee: (i) see the section “*Remuneration Committee*” of the “*Annual Compensation Report*” published in the “*2018 FinecoBank Compensation Policy*” – pursuant to article 123-ter of the TUF, article 84-*quater* of the Issuer Regulations (last amended by resolution 18214 of 9 May 2012) and provisions in Title IV, Chapter 1, Table 15 of Bank of Italy Circular no. 263; (ii) see the Corporate Bodies Regulations of FinecoBank (Part B, § 1.2.).

Six Committee meetings have been scheduled for the current year, of which three have already been held.

8. APPOINTMENTS AND SUSTAINABILITY COMMITTEE

The Appointments and Sustainability Committee was established on 13 May 2014 as the “Remuneration and Appointments Committee”. For reasons of efficiency and simplification of the governance structure, the Company had considered it appropriate to make use of the option allowed by the Corporate Governance Code to combine the functions of its Appointments Committee and Remuneration Committee into one committee. However, in line with Supervisory Regulations on Corporate Governance, the Board of Directors, in the 2017 Qualitative/Quantitative Profile, had recommended, among others, establishing two separate special Board committees for “appointments” and “remuneration”. With a resolution of 11 April 2017, the Board of Directors had established an independent committee for appointments, called the “Appointments Committee”. With a subsequent resolution of 1 March 2018, the Board of Directors extended the duties of the Committee to include sustainability, subsequently changing the name to the current “Appointments and Sustainability Committee”. For further information, see Section 18 of the Report.

8.1. Composition

On 11 April 2017, the Board of Directors appointed the members of the current Appointments and Sustainability Committee, who are all executive, independent directors pursuant to the TUF and Corporate Governance Code, and have adequate experience and expertise as evaluated and ascertained by the Board of Directors on their appointment.

At the date of approval of this Report, the composition of the Appointments and Sustainability Committee was as follows:

Name	Executive	Non-executive	Indep. Code	Indep. TUF	% (*)	(**)
Elena Biffi		X	X	X	100% as from 11 April 2017, i.e. from her appointment as director	C
Patrizia Albano		X	X	X	100% as from 11 April 2017, i.e. from her appointment as director	M
Francesco Saita		X	X	X	100% as from 11 April 2017, i.e. from his appointment as director	M
----- Members no longer in office during the Year -----						
Gianluigi Bertolli		X	X	X	100%	C

					until the end of the term of office on 11 April 2017	
Mariangela Grosoli		X	X	X	80% until the end of the term of office on 11 April 2017	M
Girolamo Ielo		X	X	X	100% until the end of the term of office on 11 April 2017	M
No. of Committee meetings: 8						
(*) This column shows the percentage attendance at Committee meetings (no. of attendances/ no. of meetings held during actual period office of the person concerned during the Year).						
(**) This column shows the position of the director on the Committee (“C”: Chairman; “M”: member).						

All the members of the Appointments and Sustainability Committee will end their term of office at the time of the next Shareholders’ Meeting called to approve the Financial Statements as at 31 December 2019.

8.1. *Functioning*

The Committee shall meet when convened by its Chairman, whenever he/she deems necessary, or upon the request of one of its members.

Committee meetings are convened with at least five days’ notice. The notice convening the meeting can also be sent by fax or email and shall indicate the venue, date and time of the meeting, and the list of items to be discussed; the notice is sent by the Chairman, also through the Committee Secretary. In urgent circumstances, as determined by the Chairman of the Committee, meetings may be convened with one day’s notice. The Committee meeting shall be valid even without a call notice, provided that all members are present; meetings may be held using telecommunication means.

The Committee shall be duly established with the presence of the majority of its members in office and with the absolute majority vote of those present for resolutions. The Chairman of the Board of Directors and the Managing Director and General Manager of the Company may take part in meetings. The Chairman of the Board of Statutory Auditors shall also be invited to the meetings, and may delegate another Statutory Auditor to attend.

The Committee may, when deemed appropriate, invite other individuals from within the Company to attend the meetings, in relation to the corporate functions and organisations concerned by the issues at hand, including members of other committees within the Board of Directors, or external parties, whose presence may facilitate the Committee in performing its functions.

If the Appointments and Sustainability Committee is required to urgently give an opinion on areas in its remit, the Committee Chairman, acknowledging the urgency of the matter and unavailability of the majority or of all members to meet or carry out requested activities in time, shall promptly notify said unavailability to the Chairman of the Board of Directors. In any case, this notice shall be given no later than the day following the day when the Chairman of the Committee received notice of the unavailability of the majority or of all members. The Chairman of the Board of Directors, after consulting with the Managing Director and General Manager to evaluate the urgency of the decision, shall make up the number of Committee members, contacting and indicating another independent member of the Board of Directors. The above shall also apply if the unavailability of the majority is due to the resignation of a member of the Committee.

8.2. *Duties and Responsibilities*

Save for Section 18 of the Report, the Appointments and Sustainability Committee is assigned duties and responsibilities in compliance with the Supervisory Regulations and Corporate Governance Code. Specifically, the Appointments and Sustainability Committee has an advisory role assisting the Board as follows:

- (i) supporting the Board of Directors in the appointment and co-optation of directors according to the times indicated in applicable Supervisory Regulations on Corporate Governance;
- (ii) providing opinions for the Board on proposals made by the Chairman or by the Managing Director and General Manager to the Board, concerning:
 - drafting policies to appoint Company Directors (including the qualitative and quantitative profile established by the Supervisory Regulations on Corporate Governance);
 - appointing the Managing Director and/or the General Manager and other key management personnel;
 - defining any succession plans for the Managing Director, the General Manager and other key management personnel;
 - selecting candidates to the position of FinecoBank Director, in the event of co-optation, and if lists are presented by the Board, of candidates to the position of independent director to be submitted for the approval of the Shareholders' Meeting of the Company, also based on any recommendations received from shareholders;
 - appointing members of Board Committees;
 - overseeing various stages of the self-assessment process;
- (iii) assisting the Risks and Related Parties Committee in the process to identify and propose officers of the Compliance, Internal Audit and Risk Management control functions, to appoint;
- (iv) supporting the Board of Directors in verifying conditions as of article 26 of the TUB (requirements of company officers).

8.3. *Activities performed*

During the Year, the Committee met eight times. Committee meetings, with minutes taken by the appointed Secretary, lasted on average two hours.

During the meetings, the Committee – based on information and necessary clarifications from FinecoBank departments, acknowledging applicable regulations and documents supporting proposals – was requested to give an opinion, among others, on: (i) the appointment of members of FinecoBank boards and of the company recently established under Irish law and wholly owned by the former (see Sections 2 and 3 above); and (ii) checks on requirements being met by company officers.

During the Year, the Committee also monitored internal governance events/processes including the board's self-assessment, compliance with independence requirements, with applicable laws on interlocking, the process to check candidates for the position of director, contact with the Supervisory authorities as regards requirements for administration and control bodies, the approval of succession plans for professional development, as well as the appointment process and activities of key management personnel.

In compliance with the above, non-committee members took part in Committee meetings on request of the Committee, as regards individual items on the agenda.

Six Committee meetings have been scheduled for the current year, of which two have already taken place.



B A N K

9. REMUNERATION OF DIRECTORS

For the information requested regarding the remuneration of executive directors, non-executive directors and key management personnel and concerning indemnities for Directors in the event of resignation, dismissal or termination of employment following a public purchase offer (as of article 123-*bis*, paragraph 1, letter i) of the TUF, see the chapter “*Remuneration paid to members of the Management and Control Bodies, General Managers and other Key Management Personnel*” contained in the “*Annual Compensation Report*” published – as part of the “*2018 FinecoBank Compensation Policy*” – according to article 123-*ter* of the TUF, article 84-*quater* of the Issuer Regulations (as amended by resolution 18214 of 9 May 2012) and provisions in Title IV, Chapter 1, Table 15 of Bank of Italy Circular no. 263.



10. CONTROL AND RISKS COMMITTEE

The functions that the Corporate Governance Code assigns to the Control and Risks Committee have been assigned to the Risks and Related Parties Committee.

11. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

The internal control system is a fundamental part of the overall governance system of banks. It has a central role in the organisation and ensures the effective monitoring of risk, so as to guarantee that operations are in line with company strategies and policies and based on principles of sound and prudent management.

An efficient and effective internal control system forms the basis for creating value in the medium and long term, for safeguarding the quality of operations and for a correct perception of risk and appropriate allocation of capital.

The Company's internal control system is based on the principles of the Corporate Governance Code, applicable regulations and best practices, and:

- concerns control functions and positions, involving within their area of responsibility, the Board of Directors, the Risks and Related Parties Committee, the Internal Control and Risk Management System Director, the Board of Statutory Auditors, as well as company functions with specific internal control duties;
- establishes procedures for entities involved in the internal control and risk management system to work together.

On 15 April 2014, the Board of Directors, in compliance with Stock Exchange Regulations and relative Instructions, approved: the memorandum describing the management control system adopted by FinecoBank and certified that the Company had adopted a management control system that could promptly and periodically give managers sufficiently in-depth information on the economic and financial situation of the company and main group subsidiaries, and provide for the following: (i) the monitoring of main key performance indicators and risk factors of companies and main group subsidiaries; (ii) the production of data and information with particular reference to financial information, according to analysis profiles that are adequate for the type of business, organisational complexity and specific information needs of management; (iii) the processing of forward-looking financial data for the industrial plan and budget, as well as the monitoring of company objectives being achieved, based on deviation analysis.

Board of Directors and Risks and Related Parties Committee

The guidelines of the internal control and risk management system (hereinafter, the “**Internal Control and Risk System**”) are established by the Board of Directors. Accordingly, the Board ensures that the main risks to which the Bank is exposed are adequately identified, measured, managed and monitored.

In this context, the Board of Directors revises and updates the **Risk Appetite Framework** (or “**RAF**”) on an annual basis, and in line with schedules for the budget process and definition of the financial plan, in order to guarantee a business development that has a correct risk profile and complies with national and international regulations.

During the Year, the Board approved the new “*2017 FinecoBank Risk Appetite*” (replacing the same document for 2016), which sets out the risk profile in relation to three areas (capital adequacy, profitability and risk, monitoring of specific risks such as credit risk, operational risk, market risk and funding and liquidity), defining reference metrics for each one.

The definition process, revised from the previous version, is structured so as to guarantee

consistency with the budget, while the performance indicator (hereinafter, the “**KPIs**” or “**Key Performance Indicators**”) were revised to include simple, comprehensible metrics.

FinecoBank’s Risk Appetite Framework not only includes the list of relevant metrics, but also the targets, triggers and reference limits: *(i)* targets represent the extent of risk the Bank is prepared to undertake to achieve its budget objectives and defines constraints for business development; *(ii)* triggers represent alarm thresholds which activate the analysis of possible mitigation actions and must be reported to the Chief Executive Officer; *(iii)* limits are the values that must not be exceeded; if exceeded, the Board of Directors must be informed.

As regards competencies, the Corporate Bodies Regulations establish that the Board is responsible for the Internal Control and Risk System, and provides guidelines for and assesses the adequacy of the system, appointing from its members:

- the director for establishing and maintaining an effective internal control and risk management system (hereinafter, the “**Designated Director**”);
- an internal Committee – called the Risks and Related Parties Committee – consisting entirely of independent directors, which assists the Board of Directors, based on adequate preliminary activities, in its assessments and decisions concerning the internal control and risk management system, as well as the approval of periodical financial reports.

The Board of Directors, with the prior approval of the Committee:

- (a) establishes the guidelines of the Internal Control and Risk Management System, assesses its consistency and adequacy in relation to the company’s business and risk profile at least annually, as well as its effectiveness, in terms of its ability to take into account the evolution of business risks and their interaction, assigning the Designated Director the task of establishing and maintaining an effective Internal Control and Risk System; (see the Corporate Bodies Regulations, page 12)
- (b) appoints, after consulting with the Board of Statutory Auditors, an Internal Audit Manager (hereinafter, the “**Head of Internal Audit**”), who ensures that the Internal Control and Risk system is functioning and adequate and that internal audit activities are carried out independently and in such a way as to guarantee their effectiveness and efficiency;
- (c) approves, at least annually, the work plan prepared by the Head of Internal Audit, after consulting with the Board of Statutory Auditors and obtaining approval from the Risks and Related Parties Committee and Director;
- (d) assesses, after consulting with the Board of Statutory Auditors, the results of the external auditors in the audit opinion letter and report on audit findings.

The Board of Directors assesses, among others and at least annually, the adequacy, functioning and effectiveness of the Internal Control and Risk System, assisted by the Risks Committee, based on:

- reports from the Heads of: the Compliance function, Risk Management function and Internal Audit function;
- reporting from the Financial Reporting Officer on the proper use of accounting standards and their consistency for preparing consolidated financial statements;
- all useful information on the monitoring of overall company risk which is provided by relevant units and/or the External Auditors.

The Board globally monitors main company risks, assisted by the Risks Committee (see Section 6.1 above).

In accordance with Supervisory Regulations on internal control systems, the Bank – in February 2018 – carried out the annual assessment on the adequacy of the internal control and risk management system as regards business characteristics and the risk profile undertaken, as well as effectiveness. As regards the results of this assessment process, the Internal Control and Risk Management System was found to be “Mostly Satisfactory” on a scale of four levels in increasing order: “Unsatisfactory”, “Nearly Satisfactory”, “Mostly satisfactory” and “Adequate” since, although there were some areas of improvement for which corrective actions have been identified, the components as a whole generated an overall satisfactory level as regards system functioning.

In this context, the Risks and Related Parties Committee, based on results of the above checks, and on additional projects being implemented, assessed the Internal Control and Risk Management System, considering it adequate for the size and complexity of the Bank as regards the business and operating environment and also adequate, within reasonable limits, for preventing or in any case avoiding, in a prompt manner, any material misstatements in the financial statements.

The Board of Directors also: *(i)* defines the objectives and business continuity strategies of the service, ensuring adequate human, technological and financial resources; *(ii)* approves the business continuity plan and subsequent amendments as a result of technological and organisational developments, accepting residual risks not managed by the business continuity plan, and also promotes development, periodic monitoring and updating following significant innovations, or any deficiencies/gaps or residual risks; *(iii)* appoints the business continuity plan manager; *(iv)* approves the annual plan for testing business continuity measures and examines the test results documented in writing.

Specifically, the Bank’s Business Continuity and Crisis Management system provides for a plan to manage events, incidents and crises and the business continuity plan, for which the manager is appointed by the Board of Directors.

In emergency/crisis situations, the Board is informed (by the Managing Director and General Manager, or by the Company Business Continuity Manager) of the trend of the crisis and in the event of serious problems for company operations due to serious incidents or malfunctions.

It is also informed, at least annually, of the planning and outcomes of controls on the adequacy of the Plans, as well as controls of business continuity measures (tests).

During the Year, the business continuity plan, which was appropriately revised, was approved by the Board of Directors and subsequently verified in test sessions, to guarantee its effectiveness and adequacy.

With specific reference to non-compliance risk ⁽¹⁴⁾, the Board of Directors, after consulting with the Board of Statutory Auditors, approves risk management policies, evaluates, at least once a year and with the technical support of the Risks and Related Parties Committee, the adequacy of the organisational structure, the quality and amount of resources of the Compliance function and

⁽¹⁴⁾ Non-compliance risk may be defined as the risk of incurring legal or administrative sanctions, financial losses or sustaining reputational damage, as a result of non-compliance with financial and banking laws, regulations, codes of conduct and good practices.

analyses periodic reports on its controls on non-compliance risk management.

Moreover, the Board of Directors has general responsibility for management and control of the information system, with a view to an optimal use of technological resources supporting company strategies (ICT governance). In this respect, it:

- approves the information system development strategies and architectural model, the sourcing strategies and IT risk propensity, in accordance with the risk objectives and reference framework for determining risk propensity at a company level;
- approves the IT security policy;
- approves guidelines on the recruitment of personnel with technical functions and the procurement of systems, software and services, including the use of external suppliers;
- promotes the development, sharing and updating of ICT knowledge within the company.

With specific regard to supervisory responsibility for ICT risk analysis, the Board:

- approves the organisational and methodological reference framework for ICT risk analysis, promoting the appropriate consolidation of information on technological risk within the ICT function and integration with risk measurement and management systems (concerning in particular, operational, reputational and strategic risks);
- approves the ICT risk propensity, having considered internal services and services to clients, in accordance with the risk objectives and reference framework for defining risk propensity at a company level.

With reference to the above responsibilities, the Board is informed at least annually of the adequacy of services provided in relation to costs sustained and of the ICT risk situation with regard to risk propensity.

Board of Statutory Auditors

The Board of Statutory Auditors of FinecoBank monitors the effectiveness, completeness, adequacy, functioning and reliability of the internal control and risk management system, and of the Risk Appetite Framework, in line with requirements of the Corporate Governance Code and the Supervisory Regulations.

It also monitors compliance with the Internal Capital Adequacy Assessment Process (ICAAP) and the completeness, adequacy, functioning and reliability of the business continuity plan.

With specific reference to the Board of Statutory Auditors being able to take on supervisory board functions pursuant to Legislative Decree no. 231 of 8 June 2001, the Company considered it appropriate to assign these functions to a specifically established Body (see Section 11 of the Report).

The Board of Statutory Auditors establishes appropriate working relations with the Risks and Related Parties Committee to carry out joint activities, in compliance with specific areas of responsibility.

To carry out its duties, the Board of Statutory Auditors may be assisted by the company's internal control departments and functions to carry out and plan checks and necessary assessments. To achieve this, it receives regular adequate information flows or information on specific situations/company performance. Given this close connection, the Board of Statutory Auditors is specifically consulted about decisions regarding the appointment and dismissal of

heads of company control functions (Compliance, Risk Management and Internal Audit), and also about defining the essential elements of the control system's overall architecture (powers, responsibilities, resources, data flows and handling conflicts of interest). Regarding own activities, Auditors may request the Internal Audit department to carry out specific audit activities in operational areas and on company operations. The Board of Statutory Auditors verifies and investigates the causes of and remedies for operational irregularities, performance anomalies, and shortcomings in the organisational and accounting structure. Particular attention must be paid to compliance with regulations on conflicts of interest.

Control functions

FinecoBank's internal control system is based on four types of controls:

- (i) *level one controls* ("line controls"): these are controls relative to individual activities and are carried out according to specific operational procedures based on a specific internal regulation. These processes are monitored and continuously updated by "process supervisors" who put in place suitable controls to guarantee the correct performance of daily activities by staff concerned, as well as compliance with delegated powers. Formalised processes concern units that have contacts with customers and Company units that are exclusively internal;
- (ii) *level two controls*: these are controls related to daily operations connected with the process to measure quantifiable risks and are carried out by units other than operating units, on an ongoing basis. The Risk Management function controls market, credit and operational risks, as regards compliance with limits assigned to operating functions and the consistency of operations of individual production areas with established risk/yield objectives; the Compliance function controls non-compliance risks;
- (iii) *level three controls*: these controls are typical of internal auditing, based on analysis of information obtained from databases or company reports, as well as on-site controls. The purpose of these controls is to check the functioning of the overall internal control system and identify any anomalous trends, or infringements of procedures or regulations. These controls are assigned to the Internal Audit function, which operates at a central level, at UniCredit, based on a specific service agreement;
- (iv) *institutional supervisory controls*: these refer to controls by Company bodies, including in particular the Board of Statutory Auditors and Supervisory Body pursuant to Legislative Decree no. 231 of 8 June 2001.

The Risk Management function

The Risk Management function prevents and monitors different components of Bank risks. In particular the Risk Management Function controls credit, market and operational risk to which the Bank is exposed. Risk Management also involves monitoring business, reputational and liquidity risk.

The risk control function:

- (i) is involved in defining the RAF, risk governance policies and various stages comprising the risk management process, as well as establishing operating limits for various types of risk. In this context, it proposes quantitative and qualitative parameters necessary to define the RAF, which refer to stress scenarios and, in the case of changes to the bank's

internal and external operating context, modifications to these parameters;

- (ii) checks the adequacy of the RAF and on an ongoing basis the adequacy of the risk management process and operating limits;
- (iii) is responsible for developing, validating and maintaining the independence of risk measurement and control systems in order to report periodically to Control Bodies, the Board of Directors and UniCredit;
- (iv) defines the metrics to use to assess operational risk in line with the RAF, coordinating with the compliance function, ICT function and business continuity function;
- (v) defines procedures for assessing and controlling reputational risk, coordinating with the compliance function and with company functions that are most exposed;
- (vi) assists company bodies in assessing strategic risk, monitoring significant variables;
- (vii) ensures the consistency of risk control and measurement systems with processes and methodologies to assess company activities, coordinating with company units concerned; develops and adopts indicators that can identify anomalies and inefficiencies in risk control and measurement systems;
- (viii) analyses the risks of new products and services and risks from entering new operating and market segments;
- (ix) gives prior opinions on the consistency of material transactions with the RAF, and obtains the opinion of other functions involved in the risk management process, depending on the nature of the transaction;
- (x) monitors actual risk undertaken by the Bank, on an ongoing basis, and consistency with risk objectives, as well as compliance with operating limits assigned to operating units in relation to the undertaking of different types of risk;
- (xi) checks the adequacy and effectiveness of measures taken to remedy inefficiencies identified in the risk management process.

The Risk Management function also develops the ICAAP – Internal Capital Adequacy Assessment Process – in compliance with Basel II requirements, updates to Basel III requirements and indications from the Parent Company UniCredit.

The function also carries out monitoring and reports to company bodies (Managing Director and General Manager, Board of Directors, Risks and Related Parties Committee and Board of Statutory Auditors).

Reporting to company bodies consists of the quarterly report on the Bank's risk exposure.

The Compliance Function

The Compliance function monitors non-compliance risk management ⁽¹⁵⁾ with a risk-based approach, referring to all company operations and ensuring that internal procedures are appropriate for preventing this type of risk.

⁽¹⁵⁾ Non-compliance risk may be defined as the risk of incurring legal or administrative sanctions, financial losses or sustaining reputational damage, as a result of non-compliance with financial and banking laws, regulations, codes of conduct and good practices.

The Compliance function assists/supports management and Company employees in managing non-compliance risk and monitoring the correct performance of business operations to ensure compliance with current regulations, internal procedures and applicable best practices.

For an effective management of non-compliance risk, the Company shall have a Compliance function. This function must be independent, with a sufficient number and quality of human and technical resources for duties to perform, and may deal freely with Senior Management and company bodies; it shall have access to all resources and company information and may report any matter directly to higher hierarchical levels, if necessary.

In February 2016 the Board of Directors approved the insourcing, with effect from 1 April 2016, of the Compliance function, previously centralised at the parent company UniCredit based on a specific outsourcing agreement and with a unit (hereinafter, the “**Compliance Officer Unit**”) at FinecoBank, responsible for applying the methods for assessing and monitoring non-compliance risk.

In this regard, the Compliance Officer unit was reorganised and renamed the Compliance unit, the Compliance Officer was appointed (also acting as Head of the AML and Anti-terrorism Department and Head of Local Anti-Corruption), and two new teams were set up: Advisory & Regulators and Risk Assessment & Controls, that work alongside the department for AML and financial sanctions (AML Department).

The role and requirements of the Compliance function are regulated in specific global rules issued by UniCredit and implemented by the Company.

The mission of the Compliance reference unit is to support the Company, Company Bodies and personnel in managing the risks of non-compliance with regulations as regards all company operations, checking that internal procedures are adequate in preventing this risk.

The above is in compliance with the provisions of Supervisory Regulations and according to Global Compliance Rules and Group methods.

In particular, the risk of non-compliance with regulations is managed through:

(a) Proactive and on-request advice

- the ongoing identification of laws applicable to the Bank and consequent non-compliance risks; the definition of the relative impact on company processes and procedures, including the information system (ICT Compliance);
- an *ex ante* assessment of compliance with regulations applicable to products, processes, organisational structures, the incentive system, training modules and, in particular, innovative projects (including operations in new business lines and geographic areas) that the Bank intends undertaking – also through participation in specifically designated committees – as well as the prevention and management of conflicts of interest in various activities carried out by the Bank, with reference to employees and staff;
- providing opinions and prior assessments on compliance issues, requested by various internal units in relation to external regulations and assisted by them in analysing and interpreting the regulations;
- assessments, for the areas under its responsibility, of the Bank’s remuneration policy and in particular of remuneration/incentive systems for personnel and the personal financial advisors network authorised for cold calling;

- participation, where required, in Group projects and work groups according to competency profiles.
- (b) Communication
- promotion of a culture based on compliance with internal and external regulations and international best practices, through the adoption (subject to alignment in order to cover specific characteristics of Fineco) of Global Compliance Rules (Policies and Operational Regulation) issued by the Parent Company UniCredit, the preparation of Circulars and Service Orders, notes, memoranda, opinions and communications, and through personnel training activities;
 - cooperation with other Bank functions and, in particular, with functions that oversee risk management and control (starting with Internal Audit and Risk Management), in order to improve overall consistency and ensure mutually adequate and ongoing information flows;
 - definition of FinecoBank's annual training plan, in line with UniCredit guidelines.
- (c) Interaction with authorities
- management of relations with Authorities together with other relevant functions (such as involvement in consultations concerning new legal and regulatory developments, assistance for preparing comments on bills, monitoring requests and inspections by the Authorities and relative corrective actions).
- (d) Monitoring, surveillance and reporting
- assessment of the non-compliance risks identified (compliance risk assessment), also through level two controls, the definition of corrective actions to mitigate these, monitoring the actions and starting procedures involving relevant higher hierarchical levels (escalation) to solve critical issues identified;
 - verification of the effectiveness of organisational alignments (structures, processes and procedures, operational and commercial) recommended to prevent the risk of non-compliance with regulations.

The function is directly responsible for non-compliance risk management in the case of regulations that are more significant as regards non-compliance risk, i.e. on banking and the provision of investment services, the management of conflicts of interest, transparency in customer relations and, more in general, on consumer protection and regulations for which strategic oversight at the Bank is not already provided for.

With reference to other regulations for which specific types of strategic oversight (e.g. occupational safety, tax laws, etc.) are provided, the Bank, based on an assessment of the adequacy of specialist controls for managing non-compliance risk profiles, adopted the indirect coverage model, whereby:

- the specialist unit adopts the risk assessment methodologies and second level controls defined by the Compliance function;
- the Compliance function verifies that units operate in compliance with the methodologies and procedures provided over time, ensuring suitable control of non-compliance risk and establishes and validates reporting, with the aim of providing an overall view of non-compliance risk.

In performing its duties, the Compliance function has access to all Bank operations, at both a

central and peripheral level, and to all information considered significant, also through direct interviews with personnel.

Lastly, the Bank, as an issuer on the FTSE-Mib index, has an internal system for employees to report any irregularities or violations of applicable regulations and internal procedures (*whistle-blowing*), in line with applicable national and international best practices, guaranteeing a specific, confidential information channel, and the anonymity of the whistle-blower.

11.1 Director in charge of the Internal Control and Risk Management System

To comply with the recommendation in Principle 7.P.3 of the Corporate Governance Code, and with Regulations on the Prudential Supervision of Banks issued by the Bank of Italy, the Managing Director and General Manager Alessandro Foti has been appointed Internal Control and Risk Management System Director.

As part of the internal control system, the Managing Director and General Manager, acting as Internal Control and Risk Management System Director, is tasked with and is responsible for the following:

- (i) identifying the main business risks, and ensuring effective risk management and the execution of instructions from the Board of Directors in the presence of a defined, managed and monitored Internal Control System;
- (ii) defining the means and methods for implementing the control and risk system, using guidelines from the Board of Directors, undertaking the design, management and monitoring of the internal control and risk management system, establishing operating limits for different types of risk and facilitating the development and dissemination of a culture of risk, assisted by relevant functions; the Managing Director and General Manager is responsible for the annual assessment of the Internal Control and Risk System;
- (iii) ensuring the overall adequacy of the Control and Risk System, its actual functioning, amendments to take into account changes in operating conditions and the legal and regulatory framework; the Managing Director and General Manager and his/her first-line managers are called upon to provide a professional judgement on matters relating to the Internal Control System referring to their activities, taking into account the level of compliance with regulations, procedures and controls;
- (iv) establishing and overseeing the adoption of the process to approve investments in new products, the distribution of new products or services or start of new activities or entry on new markets, or the adoption of processes and methods to evaluate company operations, in particular financial instruments, overseeing ongoing updates;
- (v) defining and overseeing the implementation of company policy on the outsourcing of company functions;
- (vi) defining internal information flows to ensure that company control bodies are fully aware of and can govern risk factors and compliance with the Risk Appetite Framework;
- (vii) authorising, within the Risk Appetite Framework and where a tolerance threshold has been defined, the risk appetite being exceeded, within the tolerance threshold limit, reporting to the Board of Directors and identifying the management actions necessary to return the risk to within the established limit;

- (viii) implementing follow-up measures for the control and risk system after controls have been carried out, adopting necessary corrective measures or actions if inefficiencies or anomalies are identified, or after the introduction of new products, activities, services or processes that are significant;
- (ix) submitting proposals to the Chairman of the Board of Directors to appoint or remove from office the Head of Internal Audit, ensuring that the Manager has adequate resources to carry out his/her responsibilities;
- (x) promoting the development, periodic control of the Business continuity plan and its updating, approving the Annual plan to control business continuity measures and examining results of tests documented in a written form;
- (xi) ensuring the completeness, adequacy, functionality (in terms of effectiveness and efficiency) and reliability of the Bank's information system.

The Managing Director and General Manager implements the ICAAP (Internal Capital Adequacy Assessment Process), ensuring it conforms to the strategic guidelines and RAF and meets the following requirements: *(a)* it considers all relevant risks; *(b)* it includes forward-looking valuations; *(c)* it uses appropriate methodologies; *(d)* it is distributed to internal units; *(e)* it is adequately formalised and documented; *(f)* it identifies the roles and responsibilities assigned to company functions and units; *(g)* it is managed by an adequate number of competent resources, in a hierarchical position appropriate for complying with planning; *(h)* it is an integral part of management activities.

As regards credit and counterparty risk in particular, the Managing Director and General Manager, in line with strategic guidelines, approves specific guidance to guarantee the effectiveness of the system to manage risk mitigation techniques and compliance with the general and specific requirements of these techniques.

With specific reference to internal risk measurement systems to define capital requirements, the Managing Director and General Manager has the following duties:

- responsibility for the structure and functioning of the selected system; to perform this duty, members shall have an adequate knowledge of relevant aspects;
- issuing instructions so that the selected system is developed based on identified guidelines, assigning duties and responsibilities to company functions and ensuring the formalization and documentation of risk management process stages;
- ensuring that risk measurement systems are part of decision-making processes (use tests);
- considering observations made following the validation process and internal audits.

With specific reference to non-compliance risk, the Managing Director and General Manager ensures the effective management of this risk, also establishing suitable policies and procedures for compliance with applicable regulations to be observed within the Bank, verifying, in cases of violations, whether appropriate remedies have been implemented, and establishing reporting flows to ensure that the Bank's company bodies are fully informed about procedures to manage non-compliance risk.

Assisted by the Compliance function, the Managing Director and General Manager identifies and evaluates at least annually, the main non-compliance risks to which the Bank is exposed, and plans relative management measures, also reporting at least once a year to the Board of Directors on the adequacy of non-compliance risk management.

Pursuant to the Regulations of the Board of Directors, the Managing Director and General Manager promptly reports to the Risks and Related Parties Committee (or Board of Directors) on issues and critical aspects identified while carrying out his/her activities or notified, also reporting them to the Chairman of the Board of Directors, so that the Risks and Related Parties Committee (or the Board of Directors) may take appropriate measures.

As a result of the Italian Revenue Agency upholding the application to access “compliance cooperative” conditions as of articles 3 and 7 of Legislative Decree no. 128 of 5 August 2015, in July 2017, and after informing the Board of Directors of the Bank, the tax risk management and control system is reported on a continual basis to the tax administration in order to monitor the effectiveness and adequacy of any changes to the scope of company processes. To confirm the high level of sensitivity concerning tax risks, the Board approved FinecoBank's tax strategy during 2017, adopting the guidelines and principles of the Bank in managing tax issues and in particular related risk (concerning both sanctions and reputation), in line with its own strategic objectives and in accordance with OECD recommendations.

11.2 Head of the Internal Audit Function

The Internal Audit function, pursuant to Supervisory Regulations for banks is independent of other company functions and reports directly on its activities to the Board of Directors (also through the Risks and Related Parties Committee) and to the Board of Statutory Auditors on a quarterly basis; it also attends Risks and Related Parties Committee meetings, which are usually held monthly. As already indicated (see Section 6.1.3), FinecoBank's Internal Audit function is outsourced to UniCredit based on a specific service agreement which governs procedures for performing activities.

The Internal Audit function operates in compliance with the audit mandate, of which the latest version was approved by the Board of Directors on 20 September 2016; This document defines its mission, responsibilities, organisational positioning, independence, duties and authority. The Internal Audit function is an independent unit established by the Board of Directors of the Bank and is an integral part of the Internal Controls System, in which level three controls are carried out. The Internal Audit function carries out independent activities and guarantees assurance and advice in order to evaluate, give added value to and improve the Company's Internal Controls System. The Internal Audit function assists the Company in achieving its objectives, providing a systematic, structured approach to evaluating and improving the adequacy of Company operations, by evaluating and improving the effectiveness of governance, risk management and control processes.

The methodology used is based on the following main stages: *(i)* definition of the “Audit Universe”, i.e. organisational and process analysis to identify elements involved in audit activities; *(ii)* risk assessment, i.e. identifying, assessing and measuring risks to which elements of the “Audit Universe” are exposed; *(iii)* definition of the annual and long-term audit plan, which establishes the objectives, types and frequency of audits and resources to use based on risk assessment results. For the personal financial advisors network, planning is based on a combined assessment using a risk-based approach while also considering the frequency of audits.

The audit measures carried out on the Bank and on the personal financial advisors network may include: *(i)* audit processes aimed at verifying the effective and efficient performance of

activities and proper monitoring of risks implicit in the process being audited; *(ii)* audit of the personal financial advisors network, carried out within the operating points of the sales network, with the objective of verifying the definition and functioning of level 1 and 2 controls on main company processes impacting the personal financial advisors network. Remote audit activities are carried out predominantly with the support of anomaly indicators, together with subsequent on-site analysis to complete the activity; *(iii)* **specific assessments** referring to individual behaviours or types of behaviours in order to identify the causes and responsibilities for specific events, accidents or conduct (e.g., measures for cases of fraud and disloyalty belong to this type).

After completing audits and based on findings, the Internal Audit function makes suggestions to relevant company structures. It also informs other company control functions of any inefficiencies, weaknesses and irregularities identified during audits of specific areas or matters within their remit. Actions to remedy identified anomalies and inefficiencies are monitored by a systematic audit tracking process, and if particular risk situations and/or weaknesses in the internal control system are noted, by specific follow up.

The Internal Audit function may also provide advisory services which, while not compromising its independence, aim to provide added value and support the Bank in achieving its objectives, by offering advisory support on the design, functioning and improvement of the internal control system.

The Internal Audit function achieves its mission and carries out activities in accordance with the Group Internal Audit Framework, which include the Code of Ethics, approved by the Company's management bodies and which are based on international standards for professional auditing.

The Company has outsourced the Internal Audit function to UniCredit, through a services agreement, the last version of which was signed on 19 December 2014. Under this agreement, the Chief Audit Executive manages the agreement and this position is assigned to the Head of Internal Audit (hereinafter, the "**Chief Audit Executive**"), with the same duties and responsibilities as those in Application Criterion 7.C.5 of the Corporate Governance Code.

The Chief Audit Executive:

- develops a flexible, annual audit plan, through an appropriate evaluation of future risks which considers aspects concerning emerging trends and risks, significant organisational changes and main services, processes, operations and areas of attention for risks or controls, special duties or projects identified by Senior Management, the Risks and Related Parties Committee and Board of Directors;
- reports directly to the Board at regular intervals, also through the Risks and Related Parties Committee and to Senior Management, summarising the results of audit activities and the implementation status of management action plans;
- carries out special investigations, also of its own initiative, of potential fraud and in the event of fraud at the Company and on other risk events, reporting the results to Senior Management and to the Board, also through the Risks and Related Parties Committee;
- ensures Internal Audit personnel that are qualified with adequate knowledge, expertise, experience and professional certification, so as to meet the requirements of this mandate;
- informs the Board of aspects to evaluate Internal Audit performance, including emerging trends and best practices in internal auditing;

- ensures adequate audit coverage, at overall costs that are reasonable, considering the activities of External Auditors and Supervisory Boards;
- communicates in an appropriate and transparent way with the Supervisory Authorities as regards audit activities.

The Internal Audit function is also responsible, coordinating with other control functions, for ensuring an adequate approach to managing risks and controls at a Group level and a process to systematically evaluate the Internal Controls System; this duty and coordination with other control functions shall not compromise the independence of the Internal Audit function.

Under the agreement, the Risks and Related Parties Committee and the Board of Statutory Auditors of the client may request the contractor to provide complete disclosure on activities carried out to perform the agreement, to promote activities assigned to the Board of Directors and Board of Statutory Auditors by applicable primary and secondary laws and regulations.

In particular, in order to provide company bodies and Senior Management with an overall evaluation of the internal control system, the Chief Audit Executive prepares the quarterly report “*Internal Audit Activities and Results (IAAR)*”. In addition to an assessment of the internal control system, the IAAR contains summary information on audit activities performed, on the main risks identified and on the implementation status of Management’s action plans. An update on the progress of the annual plan is also provided on a periodic basis. The Chief Audit Executive also submits Audit Reports with a “critical” or “unsatisfactory” assessment directly to the Board of Statutory Auditors and to the Risks and Related Parties Committee; in any case, it may send additional audit reports to the Risks and Related Parties Committee and the Board of Statutory Auditors which, regardless of the overall assessment, contain significant shortcomings.

With specific reference to planning activities, the Head of the Internal Audit Function has drawn up:

- FinecoBank’s 5-year audit plan based on mandatory audits and on the risk assessment of FinecoBank’s Audit Universe (AU). This plan, revised annually based on the risk assessment, ensures efficient and effective coverage of the AU, in line with the Bank’s risks;
- the annual audit plan, which is part of the long-term audit plan, based on results of the Risk Assessment of the Audit Universe, Group Audit Guidelines, requests from the Supervisory Authorities and from company bodies, follow up activities and mandatory audits carried out at regular intervals.

IT auditing activities are included in these plans. On 7 March 2017, the Board of Directors of the Company appointed Patrizia Verdesca as Head of Internal Audit of FinecoBank, effective as from 13 March 2017, pursuant to article 7 of the Corporate Governance Code.

The Head of Internal Audit, in compliance with Application Criterion 7.C.5 of the Corporate Governance Code for Listed Companies is not responsible for any operating area and does not report hierarchically to any operating area manager. The Head of Internal Audit also has direct access to all information useful for carrying out duties.

11.3 Compliance programme pursuant to Legislative Decree no. 231 of 8 June 2001

On 15 March 2010, the Board of Directors approved FinecoBank’s Organisation Management and Control Model (hereinafter, the “**Model**”), pursuant to Legislative Decree no. 231 of 8 June

2001, on “*Provisions for the administrative liability of company bodies, Companies and associations also without legal status*” (hereinafter “**Legislative Decree 231/2001**”). This document was subsequently amended to take into account subsequent regulations and the current version was approved by the Board of Directors by resolution of 16 October 2017.

The Model comprises:

- (i) a **general part**, of seven chapters, describing: the scope and purposes of the Model; the applicable regulatory framework; the description of the management and control system adopted by FinecoBank to mitigate the risk of commission of offences pursuant to Legislative Decree 231/2001; the functioning of the body appointed to supervise the functioning of and compliance with the Model; the disciplinary system and related penalties; the information and training plan to be adopted in order to guarantee knowledge of the measures and provisions of the Model; the criteria for updating and adapting the Model;
- (ii) a **special part**, with decision protocols and schedule of sensitive processes.

The Model includes the following attachments, which are an integral part:

- Attachment 1 containing the “*List of predicate offences and individual criminal offences*”;
- Attachment 2 containing the “*Code of ethics pursuant to Legislative Decree 231/01*” which sets out the rules to guarantee that the conduct of Model recipients is always based on criteria of fairness, collaboration, loyalty, transparency and mutual respect, and also to avoid a conduct that may constitute the criminal offences and predicate administrative offences;
- Attachment 3 “*Information flows to the Supervisory Board*”.

Furthermore, on 11 May 2012, the Board of Directors resolved to adopt the Integrity Charter and Code of Conduct of the UniCredit Group (last updated by resolution of 4 July 2017), along with the supplementary FinecoBank regulations; The document combining these (hereinafter, the “**Code**”), integrates current regulations on banking, investment services and employment, identifying the fundamental principles of conduct for those working for the company. The Code therefore concerns all persons performing activities on behalf of the Company: members of supervisory, management and control bodies of the Company, employees, personal financial advisors authorised for cold-calling, outsourcers.

In accordance with provisions in article 6, paragraph 1 of Legislative Decree 231/2001, the Company has also established a specific body (hereinafter, the “**Supervisory Board**”) to monitor the functioning of and compliance with the Model, and its continual updating.

For this purpose, the Supervisory Board, among other things: (i) has independent powers to act and carry out controls, and independent spending powers, (ii) periodically reports to the Risks and Related Parties Committee on the Model’s functioning, and (iii) gives the Board of Directors, on an annual basis, a written report on the implementation status of the Model, and in particular, on controls carried out and on critical aspects and anomalies identified.

The Supervisory Board was appointed by the Board of Directors on 11 April 2017, for a term of three years; subsequently the composition was modified on 16 October 2017, by resolution of the Board of Directors, decreasing the number of “internal members” from three to two, with the outgoing Head of Internal Audit, who still participates in meetings as a permanent attendee, and the appointment of a new external member, replacing the Chairman of the Board of Statutory Auditors. Accordingly, at the date of approval of this Report, the composition of the Supervisory

Board was as follows.

NAME AND SURNAME	CATEGORY
Marianna Li Calzi	(Chairman)
Salvatore Messina	Member of the UniCredit Compliance Programme Supervisory Board
Andrea Pepe	Head of Legal & Corporate Affairs
Silvio Puchar	Head of Compliance

The Model adopted by the Company, as described above, is available on the Issuer's website: www.finecobank.com, https://images.fineco.it/pub-fineco/pdf/popup/modello_organizzazione_gestione.pdf?v=1.

11.4 External Auditors

The Shareholders' Meeting of 16 April 2013 appointed Deloitte & Touche S.p.A., pursuant to article 16, paragraph 1 of Legislative Decree no. 39 of 27 January 2010, (i) to audit the financial statements of the Issuer for the years from 31 December 2013 to 31 December 2021 (included), including the auditing of the company's accounts, and (ii) the limited auditing of interim reports from 30 June 2013 to 30 June 2021 (included). From the financial statements as at December 31, 2017, first year of presentation of the consolidated financial statements, the External Auditor is empowered also to audit the consolidated financial statements of the Company.

11.5 Financial Reporting Officer

As established by article 28 of the By-laws and subject to the mandatory opinion of the Board of Statutory Auditors, the Board of Directors appoints the Officer responsible for preparing the financial reports (hereinafter, the "**Financial Reporting Officer**"), pursuant to article 154-*bis* of the TUF.

The Financial Reporting Officer is selected by the Board of Directors from executives of the Company that have specific expertise, in administrative and accounting terms, of lending, finance, securities or insurance. This expertise, verified by the Board of Directors, shall be gained from professional experience in a position of adequate responsibility for a suitable period of time and in like-for-like companies. The Financial Reporting Officer shall also meet the good standing requirements of laws in force for positions indicated in the By-laws. If the Officer no longer meets the good standing requirements, he/she shall be removed from office.

As provided for by article 154-*bis* of the TUF, the Financial Reporting Officer is responsible for: (i) preparing adequate administrative and accounting procedures for preparing financial statements and as well as any other kind of financial disclosure; (ii) including a written statement with the documents and notices required by law or disclosed to the market, containing information and data on the financial position and performance of the Company, that said information and data is truthful; (iii) arranging for the preparation of the financial statements, interim reporting and (iv) within relative areas of responsibility, representing the Bank in

relations with the international financial community.

By resolution of 13 May 2014, subject to approval from the Board of Statutory Auditors and in compliance with article 154-*bis*, paragraph 1 of the TUF and article 28 of the By-laws, the Board of Directors of the Company appointed Lorena Pellicciari (already the Chief Financial Officer of the Bank) as the Financial Reporting Officer of the Company, assigning her the duties established in article 154-*bis* of the TUF described above. This appointment became effective from 2 July 2014 (date of listing on the MTA). By resolution of April 11, 2017, the Board of Directors confirmed Lorena Pellicciari as Financial Reporting Officer of the Company for a three-year period.

Lorena Pellicciari has gained considerable experience as Chief Financial Officer of FinecoBank and therefore has an excellent knowledge of processes for preparing the Company's accounting and financial documents. She therefore meets the professional standing requirements established in article 28 of the By-laws.

The Board of Directors also gave Lorena Pellicciari the following powers, in order for her carry out her duties as Financial Reporting Officer:

- (i) having free access to all information considered relevant for her duties, within the Company;
- (ii) taking part in Board Meetings dealing with issues in her area of responsibility;
- (iii) engaging with the Company's administrative and control bodies;
- (iv) approving company procedures, when they have an impact on the financial statements or other documents which are certified;
- (v) being involved in the design of information systems that have an impact on the financial position and performance of the Company;
- (vi) using the internal auditing, organisation and compliance function to map and analyse processes within her area of responsibility and carry out specific controls;
- (vii) using information systems;
- (viii) updating, amending and supplementing, also with the assistance of external advisors, procedures on: (a) the standardisation of information flows to the Financial Reporting Officer; and (b) the preparation of financial statements and all other types of financial disclosure.

Lastly, the Board of Directors, in exercising its supervisory powers, established that the Financial Reporting Officer shall report at least quarterly to the Board of Directors on activities carried out, as well as on any critical aspects identified.

Financial reporting process

As regards the main characteristics of the Internal Control and Risk System in relation to financial reporting, including the reporting of consolidated information, under article 154-*bis* of the TUF, the Financial Reporting Officer of FinecoBank is responsible for preparing and adopting adequate administrative and accounting procedures for the preparation of the financial statements, as well as all other forms of financial reporting to the market.

The Financial Reporting Officer, along with the Managing Director and General Manager, in a report on the financial statements (including the consolidated financial statements) and

condensed half-year financial statements shall also certify:

- the adequacy and actual adoption of administrative and accounting procedures;
- compliance with applicable international accounting standards endorsed by the European Community pursuant to Regulation (EC) No 1606/2002;
- the consistency of accounting records;
- the accurate representation of the financial position and performance of the Company;
- the inclusion in the Directors' report on operations of reliable analysis of the company's performance, operations and situation, along with a description of main risks and uncertainties to which it is exposed.

As established by article 28 of the By-laws, the Board of Directors ensures that the Financial Reporting Officer has adequate powers and resources to carry out the duties established by current regulations, and to comply with administrative and accounting procedures. In carrying out his/her duties, the Financial Reporting Officer may be assisted by all Bank units.

11.6 Coordination of entities involved in the internal control and risk management system

Procedures for interaction among company functions and entities involved in the risk management and control system have been planned to prevent overlapping or gaps as far as possible, or to alter, even in substance, the main responsibilities of company bodies as concerns the risk management and control system.

Specifically, the Company has significantly consolidated cooperation among control functions, through specific formalised information flows on internal regulations and through managerial committees dedicated to control issues.

Interaction among level two and level three control functions is part of a more general framework of ongoing, proactive cooperation, which is mainly formalized in specific regulations/internal regulations and includes:

- involvement in the process to define and/or update internal regulations on risks and controls;
- the exchange of information flows, documents or data, as well as access to all resources or company information in line with the control requirements of functions;
- involvement in board and managerial Committees, systematically or on request;
- involvement in working parties, which are set up from time to time for risk and control issues.

The purpose of improved interaction between control functions and continual reporting to company bodies is to ultimately establish a corporate governance system that guarantees sound and prudent management, also through a more effective monitoring of risk, at all company levels.

To ensure coordination and interaction among various functions and bodies with control duties (required by company, accounting or supervisory regulations), the Board of Directors, after examination by the Risks and Related Parties Committee, issued a specific document "*Document on Bodies and functions with supervisory tasks*" – sent to all areas involved –



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outlining duties and responsibilities of the various bodies and control functions and methods of coordination/collaboration, as well as information flows between them pursuant to Supervisory Regulations on Corporate Governance.

12. DIRECTORS' INTERESTS AND RELATED-PARTY TRANSACTIONS

By resolution of 6 June 2017, the Board of Directors approved “**Procedures to manage transactions with parties in conflicts of interest**”, governing procedures with related parties and associated persons (hereinafter, the “**Procedures**”).

The Procedures were previously reviewed and approved by the Risks and Related Parties Committee.

The Procedures address governance issues, the scope of the procedures and the procedural and organisational profiles relative to managing transactions with related parties, associated persons and corporate officers pursuant to applicable regulations, as regards the operations of the Issuer.

The Procedures cover the following:

- the identification, updating and ongoing monitoring of persons in conflict of interest;
- the management of transactions with persons in conflict of interest, with reference to, among others:
 - the identification of transactions;
 - management of the decision-making process;
 - reporting and transparency obligations.

They also define:

- procedures for the management of transactions with persons in conflict of interest;
- the organisational structures of FinecoBank and the Parent Company involved and their relative role;
- internal and external information flows, also to the market;
- monitoring and control activities, and methods to update the Procedures.

The Procedures to manage transactions with persons in conflicts of interest, in line with the *Global Policy* and *Global Process Regulation* issued by UniCredit, are adopted for transactions undertaken by FinecoBank with parties in the “*Combined Perimeter*” which means related parties and associated persons of UniCredit (“*UniCredit Perimeter*”), of FinecoBank (“*FinecoBank Perimeter*”) and of other banks and intermediaries supervised by UniCredit (“*Banks and Supervised Intermediaries Perimeter*”) combined.

The FinecoBank perimeter includes persons defined as “*Consob Related Parties*”, pursuant to the Related-Parties Regulations, and “*Associated Persons*”, or related parties identified as such pursuant to the Bank of Italy Circular no. 263 of 27 December 2006, as well as persons connected to them, in addition to persons who are included in the Perimeter on a voluntary and discretionary basis and not in accordance with current regulations.

In compliance with Related-Parties Regulations, the Procedures identify, as regards the materiality threshold, material transactions, non-material transactions and minor transactions.

As regards transactions with members of the Single Perimeter, the Procedures require specific information flows to:

- the FinecoBank oversight unit;
- the Board of Directors and Board of Statutory Auditors;



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- the Risks and Related Parties Committee;
- the Compliance Function;
- the CFO;
- The Parent Company central oversight unit (*i.e.* UniCredit).

The full text of the Procedures, to which reference is made for further details, is available on the Issuer's website: [www.finecobank.com
https://finecobank.com/en/public/corporate/governance/parti-correlate](https://finecobank.com/en/public/corporate/governance/parti-correlate).

* * *

Save for the principle in article 2391 of the Civil Code concerning the interests of company directors and procedures for transactions with related parties and associated persons, FinecoBank is a banking company and therefore complies with article 136 of the TUB, according to which officers cannot take on any obligation, directly or indirectly, with the bank they manage, direct or control, unless approved unanimously by the supervisory body and with the favourable vote of members of the controlling body, without prejudice to the requirements of the Civil Code regarding the interests of company Directors.

Accordingly, corporate officers are required to report the names of individuals or companies with whom the establishment of relations might constitute an indirect obligation substantially related to bank officers.

13. APPOINTMENT OF STATUTORY AUDITORS

In accordance with the recommendations in Criterion 8.C.1 of the Corporate Governance Code, Statutory Auditors shall be chosen from qualified, independent persons, also on the basis of criteria in the above Code with reference to directors.

In compliance with laws and regulations applicable to listed companies, article 23 of the By-laws requires the Board of Statutory Auditors to be appointed by the Shareholders' Meeting, on the basis of lists of candidates submitted by Shareholders (each list shall contain the names of the candidates numbered progressively), according to the procedure described below.

Shareholders can submit a list for the appointment of Auditors, provided that when they submit the list they hold, alone or in conjunction with other presenting shareholders, at least the minimum percentage of share capital established by laws and regulations in force at the time. Ownership of the minimum shareholding required is calculated based on the shares registered for each shareholder on the day when the lists are filed at the Company; relative certification may be submitted after the lists have been filed, provided this is within the deadline for publication of the lists.

Each party entitled to vote (as well as *(i)* entitled persons belonging to the same group, intended as a party, which need not be a corporation, exercising control pursuant to article 2359 of the Civil Code and any subsidiary controlled by, or under the control of the said party, or *(ii)* shareholders who are party to a shareholders' agreement as per article 122 of the TUF, or *(iii)* entitled persons who are otherwise associated with each other in a material relationship pursuant to current and applicable statutory or regulatory provisions) may submit individually or with others only one list, just like each candidate can be included in only one list, or otherwise be considered ineligible.

Lists shall be divided in two sections, containing respectively up to three candidates for the position of Statutory Auditor and up to two candidates for the position of Stand-in Statutory Auditor.

At least the first two candidates for the position of Statutory Auditor and the first candidate for the position of Stand-in Statutory Auditor in the respective lists must be entered in the Register of Auditors and have experience as statutory auditors.

Each list for the position of regular statutory auditor and alternate statutory auditor must include a number of candidates of the less represented gender such to ensure such list satisfies at least the minimum gender balance required by the applicable laws and regulations.

In order to be valid, the lists must be filed at the Registered Office or Head Office, also by means of remote communication and in accordance with procedures stated in the notice of call which allows for the identification of parties filing the lists, no later than twenty-five days before the date of the Shareholders' Meeting (or within a different deadline according to applicable laws) and must be made available to the public at the registered office, on the Company's website and through other channels provided for under current laws at least twenty-one days prior to the date of the Shareholders' Meeting (or within a different deadline according to applicable laws).

Minority shareholders who are not affiliated with the Shareholders concerned shall be entitled to extend the deadline for presenting lists in the circumstances and according to the procedures in applicable laws and regulations.

Each eligible voter may vote for one list only.

The members of the Board of Statutory Auditors shall be elected as follows:

- (a) 2 (two) Statutory Auditors and 1 (one) Stand-in Auditor are taken from the list that has obtained the highest number of votes cast by entitled persons, in the order in which they appear on the list;
- (b) the remaining Statutory Auditor and Stand-in Auditor shall be taken from the list that has obtained the most votes after the one referred to in (a) and the first candidates of the relevant section shall be appointed as the Statutory Auditor and Stand-in Auditor, respectively.

The Chairmanship of the Board of Statutory Auditors will go to the first candidate of the minority list of Statutory Auditors receiving the most votes.

If, in accordance with the deadlines and procedures set forth above, only one list or no list has been presented, or the lists do not contain the required number of candidates to be elected, the Shareholders' Meeting shall pass a resolution for the appointment or completion of the Board of Statutory Auditors by relative majority. If there is a tie vote between several candidates, a run-off election shall be held between them with a further vote of the Shareholders' Meeting. The Shareholders' Meeting shall be required to ensure compliance with the provisions of applicable laws and regulations concerning gender balance.

In the event the death, resignation, withdrawal or removal from office for any other reason of a Statutory Auditor, he/she shall be replaced by the Stand-in Statutory Auditor, from the same list as the outgoing Auditor, in the order in which they appear on the list, complying with the minimum number of members entered in the Register of Auditors who have been engaged in auditing activities, and in compliance with gender balance principles. If this is not possible, the outgoing Auditor shall be replaced by the Stand-in Statutory Auditor meeting the specified requirements, drawn from the minority list which obtained the most votes, following the order in which they appear on the list. Where the appointment of Auditors is not carried out using the list voting system, the Stand-in Statutory Auditor shall take over pursuant to statutory provisions. Should it be necessary to replace the Chairman, the Stand-in Statutory Auditor taking over shall also serve as Chairman. The Shareholders shall appoint or replace Auditors in meetings called in accordance with article 2401, paragraph 1 of the Civil Code in compliance with the principle of adequate representation of minority shareholders and gender balance. Where the appointment of the Stand-in Statutory Auditor in lieu of the Statutory Auditor is not confirmed by the Shareholders' Meeting, he/she shall return to his/her position as Stand-in Auditor.

14. COMPOSITION AND FUNCTIONING OF THE BOARD OF STATUTORY AUDITORS

Pursuant to article 23 of the By-laws and in compliance with current rules and regulations, at least 2 Statutory Auditors and 1 Stand-in Auditor must have been entered in the Register of Auditors for at least three years and have at least three years' experience as a statutory auditor. Auditors who are not entered in the Register of Auditors must have gained at least three years' experience in:

- (a) professional activities as a certified public accountant or lawyer, rendered primarily to the banking, insurance and financial sectors;
- (b) performing university teaching on subjects relating to – in the legal field – banking, commercial, tax and financial markets law and – in the business / finance field – banking operations, business economics, accountancy, economics of the securities market, economics of financial and international markets, corporate finance;
- (c) performing managerial duties in public entities or public administrations, in the credit, financial and insurance sector or in the provision of investment services or in collective asset management, as both defined by the TUF.

All Auditors must meet the eligibility, professional competence and integrity requirements provided for by law and any other applicable regulations.

Furthermore, in application of the recommendations in Application Criterion 8.C.1 of the Corporate Governance Code, the Auditors of FinecoBank must meet the independence requirements in article 3 of the Corporate Governance, as well as the requirements in article 148, paragraph 3 of the TUF.

In application of article 144-*novies* of the Issuer Regulations and the above Criterion, the Board of Directors and the Board of Statutory Auditors are responsible for evaluating whether members of the Board of Statutory Auditors meet the requirements specified above: (i) following appointment, the outcome of which shall be disclosed to the market by means of a press release; (ii) on an annual basis, reporting the results thereof in the annual corporate governance report.

The Company's Board of Statutory Auditors currently in office was appointed by the Shareholders' Meeting held on 11 April 2017 and shall remain in office until approval of the 2019 Financial Statements.

The Auditors were appointed based on a list voting system, pursuant to article 23 of the By-laws and in compliance with applicable laws and regulations. In particular, the following lists of candidates for appointment to the Board of Statutory Auditors were presented:

- List no. 1, presented by UniCredit (owner of a total of 215,066,403 ordinary shares representing 35.39% of the share capital): (a) Barbara Aloisi, Marziano Viozzi and Giuseppe Grazia for the position of Statutory Auditor; (b) Federica Bonato and Marzio Duilio Rubagotti for the position of Stand-in Auditor;
- List no. 2, presented by UniCredit (owner of a total of 16,347,439 ordinary shares representing 2.6901% of the share capital): (a) Stefano Fiorini and Paola Carrara for the position of Statutory Auditor; (b) Elena Spagnol and Giorgio Mosci for the position of Stand-in Auditor.

The following documents were filed and published along with the two lists, according to established times and procedures:

- (vi) a statement from shareholders other than shareholders that hold, even jointly, a controlling or relative majority interest, certifying the absence of any connection and/or significant relations with the latter as provided for by article 147-ter, paragraph 3 of the TUF and article 144-quinquies of the Issuers Regulation, also having examined Consob recommendations in its Communication no. DEM/9017893 of 26 February 2009;
- (vii) exhaustive information on the personal and professional characteristics of the candidates included in the list (curriculum vitae) and the list of administration, management and control positions they hold in other companies, which are relevant pursuant to law);
- (viii) statements whereby individual candidates irrevocably accepted the position (subject to their appointment) and certified, under their responsibility, that there were no grounds for their ineligibility or incompatibility to stand as candidate, and that they met the requirements of applicable laws, regulatory provisions, the By-Laws and Corporate Governance Code.

The lists, together with the above documents, were filed on the Company's website ("*Governance/Shareholders' Meetings*" section).

The Shareholders' meeting of 11 April 2017 therefore appointed the Board of Statutory Auditors (comprising three Statutory Auditors and two Stand-in Auditors) for the 2017-2019 period as follows:

- from the list submitted by UniCredit, which was voted by the majority of shareholders, Barbara Aloisi and Marziano Viozzi were appointed as Statutory Auditors, and Federica Bonato was appointed as Stand-in Auditor;
- from the list presented by a number of asset management companies and institutional investors, which was voted by the minority of Shareholders, Stefano Fiorini was appointed as Statutory Auditor and Elena Spagnol as Stand-in Auditor.

For the percentage of votes for the above lists in relation to voting capital, see the summary report on voting, available on the Company's website ("*Governance/Shareholders' Meeting*" section).

The Board also confirmed the annual fees it had already established for the previous term of office of the Board of Statutory Auditors, also based in information from the outgoing Board of Statutory Auditors, to enable shareholders and candidates to evaluate their adequacy. In this context, the fees are commensurate with activities required, the significance of the role held as well as the size and sector of the company.

On 4 September 2017, Stefano Fiorini resigned from his position as Chairman of the Board of Statutory Auditors of the Bank, with immediate effect, and in compliance with laws and the By-laws, the Stand-in Auditor Elena Spagnol, also from the minority list, took over the position of Statutory Auditor and Chairman of the Board of Statutory Auditors, on the same date, until the next Shareholders' Meeting.

The table below provides relevant information about each member of the Board of Statutory Auditors in office as of the date of this Report.

Position	Members	Born in	Date of first appointment *	In office since	In office until	List **	Indep. Corporate Governan ce Code	Participation in Board of Statutory Auditors' meetings ***	Number of other positions ****
Chairman	Elena Spagnol	1968	11.04.2017	04.09.2017	First shareholders' meeting (Shareholders' meeting of 11 April 2018)	m	X	9/9 (100%)	1
Statutory Auditor	Barbara Aloisi	1967	17.04.2012	11.04.2017	Shareholders' meeting for the approval of the Financial Statements as at 31.12.2019	M	X	29/30 (96%)	9
Statutory Auditor	Marziano Viozzi	1946	16.04.2013	11.04.2017	Shareholders' meeting for the approval of the Financial Statements as at 31.12.2019	M	X	29/30 (96%)	3
Stand-in Statutory Auditor	Federica Bonato	1955	15.04.2014	11.04.2017	Shareholders' meeting for the approval of the Financial Statements as at 31.12.2019	M	X	--	4
----- Auditors no longer in office during the Year -----									
Chairman	Stefano Fiorini	1969	11.04.2017	11.04.2017	04.09.2017	m	X	9/9 (100%)	-
Chairman	Gian-Carlo Noris Gaccioli	1951	14.04.2008	15.04.2014	11.04.2017	--	X	12/12 (100%)	--
Stand-in Statutory Auditor	Marzio Duilio Rubagotti	1965	8.05.2012	15.04.2014	11.04.2017	--	X	--	--
Quorum required to present lists during the last appointment: 1%									
* The date of first appointment of each Statutory Auditor means the date when the statutory auditor was appointed for the first time (ever) to the Board of Statutory Auditors of the Company.									
** This column indicates the list on which each Auditor was presented ("M": member from the majority list; "m": member from the minority list).									
*** Percentage attendance at meetings (no. of attendances/ no. of meetings held during the actual period office of the person concerned during the Year).									
**** Number of offices pursuant to article 148-bis of the TUF and relevant provisions implementing the Issuer Regulations.									

Diversity policies

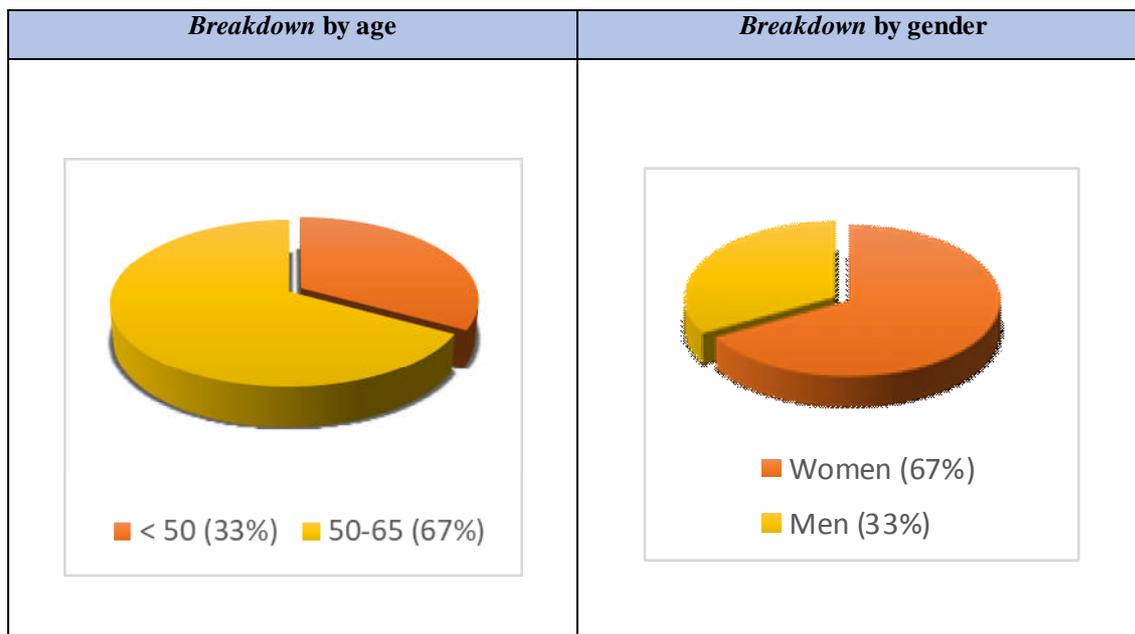
Save for applicable laws and regulations, the Board has adopted a specific policy with general guidelines on the structure, composition and remuneration of company bodies of investees and of procedures to appoint company officers, issued by UniCredit in its capacity as a steering, coordination and control body, in order to define principles, guidelines and rules to manage officers that shall be appointed in particular to the company boards of subsidiaries at a Group level.

In this regard, the process regulated by the policy establishes, among others, some guidelines on company bodies and requirements of relative board members, in order to achieve a balance between internal and external members and gender, and a composition that can effectively

oversee all company operations in terms of management and controls, also considering the dimensions and complexity of the organisational structure of the specific company. In this context, the policy, among other things, establishes criteria for professional standing, integrity, independence and gender for members of control bodies.

With reference to FinecoBank, the principles and rules of this policy shall apply considering the provisions of national and EU laws and regulations on requirements for auditors, and, more in general, on the composition of the Board of Statutory Auditors, overall.

A breakdown of the members in office of the Board of Statutory Auditors by age and gender is provided below.



* * *

Members of the Board of Statutory Auditors meet the requirements of applicable laws and regulations. Save for indications below, on 15 December 2017, the Company was informed of the positive decision of the European Central Bank (ECB) on the suitability of its Board of Statutory Auditors.

As regards the personal and professional profile of each Auditor, see the information published on FinecoBank’s website (www.finecobank.com, “*Governance*” Section).

Members of the Board of Statutory Auditors have not provided advisory services to the Issuer.

After appointment, the Board of Statutory Auditors checks that each member meets the independence requirements of the TUF and the Corporate Governance Code and forwards the outcomes to the Board of Directors.

During the meeting held on 30 January 2018, the Board of Statutory Auditors verified the independence of its members in accordance with the Corporate Governance Code and article 148 of the TUF and article 144-*novies* of the Issuer Regulation, and forwarded outcomes to the Board of Directors.

In the assessment of independence requirements, no additional criteria were used apart from criteria in article 148, paragraph 3 of the TUF, in applicable industry regulations (if any), and in the Corporate Governance Code. Outcomes were published in a notice to the market.

The Statutory Auditors are subject to the limit on the number of positions held pursuant to article 144-*terdecies* of the Issuer Regulations. To the best of the Company’s knowledge, none of the members of the Board of Statutory Auditors exceeds the limits on the number of board mandates referred to in article 144-*terdecies* of the Issuer Regulations, at the time of writing. In addition to the above, the table shows the overall number of positions held by Auditors in office at the date of approval of this Report. The limit on the total number of positions held as Auditors, in line with the Directive CRD IV and principles outlined in the document “*Guide to fit and proper assessments*”, published by the European Central Bank (ECB) on 15 May 2017, was considered in view of requirements applicable to positions held in the same group, to positions held in non-commercial organisations (that are not relevant for the total number of positions), and statements provided by auditors.

Name	Total number of positions held by the Auditors	Number of relevant positions held
Elena Spagnol <i>Chairman</i>	2 non-executive positions	2 non-executive positions
Barbara Aloisi <i>Statutory Auditor</i>	10 non-executive positions	6 non-executive positions ⁽¹⁾
Marziano Viozzi <i>Statutory Auditor</i>	4 non-executive positions	4 non-executive positions
⁽¹⁾ Considering the impact of positions in the same group and positions with a term of office that ends with the approval of the Financial Statements as at December 31, 2017, the total number of positions complies with established limits.		

Auditors shall also take into account provisions of article 36, Decree law no. 201 of 6 December 2011, converted with amendments into Law no. 214 of 22 December 2011 with provisions on “personal crossholdings in the credit and financial markets” it is forbidden for “*those who hold offices in the management, control and supervisory bodies and the top officers of firms or groups of firms engaged in credit, insurance and financial markets, to accept or exercise similar positions in competing firms or groups of firms*” (interlocking ban). Those who hold incompatible offices must notify the option exercised within 90 days of the appointment. Otherwise, on expiry of this deadline, they shall be removed from both offices. As regards the above, incompatibility due to interlocking does not apply to any of the Auditors in office.

The special authorisation procedure as of article 136 of the TUB applies, in the case of obligations of any kind or sale transactions undertaken by members of the Board of Statutory Auditors, directly or indirectly, with the bank in which they hold a position.

Statutory Auditors that have an interest in a specific transaction of the Issuer, on their own or on others' behalf, shall promptly inform other Statutory Auditors and the Chairman of the Board of Auditors in detail as to the nature, terms, origin and extent of their interest.

* * *

In accordance with Article 24 of the By-laws, and in order to properly perform its tasks, and in particular meet its obligation to promptly inform the Bank of Italy, and other Supervisory Authorities if required, on management irregularities or violations of the law, the Board of Statutory Auditors has broadest powers provided for by applicable laws and regulations.

The Board of Statutory Auditors, without prejudice to any other or more specific duty and power assigned to it by primary and secondary laws and regulations in force, monitors compliance with laws, regulations and the By-laws, as well as correct administration, adequacy of organisational and accounting arrangements of the Bank, the risk management and control system, as well as the functioning of the overall internal control system, external auditing of the accounts, the independence of external auditors and financial reporting process. The Board of Statutory Auditors works in close cooperation with the corresponding body of UniCredit.

In performing its duties, the Board of Statutory Auditors liaises with the Internal Audit function and the Risks and Related Parties Committee, through ongoing communication and the exchange of information, as well as by taking part in meetings of the above mentioned Committee.

* * *

The Chairman of the Board of Directors ensures that Auditors may take part, after their appointment and during their term of office, in the most appropriate way, in initiatives to give them adequate knowledge of the sector in which the Issuer operates, of company dynamics and their evolution, principles of correct risk management as well as applicable legal and self-regulatory framework. During the Year, all Statutory Auditors took part in "induction and training courses" referred to in section 4.2.2. of this Report, and in specific cases in external courses.

* * *

The Board of Auditors met thirty times during the Year. Each meeting lasted on average two hours. 15 meetings of the Board of Statutory Auditors have been scheduled for 2018, of which 4 had already taken place at the date of approval of this Report.

For further information on the establishment, duties and functioning of the Board of Statutory Auditors, see the chapter "Board of Statutory Auditors" of FinecoBank's company bodies Regulations, available on the Issuer's website.

15. RELATIONS WITH SHAREHOLDERS

The Company considers it fitting in its own interests and a duty for the market engage with its shareholders and institutional investors, in compliance with the procedure for disclosing company documents and information to the market, and in general in compliance with laws and regulations that govern the disclosure of inside information applicable to listed companies.

In this context, the Company, in compliance with article 9 of the Corporate Governance Code, considers the Shareholders' Meeting an important opportunity for Shareholders and Directors to engage, and consequently adopts measures that encourage shareholders to take part in the Shareholders' Meeting and exercise their right to vote. In this respect, save for Paragraph 16, below, Shareholders' Meeting are held on single call, in accordance with article 7 of the By-laws, unless the Board of Directors establishes that meetings are to be held in more than one session.

Pursuant to article 135-*undecies* of the TUF, the Company may appoint, for each Shareholders' Meeting, with information given in the notice of meeting, a person (company-appointed representative), that shareholders may appoint to act as proxy with instructions to vote on all or some items on the agenda, according to terms and procedures established by law.

Pursuant to Application Criterion 9.C.1 of the Corporate Governance Code, relations with institutional investors are instead overseen by the Investor Relator. In this regard, on 6 October 2016, Stefania Mantegazza was identified as Head of Investor Relations of the Company (Investor Relator).

The Investor Relator reports continually to Company's Senior Management on requirements concerning disclosure to the financial market and in particular to investors.

The Investor Relator is therefore the point of contact between the Issuer and the market and works with the entire company to maintain and promote compliance with regulations on corporate reporting.

* * *

The Company has created a specific section on its website www.finecobank.com – which is easily identifiable and accessible – with information on the Company that is significant for shareholders, to enable them to exercise their rights in an informed manner. In particular, the section includes updated information on the Company and services offered, key documents on corporate governance, as well as all press releases on main company events, in addition to financial and accounting data. Information on the website is updated as promptly as possible, to guarantee the transparency and effectiveness of disclosure to the public.

16. SHAREHOLDERS MEETINGS (PURSUANT TO ARTICLE 123-BIS, PARAGRAPH 2, LETTER C) OF THE TUF)

In compliance with regulatory and legal provisions in force, the Ordinary Shareholders' Meeting, pursuant to the By-laws, is convened at least once a year, within 120 (one hundred and twenty) days from the end of the financial year, to resolve on items in its remit as established by laws in force and the By-laws. The Extraordinary Shareholders' Meeting is convened whenever there is a need to resolve on items in its remit as established by the applicable regulations.

The Shareholders' Meeting is convened as one session in compliance with laws in force, however in order to maintain adequate organisational flexibility, the By-laws establish that the Board may convene several sessions for individual Shareholders' Meetings.

Meetings are convened according to law, by notice published on the Company's Internet Site, as well as by other procedures required by law. The Agenda is established according to law and the By-laws, by the person with powers to convene Shareholders' Meetings.

Before the deadline for publishing the notice convening the meeting, based on each item on the agenda – or another term established by law – the Board of Directors shall make available to the public a report on each item on the Agenda.

The Agenda may be supplemented – according to the circumstances, procedures and terms established by laws in force – by shareholders that, even jointly, represent at least 2.5% of the share capital. Shareholders that request an item on the agenda to be added shall prepare a report stating the reasons for proposals to resolve on new items. Shareholders may also submit further proposals for resolutions on items already on the Agenda, giving relative reasons.

The Shareholders' Meeting meets at the Registered Office of the company or at another venue in Italy, indicated in the notice of meeting, and resolves with the majorities established by laws in force.

Quorums are not established in the By-laws, therefore in order for the Shareholders' Meeting to be duly established and for resolutions to be passed, laws in force shall be observed.

Pursuant to the By-laws, and in line with laws in force on remuneration and incentive policies and practices issued by Consob, and, for banks and banking groups, issued by the Bank of Italy, the Ordinary Shareholders' Meeting establishes the fees of the bodies it appoints, and also approves: (i) remuneration policies for Board Directors, employees and persons working for the company on a self-employed basis; (ii) remuneration plans based on financial instruments; (iii) payments agreed on in the event of the early termination of employment or early termination of an appointment, including the limits established for said fees in terms of annual fixed remuneration.

When approving remuneration policies, the Shareholders' Meeting may increase the limit of the ratio between variable and fixed remuneration up to a maximum of 2:1 or, if lower, to the maximum allowed by applicable laws in force. The Shareholders' Meeting votes on the Company's policy on the remuneration of Board Directors, the General Manager and Key Management Personnel, and the procedures used to adopt and implement this policy.

16.1 Legitimation, procedures for taking the floor and voting

Pursuant to applicable regulations, referred to in article 8 of the By-laws, persons may take part in the shareholders' meeting and exercise their voting rights following notification sent to the Company, within the legal established time limits, by the intermediary authorised by law to

keep the accounts, based on entries in accounting records relative to the end of the accounting day of the seventh open market day prior to the date established for the Shareholders' Meeting convened as a single session, or as a first session if the Board of Directors has planned for further sessions to take place.

The By-laws enable shareholders to take part in the Shareholders' Meeting using telecommunication means and to exercise voting rights digitally. The decision to activate these means is to be taken by the Board of Directors for each Shareholders' Meeting.

Pursuant to article 8 of the By-laws, each shareholder who may take part in Shareholders' Meetings can be represented by written proxy by another person, who is not necessarily a shareholder, provided this complies with legal provisions. Voting by proxy may also be authorised by a document signed digitally pursuant to laws in force and notified to the Company at the email address and according to procedures indicated in the notice of meeting, or by another procedure established by current laws in force.

In compliance with the Application Criterion 9.C.2 of the Corporate Governance Code, which recommends the involvement of directors in Shareholders' Meetings as an important opportunity for director/shareholder engagement, all directors usually take part in the Shareholders' Meetings of the Company. On these occasions, the Board of Directors, in particular, reports on past and planned activities and ensures shareholders are given sufficient information on items necessary for them to make informed decisions during shareholders' meetings.

The Board reports to the Shareholders' Meeting on past and planned activities within the context of the Directors' Report on Operations. It acts to ensure shareholders are given sufficient information on items necessary for them to make informed decisions during shareholders' meetings, in particular making sure that reports of Directors and additional information are made available in the times required by provisions of applicable laws and regulations.

16.2 Proceedings of shareholders' meetings

In accordance with the recommendations of the Corporate Governance Code (Application Criterion 9.C.3), as proposed by the Board of Directors, the Shareholders' Meeting adopted regulations for the orderly and functional proceedings of shareholders' meetings (hereinafter, the "**Regulations for Shareholders' Meetings**"). The Regulations for Shareholders' Meetings are available on the Company's website ("*Governance/Documents*" section).

Under article 8 of the Regulations for Shareholders' Meetings, persons who are entitled to take part in shareholders' meetings may take the floor as regards each item to discuss. Persons intending to take the floor shall request permission from the Chairman, submitting a written request with details of the issue the request refers to, after the Chairman has read the items on the Agenda and before he declares discussions, the request to take the floor refers to as closed. The Chairman may authorise requests to take the floor to be made with a show of hands, and in this case persons take the floor in the alphabetical order of their surnames.

Article 10 of the By-laws also establishes that the Chairman is assisted by a Secretary, selected by the attendees, who may also be a non-shareholder, by majority of those attending. In addition to cases provided for by law, when the Chairman considers it appropriate, a notary may perform the function of Secretary, selected by the Chairman.



B A N K

16.3 Significant changes in capitalisation and ownership structure

The capitalisation of FinecoBank went up by approximately €1,953,000.00 during the Year compared to the previous year, to a figure of €5,187,000.00 as at 31 December 2017.

With reference to changes in the ownership structure during the Year:

- on 24 April 2017, BlackRock Inc. notified that it had exceeded the material threshold of 5%;
- on 4 July 2017. Wellington Management Group LLP notified that it had fallen below the 5% threshold.

No proposals were made to the Shareholders' Meeting for amendments to the By-laws regarding the percentages established for the exercise of the shares and the prerogatives imposed for the protection of non-controlling interests.



B A N K

17. ADDITIONAL CORPORATE GOVERNANCE PRACTICES

Corporate governance practices – in addition to those already indicated above – and besides obligations provided for by laws or regulations, include the Company adopting a system for the internal reporting of violations (whistle-blowing), in compliance with Supervisory Regulations on Corporate Governance (Part I, Title IV, Chapter 3, Section VIII).

In this context, the Company has appointed the head of the compliance function as the person responsible for the whistle-blowing process, with necessary autonomy and independence from control functions; this position ensures proper management of the procedure and reports directly and without delay to company bodies on information reported, where relevant.

18. CHANGES AFTER THE END OF THE YEAR

By resolution of 1 March 2018, the Board of Directors – complying with the principle’s and recommendations of the Corporate Governance Code – assigned to the Appointments Committee supervisory functions concerning sustainability related to FinecoBank operations and the dynamics of interaction with all stakeholders, changing the name of the Committee to the “Appointments and Sustainability Committee”.

In particular, this Committee – in addition to duties and functions as of Section 8 of this Report, to which reference is made – carries out the following functions assisting the Board:

- monitoring the sustainable growth strategy of the Company over time, based on relevant Group and international guidelines and principles;
- evaluating risks that could be significant in the medium/long term (Application Criterion 1.C.1. of the Corporate Governance Code); in particular, the Committee monitors activities to identify risks connected with sustainability, environmental and social issues;
- formulating proposals concerning plans, objectives, rules and company procedures on social and environmental issues, monitoring implementation over time;
- monitoring the positioning of the Company in relation to financial markets as regards sustainability issues and relations of the latter with all stakeholders.

Apart from the above, at the date of approval of this Report, no changes in the corporate governance structure had occurred after the end of the reporting period.



B A N K

19. CONSIDERATIONS ON THE LETTER OF 13 DECEMBER 2017 OF THE CHAIRMAN OF THE CORPORATE GOVERNANCE COMMITTEE

The Chairman of the Board of Directors received and informed the Board, during the meeting of 1 March 2018, of recommendations in the letter of 13 December 2017 of the Chairman of the Corporate Governance Committee. The contents of this letter were reported to the Appointments and Sustainability Committee, the Risks and Related Parties Committee and Remuneration Committee, in meetings of 26, 27 and 28 February 2018 respectively.

The Directors, having examined the issues and the principles of the letter, took into consideration the general system and the rules of corporate governance adopted by the Company (including the new assignments on the sustainability of the committee in charge of appointments, in line with the principles of the Corporate Governance Code), believe that the Company's governance is consistent with the considerations referred to in the letter and they had no further considerations to make or initiatives to take.



ORDINARY SHAREHOLDERS' MEETING
AND EXTRAORDINARY MEETING

DIRECTORS' REPORT

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ORDINARY SHAREHOLDERS' MEETING

DIRECTORS' REPORT

Approval of the FinecoBank S.p.A. Financial Statements as at December 31, 2017, accompanied by the Reports of the Board of Directors and the Auditing Company. Presentation of the Consolidated Financial Statements.

Allocation of the net profit for the year 2017 of FinecoBank S.p.A.

Dear Shareholders,

We have called this Ordinary Meeting to resolve, *inter alia*, on the approval of the Financial Statements as at December 31, 2017 and the allocation of the net profit for the year 2017 of FinecoBank S.p.A (the “**Company**” or “**FinecoBank**”).

In connection with the above, the proposals submitted for your approval are described below.

1. APPROVAL OF THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2017 AND ALLOCATION OF THE NET PROFIT FOR THE YEAR 2017 OF FINECOBANK S.P.A.

The Financial Statements for the year ended December 31, 2017 show a profit of Eur 214,283,600.37. While reference is made to the Board of Directors' report, which will be published in the manner and within the deadline set out by law as later explained, we hereby propose to approve the financial statements as at December 31, 2017, in its entirety and to allocate the aforesaid profit as follows:

- (i) Eur 45,609.30, equal to 0,02% of the net profit for the year, to the legal reserve, one fifth of the share capital having been reached;
- (ii) Eur 40,842,738.49 to the Extraordinary Reserve;
- (iii) to distribute a dividend of Eur 0,285, amounting to a total of Eur 173,395,252.58, to the 608,404,395 ordinary shares, having a par value of Eur 0.33 each, making up the share capital as at the Shareholders' Meeting date and, therefore, inclusive of the 691,050 shares resulting from the share capital increase approved by the Board of Directors of February 6, 2018.

The dividend approved by the shareholders' meeting shall be paid, in accordance with applicable laws and regulations, on April 25, 2018 with “ex-dividend” date on April 23, 2018. Pursuant to Art. 83-*terdecies* of Legislative Decree no. 58 of February 24, 1998 (“**Consolidated Law on Finance**”), therefore, those who appear as shareholders on the basis of the accounting records at the end of the accounting day of April 24, 2018, shall be entitled to receive the dividend.

The Board of Directors clarifies that the portion of undistributed dividends with respect to the treasury shares held by the Bank at the date of April 24, 2018, shall be transferred to the extraordinary reserve.

The documentation envisaged by art. 154-*ter* of the Consolidated Law on Finance shall be made available to the public at least twenty days prior to the date of the shareholders' meeting in single call. (i.e. by March 20, 2018).

2. RESOLUTIONS PROPOSED TO THE ORDINARY SHAREHOLDERS' MEETING

Dear Shareholders, If you agree with the content shown in this report, we ask you to pass the following resolution:

1. to approve the Financial Statements as at December 31, 2017, in their entirety;
2. to approve the allocation of the net profit for the year 2017 of Eur 214,283,600.37, as follows: *(i)* Eur 45,609.30 equal to 0.02% of the profit for the year, to the legal reserve, one fifth of the share capital having been reached; *(ii)* Eur 40,842,738.49 to the Extraordinary Reserve; *(iii)* Euro173,395,252.58 to the 608,404,395 ordinary shares having a par value Euro 0.33 each, making up the share capital – and, therefore, inclusive of the 691,050 shares resulting from the share capital increase approved by the Board of Directors on February 6, 2018 – corresponding to a dividend per share of Eur 0.285.

ORDINARY SHAREHOLDERS' MEETING

DIRECTORS' REPORT

Completion of the Board of Statutory Auditors

Dear Shareholders,

We have called in this Ordinary Meeting to resolve, *inter alia*, on the completion of the Board of Statutory Auditors of FinecoBank S.p.A..

In connection with the above, the proposals submitted for your approval are described below.

1. COMPLETION OF THE BOARD OF STATUTORY AUDITORS.

1.1 Reasons for proposing the completion of the Board of Statutory Auditors

Following the resignation handed in by Mr. Stefano Fiorini, Chairman and permanent Statutory Auditor of your Company, on September 4, 2017, Mrs. Elena Spagnol, who was already a stand-in Statutory Auditor chosen in the same list as the outgoing Statutory Auditor, replaced him as Chairman and permanent Statutory Auditor, pursuant to Article 23, paragraph 14, of the Articles of Association.

Taking into account that, according to the above-mentioned provisions, the new statutory auditors replacing the statutory auditors no longer in office remain in office until the next Shareholders' Meeting – that shall appoint the statutory auditors abiding by the principle regarding the compulsory presence of the minorities and the balance between the genders – you are invited to complete the Board of Statutory Auditors by appointing a permanent Statutory Auditor whose office will expire at the same time as the members of such Board in office (*i.e.* at the Meeting called for the approval of the 2019 financial statements) and, if needed, a new stand-in Statutory Auditor.

In this regard, it should be noted that, pursuant to Article 23, paragraph 14, of the Articles of Association, if the appointment of the stand-in Statutory Auditor in lieu of the permanent Statutory Auditor (*i.e.* Mrs. Elena Spagnol) is not confirmed by the Shareholders' Meeting, he shall return to his position as stand-in Auditor.

On the Company's website there is published the list of the minimum documentation to be provided in connection with possible candidacies for the completion of the Board of Statutory Auditors together with drafts of the declarations to be signed.

2. RESOLUTIONS PROPOSED TO THE ORDINARY SHAREHOLDERS' MEETING

Dear Shareholders,

If you agree with the content shown in this Report, pursuant to the provisions set forth in the Article of Association and the current laws and regulations, we ask you to appoint a permanent Statutory Auditor for the completion of the Board of Statutory Auditors (and, if necessary, to appoint, a new stand-in Statutory Auditor), who shall remain in office until the end of term of the current Board of Statutory Auditors and, therefore, until the Shareholders' Meeting called to approve the financial statements for the 2019 financial year.

ORDINARY SHAREHOLDER'S MEETING

DIRECTORS' REPORT

ON

2018 COMPENSATION POLICY

Dear Shareholders,

We called you at the Ordinary Shareholders' Meeting to submit to you the proposal for approval of the "2018 FinecoBank Compensation Policy" (hereafter also the "**2018 Compensation Policy**"), reported in the attached document which forms an integral part of this Report, prepared in compliance with the provisions of in the Bank of Italy Circular no. 285 of 17 December 2013 on the "Supervisory Provisions for Banks" (hereafter, the "**Supervisory Provisions**") which provide that the ordinary Shareholders' Meeting approve, among other things, the remuneration policy for the members of the Board of Directors, employees and collaborators not linked to the company by subordinated employment relationships (that in FinecoBank are the financial advisors authorized to offer off-site services). Approval of the compensation policy and incentive systems must be consistent with respect to prudent risk management and long-term strategies, also providing for a correct balance between the fixed and variable components of the remuneration as required by the applicable regulations; with regard to the latter, risk weighting systems and mechanisms aimed at ensuring the connection of the remuneration with actual and lasting results.

Furthermore, again in compliance with the Supervisory Provisions, the 2018 Compensation Policy provides information on the implementation of the 2017 FinecoBank compensation policy, approved by the Shareholders' Meeting on 11 April 2017 (see Section III of the 2018 Compensation Policy, containing the "Annual Report on Remuneration").

It is therefore proposed that this Shareholders' Meeting approve the 2018 Compensation Policy which defines the principles and standards that FinecoBank applies and which are used to define, implement and monitor the compensation policy and systems. The proposal was formulated by the Human Resources function, with the contribution of the Compliance, Risk Management, Finance and Network Control, Monitoring and Network Services functions, with regard to the topics whose description falls within their competence. Shareholders are invited to consult information regarding the implementation of the FinecoBank 2017 Compensation Policy approved by the Shareholders' Meeting on 11 April 2017.

The document is also prepared in fulfillment of the obligations prescribed by Article 123-ter of Legislative Decree 58/98 (also "TUF").

2018 Compensation Policy

The relevant pillars of the 2018 Remuneration Policy, which are confirmed with respect to those approved by the Shareholders' Meeting on 11 April 2017, are summarized below:

- (a) clear and transparent governance;

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ORDINARY SHAREHOLDERS' MEETING
ITEM NO. 4 ON THE AGENDA

- (b) compliance with regulatory requirements and principles of good professional conduct;
- (c) continuous monitoring of market trends and practices;
- (d) sustainable pay for sustainable performance;
- (e) motivation and retention of all staff, with particular focus on talents and key players;

Furthermore, in line with national and international regulations, the main contents of the 2018 Compensation Policy are:

- (a) compensation structure and performance of the Chief Executive Officer and General Manager;
- (b) updates on the regulatory framework as well as on the reference peer group for remuneration benchmarking;
- (c) the ratio between variable remuneration and fixed remuneration. In particular, for employees who belong to the business functions, the maximum level - approved by the Fineco Shareholders' Meeting of 5 June 2014 - equal to 2:1 has not been changed; for the remaining part of employees, a maximum ratio of 1:1 is generally adopted, with the exception of the Corporate Control Functions Identified Staff, for which the variable remuneration is expected to not exceed one third of the fixed remuneration. With regard to the Financial Advisors Identified Staff, the ratio 2:1 applies between the so-called non-recurring remuneration and the recurring remuneration. The adoption of the 2: 1 ratio between variable and fixed remuneration has no implications on the Bank's ability to continue to comply with prudential rules and in particular with regard to own funds requirements;
- (d) information on the role and activities of the Remuneration and Appointments Committee until 11 April 2017 and subsequently the Remuneration Committee, as well as the role of the Compliance, Audit and Risk Management functions;
- (e) the definition of Identified Staff 2018 for both employees and Financial Advisors;
- (f) a complete description of the implementation of the FinecoBank 2017 Incentive Systems reserved for the Identified Staff (employees and Financial Advisors);
- (g) a complete description of the new 2018 Short-Term Incentive Systems reserved for the Identified Staff (employees and Financial Advisors);
- (h) a complete description of the new 2018-2020 Long-Term Incentive Systems reserved for selected employees and for Financial Advisors Identified Staff;
- (i) complete information on the data requested by national and international regulators.

* * *

Dear Shareholders,

if you share the contents and the arguments presented in this Report, we invite you to take the following resolutions:

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ORDINARY SHAREHOLDERS' MEETING
ITEM NO. 4 ON THE AGENDA

1. to approve - also pursuant to art. 123-ter of the TUF - the "2018 Compensation Policy" of FinecoBank, in the text of the attached document that forms an integral part of this Report, in order to define the principles and standards that FinecoBank applies in determining, implementing and monitoring the policy and remuneration plans for members of the Board of Directors, employees and Financial Advisors authorized to offer off-site services;
2. to confer to the Chairman and the Chief Executive Officer and General Manager, also separately from each other, all the most appropriate powers to make all the additions and amendments to the aforesaid 2018 Compensation Policy that may be required by the competent supervisory authorities or that may become necessary against changes in the relevant legal and / or regulatory framework or in the event that, in the light of changes to the Group Policy by the UniCredit Shareholders' Meeting, which will be called to approve the 2017 financial statements, the 2018 Compensation Policy of FinecoBank was no longer consistent with the Group one.

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ORDINARY SHAREHOLDER'S MEETING

DIRECTORS' REPORT

ON

2018 INCENTIVE SYSTEM FOR EMPLOYEES IDENTIFIED STAFF

Dear Shareholders,

We have called you to the Ordinary Shareholders' Meeting to submit the proposal for the approval of the 2018 Incentive System aimed at assigning an incentive, in cash and / or in free ordinary shares, to be paid over a multi-year period to FinecoBank employees Identified Staff, according to the methods described below and subject to the achievement of specific performance targets (hereafter, the "**2018 System**" or "**2018 Incentive System**").

This proposal is prepared in compliance with the provisions of art. 114-bis of Legislative Decree no. 24 February 1998, n. 58 and also taking into account the implementing rules issued by Consob regarding the allocation of compensation plans based on financial instruments to corporate officers, employees or collaborators; moreover, in compliance with the aforementioned provisions, the information document pursuant to art. 84-bis of Consob Regulation 11971/99 and subsequent amendments that was made available to the public within the terms of the law and to which reference should be made for the detailed description of the Incentive System illustrated in this Report

The proposal is also in line with FinecoBank's Compensation Policy, with the provisions issued by the Bank of Italy on remuneration and incentive policies and practices, with the provisions contained in Directive 2013/36 / EU (Capital Requirements Directive or CRD IV).), as well as the guidelines issued by the EBA (European Banking Authority). In this regard, it should be noted that, in compliance with the aforementioned provisions, FinecoBank has established the adoption, for employees belonging to the business functions, of a ratio between the variable component and the fixed component equal to 2:1, except of course the application a lower limit according to the provisions of current legislation.

1. 2018 INCENTIVE SYSTEM FOR EMPLOYEES IDENTIFIED STAFF

GOALS

The 2018 System is aimed at incentivizing, retaining and motivating the beneficiaries, in compliance with the provisions issued by national and international authorities with the aim of reaching - in the interest of all stakeholders - remuneration systems aligned with Company's long-term strategies and objectives, linked with company results, adjusted in order to consider all kind of risks, in coherence with capital and liquidity levels needed to cover the activities in place and, in any case, able to avoid misleading incentives that could drive excessive risk taking for the bank and the system in its whole.

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BENEFICIARIES

The following potential beneficiaries of the 2018 System are identified - in line with the criteria set out in the European Commission Regulation no. 604/2014 of 4 March 2014 - as **"Identified Staff"**:

- the Chief Executive Officer and General Manager (CEO/GM), the Deputy General Managers (DGM), the Executive Vice President (EVP), the Senior Vice President;
- employees with total remuneration more than € 500,000 in the last year;
- employees included within 0.3% of staff with the highest remuneration at local level;
- other selected roles (including new hires).

The total number of beneficiaries, as of 10 January 2018, is 16.

ELEMENTS OF THE 2018 SYSTEM

- (a) In line with the approach adopted in 2017, the 2018 System is based on the concept of "bonus pool" for determining the variable remuneration that will be paid in 2019. The link between profitability, risk and remuneration is guaranteed by directly linking the bonus pool with the company results (at Group and local level), the cost of capital and the relevant risk profiles as defined in the relevant framework for determining the risk appetite;
- (b) the bonus pool will be defined on the basis of the performance of FinecoBank and the Group and assigned to the Identified Staff according to the individual performance;
- (c) the 2018 System - in addition to attracting, retaining and motivating the beneficiaries - confirms the alignment of the FinecoBank Incentive System with national and international regulatory requirements, providing for:
 - the assignment of a variable incentive defined on the basis of the established bonus pool, the valuation of the individual performance and the internal benchmark for specific roles, as well as consistent with the ratio between the fixed and variable components defined by the ordinary Shareholders' Meeting;
 - the definition of a balanced structure of "upfront" (made at the time of performance evaluation) and "deferred" payments, in cash and shares;
 - payments in shares consistent with the applicable regulatory provisions, which require periods of unavailability on them. In fact, the defined payment structure provides for the deferred allocation of shares (two years for "upfront" payment and one year for "deferred" payments)
 - risk-weighted measures, in order to guarantee long-term sustainability with reference to the Bank's financial position and to ensure compliance with the Authority's expectations;
 - entry and malus conditions of capital, liquidity and profitability of FinecoBank and of the Group, specific individual compliance conditions and a specific clawback clause;
- (d) the individual performance assessment is based on the achievement of specific goals linked to the five fundamental elements of the UniCredit Group's competency model: "Customers First"; "People Development"; "Cooperation and Synergies"; "Risk Management"; "Execution & Discipline";

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ORDINARY SHAREHOLDERS' MEETING
ITEM NO. 5 ON THE AGENDA

- (e) the payment of the total incentive so defined will be executed over a multi-year period (2019 - 2024), as indicated below and on condition that the beneficiaries are in service at the time of each payment:
- in 2019 the first installment of the total incentive ("1st tranche") will be paid in cash, after verifying at individual level the compliance with compliance rules and with principles of conduct and behavior, also considering the seriousness of any internal / external inspections findings (i.e. Audit, Bank of Italy, Consob and / or similar local authorities);
 - in the period 2020-2024 the residual amount of the total incentive will be paid in several installments in cash and / or FinecoBank free ordinary shares; each individual tranche will be subject to the application of the Zero Factor related to the year of competence and to the verification of compliance by each beneficiary with the compliance rules and with the principles of conduct and behavior, also considering the seriousness of any internal / external inspections (i.e. Audit, Bank of Italy, Consob and / or similar local authorities);
- (f) the assessment of the Group and local "sustainable performance" parameters (entry and malus conditions) and the alignment between risk and remuneration are examined by the Remuneration Committee, as well as by the Risk and Related Parties Committee and defined by the Board of Directors;
- (g) the percentages of cash and shares payments are established according to the category of beneficiaries, as shown in the following table:

	2019	2020	2021	2022	2023	2024
CEO/GM and other roles foreseen by the law	20% cash	10% cash	20% shares	10% shares	10% shares	20% cash + 10% shares
Other Identified Staff	30% cash	10% cash	30% shares	10% cash+ 10% shares	10% shares	-

- (h) in line with 2017, there is a minimum threshold below which no deferral will be applied (i.e. € 75,000.00 which will be paid in cash);
- (i) the 2018 System may be offered also during the recruitment of Identified Staff from the external market. In the event that new hires are already holders of deferred incentive plans ("buy-out" bonus), the payment scheme offered will reflect the deferment methods defined by the previous employer, in any case in compliance with current legislation;
- (j) the number of shares to be paid in the respective tranches will be defined in 2019 on the basis of the arithmetic mean of the official closing prices of the FinecoBank ordinary shares recorded in the month prior to the Board resolution that evaluates the results achieved in 2018. The maximum estimated shares assignment is equal to n. 505,345 FinecoBank free ordinary shares, representing approximately the 0.08% of FinecoBank's share capital, of which a maximum of no. 50,535 FinecoBank ordinary shares will eventually be allocated to hiring Identified Staff from the external market;

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(k) the FinecoBank free ordinary shares assigned will be freely transferable.

CHANGES TO THE 2018 SYSTEM

In order to ensure compliance with the current legal and regulatory provisions (including fiscal matter), during the implementation of the 2018 System, it deems appropriate to propose delegation of powers to the Chairman and the Chief Executive Officer and General Manager, also separately among themselves, to make any changes to the 2018 System that do not alter the substance of the resolutions of the Board of Directors and the Shareholders' Meeting, also by resorting to different solutions, which in full compliance with the 2018 System principles, enable the same results to be achieved (i.e. a different percentage distribution of the payments of the different tranches, a different deferral period, a period of restriction on the sale of the shares, the extension of the 2018 System to other beneficiaries considered equivalent to the Identified Staff, also using trust companies; of instruments other than Fineco shares where required by the regulations, the payment of an equivalent amount in cash instead of the allocation of shares, to be determined on the basis of the market value of FinecoBank shares, taking into account the arithmetic mean of the official market prices of the ordinary shares recorded in the month preceding each board resolution related to the actual allocations).

It is understood that the aforementioned changes will in any case be adopted in compliance with the applicable legal and regulatory provisions pro tempore in force.

2. SHARES REQUESTED FOR THE 2018 INCENTIVE SYSTEM FOR EMPLOYEES IDENTIFIED STAFF

The issue of free ordinary shares necessary for the implementation of the 2018 System, as in the past, will be carried out in compliance with the provisions of art. 2349 of the Italian Civil Code on the basis of the delegation granted to the Board of Directors, pursuant to art. 2443 of the Italian Civil Code.

For this reason, today's Shareholders' Meeting in extraordinary session will be called to approve the proposal to assign such delegation to the Board of Directors.

In particular, for the purpose of issuing FinecoBank ordinary shares for the 2018 System, the proposal to grant a delegation to the Board of Directors pursuant to art. 2443 of the Civil Code to proceed with the increase in share capital, in compliance with the provisions of art. 2349 of the Italian Civil Code, for a maximum amount of Euro 136,031.94 (to be allocated entirely to capital), by issuing a maximum number of 412,218 new ordinary shares with a nominal value of Euro 0.33 each, with the same characteristics as those in circulation with regular dividend entitlement.

Pursuant to the provisions of art. 2443 of the Italian Civil Code, pursuant to which the Directors may exercise the right to increase the capital for a maximum period of five years from the date of registration of the Shareholders' Meeting resolution granting the delegation (and therefore with respect to the date of the Shareholders' Meeting resolution up to 2023), for the allocation of the last tranche of shares envisaged for 2024, the proposal to integrate the delegation already conferred on the Board of Directors must be submitted to a future Shareholders' Meeting, so as to complete the execution of the 2018 System.

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ORDINARY SHAREHOLDERS' MEETING
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The issue of free ordinary shares necessary for the implementation of the 2018 System will be made through the use of the special reserve called "Provisions Linked to the Medium-Term Incentive System for the staff of FinecoBank" which, if necessary, may be reconstituted or increased by allocating a portion of available statutory profits or reserves created as a result of the allocation of Company profits which will be identified by the Board of Directors upon exercise of the delegation.

In the event that it is not possible to proceed with the issue (full or partial) of the shares serving the 2018 System (including the case in which the "Provisions Linked to the Medium-Term Incentive System for the staff of FinecoBank" is not enough), the beneficiaries will receive an equivalent amount in cash to be determined on the basis of the arithmetic mean of the official market prices of the FinecoBank ordinary shares recorded in the month preceding the Board resolution that verify the results achieved in 2018.

Dear Shareholders,

if you agree with the above, we invite you to approve the proposal on the agenda and, therefore, to take the following resolution:

“The Ordinary Shareholders' Meeting of FinecoBank S.p.A., having heard the proposal of the Board of Directors,

RESOLVES

1. to adopt the 2018 Incentive System, which provides for the allocation of an incentive, in cash and / or FinecoBank ordinary shares, to be carried out within the month of April 2024, to selected beneficiaries Identified Staff, within the terms and with the methods illustrated above;
2. to confer to the Chairman and to the Chief Executive Officer and General Manager, also separately from each other, every opportune power of attorney to implement the present resolution and the documents which represent part of it, also rendering any amendments and/or integrations which should be necessary to enact the present deliberations of today's Shareholders' Meeting (not changing substantially the content of the resolutions)”.

ORDINARY SHAREHOLDER'S MEETING

DIRECTORS' REPORT

ON

2018–2020 LONG TERM INCENTIVE PLAN FOR EMPLOYEES

Dear Shareholders,

We have called this ordinary Meeting to request your approval of the 2018-2020 Long Term Incentive Plan for employees (also the “**2018-2020 Plan**” or the “**Plan**”), aimed at allocating an incentive in FinecoBank free ordinary shares, to be granted over a multi-year period to selected FinecoBank employees, according to the conditions described below and subject to the achievement of specific performance goals.

This proposal has been formulated in compliance with the provisions of section 114-bis of Decree 58 dated February 24th, 1998, and in accordance with the provisions set forth by Consob with reference to incentive plans based on financial instruments assigned to corporate officers, employees and collaborators; for this purpose, a document describing the details of the incentive systems has been prepared pursuant to Section 84-bis of the Consob Regulation no. 11971/99 and subsequent amendments, and has been made available to the public under the terms of law and reference is made to detailed description of the Plan described in this report.

The proposal is also in line with FinecoBank Compensation Policy, the indications issued by Bank of Italy on remuneration policies and practices and the direction set by the European Directive 2013/36/UE (Capital Requirements Directive or CRD IV) and by EBA (European Banking Authority) guidelines. With this regards, it should be recalled that FinecoBank, in respect to these provisions, has defined the adoption of a ratio between the variable and the fixed remuneration equal to 2:1 for employees who belong to the business functions, except of course the application of a lower limit according to the provisions of current legislation.

1. 2018–2020 LONG TERM INCENTIVE PLAN FOR EMPLOYEES

GOALS

The “2018-2020 Plan” aims to incentivize, retain and motivate in the long term the beneficiaries, in compliance with national and international regulatory requirements and with the aim to define – in the interest of all stakeholders – incentive systems aligned with long term company strategies and goals, linked to Company results, adjusted in order to consider all kind of risks, in coherence with capital and liquidity levels needed to cover the activities in place and, in any case, able to avoid misleading incentives that could drive excessive risk taking for the bank and the system in its whole.

BENEFICIARIES

The beneficiaries of the Plan are estimated at 10 January 2018 in 65 employees selected from the Bank's "key" resources, including Executives with Strategic Responsibilities. The Heads of the

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Corporate Control Functions are excluded from the Plan, for which from 2016 a maximum incidence of variable remuneration of 33% on fixed remuneration is applied.

ELEMENTS OF THE PLAN

- (a) The Plan aims to incentivize, retain and motivate the beneficiaries for the 2018-2020 performance years and sets targets linked to the FinecoBank 2020 targets in terms of value creation, sustainability and risk;
- (b) specifically, the Plan envisages performance targets at the Bank level such as the EVA, the Cost / Income and the Cost of Risk on commercial loans. The goals have a percentage weight on the total bonus and their evaluation (with the exception of the Cost of Risk for which an "on-off" threshold is envisaged) is based on progressive thresholds, which correspond to increasing percentages of bonuses from 0 to 100% with a linear progression;
- (c) the Plan provides for entry and malus conditions of capital, liquidity and profitability of FinecoBank and the Group, specific individual compliance conditions and a specific clawback clause;
- (d) the Plan provides risk-weighted measures to ensure long-term sustainability with reference to the company's financial position and to ensure compliance with the Authority's expectations;
- (e) the Plan provides for individual bonuses in FinecoBank shares defined taking into account the roles of the beneficiaries;
- (f) the individual bonuses will be paid with a payment structure over a multi-year period, defined according to the beneficiary categories and in line with the regulatory provisions, as shown in the following table:

	2021	2022	2023	2024	2025
CEO and General Manager			40% shares		60% shares
Other Identified Staff			60% shares	20% shares	20% shares
Other beneficiaries	40% shares	20% shares	20% shares	20% shares	

- (g) in relation to the ratio between the variable and fixed remuneration component, in compliance with the applicable regulatory provisions and consistently with the provisions of the FinecoBank 2017 Compensation Policy, the respect of the maximum limits envisaged is confirmed, also taking into account the variable short-term remuneration related to each year of performance;
- (h) the assessment of the Group and local "sustainable performance" parameters (entry and malus conditions) and the alignment between risk and remuneration are examined by the Remuneration Committee, as well as by the Risk and Related Parties Committee and defined by the Board of Directors
- (i) payments in shares for the Beneficiaries Identified Staff - in accordance with the current regulatory provisions - require periods of unavailability on them. In fact, the defined payment structure provides for the deferred allocation of shares (two years for "upfront" payment and one year for "deferred" payment);

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- (j) the number of shares to be paid in the respective tranches, to be assigned following verification of the achievement of performance targets, will be determined in 2018 on the basis of the arithmetic mean of the official closing prices of the FinecoBank ordinary shares recorded in the month preceding the resolution of the Board of Directors of FinecoBank which will execute the Shareholders' Meeting resolution concerning the Plan. The assignment of maximum n. 1,600,000 FinecoBank free ordinary shares, representing approximately 0.3% of FinecoBank's share capital, is estimated;
- (k) the FinecoBank ordinary shares assigned will be freely transferable.

CHANGES TO THE PLAN

In order to ensure compliance with the current legal and regulatory provisions (including fiscal matter), during the implementation of the Plan, it deems appropriate to propose delegation of powers to the Chairman and the Chief Executive Officer and General Manager, also separately among themselves, to make any changes to the Plan that do not alter the substance of the resolutions of the Board of Directors and the Shareholders' Meeting, also by resorting to different solutions, which in full compliance with the Plan principles, enable the same results to be achieved (i.e. a different percentage distribution of the payments of the different tranches, a different deferral period, a period of restriction on the sale of the shares, the extension of the Plan to other beneficiaries considered equivalent to the Identified Staff, also using trust companies; of instruments other than Fineco shares where required by the regulations, the payment of an equivalent amount in cash instead of the allocation of shares, to be determined on the basis of the market value of FinecoBank shares, taking into account the arithmetic mean of the official market prices of the ordinary shares recorded in the month preceding each board resolution related to the actual allocations).

It is understood that the aforementioned changes will in any case be adopted in compliance with the applicable legal and regulatory provisions pro tempore in force.

2. SHARES REQUEST FOR THE 2018-2020 LONG TERM INCENTIVE PLAN FOR EMPLOYEES

The issue of free ordinary shares necessary for the implementation of the Plan, will be carried out in compliance with the provisions of art. 2349 of the Italian Civil Code on the basis of the delegation granted to the Board of Directors, pursuant to art. 2443 of the Italian Civil Code.

For this reason, today's Shareholders' Meeting in extraordinary session will be called to approve the proposal to assign such delegation to the Board of Directors.

In particular, for the purpose of issuing FinecoBank ordinary shares for the Plan, the proposal to grant a delegation to the Board of Directors pursuant to art. 2443 of the Civil Code to proceed with the increase in share capital, in compliance with the provisions of art. 2349 of the Italian Civil Code, for a maximum amount of Euro 324,743.10 (to be allocated entirely to capital), by issuing a maximum number of 984,070 new ordinary shares with a nominal value of Euro 0.33 each, with the same characteristics as those in circulation with regular dividend entitlement.

Pursuant to the provisions of art. 2443 of the Italian Civil Code, pursuant to which the Directors may exercise the right to increase the capital for a maximum period of five years from the date of registration of the Shareholders' Meeting resolution granting the delegation (and therefore with respect

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to the date of the Shareholders' Meeting resolution up to 2023), for the allocation of the last two tranches of shares envisaged for 2024 and 2025, the proposal to integrate the delegation already conferred on the Board of Directors must be submitted to a future Shareholders' Meeting, so as to complete the execution of the Plan.

The issue of free ordinary shares necessary for the implementation of the Plan will be made through the use of the special reserve called "Provisions Linked to the Medium-Term Incentive System for the staff of FinecoBank" which, if necessary, may be reconstituted or increased by allocating a portion of available statutory profits or reserves created as a result of the allocation of Company profits which will be identified by the Board of Directors upon exercise of the delegation.

In the event that it is not possible to proceed with the issue (full or partial) of the shares serving the Plan (including the case in which the "Provisions Linked to the Medium-Term Incentive System for the staff of FinecoBank" is not enough), the beneficiaries will receive an equivalent amount in cash.

Dear Shareholders,

if you agree with the above, we invite you to approve the proposal on the agenda and, therefore, to take the following resolution:

“The Ordinary Shareholders' Meeting of FinecoBank S.p.A., having heard the proposal of the Board of Directors,

RESOLVES

1. to adopt the 2018-2020 Long Term Incentive Plan for employees, which provides for the allocation of an incentive in FinecoBank ordinary shares, to be carried out within the month of April 2025, to selected employees, within the terms and with the methods illustrated above;
2. to confer to the Chairman and to the Chief Executive Officer and General Manager, also separately from each other, every opportune power of attorney to implement the present resolution and the documents which represent part of it, also rendering any amendments and/or integrations which should be necessary to enact the present deliberations of today's Shareholders' Meeting (not changing substantially the content of the resolutions)”.

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ORDINARY SHAREHOLDER'S MEETING

DIRECTORS' REPORT

ON

**2018 INCENTIVE SYSTEM FOR PERSONAL FINANCIAL ADVISORS (PFA)
IDENTIFIED STAFF**

AND ON

**AUTHORIZATION TO PURCHASE AND DISPOSE OF TREASURY SHARES.
RELATED AND CONSEQUENT RESOLUTIONS (prepared pursuant article 73, Consob
Regulation no. 11971/99)**

**2018 INCENTIVE SYSTEM FOR PERSONAL FINANCIAL ADVISORS (PFA)
IDENTIFIED STAFF**

Dear Shareholders,

We have called this ordinary Meeting to request your approval of the 2018 Incentive System for Personal Financial Advisors (hereinafter, "**Personal Financial Advisors**" or "**PFA**"), aimed at allocating an incentive in cash and/or in FinecoBank free ordinary shares, to be granted over a multi-year period to a selected group of FinecoBank Personal Financial Advisors Identified Staff, according to the conditions described below.

This proposal has been formulated in compliance with the provisions of art. 114-*bis* of the Italian Legislative Decree no. 58 dated February 24th, 1998 ("**Consolidated Law on Finance**"), and in accordance with the provisions set forth by Consob with reference to incentive plans based on financial instruments assigned to corporate officers, employees and collaborators; for this purpose, a document describing the details of the incentive systems has been prepared pursuant to Section 84-*bis* of the Consob Regulation no. 11971/99 and subsequent amendments, and has been made available to the public under the terms of law and reference is made to detailed description of the 2018 Incentive System described in this report.

The proposal is also in line with FinecoBank Compensation Policy, the indications issued by Bank of Italy⁽¹⁾ on remuneration policies and practices and the direction set by the European Directive 2013/36/UE (Capital Requirements Directive or CRD IV) and by EBA (European Banking Authority) guidelines. With this regards, it should be recalled that FinecoBank, in respect to these provisions, has defined the adoption of a ratio between the variable and the fixed remuneration equal to 2:1 for the Personal Financial Advisors Identified Staff, within the regulatory limit.

⁽¹⁾ 7° update of November 18th, 2014 of "*Disposizioni di vigilanza per le banche*", Circular no. 285 of December 17th, 2013.

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GOALS

The 2018 Incentive System for Personal Financial Advisors Identified Staff (also the “**2018 PFA System**”) aims to retain and motivate the Personal Financial Advisors, in compliance with national and international regulatory requirements and with the aim to define – in the interest of all stakeholders – incentive systems aligned with long term company strategies and goals, linked to Company results, adjusted in order to consider all kind of risks, in coherence with capital and liquidity levels needed to cover the activities in place and, in any case, able to avoid misleading incentives that could drive excessive risk taking for the Bank and the system in its whole.

BENEFICIARIES

The potential beneficiaries of the 2018 PFA System, as provided by the criteria issued by Commission Delegated Regulation (EU) No. 604/2014 of March 4th, 2014, are:

- personal Financial Advisors with a total remuneration (“recurring” and “non-recurring”) greater than Eur 750,000 in the last year and with an impact on Bank risk profiles;
- personal Financial Advisors Area Manager who coordinate a structure to which is linked an overall portfolio equal or greater than 5% of total network assets and with an impact on Bank risk profiles;

The total estimated number of beneficiaries, as on the date of January 10th, 2018, is 10.

ELEMENTS OF 2018 PFA SYSTEM

- (a) The 2018 PFA System is based on the “bonus pool approach” to define variable remuneration to be paid in 2019. The link between profitability, risk and reward is assured by linking directly bonus pool with company results (at Group and local level), cost of capital and relevant risk profiles as stated in the Risk Appetite Framework;
- (b) the Bonus pool will be defined based on FinecoBank and Group performance and assigned to beneficiaries according to individual performance;
- (c) the 2018 PFA System - besides its aims to retain and motivate beneficiaries - confirm the alignment of FinecoBank to the national and international regulatory requirements providing for:
- the allocation of a variable incentive defined on the basis of the available bonus pool, of the individual performance evaluation as well as in coherency with the bonus cap set by the ordinary Shareholder’s meeting;
 - the definition of a balanced structure of upfront (done at the moment of performance evaluation) and deferred payments, in cash and in FinecoBank ordinary shares (also “shares”);
 - the distribution of share payments, coherently with the applicable regulatory requirements regarding the application of share retention periods. The payment structure defined requires a retention period on upfront shares of 2 years and of 1 year for deferred shares;
 - risk adjusted metrics in order to guarantee long-term sustainability with respect to company’s financial position and to ensure compliance with regulatory expectations;
 - entry and malus condition of capital, liquidity and profitability at FinecoBank level and of capital & liquidity at Group level, specific individual compliance and claw back clauses are also provided;

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- (d) incentive payouts will be made over a multi-year period (2019-2023), as indicated below and provided that the agency relationship of the beneficiaries is in place at the time of each payment:
- in 2019 the first instalment of the overall incentive will be paid in cash ("1st instalment") in absence of any individual values/compliance breach, considering also the gravity of any internal/external findings (i.e. Audit, Consob and/or analogous local authorities);
 - over the period 2020-2023 the remaining amount of the overall incentive will be paid in several instalments in cash and/or FinecoBank ordinary shares; each further instalments will be subject to the application of the Zero Factor for the year of allocation and in absence of any individual /values compliance breach, considering also the gravity of any internal/external findings (i.e. Audit, Consob and/or analogous local authorities);
- (e) the final evaluation of sustainable performance parameters of the Group and of the Bank (entry and malus condition) and risk-reward alignment are reviewed by the Remuneration Committee, by the Risk and Related Parties and defined by the Board of Directors of FinecoBank.
- (f) the percentages of payments in cash and shares are defined as described in the following table:

	2019	2020	2021	2022	2023
Personal Financial Advisors Identified Staff	30% cash	10% cash	30% shares	10% shares+ 10% cash	10% shares

- (g) in coherence with the 2017 PFA System, it is foreseen a specific minimum threshold below which deferral mechanism will not be applied (Eur 75,000 that will be paid in cash);
- (h) the number of ordinary shares to be allocated with the third, fourth and fifth instalments will be defined in 2019, on the basis of the arithmetic mean of the official closing price of FinecoBank ordinary shares during the month following the Board resolution that verifies 2018 performance achievements;
- (i) the estimated allocation is maximum number of 297,620 FinecoBank ordinary shares, representing about 0.05% of FinecoBank share capital, therefore, well below the maximum limit of 20% provided by the applicable regulation, also taking into consideration the number of 60,397 treasury shares owned by the Company at the date of the present report, equal to 0.01% of share capital, and also the maximum number of treasury shares that at the moment is estimated to be assigned to support Incentive Systems already approved or that will be approved in the future, or other needs not foreseeable at the moment.
- (j) the FinecoBank ordinary shares to be allocated will be freely transferable.

CHANGES TO THE 2018 PFA SYSTEM

In order to guarantee the compliance with regulatory and legal dispositions (also in fiscal matter), during the implementation of 2018 PFA System, it deems appropriate to empower the Chairman and

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the Chief Executive Officer and General Manager, also separately, with every opportune power to implement any eventual change to the 2018 PFA System that do not change substantially the content of resolutions of Board and today's General Shareholders' Meeting, also through alternative solutions that fully comply with the principles of 2018 PFA System and allow achievement of the same results (i.e.: a different percentage distribution of the various instalments of payments; a different period of deferral; paying an equivalent amount in cash in lieu of granting shares, to be determined on the basis of the market value of FinecoBank shares, considering the arithmetic mean of the official closing price of FinecoBank ordinary shares during the month following each Board resolution to execute the actual grant; extension of 2018 PFA System application to other beneficiaries considered as equivalent to identified staff).

It is understood that these amendments will be adopted in any case in accordance with the applicable regulatory provisions.

Dear Shareholders,

If you agree with the above proposal, you are invited to approve it by adopting the following resolution:

"FinecoBank's ordinary shareholders' meeting, having heard the Board of Directors proposal,

RESOLVES

1. to adopt the 2018 Incentive System for Personal Financial Advisors (PFA) Identified Staff which provides for the allocation of an incentive in cash and/or FinecoBank ordinary shares, to be performed by July 2023, in the manner and terms described above;
2. to confer to the Chairman and to the Chief Executive Officer and General Manager, also separately, every opportune power of attorney to implement the present resolution and the documents which represent part of it, also rendering any amendments and/or integrations which should be necessary to enact the present deliberations of today's Shareholders' Meeting (not changing substantially the content of the resolutions)".

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**AUTHORIZATION TO PURCHASE AND DISPOSE OF TREASURY SHARES.
RELATED AND CONSEQUENT RESOLUTIONS**

Dear Shareholders,

We have called this ordinary Meeting to request your approval of the authorization to purchase and to dispose of treasury shares. Related and consequent resolutions.

SUPPLY RELATED TO THE 2018 PFA SYSTEM

In order to acquire the financial instruments needed to carry out the 2018 PFA System for the Personal Financial Advisors, it is needed to propose to the Shareholders' Meeting the authorization, pursuant article 2357 civil Code, to purchase and to dispose of treasury shares. In this way the Company will have, by purchasing them on the market, the shares needed to support the 2018 Incentive System for PFA through the assignment of those shares to the beneficiaries who have the right to receive them.

The proposal foresees to confer to the Board of Directors the faculty to carry out repeated and subsequent transactions to buy and sell (or other kind of disposals) treasury shares on a revolving base, also for fractions of the maximum amount authorized, so that, at any time, the number of shares of the purchase proposed and in the Company's ownership does not exceed the limits set by the law and by the authorization provided by the Shareholders' Meeting.

The authorization request is for maximum number of 297,620 ordinary shares, equal to 0.05% of share capital and, therefore, well below the maximum limit of 20% provided by the applicable regulation, also taking into consideration the no. 60,397 treasury shares owned by the Company at the date of the present report, equal to 0.01% of share capital, and also the maximum number of treasury shares that at the moment is estimated to be assigned to support Incentive Systems already approved or that will be approved in the future, or other needs not foreseeable at the moment.

The purchase of treasury shares will be executed within the limits of the distributable earnings and of available supply consequent to the last annual report approved at the moment of the disposal of purchasing operations.

The purchasing of treasury shares reduces the net worth of an equal amount, through the inclusion in the balance sheet of a specific passive item, with negative sign.

The proposal foresees that purchasing and disposition orders of treasury shares have to be made on regulated capital markets, according to art. 132 of the no. 58 dated February 24th, 1998 ("**Consolidated Law on Finance**") and to art. 144-*bis* (1) (b) of Consob regulation no. 11971/99, with the same operational procedures described in the guidelines of organization and management of such markets in order to guarantee equality in treatment between Shareholders and which do not allow the direct matching of purchase orders against pre-determined sell orders; in particular, these purchases will have to be made:

- (i) by public offering for purchase or trade;
- (ii) on regulated capital markets, according to the operational procedures described in the guidelines

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of organization and management of such markets, which do not allow the direct matching of purchase orders against pre-determined sell orders;

- (iii) by allocating to Shareholders, proportionally to their own shares, a put option to be exercised during the period of the authorization granted by the Shareholders' Meeting to purchase treasury shares.

Sell operations of treasury shares in portfolio instead will be executed in the manner deemed recommendable for the Company's interest, including transfer and/or the assignment to execute stock granting incentive plans.

With reference to the amount of the purchasing operations, it is proposed that it should not be below the nominal per share value, equal to a nominal value of Eur 0.33 and not above, as a maximum, to the official closing price of FinecoBank ordinary shares registered in the MTA ("Mercato Telematico Azionario" – Milan Stock Exchange) in the day preceding the purchase, increased by 5%.

Regarding the disposal of the treasury shares, the Board of Directors will establish from time to time criteria for the definition of the corresponding fees and/or modalities, terms and conditions of purpose of treasury shares in portfolio, taking into consideration the procedure followed, the share price trend in the period prior to transactions and the best interest of the Company.

Finally it is proposed that the authorization to purchase is released for a period of eighteen months from the date of the Shareholders' Meeting that passed the resolution for authorization.

Dear Shareholders,

If you agree with the above proposal, you are invited to approve it by adopting the following resolution:

"FinecoBank's ordinary shareholders' meeting, having heard the Board of Directors proposal, according to the provisions of articles 2357 and 2357-ter of the Italian Civil Code, 132 of the Consolidated Law on Finance and 114-bis of Consob Regulation no. 11971/99

RESOLVES

1. to authorize the purchase and the dispose of a maximum of number 297,620 treasury shares, equal to a nominal value of Eur 0.33 each, for the purposes of "2018 PFA System" under the terms and conditions described above, considering that buy back operations of treasury shares could be executed after having received the necessary authorization of the Regulator, according to articles 77-78 Reg. UE no. 575/2013 (CRR) dated June 26th, 2013;
2. to confer to the Board of Directors and consequently to the Chairman and to the Chief Executive Officer and General Manager, also separately, every opportune power of attorney to implement the present resolution and to communicate to the market, in accordance with applicable regulations".

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ORDINARY SHAREHOLDER'S MEETING

DIRECTORS' REPORT

ON

**2018–2020 LONG TERM INCENTIVE PLAN FOR PERSONAL FINANCIAL
ADVISORS (PFA) IDENTIFIED STAFF**

Dear Shareholders,

We have called this ordinary Meeting to request your approval of the 2018-2020 Long Term Incentive Plan (also the “**2018-2020 PFA Plan**” or the “**Plan**”) for Personal Financial Advisors (also “**PFA**”) Identified Staff, aimed at allocating an incentive in cash and/or in FinecoBank free ordinary shares, to be granted over a multi-year period, according to the conditions described below and subject to the achievement of specific performance goals.

This proposal has been formulated in compliance with the provisions of section 114-bis of Decree 58 dated February 24th, 1998, and in accordance with the provisions set forth by Consob with reference to incentive plans based on financial instruments assigned to corporate officers, employees and collaborators; for this purpose, a document describing the details of the incentive systems has been prepared pursuant to Section 84-bis of the Consob Regulation no. 11971/99 and subsequent amendments, and has been made available to the public under the terms of law and reference is made to detailed description of the Plan described in this report.

The proposal is also in line with FinecoBank Compensation Policy, the indications issued by Bank of Italy² on remuneration policies and practices and the direction set by the European Directive 2013/36/UE (Capital Requirements Directive or CRD IV) and by EBA (European Banking Authority) guidelines. With this regards, it should be recalled that FinecoBank, in respect to these provisions, has defined the adoption of a ratio between the variable and the fixed remuneration equal to 2:1 for the Personal Financial Advisors Identified Staff, within the regulatory limit.

GOALS

The “2018-2020 PFA Plan” aims to incentivize, retain and motivate the Personal Financial Advisors beneficiaries of the Plan, in compliance with national and international regulatory requirements and with the aim to define – in the interest of all stakeholders – incentive systems aligned with long term company strategies and goals, linked to Company results, adjusted in order to consider all kind of risks, in coherence with capital and liquidity levels needed to cover the activities in place and, in any case, able to avoid misleading incentives that could drive excessive risk taking for the bank and the system in its whole.

² 7° update of November, 18th, 2014 of “*Disposizioni di vigilanza per le banche*”, Circolare nr. 285 of December, 17th, 2013.

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BENEFICIARIES

The potential beneficiaries of the 2018-2020 PFA Plan will be identified among the Financial Advisors who, at the end of the performance period, will belong to the "Identified Staff" category, in line with the current pro-tempore regulatory selection criteria.

To date, these criteria are defined by the European Commission Regulation no. 604/2014 of 4 March 2014, and are applied by FinecoBank providing for identification as "Identified Staff":

- Personal Financial Advisors with a total remuneration ("recurring" and "non-recurring") greater than Eur 750,000 in the last year and with an impact on Bank risk profiles;
- Personal Financial Advisors Area Manager who coordinate a structure to which is linked an overall portfolio equal or greater than 5% of total network assets and with an impact on Bank risk profiles;

At the date of this report, and without prejudice to the above criteria, the total number of beneficiaries of the 2018-2020 PFA Plan is estimated at 15.

ELEMENTS OF 2018-2020 PFA PLAN

- The 2018-2020 PFA Plan is designed to incentivize, retain and motivate in the long term the PFAs Identified Staff, by providing individual bonuses in cash and / or FinecoBank ordinary shares, to be paid to achieve cumulated individual performance targets in the 2018-2020 period, linked to Net Sales (NS), Net Sales of Guided Product (NSGP) and, for PFAs and Group Managers, also to the ratio between Guided Products (GD) as at 31 December 2020 on Total Financial Asset (TFA) as of 31 December 2019;
- in addition to the aforementioned goals, the 2018-2020 PFA Plan provides for entry conditions based on individual, FinecoBank and Group performance;
- the 2018-2020 PFA Plan provides for specific malus conditions of capital, liquidity and profitability at FinecoBank level and of capital and liquidity at Group level, as well as specific individual compliance conditions and a clawback clause;
- risk-weighted measures are also envisaged to ensure long-term sustainability with reference to the company's financial position and to ensure compliance with the Authorities's expectations;
- the 2018-2020 PFA Plan provides for a balanced structure of "upfront" and "deferred" payments, over a multi-year period, in the form of cash and / or FinecoBank ordinary shares (whose authorization for purchase and disposal will be requested to a future Ordinary Shareholders' Meeting, pursuant to current legislation);
- the percentages of cash and ordinary FinecoBank shares payments are established as shown in the following table:

	2021	2022	2023	2024	2025
Personal Financial Advisors Identified Staff	20% cash	20% cash	20% shares	20% shares	20% shares

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- (g) in relation to the ratio between variable and fixed remuneration component, in compliance with the applicable regulatory provisions and consistently with the provisions of the FinecoBank 2017 Compensation Policy, it is confirmed - for PFA Identified Staff - the adoption of a maximum ratio between variable component and the fixed remuneration component equal to 2: 1, also taking into account the short-term variable remuneration referred to each year of performance;
- (h) the assessment of the Group and local "sustainable performance" parameters (entry and malus conditions) and the alignment between risk and remuneration are examined by the Remuneration Committee, as well as by the Risk and Related Parties Committee and defined by the Board of Directors;
- (i) payments in shares for the beneficiaries - in line with the current regulatory provisions - require periods of unavailability on them. In fact, the defined payment structure provides for the deferred allocation of shares (two years for "upfront" payment and one year for "deferred" payment);
- (j) the allocation of a maximum of 423,767 FinecoBank ordinary shares is estimated, representing approximately 0.08% of FinecoBank's share capital and, therefore, well below the maximum limit of 20% envisaged by the applicable law, also taking into account the n. 60,397 treasury shares held by the Company as of today, equal to 0.01% of the current share capital, as well as the maximum number of treasury shares currently estimated to be allocated for incentive systems already approved or which will be approved in the future, or of other needs not currently conceivable;
- (k) the FinecoBank ordinary shares assigned will be freely transferable.

CHANGES TO THE 2018-2020 PFA PLAN

In order to ensure compliance with legal and regulatory provisions (including fiscal matter), when implementing the 2018-2020 PFA Plan, it deems appropriate to propose delegation of powers to the Chairman and the Chief Executive Officer and General Manager, also separately among themselves, to make any changes to the 2018-2020 PFA Plan (provided they do not alter the substance of the resolutions of the Board of Directors and the Shareholders' Meeting), also by resorting to different solutions that fully comply with the 2018-2020 PFA Plan, allow to achieve the same results (ie a different percentage distribution of payments of the different tranches, a different deferral period, paying an equivalent amount in cash instead of the allocation of shares, to be determined on the basis of the market value of FinecoBank ordinary shares, taking into account the arithmetic mean of the official market prices of the shares recorded in the month following each board resolution related to the actual allocations).

It is understood that the aforementioned changes will in any case be adopted in compliance with the applicable legal and regulatory provisions pro tempore in force. Dear Shareholders,

if you agree with the above, we invite you to approve the proposal on the agenda and, therefore, to take the following resolution:

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ORDINARY SHAREHOLDERS' MEETING
ITEM NO. 8 ON THE AGENDA

“The Ordinary Shareholders' Meeting of FinecoBank S.p.A., having heard the proposal of the Board of Directors,

RESOLVES

1. to adopt the 2018-2020 Long-Term Incentive Plan for Personal Financial Advisors Identified Staff, which provides for the allocation of an incentive, in cash and / or FinecoBank ordinary shares, to be carried out within the month of July 2025, within the terms and with the methods illustrated above;
2. to confer to the Chairman and to the Chief Executive Officer and General Manager, also separately from each other, every opportune power of attorney to implement the present resolution and the documents which represent part of it, also rendering any amendments and/or integrations which should be necessary to enact the present deliberations of today's Shareholders' Meeting (not changing substantially the content of the resolutions)”.

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FINECO

B A N K

2018 COMPENSATION POLICY

FINECO. SIMPLIFYING BANKING.

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Letter from the Chairman of the remuneration committee

Dear Shareholders,



as Chairman of the Remuneration Committee, I am pleased to present you the FinecoBank Compensation Policy for 2018.

The document is divided into three sections: an “Executive Summary”, which summarizes the features of the new Remuneration Policy and the main results achieved in 2017; the “Compensation Policy”, which describes the key principles of our approach to the remuneration and incentive systems for Employees and Financial Advisors in 2018; finally, the “Annual Remuneration Report”, which provides detailed information on FinecoBank remuneration practices and the results of the processes implemented in 2017.

Also this year, in support of our efforts to ensure maximum clarity in remuneration practices, we propose a clear, complete and immediately accessible policy. Our values are based on the concept of transparency, as an element that can protect and strengthen our reputation and create value in the long term, in the interest of all the Bank’s stakeholders.

For Fineco, 2017 was once again a year of great results, with record figures, confirming the sustainability of our growth and a well-diversified business model that received the solid contribution from all areas of the Bank.

This approach is reflected in the trust that our customers continue to put in this model and in the ability of our professionals to face new challenges positively.

The Remuneration Committee was renewed in April 2017, picking up the inheritance left by the previous Committee, which we thank for the excellent work done and the commitment to define a remuneration policy in line with the principles and mission of FinecoBank.

In continuity with last year, we have worked to consolidate and continuously improve remuneration policies, involving the main corporate bodies and functions from time to time. Our model of remuneration governance aims to guarantee adequate control of all the Bank’s remuneration processes, ensuring that decisions, after receiving all the relevant information, are taken independently and promptly, in order to avoid conflicts of interest.

In order to better respond to its tasks, the Remuneration Committee took part in each phase of the remuneration processes, including the design of the incentive plans, with the goal of guaranteeing an architecture that suits the Bank’s remuneration strategy, in line with applicable regulations and consistent with the best market practices.

The goal of our remuneration policy is to attract, motivate and retain the best resources, rewarding merit and talent and guaranteeing a solid process of performance assessment, avoiding excessive risk-taking.

This year, with the aim of retaining key resources, and at the same time motivating and encouraging them towards our long-term goals for the three-year period 2018-2020, specific Long-Term Incentive Plans have been defined.

These Plans represent the main innovation introduced in the 2018 Compensation Policy compared to the 2017 Compensation Policy, which we were proudly and widely appreciated for by you Shareholders and the market in general.

On behalf of the Remuneration Committee, I would also like to thank you Shareholders for the constant willingness to discuss and share each need and point of view, and for the time you will spend reading our 2018 Policy, trusting in your appreciation.

Sincerely,

GIANMARCO MONTANARI
Chairman of the Remuneration Committee

A handwritten signature in black ink, reading "Gianmarco Montanari". The signature is fluid and cursive, written in a professional style.

SECTION I –

**EXECUTIVE
SUMMARY**

Executive Summary

Our Compensation Policy

The implementation of the principles set in our Compensation Policy provides the framework for the design of reward programs across the Bank.

FinecoBank compensation approach, coherent with the regulations, the best market practices and with the approach of the Holding UniCredit S.p.A, guarantees the link to the performance, the market framework, the alignment with business strategy and the long-term shareholders' interest.

The key principles of our Compensation Policy (Section II) reflect the most recent regulations in terms of remuneration and incentive policies and practices, in order to build, year-by-year – in the interest of all stakeholders – remuneration systems aligned with long-term strategies and goals. These are linked with company results and adequately adjusted in order to take into account all risks consistent with capital and liquidity levels needed to support all the activities, and to avoid distorted incentives that could lead to a breach of law or to excessive risk taking.

Elements of our 2018 compensation approach and key results of 2017:

Key elements of 2018 Compensation Policy	Description
1. Key principles <ul style="list-style-type: none"> • Clear and transparent governance • Compliance with regulatory requirements and principles of good professional conduct • Continuous monitoring of market trends and practices • Sustainable pay for sustainable performance • Motivation and retention of all staff, with particular focus on talents and mission-critical resources 	Details – Section II <ul style="list-style-type: none"> • The key principles of our Compensation Policy ensure a correct definition of competitive compensation levels, internal equity and transparency • Compensation Policy is aligned to the national and international regulatory requirements. Full compliance of compensation policies and processes is assured through involvement of Company Control Functions: such as Compliance and Risk Management, that also guarantee the coherence with the <i>Risk Appetite Framework</i>, in line with sector regulations¹
2. Compensation Benchmarking <ul style="list-style-type: none"> • Update of the peer group for compensation benchmarking, performed by the independent advisor of the Remuneration Committee 	Details – Section III paragraph 3 <ul style="list-style-type: none"> • With specific reference to <i>Identified Staff</i> population of FinecoBank, the Remuneration Committee identifies, supported by the independent external advisor, the peer group, considering our main Italian and European peers on which compensation benchmarking analysis are performed
3. Identified Staff definition <ul style="list-style-type: none"> • Application of qualitative and quantitative criteria which are common at European level defined by EBA Regulatory Technical Standards 	Details – Section III paragraph 5.1 <ul style="list-style-type: none"> • As per Bank of Italy request, also for 2018 the identification of the Identified Staff has followed a structured assessment process both at Group and local level, involving <i>Compliance</i> and <i>Risk Management</i> functions of FinecoBank. The self-evaluation brought to a total number of Identified Staff for 2018 equal to 16 employees and 7 Financial Advisors
4. Ratio between variable and fixed remuneration <ul style="list-style-type: none"> • In compliance with the regulatory requirements, the 2:1 ratio represents the maximum limit to the ratio between variable and fixed components of the remuneration for all employees belonging to business functions, including <i>Identified Staff</i> 	Details – Section II paragraph 3.1 <ul style="list-style-type: none"> • In compliance with applicable regulations, the adoption of a maximum ratio between variable and fixed remuneration of 2:1 has not changed for the employees belonging to the business functions. For the rest of the employees, a maximum ratio between the components of remuneration equal to 1:1 is usually adopted, except for the Identified staff of the Company Control Functions², for which it is provided that the variable remuneration could not exceed 1/3 of the fixed remuneration and that incentive mechanisms are consistent with the assigned tasks as well as independent of results from areas under their control • With reference to applicable regulations, regarding the Financial Advisors belonging to Identified Staff, the 2:1 ratio will be adopted between the non-recurring and the recurring component of the remuneration • The adoption of a ratio of 2:1 between variable and fixed compensation don't have any implication on bank's capacity to continue to respect all prudential rules, in particular capital requirements • This approach allows FinecoBank to maintain a strong link between pay and performance, as well as to avoid the rigidity of the cost structure derived from a possible increase of fixed costs and to guarantee the alignment with multi-year performance, avoiding the decrease of deferred compensation
5. Incentive system linked to the annual performance for the employees belonging to Identified Staff <ul style="list-style-type: none"> • The FinecoBank 2018 Incentive System, that confirms the "bonus pool" approach, provides for a strong link between remuneration, risk and sustainable profitability • Such system provides for an overall performance assessment both at individual level and at Group and local level 	Details – Section III paragraph 5.3 <ul style="list-style-type: none"> • Bonus pool whose size is linked to the Bank profitability; • Entry and malus conditions: defined on the basis of performance indicators in terms of profitability, capital and liquidity defined at both Group and local level • Risk adjustment on the basis of indicators coherent with Fineco's Risk Appetite Framework • Bonus allocation: incentives are allocated taking into consideration the available bonus pool and the individual performance evaluation based on specific performance indicators • Pay-out: individual bonuses composed of 50% cash and 50% shares; pay-out over a multi-year period, ensuring alignment with shareholders' interests; each payment is subject to <i>malus</i> and claw-back conditions, as well as to compliance assessment of individual behaviours

¹ i.e. Capital Requirement Directive IV (CRD IV); EBA Regulatory Technical Standards (RTS); Bank of Italy "Disposizioni di vigilanza per le Banche", 7th update to the Circular n. 285 of 17th December 2013.

² Meaning Risk Management, Compliance and Human Resources functions. Human Resources function is considered Company Control Function, as far as remuneration and incentive policies and practices are concerned, pursuant to Bank of Italy Circular nr. 285 of 17 December 2013. Audit function is outsourced in Holding.

Executive Summary (CONTINUED)

Elements of our 2018 compensation approach and key results of 2017: (CONTINUED)

Key elements of 2018 Compensation Policy	Description
<p>NEW</p> <p>6. 2018-2020 share based Long Term Incentive Plan for Employees</p> <ul style="list-style-type: none"> A new share-based Long Term Incentive Plan for the three years performance period 2018-2020, has been defined, to incentive, motivate and retain selected Employees. The Plan provides performance goals set at 2020, in terms of Value Creation, Industrial sustainability and Risk, and the payment of a bonus in shares in installments, in a multi-year period. 	<p>Details – Section III paragraph 5.4</p> <ul style="list-style-type: none"> Performance goals at Bank level set at 2020 considering specific targets and thresholds for EVA (Economic Value Added), C/I (Cost/Income Ratio) and CoR (Cost of Risk on commercial loans) indicators. Entry and malus conditions: defined on the basis of performance indicators in terms of profitability, capital and liquidity defined at both Group and local level Risk adjustment on the basis of indicators coherent with Fineco's Risk Appetite Framework Individual bonus payment in Fineco shares, in installments, in a multi-year period, subject to malus and claw-back condition and to compliance assessment of individual behaviours
<p>7. Share Ownership Guidelines</p> <ul style="list-style-type: none"> Share ownership guidelines are confirmed for the Chief Executive Officer and the other Executives with strategic responsibilities in order to align the Top Management and the Shareholders interests 	<p>Details – Section II paragraph 3.5</p> <ul style="list-style-type: none"> The Chief Executive Officer and the other Executives with strategic responsibility, should ensure appropriate levels of personal investment in FinecoBank shares (equal to 100% of fixed remuneration for the Chief Executive Officer and to 50% for the other Executives with strategic responsibility)
<p>8. Termination payments</p> <ul style="list-style-type: none"> Severance pay-outs take into consideration long-term performance, in terms of shareholder added-value, do not reward failures or abuses and shall not exceed in general 24 months of total compensation (including the indemnity in lieu of notice) 	<p>Details – Section II paragraph 3.3</p> <ul style="list-style-type: none"> the Termination Payments Policy (also "Severance Policy") – approved by the 2017 Annual General Meeting - is defined according to the regulatory requirements issued by Bank of Italy in the Circular no. 285 of 17th December 2013, 7th update. The document defines criteria, limits and authorization processes for severance payments
<p>9. Performance measurement</p> <ul style="list-style-type: none"> Review of the "<i>KPI (Key Performance Indicators), Bluebook</i>", that supports manager and incumbent to define the Performance Screen that refers to the annual Incentive System for the employees <i>Identified Staff</i> 	<p>Details – Section III paragraph 5.3.1</p> <ul style="list-style-type: none"> The KPI Bluebook supports the definition of Performance Screens providing a set of performance indicators and guidelines. The categories of the main indicators of financial and non-financial Group performance, annually defined within the <i>KPI Bluebook</i>, are certified with the involvement of Group functions <i>Human Resources, Finance, Risk Management, Compliance, Group Sustainability, Group Stakeholder and Service Intelligence and Audit</i>, which reflect the Bank's core operating profitability and risk profile. Also this year the <i>KPI Bluebook</i> has been structured and clustered on the basis of the different Group's business
<p>10. Incentive system linked to the annual performance for the Financial Advisors belonging to Identified Staff</p> <ul style="list-style-type: none"> The provisions of FinecoBank Compensation Policy also apply to the members of the Financial Advisors Network, in line with the Advisors specific remuneration In line with the incentive model provided for the employees Identified Staff, the 2018 PFA Incentive System provides for a strong link between remuneration, risk and sustainable profitability Such system provides for an overall performance assessment both at individual level and at Group and local level 	<p>Details – Section III paragraph 5.5</p> <ul style="list-style-type: none"> Bonus pool whose size is linked to the Bank profitability; Entry and malus conditions: defined on the basis of performance indicators in terms of profitability, capital and liquidity defined at Group and local level Risk adjustment on the basis of indicators coherent with Fineco's Risk Appetite Framework Bonus allocation: incentives are allocated taking into consideration the available bonus pool and the individual performance evaluation based on specific performance indicators Pay-out: individual bonuses composed of 50% cash and 50% shares; pay-out over a multi-year period, ensuring alignment with shareholders' interests; each payment is subject to <i>malus</i> and claw-back conditions, as well as to compliance assessment of individual behaviours.
<p>NEW</p> <p>11. 2018-2020 Long Term Incentive Plan for Financial Advisors Identified Staff</p> <ul style="list-style-type: none"> A new Long Term Incentive Plan for the three years performance period 2018-2020, has been defined, to incentive, motivate and retain selected Financial Advisors. The Plan aims at rewarding the extra performance in relation to commercial goals and provides the payment of a bonus in cash and shares in installments, in a multi-year period. 	<p>Details – Section III paragraph 5.6</p> <ul style="list-style-type: none"> Individual performance goals defined on the basis of commercial targets cumulated within the three-years performance period Entry and malus conditions: defined on the basis of performance indicators in terms of profitability, capital and liquidity defined at individual, Bank and both Group level Risk adjustment on the basis of indicators coherent with Fineco's Risk Appetite Framework Individual bonus payment in cash and Fineco shares, in installments, in a multi-year period. Each payment is subject to malus and claw-back condition and to compliance assessment of individual behaviours

3 PFA – Personal Financial Advisors.

Our compensation disclosure

The **Annual Compensation Report** (Section III) - issued pursuant to art. 123-ter of Legislative Decree 58/1998 (Consolidated Text of Finance" - "TUF") - provides the description of our compensation practices and the implementation outcomes of FinecoBank Incentive Systems, as well as remuneration data, with a focus on the Identified Staff, defined in line with regulatory requirements.

Full disclosure on compensation payout amounts, deferrals and ratio between variable and fixed components of remuneration for the Identified staff is provided in the Annual Compensation Report (Section III - paragraph 6.1), including data regarding Directors, General Managers and other Executives with strategic responsibility.

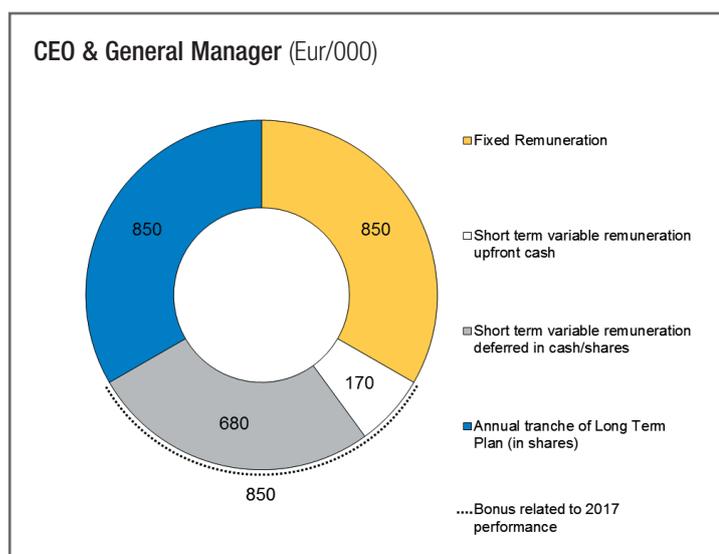
Data pursuant sect. 84-quarter Consob Issuers Regulation Nr. 11971, Compensation report – Section II, as well as the information on incentive systems under 114-bis of legislative decree 58/1998 ("Consolidated Text of Finance" – "TUF") are included in this document as well as in the annexes of the 2018 FinecoBank Compensation Policy.

Chief Executive Officer and General Manager variable and fixed compensation data

2017 Performance evaluation of the Chief Executive Officer and General Manager's individual goals resulted excellent ("Exceeds Expectations"), on the basis of elements reported in section III – paragraph 5.2.1 and evaluated by the Remuneration Committee and the Board of Directors of February 5th and 6th, 2018.

In 2017, also considering the excellent business results – the incidence of the short and long term variable remuneration on fixed remuneration for the CEO and General Manager has been equal to 200%.

Here is detailed the remuneration structure of the FinecoBank CEO and General Manager for 2017.



Executive Summary (CONTINUED)

Our compensation disclosure (CONTINUED)

Looking forward to 2018, the goals for the Chief Executive Officer and General Manager defined and approved by the Board of Directors are:

#	GOAL NAME	PERIMETER	REFERENCE TARGET	LINK TO 5 FUNDAMENTALS	RISK CORRELATION SUSTAINABILITY GOAL
1	ROAC	FinecoBank	vs. budget	Execution & Discipline	 
2	EVA	FinecoBank	vs budget	Risk Management	 
3	Operating Costs	FinecoBank	vs. budget Operating costs as reported in reclassified P&L, i.e.: Staff expenses + Other Administrative Expenses (direct + indirect) - Expenses Recovery + Depreciations.	Execution & Discipline	
4	Net new clients	FinecoBank	vs. previous years	Customers First	
5	Net sales of Guided Products	FinecoBank	vs budget	Execution & Discipline	
6	New Business EL %	FinecoBank	vs. target	Risk Management	 
7	Sustain value through People	FinecoBank	vs. qualitative assessment based on: • Y/Y delta on Pay for Performance metrics on variable and fix pay • Y/Y delta on Gender Pay Gap / Gender Balance dashboard / Gender Diversity Initiatives • Succession Planning / Building up a sustainable Talent Management Support • Retention rate or voluntary turnover	People Development	
8	Tone from the top on conduct and compliance culture	FinecoBank	vs. qualitative assessment based on: • Scope, kind and numbers of documented initiatives - pre-committed with EMC, aimed at promoting staff integrity / customer protection / trustworthiness • The overall status of findings or proceedings in place (internal or external) considering the trend, type, severity and the timely completion of the related remediation actions	Risk Management	

Legenda	
	Sustainability KPI
	Risk adjusted KPI

SECTION II –

COMPENSATION POLICY

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1. Introduction

Our set of values is based on integrity as a condition to transform profit into value for our stakeholders.

By upholding the standards of sustainability behaviours and values which drive our mission, our compensation strategy represents a key enabler to enhance and protect our reputation and to create long-term value for all stakeholders.

Also through appropriate compensation mechanism, we aim to create a work environment which is comprehensive of any form of diversity and which foster and unlock individual potential, to attract, retain and motivate highly qualified employees, capable of creating a competitive advantage and to reward those who reflect our standards of consistently ethical behaviour in conducting sustainable business.

Relying on our governance model, our Compensation Policy sets the framework for a common and coherent design, implementation and monitoring of compensation practices across our Company that reinforce sound risk management policies and our long-term business strategy. In so doing, we most effectively meet the specific and evolving needs of our different businesses and populations, and ensure that business and people strategies are always appropriately aligned with our remuneration approach.

To ensure the competitiveness and effectiveness of remuneration as well as transparency and internal equity, the **key principles** of our Compensation Policy were confirmed:

- **Clear and transparent governance**, through efficient corporate and organizational governance structures, as well as clear and rigorous systems and governance rules.
- **Compliance with regulatory requirements and principles of good professional conduct**, by protecting and enhancing our company reputation, as well as avoiding or managing conflicts of interest between roles within the Bank or towards customers.
- **Continuous monitoring of national and international market trends and practices**, aimed at sound formulation of competitive compensation ensuring transparency and internal equity.
- **Sustainable pay for sustainable performance**, by maintaining consistency between remuneration and performance, and between rewards and value creation, as well as enhancing both the actual result achieved and the way by which they are achieved.
- **Motivation and retention of all staff**, with particular focus on talents and key players, to attract, motivate and retain the best resources capable of achieving our company mission according to Bank's values.

2. Governance

Our compensation governance model aims to assure clearness and reliability in the governance processes related to remuneration through a right control of Company's remuneration practices by ensuring that decisions are made in an independent, informed and timely manner at appropriate levels, avoiding conflicts of interest and guaranteeing appropriate disclosure in full respect of the general principles defined by Regulators.

2.1 Role of the Remuneration Committee

The Board of Directors established a Delegation of Powers system to appropriately regulate effective decision-making processes throughout the organization.

In particular, the Remuneration Committee is vested with the role of providing advice and opinions to the Board of Directors with regard to FinecoBank Remuneration Strategy, also with the support of Risk and Compliance functions, as well as of an independent external advisor, if required and needed.

The main topics discussed by the Committee are also submitted to the attention of the Board of Statutory Auditors, in advance over their submission to the Board of Directors. The Remuneration Committee, consists of 3 non-executive members⁴.

2.2 Market benchmark

With specific reference to *Identified Staff*, an independent external advisor supports the Remuneration Committee on the definition of a list of selected competitors that represent our peer group with regards to whom compensation benchmarking analysis is performed, considering our main national and European competitors in terms of market capitalization, total assets, business scope and dimension, to assure a competitive alignment with the market of reference.

The results of this analysis will be at FinecoBank Remuneration Committee's disposal, in order to support the formulation of opinions to the Bodies of the Bank responsible for taking such decisions.

On the basis of constant benchmarking, we aim at adopting a competitive compensation structure for effective retention and motivation of our critical resources, as well as payments consistent with long-term value for stakeholders.

FinecoBank salary and compensation structures defined on the basis of business or market-specific benchmarking must, in any case, be fully aligned with the general principles of the Group Compensation Policy, with particular reference to the pillars of compliance and sustainability.

⁴ For details on composition and activities of the Remuneration Committee, please refer to the specific section of the Annual Compensation Report.

2. Governance (CONTINUED)

2.3 Definition of FinecoBank Compensation Policy

The FinecoBank Compensation Policy, as drawn up by the *Human Resources* function, with the involvement of *Risk Management, Finance and Network Controls, Monitoring and Service Department* functions for all related aspects, is validated by the *Compliance and Risk Management* functions for all compliance-related aspects, before being submitted to the Remuneration Committee. On annual basis the Compensation Policy, as proposed by the Remuneration Committee, is submitted to the Board of Directors for approval and then presented to the Shareholders' Meeting for approval, in line with the regulatory requirements.

The principles of FinecoBank Compensation Policy, coherently with the Group's ones, are applicable to the entire organization and includes:

- all categories of employees, considering that the Group Compensation Policy, with specific reference to *Identified Staff* defined according to the regulatory requirements of the *European Banking Authority (EBA)*, provides for a centralized, and homogeneous compensation and incentive system guidelines defined at Group level;
- members of the Company's Financial Advisors' Network, in line with the specific pay conditions applicable to them.

2.4 Role of Compliance function

Compliance function operates in close co-ordination with the *Human Resources* function, in order to support the design and the definition of compensation policy and processes and to evaluate them for the profiles in scope. In this framework, *Compliance* function verifies the consistency with "the goal of complying with regulations, articles of association and any other code of ethics or other standards of conduct applicable to the bank, so that legal and reputational risks mostly embedded in the relationship with customers are duly contained" (ref. Bank of Italy, 285 Circular).

In particular, *Compliance* function, evaluates, for all aspects that fall within its perimeter, the FinecoBank Compensation Policy and – referring to applicable regulations – the incentive systems for Bank staff as drawn up by *Human Resources* function for the employees and by *Network PFA Department / Network Controls, Monitoring and Service Department* for the Financial Advisors, providing input – as far as it is concerned – for the design of compliant incentive systems. Furthermore, *Compliance* function, for all aspects that fall within its perimeter, is involved in the process for the identification of Bank's risk takers.

In accordance with the regulatory framework and our governance, the guidelines for the definition of the incentive systems for *non-Identified Staff* population are arranged, in collaboration with *Compliance* function:

- by *Human Resources* function for the employees
- by *Network PFA Department / Network Controls, Monitoring and Service Department* for the Financial Advisors

2.5 Role of *Risk Management* function

FinecoBank ensures consistency between remuneration and accountable and sustainable risk assumption. This policy is ensured through rigorous governance processes based on informed decisions taken by Corporate Bodies. Compensation plans include the risk adjustment appetite defined through the evaluation of the consistency with the results achieved and the FinecoBank *Risk Appetite Framework*, which is consistent with Group *Risk Appetite Framework*.

The *Risk Management* function is constantly involved in the definition of the remuneration policy, the incentive system and compensation processes as well as in the identification of objectives, in the performance appraisal and in the identification of Bank's Identified Staff. This involvement implies explicit link between the Bank incentive mechanisms, selected metrics of the *Risk Appetite Framework*, the validation of performance and pay, so that the incentives are consistent with the risk assumption identified and approved by the Board of Directors.

2.6 Role of Audit Function

Within the remuneration governance process, the Audit function⁵ yearly verifies the implementation of Fineco policies and practices and carries out controls on data and processes. The function provides a final judgement on the activity performed, informing the competent Bodies on the possible findings, in order to adopt the corrective measures.

⁵ Outsourced in UniCredit S.p.A.

3. Fundamentals

3.1 Ratio between variable and fixed remuneration

- Compensation levels and ratio between fix and variable component of overall remuneration for Identified Staff are managed and monitored based on our business strategy and also aligned with FinecoBank relative performance over time.
- In compliance with applicable regulations, the adoption of a maximum ratio between variable and fixed remuneration of 2:1⁶ has not changed for the employees belonging to the business functions.
- For the rest of the employees, a maximum ratio between the components of remuneration equal to 1:1 is usually adopted, except for the Identified Staff of the Company Control Functions⁷, for which it is provided that the variable remuneration could not exceed 1/3 of the fixed remuneration and that incentive mechanisms are consistent with the assigned tasks as well as independent of results from areas under their control.
- With reference to applicable regulations, regarding the Financial Advisors belonging to Identified Staff, the 2:1 ratio will be adopted between the non-recurring and the recurring component of the remuneration.
- The adoption of a ratio of 2:1 between variable and fixed compensation doesn't have any implication on bank's capacity to continue to respect all prudential rules, in particular capital requirements.

3.2 Sustainability of the variable compensation

- Performance is evaluated in terms of risk-adjusted profitability and provide for risk-weighted systems and mechanisms.
- Incentive systems must not in any way induce risk-taking behaviours in excess of strategic risk appetite; in particular they should be coherent to the Risk Appetite Framework ("RAF").

3.2.1 Definition of performance targets

- Consider the customer as the central focus of our mission, placing customer satisfaction in the forefront of all incentive systems, at all levels, both internally and externally;
- design forward-looking incentive plans which balance internal key value driver achievement with external measures of value creation relative to the market;
- consider performance on basis of annual achievements and on their impact over time;
- include elements reflecting the impact of individual's / business units' performance on the overall value creation of related business groups and organization as a whole;
- individual performance appraisal cannot be based only on financial criteria, but should be also based on non-financial criteria⁸, considering the specificity of the various roles;
- consider also performance indicators such as risk management, adherence with Company values or other behaviours;
- it is crucial to avoid in the individual performance screens, measures linked to economic results for Company Control Functions (*Risk Management*⁹, *Compliance* and *Human Resources*¹⁰);
- the approach for Company Control Functions is also recommended where possible conflicts may arise due to the function's activities. In particular, this is the case of functions (if any) performing control activities pursuant to internal / external regulations such as some structures that perform accounting / tax activities¹¹;

⁶ As approved by the Fineco Shareholders Meeting on June 5th 2014.

⁷ Meaning Risk Management, Compliance and Human Resources functions. Human Resources function is considered Company Control Function, as far as remuneration and incentive policies and practices are concerned, pursuant to Bank of Italy Circular nr. 285 of 17 December 2013. Audit function is outsourced in Holding.

⁸ As provided by the CRDIV art 94, 1 a), financial criteria includes performance indicators reported in the annual financial report and in particular linked with the profit and loss report, the balance sheet and relevant components or indicators.

⁹ Where CRO roles cover both *Underwriting and Risk Management* functions, goals assigned must not represent a source of conflict of interest between Risk Management and Underwriting activities.

¹⁰ *Human Resources* function is considered Company Control Function only pursuant to Bank of Italy Circular nr. 285 of 17 December 2013.

¹¹ Where CFO roles cover also Financial Statements preparation, possible economic measures have to be chosen in a conflict-avoidance perspective.

- assure independence between front and back office functions in order to guarantee the effectiveness of cross-checks and avoid conflict of interest, with a particular focus on trading activities, as well as ensuring the appropriate independence levels for the functions performing control activities;
- set an appropriate mix between short and long-term variable compensation, coherently with the Company strategy, as relevant on the basis of market and business specifics, and in line with long-term interests of the Bank.

3.2.2 Performance appraisal

- Base performance evaluation upon profitability, financial strength and other drivers of sustainable business with particular reference to risk, cost of capital and efficiency;
- design flexible incentive systems such as to manage pay-out levels in consideration of Group and FinecoBank performance results and individual achievements, adopting a meritocratic approach to selective performance-based reward;
- design incentive systems to set minimum performance thresholds below which zero bonus will be paid. With regard to the Company Control Functions and in order to maintain the adequate independence level and provide a maximum threshold for the progressive reduction of the bonus pool, which can be phased out to zero only in presence of an exceptionally negative situation¹² within an approval process including a governance step in the Board of Directors;
- guarantee that evaluations and appraisals linked to compensation are, as far as possible, available for the scrutiny of independent checks and controls;
- assess all incentive systems, programs and plans against in order to avoid the risk that our Company reputation may be jeopardized.

3.2.3 Payment of the variable compensation

- Defer, as foreseen by regulatory requirements, performance-based incentive pay-out to coincide with the risk timeframe of such performance by subjecting the pay-out of any deferred component of performance-based compensation to the actual sustainable performance demonstrated and maintained over the deferral timeframe, so that the variable remuneration takes into account the time trend of the risks assumed by the Bank (e.g. *malus* mechanisms);
- consider claw-back actions as legally enforceable on any performance-based incentive paid out on the basis of a pretext subsequently proven to be erroneous;
- include clauses for zero bonus in circumstances of non-compliant behaviour or qualified disciplinary action, subjecting pay-out to the absence of any proceeding undertaken by the company for irregular activities or misconduct of the employee with particular reference to risk underwriting, sales processes of banking and financial products and services, internal code of conduct or values breach;
- Employees are required to undertake not to use personal hedging strategies or remuneration and liability-related insurance to undermine the risk alignment effects embedded in their remuneration arrangements. Such obligation is also reported in the detailed rules of Incentive Systems.

Focus on compliance breach, individual Malus and Claw-Back

Fineco reserves the right to activate malus and claw-back mechanisms, meaning respectively the reduction/cancelation and the return of any form of variable compensation.

The malus mechanisms, (i.e. the reduction/cancelation of all or part of the variable remuneration) can be activated with reference to the variable remuneration to be paid or awarded but not already paid, related to the performance period in which the compliance “violation” is referable. In case the variable pay affected is not enough to ensure an adequate malus application, the reduction can be referred also to other components of variable remuneration.

The claw-back mechanisms, (i.e. the restitution of all or part of the variable remuneration) can be activated with reference to the overall variable remuneration already paid, awarded for the performance period to which the “violation” is referable, without prejudice to more restrictive local laws or provisions.

¹² E.g. *Common Equity Tier 1 Ratio Transitional* dropping under the minimum regulatory requirement, in a persistent “recession” scenario.

3. Fundamentals (CONTINUED)

3.2 Sustainability of the variable compensation (CONTINUED)

The claw-back mechanisms can be activated for a period up to 4 years after the payment of each tranche, also after the termination of the employment relationship and/or of the role and take into account of the legal, pension and tax aspects and the time limits provided by law and practices locally applicable.

The claw-back mechanisms can be activated, in the case of verification of behaviours adopted in the reference period for which the variable remuneration has been awarded (performance period), in which the employee for which the employee¹³:

- contributed with fraudulent behaviour or gross negligence to incurring significant financial losses, or by his conduct had a negative impact on the risk profile or on other regulatory requirements at Group or Bank level;
- engaged in misconduct and/or fails to take expected actions which contributed to significant reputational harm to the Group or the Bank, or which were subject to disciplinary measures by the Authority;
- is the subject of disciplinary measures and initiatives envisaged in respect of fraudulent behaviour or characterized by gross negligence during the reference period;
- infringed the requirements set out by articles 26 TUB and 53 TUB, where applicable, or the obligations regarding remuneration and incentives.

Moreover, the malus mechanisms are activated to take into account the performance adjusted for the risks actually taken and the liquidity and capital conditions of the bank.

Currently some activities are in place in order to further standardize the compliance breach management and the related impacts on remuneration.

3.3 Termination payments

- According to the regulatory requirements issued by Bank of Italy in “*Disposizioni di vigilanza per le banche*” (Circolare no. 285 of December 17th, 2013, 7th update of November 18th, 2014), a specific policy (“*Termination Payments Policy*”) on payments to be agreed in case of early termination of a contract (so called *severance*) has been approved in 2017 by the Shareholders’ Meeting, updating the document previously approved in 2015.
- Generally speaking, the calculation of any severance pay-outs prescribed or suggested by the specific market of reference takes into consideration the long-term performance in terms of shareholder added-value, as well as any local legal requirements, collective / individual contractual provisions, and any individual circumstances, including the reason for termination.
- According to the Severance Policy, it is provided that the maximum limit of termination payments - inclusive of the indemnity in lieu of notice – is equal to 24 months of total compensation¹⁴, calculated considering the average of the incentives actually received in the 3 years preceding the termination, after the application of the malus and claw-back clauses. In any cases, the termination payments do not exceeds the limits foreseen by the laws and collective labour agreements.
- As a rule, discretionary pension benefits are not granted and, in any case, even if they may be provided in the context of local practices and/or, exceptionally, within individual agreements, they are paid consistently with the specific and applicable laws and regulations.
- The individual contracts must not contain clauses envisaging the payment of indemnities, or the right to keep post-retirement benefits, in the event of resignations or dismissal / revocation without just cause or if the employment relationship is terminated following a public purchase offer. In case of early termination of the mandate, the ordinary law provisions would therefore apply.

¹³ Employees and Personal Financial Advisors.

¹⁴ In any case, the amount of payments in addition to the indemnity in lieu of notice does not exceed 18 months of total compensation.

3.4 Non-standard compensation

- Non-standard compensation are those compensation elements not usually provided under our Compensation Policy and are considered exceptions (for instance welcome bonus, guaranteed bonus, special award, retention bonus).
- These awards are limited only to specific situations related to hiring phases, launch of special projects, achievement of extraordinary results, high risk of leaving for critical / strategic people / roles.
- Moreover, these awards must in any case be in accordance with regulations time to time in force (e.g. cap on the ratio between variable and fix remuneration, technical features fixed by regulation where applicable for bonus pay-out) and subject to Group and FinecoBank governance processes, periodically monitored and disclosed and must be subject to *malus* conditions and claw-back actions, as legally enforceable.

3.5 Share ownership guidelines

Share ownership guidelines set minimum levels for company share ownership by covered Executives, aiming to align managerial interests to those of shareholders by assuring appropriate levels of personal investment in FinecoBank shares over time. As part of our total compensation approach, we offer equity incentives that provide for opportunities of share ownership, in compliance with the applicable laws.

The ownership of shares by our Company leaders is a meaningful and visible way to show our investors, clients and employees that we believe in our Company.

FinecoBank's Board of Directors approved in 2017 specific share ownership guidelines, as shown in the following table, for the Chief Executive Officer and General Manager and for the other Executives with strategic responsibilities, in order to reinforce the alignment between managerial and shareholders' interests.

Population	Share ownership
CEO/General Manager	1 x annual fixed pay
Executives with strategic responsibilities	0,5 x annual fixed pay

The established levels described in the above table, should be reached, as a rule, within 5 years from first appointment in the covered role and they should be maintained for the entire duration of the role covered.

The established levels should be reached through a linear pro-rata approach during the 5-year period, providing for a minimum portion every year.

Involved Executives are also expected to refrain from entering into schemes or arrangements that specifically protect the unvested value of equity granted under incentive plans ("*hedging*").

Any violation of the share ownership guidelines and any form of hedging, shall be considered in breach of compliance rules with such consequences as provided for under enforceable rules, provisions and procedures.

3. Fundamentals (CONTINUED)

3.6 Compliance Drivers

TO SUPPORT THE DESIGN OF REMUNERATION AND INCENTIVE SYSTEMS THE FOLLOWING "COMPLIANCE DRIVERS" WERE DEFINED:	
<ul style="list-style-type: none"> • maintenance of an adequate ratio between economic and non-economic goals, depending on the role (in general, at least one goal should be non-economic) 	<ul style="list-style-type: none"> • qualitative measures must be accompanied by an ex-ante indication of objective parameters to be considered in the evaluation, the descriptions of expected performance and the person in charge for the evaluation
<ul style="list-style-type: none"> • non-economic quantitative measures should be related to an area for which the employee perceives a direct link between her/his performance and the trend of the indicator 	<ul style="list-style-type: none"> • among the non-financial goals (quantitative and qualitative), include, where relevant, goals related to Risk as well as to Compliance (e.g. credit quality, operational risks, application of MIFID principles, products sale quality, respect of the customer, Anti Money Laundering requirements fulfillment)
<ul style="list-style-type: none"> • set and communicate <i>ex-ante</i> clear and pre-defined parameters as drivers of individual performance 	<ul style="list-style-type: none"> • avoidance of incentives with excessively short timeframes (e.g. less than three months)
<ul style="list-style-type: none"> • promotion of a customer-centric approach which places customer needs and satisfaction at the forefront and which will not constitute an incentive to sell unsuitable products to clients 	<ul style="list-style-type: none"> • take into account, even in remuneration systems of the external networks (Financial Advisors), the principles of fairness in relation with customers, management of legal and reputational risks, protection and loyalty of customers, compliance with the provisions of law, regulatory requirements, and applicable self-regulations
<ul style="list-style-type: none"> • create incentives that are appropriate in avoiding potential conflicts of interest with customers, considering fairness in dealing with customers and the endorsement of appropriate business conduct 	<ul style="list-style-type: none"> • economic goals must be avoided for Company Control Functions¹⁵ and individual goals set for employees in these functions shall reflect primarily the performance of their own function and be independent of results of monitored areas, in order to avoid conflict of interest
<ul style="list-style-type: none"> • define – for personnel providing investment services and activities – incentives that are not only based on financial parameters, but also take into account the qualitative aspects of the performance; this in order to avoid potential conflicts of interest in the relationship with customers¹⁶ 	<ul style="list-style-type: none"> • the approach for Company Control Functions¹⁷ is also recommended where possible conflicts may arise due to function's activities. This is the case in particular of functions of the Company (if any) performing control activities pursuant to internal/ external regulations
<ul style="list-style-type: none"> • avoidance of incentives on a single product / financial instrument or specific categories of financial instruments, as well as single banking product 	<ul style="list-style-type: none"> • for the purpose of granting incentive, take also into account any disciplinary sanctions and/or sanctions by regulatory authorities imposed on the resource. In the presence of these measures, the possible allocation of the incentive will require a written explanation, which will make possible a case-by-case verification of the managerial decisions
<ul style="list-style-type: none"> • for Commercial Network Roles, goals shall be defined including drivers on quality / riskiness / sustainability of the products sold, in line with client risk profiles. Particular attention shall be paid to the provision of non-economics goals for customer facing roles selling products covered by MiFID Directive; for those roles, incentives must be set in order to avoid potential conflict of interest with customers 	<ul style="list-style-type: none"> • all rewarding system communication and reporting phases shall clearly indicate that the final evaluation of the employee achievements will also rely, according to local requirements on qualitative criteria such as: <ul style="list-style-type: none"> - compliance to external (i.e. laws / regulations) and internal rules (i.e. policies) - mandatory training completion - existence of disciplinary procedures officially activated and/or disciplinary sanctions actually applied
<ul style="list-style-type: none"> • maintenance of adequate balance of fixed and variable compensation elements also with due regard to the role and the nature of the business performed. The fix portion is maintained sufficiently high in order to allow the variable part to decrease, and in some extreme cases to drop down to zero 	<ul style="list-style-type: none"> • the entire evaluation process must be conveniently put in writing and documented
<ul style="list-style-type: none"> • in case of individual performance evaluation systems are fully or partially focused on a managerial discretionary approach, the evaluation parameters should be defined <i>ex-ante</i>, should be clear and documented to the manager at the beginning of the evaluation period. Such parameters should reflect all applicable regulation requirements¹⁸. The results of managerial discretionary evaluation should be formalized for the adequate and predefined monitoring process by the proper functions 	

Within network roles incentive systems, particular attention is put on all commercial initiatives that involve the Personal Financial Advisor network¹⁹.

¹⁵ Company Control Functions meaning Risk Management, Compliance and Human Resources. Human Resources is considered Company Control Function only pursuant to the Bank of Italy Circ. 285. Where CRO covers both Underwriting and Risk Management activities, the goals assigned shall not be source of conflict of interests between Underwriting and Risk Management. Audit function is outsourced in UniCredit S.p.A..

¹⁶ For instance

– ESMA Guidelines on remuneration policies and practices – MiFID;
– ESMA Technical Advice on MiFID II (Final Report 2014/1569);
– MiFID II Directive provisions for remuneration/incentives of relevant subjects.

¹⁷ For instance, functions covering accounting and tax functions. Where CFO covers the financial statement related activities, the financial measures should be set in the perspective of avoiding conflict of interests.

¹⁸ Also in line with the regulation references reported in the note above.

¹⁹ As described in paragraph 4.2.2.

Such initiatives may be organized after the evaluation and authorization of the competent Company's Bodies. They represent business actions aimed at providing guidance to the sales network towards the achievement of the period's commercial targets (also intermediate) and with a direct impact on the budget and related incentive systems.

Among the distinctive features of the initiatives, there is the expectation of an award - in cash or non-monetary reward. The initiatives can also have the function to accelerate the achievement of certain objectives of the incentive system. The grant of awards related to the initiatives will be subordinated to behaviours compliant with the external and internal regulations.

Under no circumstances may the system of remuneration and evaluation of the sales network employees constitute an incentive to sell products unsuitable to the financial needs of the clients.

In particular the following "*compliance drivers*" have been defined:

- setting-up of the incentive mechanisms using criteria which are consistent with the best interest of the client and which avoid in any case conditions of potential conflicts of interest with customers, and coherently with relevant regulatory provisions (e.g. MIFID);
- ensuring consistency between an initiative's objectives with the objectives set when defining the budget and when assigning targets to the sales network;
- avoidance of initiatives on a single product / financial instrument, or on a single Banking product;
- inclusion of clauses for zero bonus payment in case of relevant non-compliant behaviour or qualified disciplinary actions;
- avoidance of initiatives which – not being grounded on an objective and customer interests related basis – may directly or indirectly lead to breaching the rules of conduct regarding clients;
- avoidance of initiatives lacking a clear indication of the targets and of the maximum level of incentive to be granted for achieving those targets;
- avoidance – in general – of initiatives that link incentives not only to the targets assigned to specific roles / structures but also to higher hierarchical levels or to the budget of the higher territorial structure.

4. 2018 Compensation Structure

4.1 Employees

Within the framework provided by the “FinecoBank Compensation Policy”, FinecoBank is committed to ensure fair treatment in terms of compensation and benefits regardless of age, race, culture, gender, disability, sexual orientation, religion, political belief and marital status.

Our total compensation approach provides for a balanced package of fix and variable, monetary and non-monetary elements, each designed to impact in a specific manner the motivation and retention of employees.

In line with the applicable regulations, particular attention is paid to avoid incentive elements in variable compensation which may induce behaviours not aligned with the company’s sustainable business results and risk appetite.

As policy target, fix compensation for *Identified Staff* considers as a reference the market median, with individual positioning being defined on the basis of specific performance, potential and people strategy decisions.

With particular reference to *Identified Staff* – within the governance defined according to the applicable laws and regulations - the Board of Directors, upon proposal of the Remuneration Committee, establishes the compensation structure for top positions, defining the mix of fix and variable compensation elements, consistently with market trends and internal analyses performed.

Moreover, the Board of Directors annually approves the criteria and features of *Identified Staff* incentive plans, ensuring the appropriate balance of variable reward opportunities within the pay-mix structure.

TYPE OF REMUNERATION	PURPOSES	FEATURES
4.1.1 FIXED COMPENSATION		
<p>The fixed salary remunerates the role covered and the scope of responsibilities, reflecting the experience and skills required for each position, as well as the level of excellence demonstrated and the overall quality of the contribution to business results</p>	<p>Fixed salary is appropriately defined for the specific business in which an individual works and for the talent, skills and competencies that the individual brings to the Bank.</p> <p>The relevance of fixed compensation weight is sufficient to reward the activity rendered even if the variable part of the remuneration package is not paid due to non-achievement of performance goals such as to reduce the risk of excessively risk-oriented behaviours, to discourage initiatives focused on short-term results and to allow a flexible bonus approach.</p>	<p>Specific pay-mix guidelines for the weight of fix versus variable compensation are defined with respect to each target of employee population.</p> <p>With particular reference to <i>Identified Staff</i>, the Remuneration Committee proposes to the Board of Directors:</p> <ul style="list-style-type: none"> the criteria and guidelines to perform market benchmarking analysis for each position in terms of compensation levels and pay-mix structure, including the definition of a specific peer group at local level and the identification of an external consultant to provide “executive compensation” services; the positioning in terms of compensation, in line with relevant market’s competitive levels, defining operational guidelines to perform individual compensation reviews as necessary.
4.1.2 VARIABLE COMPENSATION		
<p>The variable compensation includes payments depending on performance, independently from how it is measured (profitability goals, volumes, etc.) or on other parameters (e.g. length of service)</p>	<p>Variable compensation aims to remunerate achievements by directly linking pay to performance outcomes in the short, medium and long-term, and risk adjusted.</p> <p>To strengthen the alignment of shareholders’ interest and the interests of management and employees, performance measurement reflects the actual results of the Company overall, the business unit of reference and the individual. As such, variable compensation constitutes a mechanism of meritocratic differentiation and selectivity.</p>	<ul style="list-style-type: none"> Adequate range and managerial flexibility in performance-based pay-outs are an inherent characteristic of well-managed, accountable and sustainable variable compensation, which may be awarded via mechanisms differing by time horizon and typology of reward. Incentives remunerate the achievement of performance objectives, both quantitative and qualitative, by providing for a variable bonus payment. An appropriately balanced performance-based compensation element is encouraged for all employee categories as a key driver of motivation and alignment with organizational goals, and is set as a policy requirement for all business roles. The systems features, including performance measures and pay mechanisms, must avoid an excessive short-term focus by reflecting the principles of this policy, focusing on parameters linked to profitability and sound risk management, in order to guarantee sustainable performance in the medium and long-term. The <i>Identified Staff</i> contracts provide only the “eligibility” to the variable compensation. The amounts related to the variable compensation and all the technical details of the pay-out (instruments, pay-out structure, timing) are included in a specific communication not included in the <i>Identified Staff</i> contract and are managed in strict coherence with the governance and the rules of the delegation of authorities. More details on the design of remuneration and incentive systems, with particular reference to Control Functions, are reported in the section “Compliance Drivers”.

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TYPE OF REMUNERATION	PURPOSES	FEATURES
<p>Incentive Systems linked to yearly performance (Short Term Incentives or STI)</p>	<p>Aim to attract, motivate and retain strategic resources and maintain full alignment with national and international regulatory requirements and with best market's practices.</p>	<ul style="list-style-type: none"> • Pay-out is based on a "bonus pool" approach providing for a comprehensive performance measurement at individual and at Group and local level. • Reward is directly linked to performance, which is evaluated on the basis of results achieved and on the alignment with our leadership model and values. • The <i>Executive Development Plan (EDP)</i> as the Group-wide framework for <i>Identified Staff</i> performance management is a cornerstone of fair and coherent appraisal across the organization. • For the remaining employees – within the bonus pool logic as described above - annual incentives are determined on a discretionary basis according to the individual performance appraisal (e.g. <i>Performance Management</i>) that foresees a yearly, written, and documented process for the goals setting, self-assessment, managerial assessment and the definition of an individual development plan. • Where foreseen by regulations, the pay-out is phased to coincide with an appropriate risk time horizon. The design features of incentive plans for <i>Identified Staff</i> are aligned with shareholder interests and long-term, firm-wide profitability, providing for an appropriate allocation of a performance related incentive in cash and in shares, upfront and deferred. • Each year, detailed information about our compensation governance, key figures and the features of our incentive systems, is fully disclosed in the Annual Compensation Report. • The individuals' behaviours (compliance with internal and external rules and regulations, absence of disciplinary actions and completion of mandatory training) are also evaluation elements to assign individual incentives.
<p>Long-term Incentive plans (Long Term Incentive or LTI)</p>	<p>The aim of these plans is to strengthen the link between variable pay and long term results and to further align the interests of Management to those of Shareholders.</p>	<p>For 2018-2020 three years performance period, a share based Long Term Incentive Plan for selected Employees considered "key roles", has been approved by Fineco Board of Directors.</p> <p>The plan is based on Bank's goals with targets set at 2020, in terms of value creation, business sustainability and risk, coherently with the long term Fineco goals.</p> <p>The Plan provides entry and malus conditions set at Bank and Group level, a claw-back condition and a specific risk adjustment.</p> <p>The Plan provides for the payment of a bonus in Fineco shares, in a multi-year period.</p> <p>For the Plan details, please refer to the specific section of the Annual Compensation Report.</p>
<p>4.1.3 BENEFIT</p>		
<p>Benefits include welfare benefits that are supplementary to social security plans and are intended to provide substantial guarantees for the well-being of staff and their family members during their active career as well as their retirement. In addition, special terms and conditions of access to various FinecoBank and UniCredit Banking products and other services may be offered to employees in order to support them during different stages of their lives</p>	<p>Benefits aim to reflect internal equity and overall coherence of our remuneration systems, catering to the needs of different categories as appropriate and relevant.</p>	<ul style="list-style-type: none"> • In coherence with Group governance framework and Global Job Model²⁰, benefits are aligned against general common criteria for each employee category, while benefits plans are established on the basis of FinecoBank practices.

20 The Global Job Model is a system that allows to descript and evaluate all the roles in the Group as well as to manage persons and processes in a linear and consistent way.

4. 2018 Compensation Structure (CONTINUED)

4.2 Financial Advisors

Financial Advisors are tied to the Company by an agency agreement, under which the Advisor is engaged on a permanent basis (without representation) to provide independent services, exclusively for the Bank, for the promotion and placement of financial instruments and Banking / financial services in Italy, as well as insurance and welfare products or any other products indicated in the contract. Advisors are also responsible for diligently monitoring the assistance to the existing and/or allocated customers in order to fulfil the Company's objectives.

In accordance with existing regulations, contractual relationships with customers acquired by the Financial Advisor, and any other that is subsequently allocated, are conducted exclusively between the customer and the Bank.

FinecoBank's Network of Financial Advisors is composed by:

- Financial Advisors
- Group Managers
- Area Managers

The Group Managers and the Area Managers are Financial Advisors with the accessory assignment to coordinate other Financial Advisors.

In particular, Area Managers are responsible for coordinating Advisors in their geographic area, for growing the business and for reaching the targets set by Commercial Department, and are supported - for the purposes of coordination activity - by Group Managers.

The Commercial Department uses Company's internal structures, to provide support to the network. Their tasks are to control the local activities and provide support for commercial activity.

As mentioned in the preamble, the provisions of this Compensation Policy also apply to the members of the Financial Advisors' Network, in line with the Advisors' specific remuneration.

Financial Advisors are freelancers and their remuneration is entirely variable. The regulatory requirements, in order to adapt the same employees' rules on compensation structure, based on a fixed and on a variable component, established for Financial Advisors a distinction between a "recurring" and a "non-recurring" pay component.

TYPE OF REMUNERATION	PURPOSES	FEATURES
4.2.1 RECURRING REMUNERATION		
This is the most stable and ordinary part of the total remuneration, equivalent to the fixed salary of employees	Recurring remuneration is sufficient to reward the activity rendered even if the variable part of the remuneration package is not paid due to non-achievement of performance goals such as to reduce the risk of excessively risk-oriented behaviours, to discourage initiatives focused on short-term results and to allow a flexible bonus approach.	<ul style="list-style-type: none"> • Sales commission, in other words the payment to the Financial Advisor of a percentage of the sales charge, paid by the customer at the time of purchase of investment instruments. It is paid on an individual basis or as a supplement if the Advisor has been given coordination tasks. • Management and maintenance commission, in other words the Financial Advisor monthly remuneration for assistance provided to customers during the contract, commensurate with the average value of the investments and the type of product, paid on an individual basis or as a supplement if the Advisor has coordination tasks.

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TYPE OF REMUNERATION	PURPOSES	FEATURES
4.2.2 NON-RECURRING REMUNERATION		
<p>Incentive Systems linked to short term performance. This is the incentive element, in other words it is tied to reach certain goals, equivalent to the variable compensation of employees</p>	<p>Aims at motivating, retaining and rewarding Financial Advisors and Managers of the Network, in full alignment with the regulatory requirements.</p>	<ul style="list-style-type: none"> • Pay-out is based on a “<i>bonus pool</i>” approach providing for a comprehensive performance measurement at individual and at Group and local level. • Reward is directly linked to performance, which is evaluated on the basis of results achieved. • For the Financial Advisors belonging to <i>Identified Staff</i>, a dedicated incentive system (“<i>PFA Incentive System</i>”²¹) was defined, whose pay-out, as foreseen by regulations, is phased to coincide with an appropriate risk time horizon. The design features of the plan is aligned with shareholder interests and long-term, firm-wide profitability of the Bank, providing for an appropriate allocation of a performance related incentive in cash and in shares, upfront and deferred. • For all the Financial Advisors not belonging to <i>Identified Staff</i>, specific incentive systems were defined, as, for example, “<i>Incentive Plans for PFA-Area Managers-Group Managers</i>”, and specific retention initiatives such as the “Additional Future Program”. This plan, in particular, is dedicated to selected PFA and network Managers not Identified Staff and provides the accrual of annual awards (subject to the achievement of specific performance conditions and the compliance of individual behaviours) in specific insurance policies. The release of those awards is provided at the reach of the retirement age. • All the incentive systems provide for <i>ex-ante</i> (“entry conditions”) and <i>ex-post</i> (<i>malus</i> on any deferred components) adjustment mechanisms and claw-back clauses. • The individual behaviours (compliance with internal and external rules and regulations and absence of disciplinary actions) are also evaluation elements to assign individual incentives.
<p>Long-term incentive plans</p>	<p>The long term Incentive Plans aim at retaining and rewarding selected Financial Advisors and Network Managers towards commercial Network goals for the 2018-2020 performance period.</p>	<p>Within a wider long-term incentive and retention program for the Financial Advisors network in 2018-2020 three years performance period, the following Plans have been approved by the Board of Directors:</p> <ol style="list-style-type: none"> 1) A long term Incentive Plan with bonuses in cash and Fineco shares for Financial Advisors that will be qualified as Identified Staff in the performance year 2020. The Plan is based on commercial goals with cumulated target in the three years 2018-2020, coherently with the long term goals of Fineco Network. The Plan provides specific entry conditions at individual, Bank and Group level, a claw-back condition and a risk adjustment mechanism. At last, the Plan provides the payment of a bonus in cash and Fineco shares, in a multi-year period, as provided by law. The Plan details are described in the specific section of the Annual Compensation Report. 2) A Long Term cash-based Incentive plan for selected Financial advisors not belonging to Identified Staff population. The Plan is based on the same logics of the LTI Plan described above, including – for the purpose of bonus provision – a further permanence duty after the payment of at least 36 months.

21 Please refer to the specific section of the Annual Compensation Report.

4. 2018 Compensation Structure (CONTINUED)

4.3 Non Executives members of Administrative and Auditing Bodies

For non-executives members of Board of Directors and for the members of the Board of Statutory Auditors, in line with the regulatory provisions, stock option based or more in general, instrument based incentives are avoided. The remuneration of said subjects is fixed, and determined on the basis of the relevance of the role, of possible additional duties, and of the requested efforts for carrying out the assigned tasks and is not linked to economic results.

As provided by Bank of Italy provisions on remuneration policies and practices, the Board of Directors' Chairman remuneration is not higher than the fixed one provided for the Chief Executive Officer.

SECTION III –
ANNUAL
COMPENSATION
REPORT

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1. Introduction

The *Annual Compensation Report* (hereinafter, the “Annual Report”) discloses all relevant FinecoBank compensation-related information and methodologies with the aim of increasing Stakeholders’ awareness of our compensation policies, practices and outcomes, demonstrating their coherence with business strategy and performance, responsible remuneration and sound risk management.

The Report provides *ex-post* information on 2017 outcomes, as well as *ex-ante* disclosure for 2018 approach, covering our *Identified Staff* population (both employees and Financial Advisors) and Corporate Bodies’ members.

Remuneration solutions implemented in 2017 provided for:

- compliance of incentive strategies with all relevant regulations, including deferred pay-outs and incentives based on financial instruments;
- comprehensive performance measurement to foster sound behaviours aligned with different types of risk.

Over the year 2017 we constantly kept abreast of ongoing changes in national and international regulations. (see for instance, the ongoing procedure for the implementation at national level of the “*Guidelines on sound remuneration policy*”²²).

The Annual Report, a unique document providing complete and comprehensive information on compensation, includes details referring to Members of Administrative and Auditing bodies, General Manager and Executives with strategic responsibilities.

Data pursuant section 84-*quater* approved with resolution of the Italian National Commission for Listed Companies (Consob) no.11971, dated May 14th 1999 (as subsequently modified), providing the rules for Issuers (so called “Issuers Regulation”), as well as the information on incentive systems pursuant to section 114-bis of the Legislative Decree issued on February 24th n. 58 (the Consolidated Text on Finance –“TUF”), and to the provisions of the Issuers Regulation on information that have to be communicated to the market on compensation plans based on financial instruments, are included in this document, further to be included in the Annexes to the 2018 FinecoBank Compensation Policy.

To this regard, is highlighted that the aforementioned information are provided also pursuant to the Report on Corporate Governance and Ownership Structures, issued pursuant to art. 123-bis of TUF.

²² Guidelines on sound remuneration policies under Article 74(3) and 75(2) of Directive 2013/36/EU and disclosures under Article 450 of Regulation (EU) No 575/2013.

2. Governance & Compliance

2.1 Remuneration Committee

The Remuneration Committee, established by the Board of Directors' resolution on April 11th, 2017, performs a strategic role in supporting Board of Directors' oversight of FinecoBank Compensation Policy and plans design.

According to the internal provisions approved by the Board of Directors, ruling the functioning and competencies of corporate bodies and related information flows (hereinafter the "Corporate Governance Rules"), this Committee is composed by 3 non-executive members, Mr. Gianmarco Montanari, Ms. Elena Biffi and Mr. Enrico Cotta Ramusino.

As provided by law, at least a Committee Member has adequate knowledge and experience in finance or accounting topics.

The FinecoBank Board of Directors verified the Directors independence requirements pursuant to art. 148 TUF and art. 3 of the Corporate Governance Code. Pursuant to this, with reference to the Remuneration Committee members:

- Mr. Gianmarco Montanari and MS Elena Biffi resulted Independent Directors pursuant to art. 148 TUF and art. 3 of Corporate Governance Code;
- Mr. Enrico Cotta Ramusino resulted independent pursuant to art. 148 TUF.

The Committee meetings held in 2017²³ have been coordinated by the Chairman Mr Gianmarco Montanari.

In performing its duties and if important and suitable, also availing itself with the support of an external consultant, The Remuneration and Committee:

- presents proposals or issues opinion to the Board for the definition of a general remuneration policy for the CEO, the General Manager, and other Managers with Strategic Responsibilities and the identified staff, also with reference to the identification process, so that the Board is also able to prepare the Report on Remuneration to be presented to the Shareholders' Meeting on an annual basis and to periodically assess the suitability, overall consistency and effective application of the general remuneration policy approved by the Board;
- presents proposals or issues opinion to the Board relating to the overall remuneration of the CEO, the General Manager, and other Managers with Strategic Responsibilities, and the identified staff and for determining criteria for the remuneration of the Company's senior management, including the relevant performance targets related to the variable component of the remuneration;
- monitors the implementation of the decisions adopted by the Board and specifically verifies that the performance targets are actually achieved;
- examines any share-based or cash incentive plans for employees and financial advisors of the Company and strategic staff development policies;
- directly supervises the correct application of the remuneration rules related to the persons in charge of the Company's control functions, in close liaison with the Board of Statutory Auditors;
- cooperates with the other Committees, in particular with the Risk and Related Parties Committee, which, with reference to the remuneration and incentive policies, examines whether the incentives provided by the remuneration system take into account the risks, share capital and liquidity, provided that this does not affect the tasks assigned to the Remuneration Committee, with which adequate coordination must be ensured;
- ensures the involvement of the relevant business functions in the process of drawing up and monitoring remuneration and incentive policies and practices;
- provides an adequate reporting on the activities carried out by the Corporate Bodies, including the Shareholders' Meeting .

In 2017 the Remuneration Committee met 11 times²⁴. The meetings had an average duration of two hours. From the beginning of 2018 and until the approval of the present 2018 Compensation Policy, 3 meetings of the Committee have been held this year. Minutes are taken of each meeting and placed on record by the Secretary designated by Committee itself.

From the approval of "Corporate Governance Rules", the Chairman of the Committee provided time by time the information on the Committee meetings to the subsequent Board meeting.

From December 2014 on the Committee, by means of its budget assigned for the year (amounting to 30.000€ for 2017), has started a collaboration with an external advisor - whose independence has been previously verified - who is invited to the Committee's meeting when required.

²³ From January 1st to April 10th 2017 the tasks of the Remuneration Committee have been performed by the Remuneration and Appointments Committee, whose Chairman was Mr Gianluigi Bertolli.

²⁴ Of which 5 as Remuneration and Appointments Committee and 6 as Remuneration Committee.

2. Governance & Compliance (CONTINUED)

2.1 Remuneration Committee (CONTINUED)

The Committee may, when it deems it appropriate, invite other individuals from within the Company to attend the meetings, in relation to the corporate functions and organizations concerned by the issues at hand, including members of other committees within the Board of Directors, or external parties. The Committee shall meet when convened by its Chairman, whenever he/she deems necessary, or upon the request of one of its members. In any case the Committee has always been able to access the information and the Company Functions necessary to perform its activities.

In 2017 the Head of *Human Resources* has been always invited to Committee's meetings. The Chairman has also invited the Head of *Legal & Corporate Affairs* to introduce Corporate Governance topics (see for instance the results of the Board of Directors' self-evaluation process²⁵) and the Head of *Network Controls, Monitoring and Service Department* for topics related to PFA network (see for instance the Incentive Systems and related rules for the PFA population). In addition to the aforementioned Functions, the Chairman invited - to specific Committee's meetings and for topics in the respective competence perimeters – the CRO, CFO and Compliance Officer of FinecoBank. In particular the CRO and CFO participated in the meetings regarding the 2017 Incentive Systems evaluation while the Compliance Officer has been invited, among the others, to participate in the discussions related to the Identified Staff definition.

The Chairman has also invited the *Internal Audit*²⁶ function to the meeting related to the annual audit performed on FinecoBank remuneration policies and practices.

During 2017 the key activities of the Remuneration Committee included:

MAIN COMMITTEE'S ACTIVITIES IN 2017	
January (as Remuneration and Appointments Committee)	<ul style="list-style-type: none"> • 2017 Identified Staff definition and 2017 Incentive System for Employees Identified Staff • 2017 Incentive System for PFAs Identified Staff; • New Contest "Qualità".
February (as Remuneration and Appointments Committee)	<ul style="list-style-type: none"> • Bonus Pool 2016 and execution of 2016 and previous Incentive Systems for Employees Identified Staff; • 2017 Performance goals for Employees Identified Staff • Share based plans "2014-2017 Multi-year Plan Top Management" and "2014 Plan Key People" execution and update of the Rules of "2014-2017 Multi-year Plan Top Management" • Identification of Financial Advisors Identified Staff 2017 • Bonus Pool 2016 and execution of 2016 and previous Incentive Systems for Financial Advisors Identified Staff • Stock Granting Plan "2014 Plan PFA" execution and update on KPIs status of "2015-2017 Plan PFA" • Execution of "2016 Incentive Plans" and "Additional Future Program" for Network PFAs and Manager and update of the Rules of "Additional Future Program" dedicated to Financial Advisors and Network Managers • 2017 Incentive System for Financial Advisors and Network Managers and related Rules • Directors requirements verification
March (as Remuneration and Appointments Committee)	<ul style="list-style-type: none"> • 2017 Compensation Policy • 2017 Severance Policy • Rules of 2017 Incentive System for Employees Identified Staff • Rules of 2017 Incentive System for Financial Advisors Identified Staff • Report on Corporate Governance and Ownership Structures - for the section related to the Directors remuneration • Appointment of FinecoBank Chief Audit Executive • Salary Review proposal for Identified • New Contest "Qualità" prorogation. • List of candidates for the role of FinecoBank Director
May (as Remuneration Committee)	<ul style="list-style-type: none"> • New edition of "Contest Qualità"
June (as Remuneration Committee)	<ul style="list-style-type: none"> • CRO Dashboard calculation methodology for Bonus Pool 2017 determination • Salary review for the Head of Information Security and Fraud Management • Share Ownership Guidelines Rules
July (as Remuneration Committee)	<ul style="list-style-type: none"> • New edition of "Contest Qualità"

²⁵ Submitted to Remuneration and Appointments Committee, in place until April 2017.

²⁶ Internal Audit function is outsourced in UniCredit and works based on a specific service contract.

The main topics discussed by the Committee are also submitted to the attention of the Board of Statutory Auditors, in advance over their submission to the Board of Directors.

Moreover, at least a member of the Board of Statutory Auditors, attended to the meetings of the Committee in 2017.

We highlight that the Directors do not participate in the Committee meetings in which are made the proposals to the Board concerning their remuneration.

The following table summarizes the composition of the Committee in 2017 (both as Remuneration and Appointment Committee and as Remuneration Committee) and, in addition to the information on the independency of the members, provides details regarding their attendance to the meetings that have been called during the year.

NAME	EXECUTIVE	NON EXECUTIVE	INDIP. CODE	INDIP. TUF	% (*)	(**)
Gianmarco Montanari		X	X	X	100% since April 11 2017, i.e. from the appointment	C
Elena Biffi		X	X	X	100% since April 11 2017, i.e. from the appointment	M
Enrico Cotta Ramusino		X		X	100% since April 11 2017, i.e. from the appointment	M
----- Members terminated during the exercise -----						
Gianluigi Bertolli		X	X	X	100% until April 11 2017, date of termination	C
Mariangela Grosoli		X	X	X	80% until April 11 2017, date of termination	M
Girolamo Ielo		X	X	X	100% until April 11 2017, date of termination	M
N. Committee's meetings: 11						

(*) In this column is indicated the percentage of participation of the directors in the Committee's meetings (n. of presences/n. of meetings held during the actual period in which the director was in charge, in the Exercise).

(**) In this column is reported the qualification of the director in the Committee ("C" Chairman; "M" member).

2.2 The Role of Company Control Functions: *Compliance, Risk Management and Audit*

Key contributions in 2017 of FinecoBank *Compliance* function, for all aspects that fall within its perimeter, included:

- validation of the 2017 Compensation Policy submitted to the Board of Directors for subsequent approval of the Shareholders' Meeting on April 11th, 2017;
- validation of the 2017 Incentive System for employees of FinecoBank belonging to *Identified Staff*;
- validation of the 2017 Incentive System for Financial Advisors of FinecoBank belonging to *Identified Staff*;
- preparation – in collaboration with the *Human Resources* function – and distribution of FinecoBank guidelines for the development and management of incentive systems for the population not belonging to *Identified Staff* (ref. *FinecoBank Internal Regulation 10/2017*);
- participation in specific initiatives of *Human Resources* function (e.g.: review of definition of *Identified Staff* for the application of Incentive System).

In 2018, the *Compliance* function will continue to operate in close co-ordination with the *Human Resources* function to support not only in the validation but also in the design and definition of compensation policy and processes.

The link between compensation and risk has been maintained in 2017 with the involvement of the *Risk Management* function in compensation design and the definition of an explicit framework to base remuneration within an overarching FinecoBank *Risk Appetite Framework*, which is consistent with Group *Risk Appetite Framework*, so that incentives to take risk are appropriately constrained by incentives to manage risk. In particular, the Board of Directors and Remuneration Committee draw upon the input of involved functions to define the link between profitability, risk and reward within FinecoBank incentive systems.

2. Governance & Compliance (CONTINUED)

2.2 The Role of Company Control Functions: Compliance, *Risk Management* and *Audit* (CONTINUED)

Internal Audit Report on the 2017 FinecoBank remuneration policies and practices

Internal Audit performed the annual audit on the Bank variable remuneration system, aimed at verifying the design, implementation and effects of the remuneration process, as well as its compliance with relevant regulatory requirements and Bank compensation policy.

The audit verified the payment and deferral phase of previous year incentive system, the bonus pool definition and distribution process and the procedures to respect the variable/fixed remuneration caps defined by the Bank remuneration rules.

The audit scope included also the Identified Staff definition process, with the aim to check its compliance with the requirements provided for by Delegated Regulation (EU) No 604/2014.

Furthermore, a *follow up* of the previous audit recommendations was performed.

Main audit results were presented to the Remuneration Committee on 28th February 2018.

The audit tests have been performed on a sample of population including the following groups within FinecoBank compensation policy:

1. all the Identified Staff;
2. a sample of 177 employees non-Identified Staff (the so called “below executives”), selected considering the roles to whom a bonus higher than € 5.000 has been granted in 2017 (16% ca of the overall population as on 31/12/2017);
3. Corporate Bodies members;
4. Bank’s Financial Advisors, with specific focus on categories of “non recurring” remuneration named “bonus on net sales” and “additional future program”, equal to the 65% ca of 2017 total incentives.

The Internal Audit “good” evaluation was based on the overall correct application of the 2017 “bonus pool” approach and Bank Remuneration Committee/Board of Directors relevant decisions.

With regard to the Personal Financial Advisors Network, the process provided the inclusion in the Identified Staff category of the Financial Advisors with a total remuneration, recurring and non-recurring, higher than Euro 750.000, as well as of the Managers coordinating Financial Advisors managing assets equal or higher than 5% of overall network assets, on the basis of quantitative criteria defined in the EU Regulation and of a qualitative criteria based on business risk (reduction of Bank’s profitability as a consequence of Advisors leaving and the subsequent loss of customers’ portfolios).

The Bank evaluation performed with the aim of excluding from the Identified Staff category roles with total compensation between Euro 500.000 and 750.000, subject to communication to ECB, is consistent with the internal accounting figures and with the risk profiles of Personal Financial Advisors activities.

In alignment with the audit results, further enhancements of the compensation process are going to be implemented for the next year.

3. Continuous Monitoring of Market Trends and Practices

Key highlights of the Compensation Policy defined this year with the support of external benchmarking and trends analysis provided by the independent external advisor to the Remuneration Committee include:

- the definition of Compensation Policy for the *Identified Staff*, both employees and Financial Advisors, with particular reference to the design of the 2018 incentive systems
- the pay recommendations based on specific benchmarking analysis versus our defined peer group to inform any decision.

The peer group used to benchmark compensation policy and practice with particular reference to employees *Identified Staff* has been defined by the Remuneration Committee upon proposal of the independent external advisor on the basis of criteria including: comparability of size, complexity and business model, presence in customer, talent and capital markets, risk and legal-social-economic environment.

The main peer group is subject to annual review to assure its continuing relevance. For 2017 it has been defined a national peer group that includes:

- Generali Group and Banca Generali
- Mediolanum Group
- BNL
- BPER
- Credem
- Banco BPM
- Mediobanca Group (CheBanca and Banca Esperia)
- Monte Paschi di Siena
- Intesa SanPaolo
- UBI Banca
- Carige
- Banca Finint Group
- Banco Posta
- Banca Iccrea Group

In addition to what mentioned above, for the Chief Executive Officer and General Manager and for the Executives with strategic responsibilities it will be realized a benchmark also with European market, based on a sample of European Banks.

4. Compensation paid to Members of the Administrative and Auditing Bodies, to General Managers and to other Executives with strategic responsibilities

The remuneration for members of the administrative and auditing Bodies of FinecoBank is represented only by a fix component, determined on the basis of the importance of the position and the time required for the performance of the tasks assigned.

This policy applies to non-Executive Directors and to the Supervisory Body members that are not employees of FinecoBank or other Legal Entities of UniCredit Group, as well as to Statutory Auditors.

The compensation paid to non-Executive Directors, to the Supervisory Body members and to the Statutory Auditors is not linked to the economic results achieved by FinecoBank and none of them take part in any incentive plans based on stock options or, generally, based on financial instruments.

BENEFICIARY	REMUNERATION COMPONENT	APPROVED BY	AMOUNT (€)	REMARKS
Non-Executive Directors	Only fixed compensation	Shareholders' Meeting and Board of Directors of April 11th, 2017	Compensation for each year of activity: <ul style="list-style-type: none"> ▪ € 330.000 for the Board of Directors¹ ▪ € 50.000 for Board Committees ▪ € 20.000 and € 15.000 for the Chairman and member of the Supervisory Board² ▪ € 300 as attendance fee for participating to each meeting of³: <ul style="list-style-type: none"> - Board of Directors - Board Committees 	The compensation is determined on the basis of the importance of the position and the time required for the performance of the tasks assigned
		Board of Directors of April 11th, 2017, pursuant to sect. 2389 of the Civil Code par. 3 and Articles of Association, heard the opinion of Statutory Auditors	<ul style="list-style-type: none"> ▪ € 200.000 for each year of activity, split between: <ul style="list-style-type: none"> - Board Chairman - Board Vice Chairman 	
Statutory Auditors	Only fixed compensation	Shareholders' Meeting of April 11th 2017	Compensation for each year of activity ⁴ : <ul style="list-style-type: none"> ▪ € 50.000 for the Chairman of Board of Statutory Auditors ▪ € 40.000 for each Standing Auditor ▪ € 300 as attendance fee for participating to each meeting of the Board of Directors³ 	
Executives with strategic responsibilities ⁵	Fixed and variable compensation	Board of Directors	2017 Compensation level: <ul style="list-style-type: none"> ▪ € 850.000 fixed + € 850.000 variable for the CEO and GM ▪ € 1.647.976 fixed + € 1.487.976 bonuses for the other 5 Executives with strategic responsibilities 	Fixed and variable remuneration components of the CEO/GM and of the other Executives with strategic responsibilities are balanced, through the ex-ante definition of the maximum ratio between variable and fixed remuneration component.

¹ Total compensation for the entire Board of Directors (Executive Directors included) approved by the Shareholders' Meeting is equal to Eur 370.000.

² With the resolution of the Board of Directors on April 11 2017, have been nominated as Chairman and as member of Corporate Governance 231/2001 external members pursuant of the new UniCredit guidelines related to the update "modello di organizzazione, gestione e controllo ex D. Lgs. 231/2001".

³ Even if these meetings held in the same day.

⁴ Alternate Auditors do not receive any compensation unless they are actually asked to join the Board of Statutory Auditors in substitution of a standing member.

⁵ The Board of Directors has identified as "Executives with strategic responsibilities" – to the ends of the application of all statutory and regulatory instructions – the Chief Executive Officer and General Manager, the Deputy General Manager and Head of Global Banking Services, the Deputy General Manager and Head of Global Business, the Head of Commercial PFA Network, the Head of Investment Services and Private Banking as well as the Chief Financial Officer.

Further details on compensation of Executives with strategic responsibilities

For 2017, according to our Compensation Policy, in line with regulatory provisions, it has been defined *ex-ante* the maximum ratio between variable and fix component of the compensation both for the Chief Executive Officer and General Manager (the sole executive director sitting on the Board of Directors and employee of the Company) and for the other Executives with strategic responsibilities.

The balance between variable and fixed components has been defined considering also the Company's strategic goals, risk management policies and other elements influencing firm's business.

With reference to the above table, for Executives with strategic responsibilities it is specified that:

- the fix component is defined taking into opportune consideration market information and in such a way to be sufficient to reward the activity rendered even if the variable part of the remuneration package were not paid due to non-achievement of performance goals;
- in line with the latest regulatory requirements, the Chief Executive Officer and General Manager – as well as the Executives with strategic responsibilities – have a balanced part of their remuneration linked to the overall profitability of FinecoBank and the Group, weighted by risk and cost of capital, as well as sustainability goals (based on capital and liquidity ratios) of FinecoBank and the Group.

The variable compensation considers the achievement of specific goals which are previously approved by the Board of Directors upon proposal of the Remuneration and Committee and having informed the Board of the Statutory Auditors.

In particular, *ex-ante* defined specific metrics that reflect categories of our FinecoBank *Risk Appetite Framework*, which is consistent with *Group Risk Appetite Framework*, align the remuneration of the Chief Executive Officer and General Manager and of the others Executives with strategic responsibilities to sustainable performance and value creation for the shareholders in a medium / long term perspective. Specific individual goals are set out taking into consideration the market practices and the role assigned within the Bank, through the systematic use of specific indicators aimed at strengthening the sustainability of business, such as, for example, risk and financial sustainability indicators and profitability measures²⁷.

- More information regarding our performance management and evaluation are provided further in chapter 5.3.1

It is also foreseen the deferral in cash and shares of minimum 60% of the incentive. All the instalments are subject to the application of *malus* and/or claw-back conditions, if legally enforceable. 2017 Incentive System provides for 50% of the annual incentive to be deferred and paid in the five following years through the granting of Fineco shares. The number of such shares is set at the beginning of the deferral period, thus creating a link between the evolution of the share price and the actual value of the incentive.

- More information regarding the 2017 incentive plan implementation and outcomes are provided further in chapter 5.2.

The Chief Executive Officer and General Manager, on top of 2017 Incentive System, benefits also from:

- "2013 Group Incentive System – Executive Vice President & Above" (hereinafter also "Group Incentive System 2013")
- "2014 Incentive System" (hereinafter also "Group Incentive System 2014")
- "2015 Incentive System" (hereinafter also "Group Incentive System 2015")
- "2016 Incentive System" (hereinafter also "Group Incentive System 2015")
- "2014-2017 Multi-year Plan Top Management"

- More information regarding the plans above mentioned are provided further in chapters 6 and in the Annexes.

The measure and duration of the deferral are aligned with the provisions set by regulators and are consistent with the characteristics of the business and with the Company's risk profiles.

For the Heads of the Company Control Functions the goals, pursuant to the provisions of Bank of Italy, are established by the Board of Directors in line with the tasks assigned to them and avoiding, unless good reasons exist, goals connected to the Bank's performance.

Indemnities to directors in the event of resignations, dismissal or termination of employment following a public purchase offer (as per section 123/bis, paragraph 1, letter i), of TUF):

None of the Directors have contracts containing clauses envisaging the payment of indemnities, or the right to keep post-retirement benefits, in the event of resignations or dismissal / revocation without just cause or if the employment relationship is terminated following a public purchase offer. In case of early termination of the mandate, the ordinary law provisions would therefore apply.

The individual employment, as Executive, of the Chief Executive Officer and General Manager, Mr. Alessandro Foti, is today governed - also with regards to the event of resignations, dismissal / revocation or termination - by the ordinary provisions of the law and National Labor Agreement for Banking Industry Executives. In such context, the annual remuneration used to define the possible indemnity due in the above mentioned instances would include the fix remuneration, any other continuative compensation and the average of the variable pay (inclusive of the components paid in equity - such as for example free shares, restricted shares, performance shares - with the only exclusion of the valorisation of the stock options potentially assigned within long-term incentive plans) received in the last three years prior to the termination. The actual amount of such indemnity – in terms of months of compensation considered – is then bound to vary depending on the events which led to the termination and on the relationship's duration and is anyway subjected to provisions of the "Severance Policy" of FinecoBank approved by Shareholders' Meeting.

Non-executive Directors do not receive, within incentive plans, stock options or others equities. For the Chief Executive Officer and General Manager no specific provisions are provided with reference to the right to keep, in case of termination, the options received and the plans' provisions apply.

For none of the Directors currently in office, provisions exist regarding the establishment of advisory contracts for a term following the termination of the directorship, nor the right to keep post retirement perks. No agreements exist either providing compensation for non-competition undertakings.

²⁷ Since the CFO - included in the Executives with Strategic Responsibilities - cover also the activities related to the Financial Statements – the individual goals are defined in coherence with the assigned tasks.

5. Compensation Systems

5.1 Target population

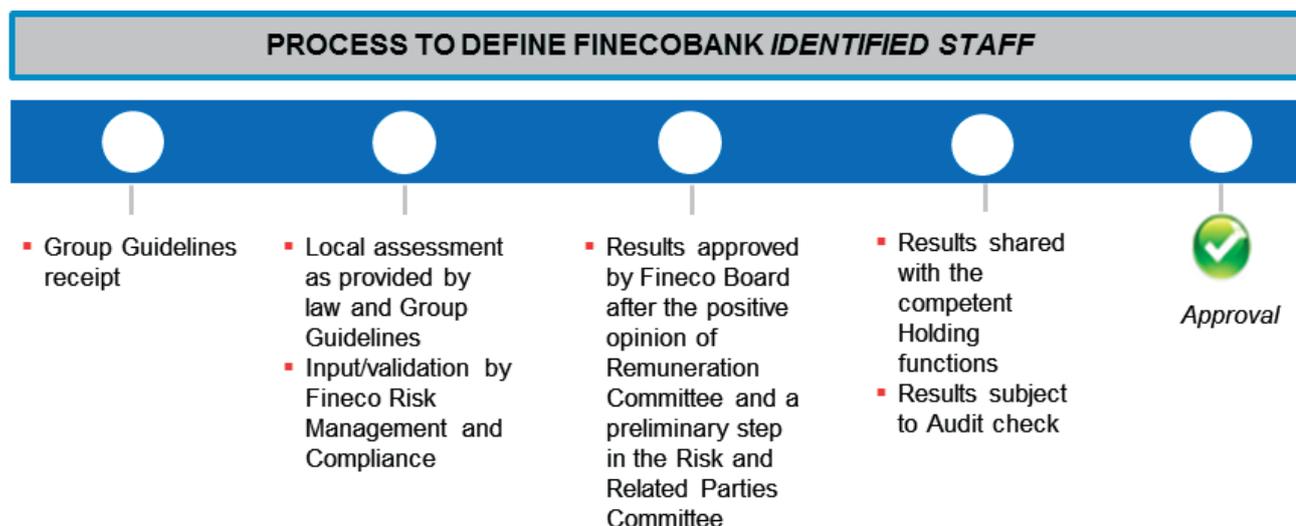
FinecoBank, starting from 2014 conducted, in alignment with specific regulation, the annual self-evaluation process to define *Identified Staff* population, both employees and Financial Advisors, to whom, according to regulators, specific remuneration rules apply.

The identification of 2018 *Identified Staff*, pursuant to the European criteria foreseen in the *European Banking Authority Regulatory Technical Standard (RTS)*²⁸, followed a structured and formalized assessment process both at Group and local level, based on the guidelines provided by the Group functions *Human Resources* with the contribution of *Risk Management* and *Compliance*, to guarantee a unique and common approach at Group level.

The recognition of subjects with significant impact on risk, further to be finalized to the definition of Bank's Identified Staff, is subject to the consolidation activity performed By the Holding Company, for the definition of Group Identified Staff.

This is valid, in particular for the Employees, while the PFAs are not included in the consolidation perimeter, as considered Identified Staff just at a Bank level²⁹.

As every year, the assessment performed took into account the role, the decision-making power, the effective responsibilities of the employees and of the Financial Advisors and, in addition, the total compensation level.



The result of the assessment process, submitted to Internal Audit scrutiny and documented into FinecoBank Compensation Policy, brought to the identification of a total number of 16 employees and 7 Financial Advisors for 2018³⁰.

Regarding the employees, as a result of the analysis and as approved by the Board of Directors upon Remuneration Committee proposal, the following categories of employees have been defined for 2018 as *Identified Staff*: Chief Executive Officer and General Manager, Executives with strategic responsibilities, executive positions in Company Control Functions (*Compliance*, *Risk Management* and *Human Resources*) and other positions that are responsible at local level for strategic decisions which may have a relevant impact on the Bank's risk profile.

Regarding the Financial Advisors, FinecoBank has applied a qualitative criteria to select those belonging to *Identified Staff*, on the basis of their impact on business risk (represented by the risk that the Bank's profitability decreases consequently to the exit of Advisors from the Network and the related loss of customers and assets), the only type of risk that the Bank considers attributable to PFA, due to the absence of power of attorney they have to assume any other kind of risks.

- Compensation data and vehicles used for the target population in 2017 are disclosed in chapter 6 and in the Annexes.

²⁸ European Banking Authority (EBA) *Regulatory Technical Standards* on criteria to identify categories of staff whose professional activities have a material impact on an institution's risk profile under Article 94 (2) of Directive 2013/36/EU.

²⁹ The qualification of Group Identified Staff or local Identified Staff does not prejudice the application of all the criteria defined by the regulation for the Identified Staff remuneration.

³⁰ *Identified Staff* data refers to the population at the date of February 2018, providing for an *ex-ante* definition, in line with regulatory requirements.

As a result of the analysis and as approved by the Board of Directors upon Remuneration Committee proposal, the following categories of employees have been identified for 2018 as *Identified Staff*:

- for the single PFA the criteria above mentioned has been applied selecting those Advisors who have a total yearly compensation higher/equal to Euro 750,000;
- for PFA who have a managerial role have been selected Managers that coordinate Advisors with a total asset higher/equal to 5% of the total asset of the PFA Network.

Pursuant to the regulatory requirement and the process defined at EU level³¹ the exclusion from Identified Staff of 17 PFA whose total remuneration in 2017 is equal or exceeds € 500.000 is submitted to the European Central Bank and to Bank of Italy.

5.2 Implementation and Outcomes of 2017 Incentive Systems

5.2.1 2017 Incentive System for employees belonging to *Identified Staff*

The 2017 Incentive System, approved by FinecoBank Board of Directors on January 9th, 2017, provides - in total continuity with 2016 System - for a “*bonus pool*” approach which directly links bonuses with Company results at Group and local level, ensuring the link between profitability, risk and reward.

The System, implemented within the framework of our policy and governance, provides for the allocation of a performance related bonus in cash and/or free ordinary shares over maximum 6 years.

Bonus pool sizing

The bonus pool dimension is related to the actual profitability measure multiplied for the percentage of the bonus pool funding rate defined in the budgeting phase.

This calculation determines the so called “theoretical bonus pool” that, during the year of performance, has been adjusted based on the effective performance trend.

2017 Entry conditions at Group and local level

In order to align to regulatory requirements, specific indicators measuring annual profitability, solidity and liquidity results had been defined both local and Group level as Entry Conditions. In particular, metrics and thresholds for 2017 Incentive System as defined within the Entry Conditions that confirm, reduce or cancel upfront and deferred pay-outs are:

GROUP LEVEL	LOCAL LEVEL
Net Operating Profit adjusted ≥ 0 and	Net Operating Profit adjusted ≥ 0 and
Net Profit ≥ 0 and	Net Profit ≥ 0 and
Common Equity Tier 1 ratio transitional $\geq 10,25\%$ and	Common Equity Tier 1 ratio transitional $\geq 10,25\%$ and
Liquidity Coverage Ratio $\geq 100\%$ and	Liquidity Coverage Ratio $\geq 100\%$
Net Stable Funding Ratio $\geq 100\%$	

- **Net Operating Profit adjusted** to measure the profitability, is the NOP excluding income from buy-back of own debt and from the fair value accounting of own liabilities.
- **Net Profit** to measure profitability considering the results stated in the balance sheet excluding any extraordinary item as considered appropriate by the Board of Directors upon Remuneration Committee proposal.
- **Common Equity Tier 1 Ratio Transitional** to measure the bank’s solidity in terms of highest quality common equity introduced by Basel 3, consistent with regulatory limits and conservation buffers.

³¹ ECB Decision (EU) 2015/2218 dated November 20th 2015; EBA RTS chapter 4, §4.

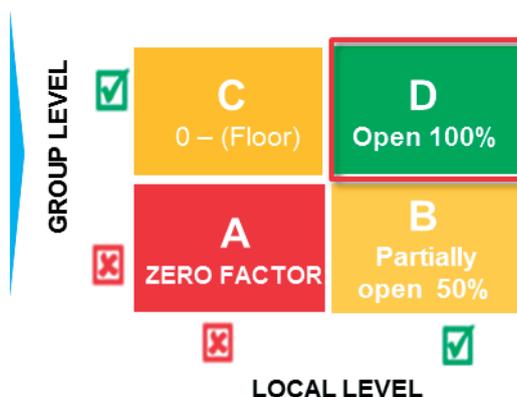
5. Compensation Systems (CONTINUED)

5.2 Implementation and Outcomes of 2017 Incentive Systems (CONTINUED)

- **Liquidity Coverage Ratio:** guarantees the maintenance of an adequate level of “high quality liquid assets” non binding in appropriate amount to cover the “net cash outflows” within 30 calendar days in a high stress scenario defined by the Authorities.
- **Net Stable Funding Ratio:** represents the ratio between the available amount of stable funding and the required amount of stable funding

According to the actual results, verified and approved by the Board of Directors of FinecoBank on February 6th, 2018, the relevant entry conditions have been achieved both at Group and local level, confirming the theoretical³² FinecoBank bonus pool.

	ENTRY CONDITIONS	RESULT
GROUP	Net Profit ≥ 0 €/mln	✓
	NOP Adjusted ≥ 0 €/mln	✓
	CET 1 Ratio Transitional $\geq 10,25\%$	✓
	Liquidity Coverage Ratio $\geq 100\%$	✓
	NSFR $\geq 100\%$	✓
FINECO	Net Profit ≥ 0 €/mln	✓
	NOP Adjusted ≥ 0 €/mln	✓
	CET 1 Ratio Transitional $\geq 10,25\%$	✓
	Liquidity Coverage Ratio $\geq 100\%$	✓



Bonus Pool Risk Adjustment

Once the entry conditions have been verified, the effective bonus pool for FinecoBank’s employees was confirmed, also in light of the overall assessment of the performance of the s.c. “CRO dashboard”³³, carried out by the Fineco CRO on the basis of a specific methodology defined at Group level and approved by the Fineco Board of Directors in July 2017.

This method provides a quarterly monitoring of the progress of the indicators included in the Dashboard and an annual assessment.

Evaluation and pay-out for Identified Staff

In line with FinecoBank governance, 2017 evaluations and pay-outs for Chief Executive Officer and General Manager, Deputy General Managers, other Executives with strategic responsibilities and other *Identified Staff* have been approved by the Board of Directors, based on the positive opinion of Remuneration Committee.

The Board of Directors of FinecoBank on February 6th, 2018, has approved the allocation of a total number of shares equal to 142.290 to be assigned in 2020, 2021, 2022 and 2023.

On the same date, the Board of Directors also approved the implementation - in 2018 - of the Incentive Systems 2014, 2015, 2016 and the “2014-2017 Multi-year Plan Top Management Plan”³⁴.

Focus on the performance evaluation of the CEO and General Manager

The Board of Directors, upon positive opinion of Remuneration Committee, assessed the 2017 performance of FinecoBank CEO and General Manager as *Exceeds Expectations*. Below the details of the individual scorecard assessment.

³² Calculated applying the funding rate percentage to the profitability results.

³³ The CRO Dashboard 2017 is a set of indicators selected among the Risk Appetite Framework KPIs, plus a single indicator on operational risks; the threshold values have been approved by the Board of Directors at the beginning of the year (January 2017).

³⁴ The data relating to the assignments are included in the information reported in chapter 6 of the Annual Compensation Report and in the Annexes.

GOAL	RESULT	ASSESSMENT				
		Below	Almost meets	Meets	Exceeds	Greatly exceeds
ROAC <i>vs. budget</i>	Bdg: 53,7% - Result ACT: 62,6%					
EVA <i>vs. budget</i>	Bdg: 162.423 k€ - Result: 193.901 k€					
Operating Costs <i>vs. budget</i>	Bdg: -241.205 k€ - Result -233.100 k€					
Net New Clients <i>vs target</i>	Target IN 103.593 OUT -38.559 NET 65.034 STOCK EOP 1.184.231 Result: IN 114.509 OUT -30.744 NET 83.765 STOCK EOP 1.199.828					
Net Sales of Guided Products <i>vs. budget</i>	Bdg 4.500.000 k€ - Result: 4.559.314 k€					
New business EL <i>vs. budget</i>	Bdg 0,38% - Result: 0,27%					
Sustain value through people <i>Qualitative assessment based on:</i> - <i>YY delta on Pay for Performance metrics on variable and fix pay</i> - <i>YY delta on Gender Pay Gap / Gender Balance dashboard / Gender Diversity Initiatives / Succession Planning / Building up a sustainable Talent Management Support</i> - <i>People Engagement Index</i>	Outstanding results have been achieved in terms of: - pay for performance: fully consistent in 2017 - gender pay gap: no gap in 2017 Furthermore, Succession Plan presented to FinecoBank Board on 5/12/2017, shows full coverage of managerial positions. In addition several initiatives have been put in place in order to: • improve Executives capability to respond and communicate Gender Balance issues • ensure for all development/Training initiatives equal opportunity and exposure for all Female • ensure for all nomination for the managerial position balanced shortlist in terms of gender People Engagement Index results remain excellent 81% (previous year result 83%)					
Tone from the top on Compliance Culture <i>Qualitative assessment based on:</i> - <i>Scope, kind and numbers of documented initiatives - pre-committed with CEO Office / Country's CEO, aimed at promoting staff integrity / customer protection / trustworthiness</i> - <i>The overall status of findings or proceedings in place (internal or external) considering the trend, type, severity and the timely completion of the related remediation actions</i>	- Several initiatives and ad hoc communication on compliance culture within the Bank as well as on staff integrity and behavioral expectations - Overall 2017 finding # decreasing from 2016 by 33% with no major findings open					

Considering the performance assessment and the results of the KPIs in the Entry Conditions, the Board of Directors approved for the CEO and General Manager a bonus amounting to Euro 850.000³⁵.

5.2.2 2017 Incentive System for Financial Advisors belonging to Identified Staff

The 2017 Incentive System PFA, approved by FinecoBank Board of Directors on January 9th 2017, takes into consideration all the national and international regulatory requirements for the sales networks incentives and directly links bonuses with the objectives of growth in the medium and long term, in a general framework of overall sustainability. In the same way as for the Employees, the 2017 PFA System is based on a Bonus Pool approach which directly links bonuses with Company results at Group and local level, ensuring the link between profitability, risk and reward.

³⁵ For the picture presenting the total remuneration package of CEO and General Manager, see the Executive Summary section.

5. Compensation Systems (CONTINUED)

5.2 Implementation and Outcomes of 2017 Incentive Systems (CONTINUED)

The System, implemented within the framework of our policy and governance, provides for the allocation of a performance related bonus in cash and/or shares over 5 years.

Bonus pool sizing

The bonus pool dimension is related to the actual profitability measure multiplied for the percentage of the bonus pool funding rate defined in the budgeting phase.

This calculation determines the so called “theoretical bonus pool”, that, during the year of performance, has been adjusted based on the effective performance trend.

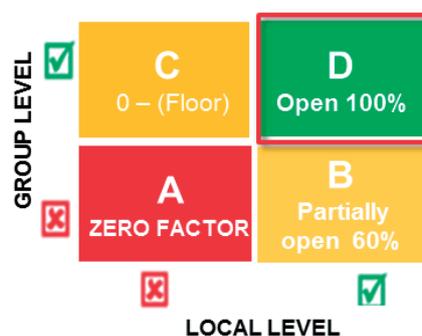
2017 Entry conditions at Group and local level

In order to align to regulatory requirements, specific indicators measuring annual profitability, solidity and liquidity results had been set both local and Group level as Entry Conditions. In particular, metrics³⁶ and thresholds for 2017 PFA Incentive System as defined within the Entry Conditions that confirm, reduce or cancel upfront and deferred pay-outs are:

GROUP LEVEL	LOCAL LEVEL
	Net Operating Profit adjusted ≥ 0 and
	Net Profit ≥ 0 and
Common Equity Tier 1 ratio transitional $\geq 10,25\%$ and	Common Equity Tier 1 ratio transitional $\geq 10,25\%$ and
Liquidity Coverage Ratio $\geq 100\%$ and	Liquidity Coverage Ratio $\geq 100\%$
Net Stable Funding Ratio $\geq 100\%$	

According to the actual results, verified and approved by the Board of Directors of FinecoBank on February 6th 2018, the relevant entry conditions have been achieved both at local and Group level, confirming the theoretical³⁷ FinecoBank PFA bonus pool.

	ENTRY CONDITIONS	RESULT
GROUP	CET 1 Ratio Transitional $\geq 10,25\%$	✓
	Liquidity Coverage Ratio $\geq 100\%$	✓
	NSFR $\geq 100\%$	✓
FINECO	ENTRY CONDITIONS	RESULT
	Net Profit ≥ 0 €/mln	✓
	NOP Adjusted ≥ 0 €/mln	✓
	CET 1 Ratio Transitional $\geq 10,25\%$	✓
	Liquidity Coverage Ratio $\geq 100\%$	✓



Bonus Pool Risk Adjustment

Once the entry conditions have been verified, the effective bonus pool for FinecoBank’s Financial Advisors was confirmed, also in light of the overall assessment of the performance of the s.c. “CRO dashboard”³⁸, carried out by the Fineco CRO on the basis of a specific methodology defined at Group level and approved by the Fineco Board of Directors in July 2017.

Evaluation and pay-out for Identified Staff

In line with FinecoBank governance, 2017 evaluations and pay-outs for PFA *Identified Staff* have been approved by the Board of Directors, based on the positive opinion of Remuneration Committee.

³⁶ For the KPIs definition see chapter 5.2.1

³⁷ Calculated applying the funding rate percentage to the profitability results

³⁸ The CRO Dashboard 2017 is a set of indicators selected among the Risk Appetite Framework KPIs, plus a single indicator on operational risks; the threshold values have been approved by the Board of Directors at the beginning of the year (January 2017). The assessment methodology is the one used for Employees.

The Board of Directors of FinecoBank on February 6th, 2018, has approved the allocation of a total number of shares equal to 27.644 to be assigned in 2020, 2021 and 2022.

On the same date, the Board of Directors also approved the implementation - in 2018 - of the 2015 and 2016 Incentive Systems³⁹.

5.2.3 Share-based Plan “2015 - 2017 PFA Plan” for Financial Advisors

In 2014, on the occasion of the request for admission to the listing on the Italian Stock Exchange by the Company and subject to the successful outcome, the FinecoBank Shareholders' Meeting approved the “2015-2017 Plan PFA”, which provides for the allocation in 2018 of a number of Fineco shares to be assigned in three tranches in 2018, 2019 and 2020 respectively, once verified:

- the entry conditions valid from year to year (in 2017 Net Profit \geq 0 and Common Equity Tier 1 \geq 10.25%);
- the individual compliance and the existence of the agency relationship;
- the results of the performance of the beneficiaries in terms of Net Sales and Net Sales of Guided Products⁴⁰ cumulated in the three-years of performance (2015-2017).

Evaluation and pay-out for Identified Staff

In line with the governance of FinecoBank, and based on the conditions listed above, the valuations and payments referred to the Plan have been approved by the Board of Directors on February 6th 2018, upon positive opinion of the Remuneration Committee⁴¹.

5.3 2018 Incentive System for employees belonging to Identified Staff

As in the past years, the 2018 Incentive System, as approved by the Board of Directors of FinecoBank on January 10th, 2018, is based on a “*bonus pool*” approach which takes into consideration the national and international regulatory requirements and directly links bonuses with Company results at Group and local level, ensuring the link between profitability, risk and reward.

In particular, the system provides for:

- allocation of a variable incentive defined on the basis of the determined bonus pool, of the individual performance appraisal and of the internal benchmarking on similar roles as well as compliant with the ratio between fixed and variable remuneration approved by the Shareholder's Meeting;
- definition of a balanced structure of “upfront” (following the moment of performance evaluation) and “deferred” payments, in cash and/or in shares⁴², to be paid over a period of up to maximum 6 years;
- distributions of share payments which take into account the applicable regulatory requirements regarding the application of share retention periods. In fact the payment structure defined requires a retention period on shares (of 2 years for upfront shares and of 1 year for deferred shares);
- risk adjusted measures in order to guarantee long-term sustainability, regarding Company financial position and to ensure compliance with regulations;
- a *malus* clause (Zero Factor) which applies in case specific thresholds (profitability, capital and liquidity) are not met at both Group and FinecoBank level. In particular, the bonus pool of 2018 will be zeroed, while previous systems deferrals could be reduced from 50% to 100% of their value, based on final effective results.

³⁹ The data relating to the assignments are included in the information reported in chapter 6 of the Annual Compensation Report and in the Annexes.

⁴⁰ Guided products refer to high added value products and developed services, considering the different customers risk profiles

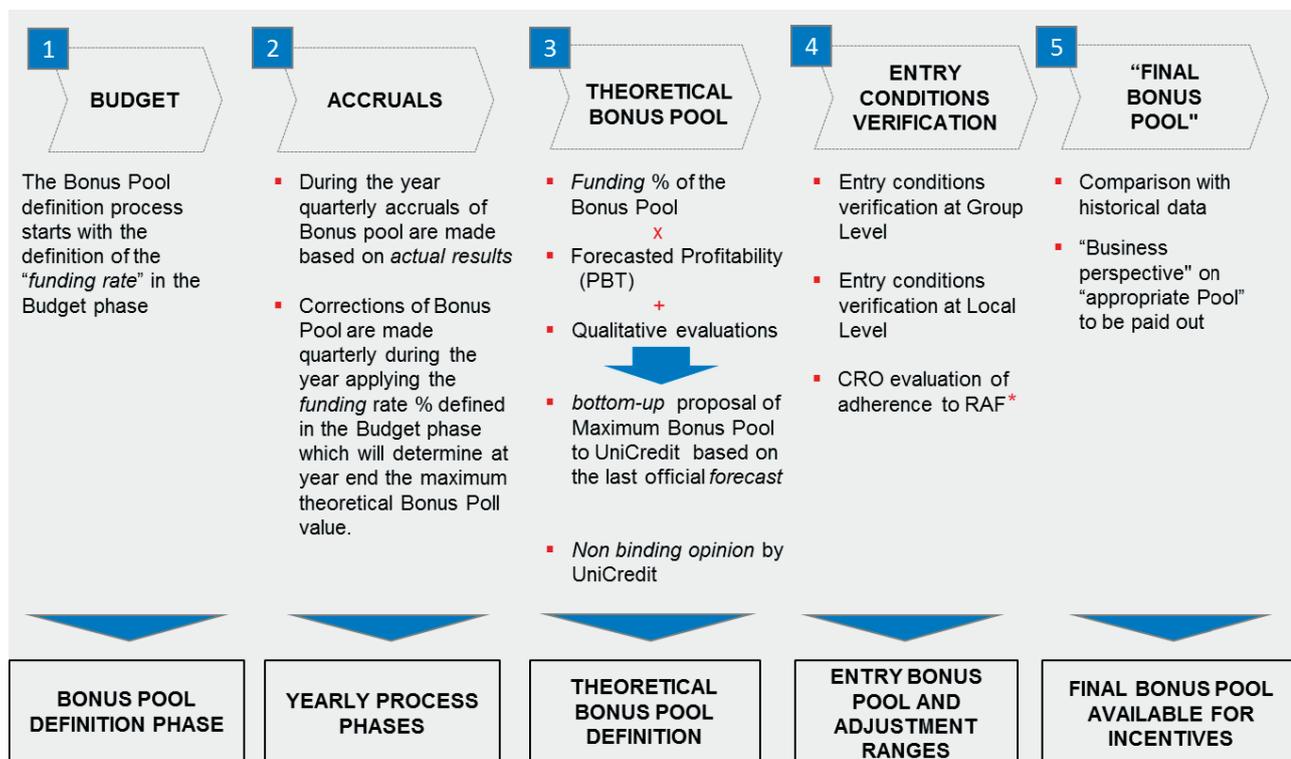
⁴¹ The data relating to the assignments are included in the information reported in chapter 6 of the Annual Compensation Report and in the Annexes.

⁴² The Company reserves the right to assign instruments other than the free ordinary shares of FinecoBank, if this is required by law.

5. Compensation Systems (CONTINUED)

5.3 2018 Incentive System for employees belonging to Identified Staff (CONTINUED)

The bonus pool process includes the following steps:



* Risk Appetite Framework

BUDGET

- Bonus pool process starts with the definition of the "funding rate" during budgeting phase. The funding rate for FinecoBank is a percentage of the Net Operating Profit (net of Provisions for Risk and Charges, corresponding to Profit Before Tax) considering: historical data analysis, expected profitability, business strategy and previous year pool. The bonus pool is submitted for approval to the Board of Directors of FinecoBank.

ACCRUALS

- During the year of performance, quarterly accruals are based on the actual results;
 - on a quarterly basis bonus pool is adjusted applying the % of funding rate fixed during budgeting phase that set by the end of the year the maximum theoretical bonus pool.

THEORETICAL BONUS POOL, ENTRY CONDITIONS VERIFICATION AND RISK ADJUSTMENT

- Consistency with FinecoBank performance and sustainability is ensured through specific "Entry Conditions" set at both Group and local level;
 - application of a *Zero Factor/malus* clause in case specific profitability, liquidity and capital thresholds are not reached at Group and local level;
 - the distribution is risk adjusted in order to guarantee sustainability with respect to FinecoBank *Risk Appetite Framework*;
 - the bonus pool is proposed by FinecoBank on the basis of the year forecast – risk-adjusted – both at Group and local level.

The Entry Conditions are the mechanism that determines the possible application of Zero Factor on the basis of performance indicators in terms of profitability, capital and liquidity defined at both Group and local level. The entry conditions defined for 2018 – working also as malus conditions for the previous incentive systems deferrals - are reported in the following table

Group level	Local level
<i>Net Operating Profit adjusted ≥ 0 and</i>	<i>Net Operating Profit adjusted ≥ 0 and</i>
<i>Net Profit ≥ 0 and</i>	<i>Net Profit ≥ 0 and</i>
<i>Common Equity Tier 1 Ratio Transitional $> 10,43\%^*$ and</i>	<i>Common Equity Tier 1 Ratio Transitional $> 10,43\%^{**}$ and</i>
<i>Liquidity Coverage Ratio $> 101\%^*$ and</i>	<i>Liquidity Coverage Ratio $> 101\%^{**}$ and</i>
<i>Net Stable Funding Ratio $> 101\%^*$</i>	<i>Net Stable Funding Ratio $> 101\%^{**}$</i>

* In line with 2018 Group RAF (Trigger for CET1, Limit for LCR and NSFR). In case of amendments to the RAF parameters, the thresholds will be modified accordingly

** Values aligned with the Group ones. In case of amendments to RAF parameters, the thresholds will be modified accordingly.

In particular, the indicators (or the relative thresholds) that have been modified or added compared to the 2017 System are highlighted.

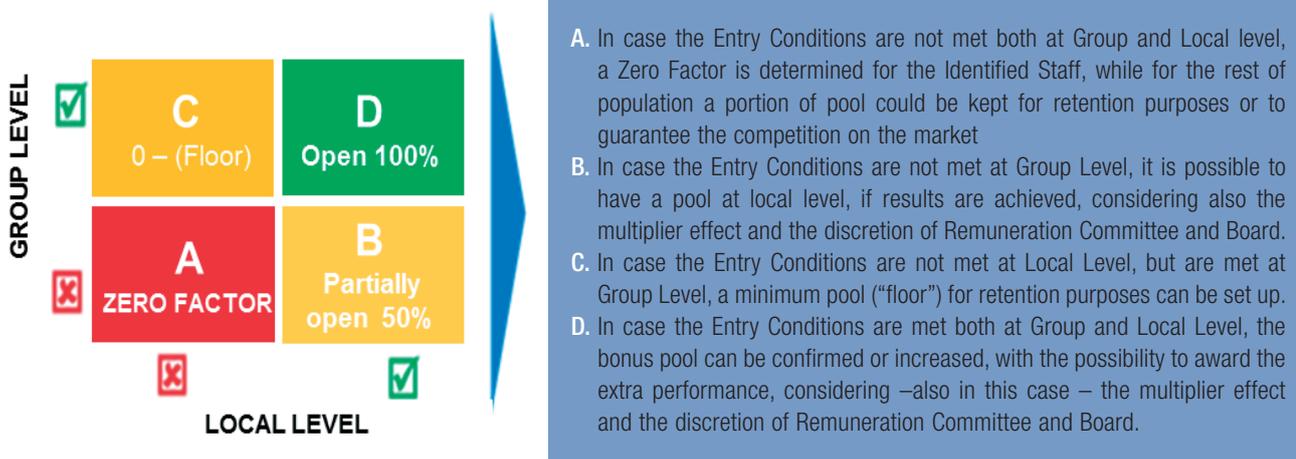
In this regard, we highlight the addition - at Fineco level - of a liquidity indicator (Net Stable Funding Ratio) mirroring the one used at Group level.

It should also be noted that the thresholds for the capital and liquidity indicators have been changed in a more restrictive sense, increased compared to last year.

5. Compensation Systems (CONTINUED)

5.3 2018 Incentive System for employees belonging to Identified Staff (CONTINUED)

The Entry Conditions matrix and related effects on Fineco Bonus Pool follows the same logics provided in 2017, as shown below:



In the “matrix” logic, in the hypotheses described in the boxes A and B (Entry Conditions not met at Group Level) the bonus for the CEO and General Manager of FinecoBank is zeroed.

To activate the “multiplier” the CRO dashboard assessment is confirmed, pursuant to the defined methodology.

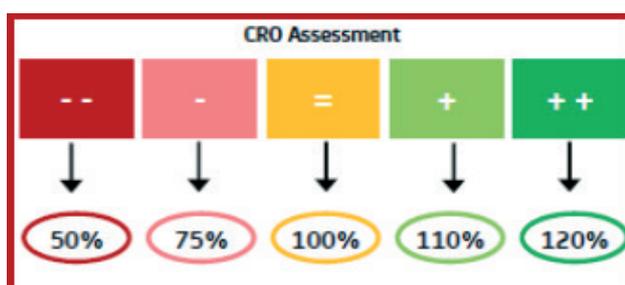
The CRO dashboard (defined in coherence with the FinecoBank and Group Risk Appetite Framework) includes KPIs taken from FinecoBank Risk Appetite Framework (plus one indicator related to operational risk), measured with reference to the respective relevant thresholds (*limit*, *trigger* and *target*). Here below a sample of the content of the dashboard.

SAMPLE

DIMENSION		2018			
		KPIs	Target	Trigger	Limit
Pillar 1 KPIs	Capital	CET1 Ratio (%)			
	Liquidity	LCR (%)			
		NSFR (%)			
Managerial KPIs	Risk & Return	ROAC Return on Allocated Capital (%)			
	Credit	EL stock (%)			
		EL new business (%)			
		Coverage on Impaired (%)			
Specific Risk KPIs	Interest Rate Risk on Banking Book	EV Sensitivity (%)			
	Operational	Op. Losses / Operating income			

The “multiplier” effect deriving from the evaluation of overall CRO dashboard outcome made by the FinecoBank CRO – and verified by the FinecoBank Remuneration Committee and by the FinecoBank Board – applies to the bonus pool in the cases described in the boxes D and B. The dashboard evaluation is carried out pursuant to a methodology defined at Group level by the Risk Management function and approved by the FinecoBank Board of Directors

The bonus pool corrections ranges deriving from the CRO Dashboard assessment are not modified compared to the 2017 Incentive System, as follows.



As provided in the 2017 System, a further range of discretion up to +20% is in the faculty of Remuneration Committee and Board of Directors, while no limits to downward discretionally the bonus pool with respect to theoretical value is foreseen.

In any case, as requested by regulations as per Bank of Italy provisions, the final evaluation of sustainable performance parameters and the alignment between risk and remuneration will be assessed by Remuneration Committee and defined under the governance and accountability of the Board of Directors.

The Board of Directors does not take into account, when deciding bonus, balance sheet extraordinary items which do not impact operational performance, regulatory capital and liquidity (e.g. goodwill impairment, extraordinary contributions to deposit guarantee schemes, etc.).

Moreover, following potential changes in current regulations and/or in relation to potential extraordinary and/or unpredictable contingencies which can impact the Group, the Company or the market in which it operates, the Board of Directors, having heard the opinion of Remuneration Committee, maintains the right to amend the system and relevant rules.

INDIVIDUAL BONUS ALLOCATION

- Individual bonus will be allocated to beneficiaries considering bonus pool, the individual performance appraisal, the internal benchmarking analysis on similar roles and the maximum ratio between variable and fix compensation as approved by Shareholder’s Meeting;
- individual performance appraisal is based on 2018 performance screen: a minimum of 5 and maximum 8 goals of which 4-6 selected from the catalogue of main key performance indicators (“KPI Bluebook”) and linked to the 5 Fundamentals⁴³ of Group Competency Model⁴⁴. Goals selected from the KPI Bluebook reflect the Bank and Group strategy and have a weight of 70% on the individual performance screen. In the individual performance screen can be provided up to 2 further “individual” goals”, linked to the individual specific activity. The “individual” goals weigh 30% of the performance screen. Competencies and behaviours considered as relevant can be taken into account by the manager for the overall performance appraisal;

- Further details in chapter 5.3.1.

- the goals appraisal system is based on a 5 values scale with a descriptive outcome (from “Below Expectations” to “Greatly Exceeds Expectations”).

43 See also chapter 5.3.1.

44 Group Competency Model represents the framework in which the Executives are assessed within the Executive Development Plan process. The 5 Fundamental are: Customers First, Execution & Discipline, Cooperation and Synergies, Risk management, People Development.

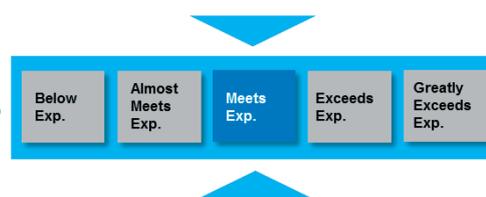
5. Compensation Systems (CONTINUED)

5.3 2018 Incentive System for employees belonging to Identified Staff (CONTINUED)

Sample of 2018 Performance Screen

GOAL NAME	PERIMETER	REFERENCE TARGET	LINK TO 5 FUNDAMENTALS	KPI BB/ CUSTOM	RISK CORRELATION SUSTAINABILITY GOAL
GOAL 1	FinecoBank	vs budget	Execution & Discipline	KPI BB	S 
GOAL 2	FinecoBank	vs budget	Risk Management	KPI BB	S 
GOAL 3	FinecoBank	vs budget	People Development	KPI BB	S
GOAL 4	FinecoBank	vs qualitative assessment	Customers First	KPI BB	S
GOAL 5	FinecoBank	vs previous years	Cooperation and Synergies	Custom	
GOAL 6	FinecoBank	vs target	Risk Management	Custom	

Sample of 2018 evaluation



For the purposes of bonus individual allocation, the 2018 Incentive System provides also a preliminary check on the completion – by the System beneficiaries – of the Compliance mandatory trainings.

BONUS PAYOUT

- As approved by the Board of Directors of January 10th, 2018, with reference to pay-out structure, the *Identified Staff* population will be differentiated into two clusters, using a combined approach of banding and compensation:

- CEO/GM and other roles provided by law: 5 years deferral scheme
- Other identified Staff: 3 years deferral scheme.

- The pay-out of incentives will be done through upfront and deferred instalments, in cash or in Fineco ordinary shares, up to a maximum 6-year period:

- in 2019 the first instalment (1st tranche) of the total incentive will be paid in cash in absence of any individual values /compliance breach⁴⁵;
- over the period 2020-2024 the remaining part of the overall incentive will be paid in cash and/or Fineco ordinary shares; each further tranche will be subject to the application of the Zero Factor for the year of allocation and in absence of any individual / values compliance breach;

REGULATORY REQUIREMENTS

- In line with regulatory requirements:
- 5-year deferral period maintained only for Top Management and selected key senior roles. In general a deferral period from 3 to 5 years is required, and the request for 5 years is limited to «high earners», Top Management and Head of key business lines as well as the direct reports to strategic supervisory, management and control bodies
 - minimum 50% of bonus to be allocated in shares or other financial instruments
 - minimum 40% of bonus to be paid out under a deferral period (minimum 60% for specific positions and particularly high amounts)
 - 2 years minimum retention period for the upfront shares and shorter retention period (1 year) for the deferred shares

⁴⁵ Considering also the seriousness of any internal/external findings (e.g. Audit, Bank of Italy, Consob and/or analogous local authorities).

	2018	2019	2020	2021	2022	2023	2024
CEO/GM AND OTHER ROLES PROVIDED BY LAW	PERFORMANCE YEAR	20% UPFRONT CASH	10% DEFERRED CASH	20% UPFRONT SHARES	10% DEFERRED SHARES	10% DEFERRED SHARES	20% DEFERRED CASH 10% DEFERRED SHARES
OTHER IDENTIFIED STAFF	PERFORMANCE YEAR	30% UPFRONT CASH	10% DEFERRED CASH	30% UPFRONT SHARES	10% DEFERRED CASH 10% DEFERRED SHARES	10% DEFERRED SHARES	

- all the instalments are subject to the application of claw-back conditions;
- in coherence with 2017, a minimum threshold⁴⁶ will be introduced, below which no deferral mechanisms will be apply;
- the number of shares to be allocated in the respective instalments shall be defined in 2019, on the basis of the arithmetic mean of the official closing market price of Fineco ordinary shares during the month preceding the Board resolution that evaluates 2018 performance achievements;
- free Fineco ordinary shares that will be allocated will be freely transferable;
- the payment structure has been defined in line with Bank of Italy provisions requiring a share retention period for upfront and deferred shares. In particular, the implementation of the share retention periods may be carried out in line with the fiscal framework, either via the allocation of restricted shares or the promise of shares that shall subsequently be allocated at the end of the intended retention period;
- the 2018 Incentive System provides for an expected impact on FinecoBank share capital of approximately 0,08%, assuming that all free shares for employees have been distributed. The current overall dilution for all other outstanding FinecoBank equity-based plans both for Employees and Financial Advisors equals 1,14%;
- the beneficiaries cannot activate programs or agreements that specifically protect the value of unavailable financial instruments assigned within the incentive plans. Any form of coverage will be considered a violation of compliance rules and imply the consequences set out in the regulations, rules and procedures.

5.3.1 Comprehensive Performance Measurement

The 2018 Incentive System, described in the chapter 5.3, is supported by an annual performance measurement framework assuring coherence, consistency and clarity of performance objectives with business strategy, and encouraging and rewarding desired behaviours and risk orientation. Our performance management process ensures that to all *Identified Staff* are assigned at the beginning of the year their own individuals goals and includes a rigorous review of their goals achievements.

A specific process is performed annually at Group level with the involvement of key relevant functions (*Human Resources, Finance, Risk Management, Compliance, Group Sustainability, Audit, Group Stakeholder and Service Intelligence*) to review the so-called *KPI Bluebook*.

The *KPI Bluebook* serves as the framework for the definition of performance goals coherent, high quality based, aligned to business strategy, compliant with regulatory requirements and consistent with our corporate values and Group Competency model. Therefore it supports the employees and their managers in the definition of individual Performance Screen.

KPI Bluebook includes a list of indicators certified at Group level, as well as specific guidelines related to:

- the selection of goals based on yearly priorities and customizable goals for Business/Division
- the use - among the KPIs selected from the *KPI Bluebook* - of risk-adjusted goal (e.g. select at least one KPI belonging to "Risk category" or related to risk management / risk-adjusted profitability)
- the use - among the KPIs selected from the *KPI Bluebook* - of sustainability objectives (e.g. at least half of the goals should be related to sustainability)
- the definition of the target of reference, in case objectives not included in certified list are selected (e.g. use clear and pre-defined parameters for future evaluation of performance)
- the selection of goals for the Company Control Functions, in order to ensure their independence (e.g. avoid KPI linked to economic measure).

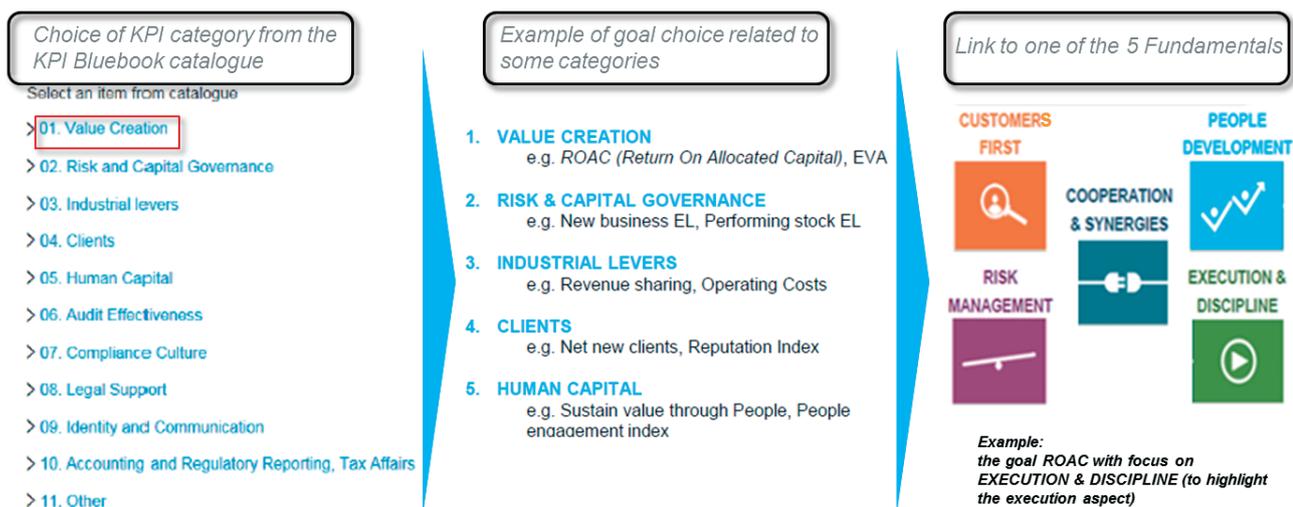
⁴⁶ Equal to Euro 75.000 that will be paid in cash.

5. Compensation Systems (CONTINUED)

5.3 2018 Incentive System for employees belonging to Identified Staff (CONTINUED)

The *KPI Bluebook* maps 11 categories of drivers that include a list of goals (KPI Dashboard):

The 11 categories represent financial and non-financial performance and are mapped into the different clusters of business of the Group (Asset Gathering included) to help identifying the most relevant standardized KPIs (all certified by relevant Group functions) for each role assigned, with specific focus on risk-adjusted, sustainability-driven metrics and economic measures. For each KPI included in the catalogue a link to one of the “5 fundamentals” of the *Group Competency Model*⁴⁷ (as shown above) is pre-set, conferring a specific qualitative connotation to the goal itself.



2018 Chief Executive Officer and General Manager Performance Screen

2018 KPIs defined and approved by FinecoBank Board of Directors as the core drivers of performance for FinecoBank Chief Executive Officer and General Manager include goals related to Bank profitability, with particular focus on risk, consistency with *Risk Appetite Framework* and sustainability. In continuity with 2017, also for 2018 a specific KPI has been provided, with reference to “*Tone from the top*” related to integrity towards conduct principles and spread of compliance culture among the organization.

⁴⁷ Group Competency Model represents the framework in which the Executives are assessed within the Executive Development Plan process. The 5 Fundamental are: Customers First, Execution & Discipline, Cooperation and Synergies, Risk management, People Development.

#	GOAL NAME	PERIMETER	REFERENCE TARGET	LINK TO 5 FUNDAMENTALS	RISK CORRELATION SUSTAINABILITY GOAL
1	ROAC	FinecoBank	vs. budget	Execution & Discipline	 
2	EVA	FinecoBank	vs budget	Risk Management	 
3	Operating Costs	FinecoBank	vs. budget Operating costs as reported in reclassified P&L, i.e.: Staff expenses + Other Administrative Expenses (direct + indirect) - Expenses Recovery + Depreciations.	Execution & Discipline	
4	Net new clients	FinecoBank	vs. previous years	Customers First	
5	Net sales of Guided Products	FinecoBank	vs budget	Execution & Discipline	
6	New Business EL %	FinecoBank	vs. target	Risk Management	 
7	Sustain value through People	FinecoBank	vs. qualitative assessment based on: • Y/Y delta on Pay for Performance metrics on variable and fix pay • Y/Y delta on Gender Pay Gap / Gender Balance dashboard / Gender Diversity Initiatives • Succession Planning / Building up a sustainable Talent Management Support • Retention rate or voluntary turnover	People Development	
8	Tone from the top on conduct and compliance culture	FinecoBank	vs. qualitative assessment based on: • Scope, kind and numbers of documented initiatives - pre-committed with EMC, aimed at promoting staff integrity / customer protection / trustworthiness • The overall status of findings or proceedings in place (internal or external) considering the trend, type, severity and the timely completion of the related remediation actions	Risk Management	

For the other *Identified Staff* of FinecoBank KPIs that include profitability and risk management are reflected also in their Performance Screens, with differences given by the relevant activities. It is understood in any case the rule pursuant to which no economic goals must be provided for the Company Control Functions.

5. Compensation Systems (CONTINUED)

5.4 2018-2020 share based Long Term Incentive Plan (LTI) for Employees

With the aim of rewarding, motivating and retaining selected Bank Employees, in line with the 2020 objectives of Fineco in terms of value creation, sustainability and risk, a long-term equity plan has been defined, also in order to align the long-term interests of the Bank's Management with the long-term value creation for shareholders.

The beneficiaries of the Plan are selected Employees with "key roles" within the organization (about 65 resources, including Managers with Strategic Responsibilities).

The Heads of the Company Control Functions (CRO, Head of Compliance, Head of Human Resources) are excluded from the Beneficiaries of the Plan.

The structure of the Plan, described below in detail, provides for:

- performance goals at Bank level such as the EVA, the Cost/Income and the Cost of Risk on commercial loans;
- Entry and malus conditions of profitability, capital and liquidity defined at FinecoBank and Group level;
- specific individual compliance and claw-back conditions;
- a risk adjustment linked to the annual assessment of the CRO Dashboard, evaluated according to the methodology defined by Group Risk Management;
- individual bonuses defined taking into account the roles of the beneficiaries;
- a payment structure over a multi-year period defined according to the categories of beneficiaries, in line with the regulatory provisions.

PERFORMANCE GOALS

The performance targets, as defined above, will be assessed in relation to specific targets and will have a specific percentage weight on the total bonus and their valuation (with the exception of the Cost of Risk for which an "on-off" threshold is envisaged) will be based on on progressive thresholds, which will correspond to increasing percentages of bonuses from 0 to 100% with a linear progression⁴⁸, as shown below.

	KPI	PERIMETER	WEIGHT	TARGET	ASSESSMENT CRITERIA	
					Threshold	Payout
VALUE CREATION	EVA	FINECO	50%	2020	≥ 200 M€	100%
					180 M – 200 M€	0 - 100%
					≤ 180 M€	0%
INDUSTRIAL SUSTAINABILITY	COST/INCOME RATIO	FINECO	35%	2020	≤ 39%	100%
					42% - 39%	0 - 100%
					≥ 42%	0%
RISK	CoR*	FINECO	15%	2020	≤ 40 bps	100%

*Calculated on commercial loans

ENTRY CONDITIONS AND MALUS

In order to comply with current regulations, are defined

- appropriate Fineco and Group Entry Conditions that will be measured within the performance period of the Plan and may confirm, reduce or cancel the individual bonus as detailed below, and
- appropriate Fineco and Group malus conditions measured during the deferral period, which may confirm, reduce or cancel the deferred shares, as detailed below

⁴⁸ For example, with EVA at 12/31/2020 equal to 190 million, the payment of the corresponding bonus portion would be equal to 50% of what is expected in case of EVA equal to 200 million.

In full compliance with the regulations in force, and for the purposes set out above, specific Group and Fineco indicators have been identified to measure profitability, capital strength and liquidity.

The indicators of capital and liquidity (Common Equity Tier 1 Ratio Fully Loaded⁴⁹, Liquidity Coverage Ratio and Net Stable Funding Ratio) will be calculated annually, while a “cumulative” assessment of profitability indicators is envisaged.

Performance		Deferral	
Entry Conditions		Malus	
Group	Fineco	Group	Fineco
Σ 2018-2020 NOP Adj >0	Σ 2018-2020 NOP Adj >0	Σ NOP Adj >0	Σ NOP Adj >0
Σ 2018-2020 NP >0	Σ 2018-2020 NP >0	Σ NP >0	Σ NP >0
CET 1 Ratio Fully loaded > 10,4%*	CET 1 Ratio Fully loaded > 10,4%**	CET 1 Ratio Fully loaded > 10,4%*	CET 1 Ratio Fully loaded > 10,4%**
LCR > 101%*	LCR > 101%**	LCR > 101%*	LCR > 101%**
NSFR > 101%*	NSFR > 101%**	NSFR > 101%*	NSFR > 101%**

1) In case annual entry conditions at Group Lever are not satisfied, is provided a reduction of bonuses of 10% per year (30% reduction in case of non achievement of Group cumulated conditions). Thus the maximum reduction provided in case of non achievement of Group conditions – annual or cumulated – is 30%.
 2) In case of non achievement of the cumulated Fineco conditions, bonuses are zeroed.
 3) In case of non achievement of Fineco annual conditions, bonuses will be reduced pro-quota.

1) In case of non achievement of conditions at Group level (both annual and cumulated), it is provided a reduction of deferred portion, in any case not higher than 30%
 2) In case of non achievement of Fineco cumulated conditions the deferred portion will be zeroed.
 3) In case of non achievement of the annual Fineco conditions, it is provided the zeroing of the deferred portion for the year of competence

* In line with Group RAF 2018 (Trigger for CET1, Limit for LCR and NSFR). In case of more restrictive amendments provided by law in the Plan performance years, the thresholds will be modified accordingly.

** Values in line with Group ones. In case of more restrictive amendments provided by law in the Plan performance years, the thresholds will be modified accordingly.

Each payment related to the Plan is subject to the preliminary compliance check of individual behaviors.

The bonus payment is subject to claw-back⁵⁰.

RISK ADJUSTMENT

For the purposes of the appropriate Plan correction for the Bank's Risk, the results of the annual CRO Dashboard assessments for the purposes of short-term incentive systems will be taken into consideration for each year of the Plan's performance. The presence of several 'neutral' annual assessments⁵¹ or negative assessments will result in a proportional reduction of individual bonuses, as shown below

% BONUS	100%	75%	50%	25%	0%
CRO DB ASSESSMENT	1 'neutral' assessment and 2 positive assessments (or 3 positive assessments)	≥2 'neutral' assessments	1 negative assessment	2 negative assessments	3 negative assessments

49 It's the Class 1 Capital of the Institution expressed in percentage of the overall amount of the risk exposure. It's the CET1 requirement recommended by ECB in its communication on variable remuneration.

50 See par. 3.2, section II

51 See paragraphs 5.3 and 5.5

5. Compensation Systems (CONTINUED)

5.4 2018-2020 share based Long Term Incentive Plan (LTI) for Employees (CONTINUED)

BONUS PAYMENT

Maximum bonuses have been defined on the basis of the categories of beneficiaries of the Plan. The amounts were established in line with the applicable regulatory provisions and the FinecoBank Compensation Policy.

Individual bonuses - in particular - confirm compliance with the maximum limits for the variable remuneration envisaged for the Plan Beneficiaries, also taking into account the short-term variable remuneration attributable in each year of performance.

Within the aforementioned limits, it is planned, in detail:

- for the Chief Executive Officer and General Manager, a maximum percentage impact of the bonus relating to the Plan equal to 50% of the maximum variable remuneration attributable in each year of performance;
- for the other Executives with Strategic Responsibilities, a maximum percentage of the bonus of the Plan equal to 30% of the maximum variable remuneration attributable in each year of performance.

For the other Beneficiaries the target bonus is defined individually, always in compliance with the maximum limits set by the regulations and FinecoBank Compensation Policy.

As mentioned, the bonuses will be paid entirely in Fineco free ordinary shares⁵², according to the payment schemes shown below.

	2018 - 2020	2021	2022	2023	2024	2025
CEO	PERFORMANCE			40% UPFRONT SHARES		60% DEFERRED SHARES
IDENTIFIED STAFF	PERFORMANCE			40% UPFRONT SHARES	20% DEFERRED SHARES	20% DEFERRED SHARES
OTHER BENEFICIARIES	PERFORMANCE	40% UPFRONT SHARES	20% DEFERRED SHARES	20% DEFERRED SHARES	20% DEFERRED SHARES	

For the Beneficiaries of the Plan included in Identified Staff holding periods on the shares are provided, equal to two years for the upfront shares, assigned after the end of the performance period, and one year for deferred shares.

For the other Beneficiaries the assignments of the shares and their availability are concomitant during the deferral period.

The evaluation of the results and the conditions for the individual assignment of the shares will be carried out by the Board of Directors, upon the proposal of the Remuneration Committee, according to the established governance⁵³.

⁵² The Bank reserves the possibility to assign different instruments from the FinecoBank ordinary shares, where requested by law.

⁵³ It is provided the possibility for the Remuneration Committee and the Board of Directors to increase bonuses up to 20% (within the maximum bonuses provided by the Plan) or to reduce the bonuses without limits, considering indicators as the Total Shareholders Return (absolute and relative) or other indicators, as the market context and trends on remuneration, or events with reputational impacts. The correction "in positive" does not apply in case of non-achievement of Group entry conditions, as described in this paragraph.

The Board of Directors does not take into account, when deciding bonus, balance sheet extraordinary items which do not impact operational performance, regulatory capital and liquidity (e.g. goodwill impairment, extraordinary contributions to deposit guarantee schemes, etc.).

The maximum number of shares to be allocated in the respective instalments – at the conditions stated above - shall be defined in 2018, on the basis of the arithmetic mean of the official closing market price of Fineco ordinary shares during the month preceding the Board resolution that will execute the Shareholders Meeting resolution related to the Plan.

The Plan provides for an expected impact on FinecoBank share capital of approximately 0,3%, assuming that all free shares for employees have been distributed. The current overall dilution for all other outstanding FinecoBank equity-based plans both for Employees and Financial Advisors equals 1,14%.

The beneficiaries cannot activate programs or agreements that specifically protect the value of unavailable financial instruments assigned within the incentive plans. Any form of coverage will be considered a violation of compliance rules and imply the consequences set out in the regulations, rules and procedures.

Moreover, following potential changes in current regulations and/or in relation to potential extraordinary and/or unpredictable contingencies which can impact the Group, the Company or the market in which it operates, the Board of Directors, having heard the opinion of Remuneration Committee, maintains the right to amend the Plan and relevant rules.

5. Compensation Systems (CONTINUED)

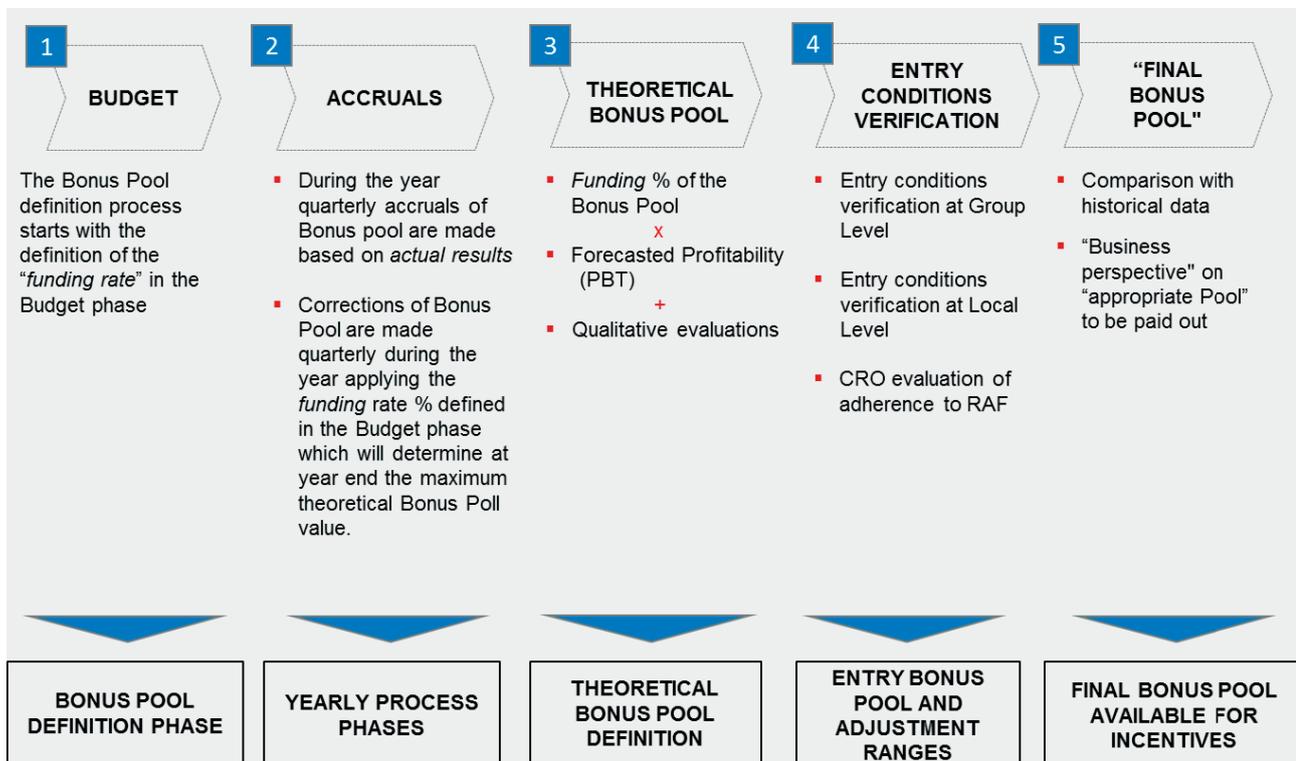
5.5 2018 Incentive System for Financial Advisors belonging to Identified Staff

Given the differences in the forms of remuneration and in the modalities of its generation (see paragraph 4.2, Section II), also for the PFA population in FinecoBank, mirroring what is designed for the Employees, is provided a specific Incentive System based on a bonus pool approach, which takes into account the national and international regulatory requirements and directly links bonuses with Company results at Group and local level, ensuring the link between profitability, risk and reward.

In particular, the 2018 System for PFA Identified Staff – as approved by the Board on January 10th 2018 - provides for:

- allocation of a variable incentive defined on the basis of the determined bonus pool, of the individual performance appraisal as well as compliant with the ratio between fixed and variable remuneration approved by the Shareholder's Meeting;
- definition of a balanced structure of “upfront” (following the moment of performance evaluation) and “deferred” payments, in cash and/or in shares, to be paid over a period of up to maximum 5 years;
- distribution of share⁵⁴ payments which take into account the applicable regulatory requirements regarding the application of share retention periods. In fact the payment structure defined requires a retention period on shares (of 2 years for upfront shares and of 1 year for deferred shares);
- risk adjusted measures in order to guarantee long-term sustainability, regarding Company financial position and to ensure compliance with regulations;
- a *malus* clause (Zero Factor) which applies in case specific thresholds (profitability, capital and liquidity) are not met at both Group and local level. In particular, the bonus pool of 2018 will be zeroed, while previous systems deferrals could be reduced from 50% to 100% of their value, based on final effective results

In coherence with what previously described for the Employees, also for the PFA the process of bonus pool definition includes the following steps:



⁵⁴ Unlike what happens in the Incentive System for Employees, the FinecoBank shares used for the purposes of payments to the PFA, are not generated by a free capital increase, but are purchased directly on the market, pursuant to section 2357 of Italian Civil Code.

BUDGET

- Bonus pool process starts with the definition of the “funding rate” during budgeting phase. The funding rate for FinecoBank is a percentage of the Net Operating Profit (net of Provisions for Risk and Charges, corresponding to Profit Before Tax) considering: historical data analysis, expected profitability, business strategy and previous year pool. The bonus pool is submitted for approval to the Board of Directors of FinecoBank.

ACCRUALS

- During the year of performance, quarterly accruals are based on the actual results;
 - on a quarterly basis the bonus pool is adjusted applying the % of *funding rate* fixed during budgeting phase that set by the end of the year the maximum theoretical bonus pool.

THEORETICAL BONUS POOL, ENTRY CONDITIONS VERIFICATION AND RISK ADJUSTMENT

- Consistency with FinecoBank performance and sustainability is ensured through specific “Entry Conditions” set at both Group and local level;
 - application of a *malus* clause in case specific profitability, liquidity and capital thresholds are not reached at Group and local level;
 - the distribution is risk adjusted in order to guarantee sustainability with respect to FinecoBank *Risk Appetite Framework*;
 - the bonus pool is proposed by FinecoBank on the basis of the year forecast – risk-adjusted – both at Group and local level.

The Entry Conditions are the mechanism that determines the possible application of the Zero Factor on the basis of performance indicators in terms of capital and liquidity defined at both Group and local level (at local level is considered also the profitability). The entry conditions provided for 2018 – working also as malus conditions for the deferrals of previous years incentive systems - are reported in the following table.

Group level	Local level
	<i>Net Operating Profit adjusted ≥ 0 and</i>
	<i>Net Profit ≥ 0 and</i>
<i>Common Equity Tier 1 Ratio Transitional > 10,43%* and</i>	<i>Common Equity Tier 1 Ratio Transitional > 10,43%** and</i>
<i>Liquidity Coverage Ratio > 101%* and</i>	<i>Liquidity Coverage Ratio > 101%** and</i>
<i>Net Stable Funding Ratio >101%*</i>	<i>Net Stable Funding Ratio >101%**</i>

* In line with 2018 Group RAF (Trigger for CET1, Limit for LCR and NSFR). In case of amendments to RAF parameters, the defined thresholds will be modified accordingly.

** Values aligned with Group ones. In case of amendments to RAF parameters, the defined thresholds will be modified accordingly.

In particular, the indicators (or the relative thresholds) that have been modified or added compared to the 2017 System are highlighted.

In this regard, we highlight the addition - at Fineco level - of a liquidity indicator (Net Stable Funding Ratio) mirroring the one used at Group level.

As provided in the 2017 System, a further range of discretion up to +20% is in the faculty of Remuneration Committee and Board of Directors, while no limits to downward discretionally the bonus pool with respect to theoretical value is foreseen.

In any case, as requested by regulations as per Bank of Italy provisions, the final evaluation of sustainable performance parameters and the alignment between risk and remuneration will be assessed by Remuneration Committee and defined under the governance and accountability of the Board of Directors.

The Board of Directors does not take into account, when deciding bonus, balance sheet extraordinary items which do not impact operational performance, regulatory capital and liquidity (e.g. goodwill impairment, extraordinary contributions to deposit guarantee schemes, etc.).

Moreover, following potential changes in current regulations and/or in relation to potential extraordinary and/or unpredictable contingencies which can impact the Group, the Company or the market in which it operates, the Board of Directors, having heard the opinion of Remuneration Committee, maintains the right to amend the system and relevant rules.

BONUS PAYOUT

For the Financial Advisors included in the Identified Staff, a payout mechanism with a 3 years deferral is provided. The possible 2018 bonus will be paid up to a maximum 5 years period. In particular:

- in 2019 will be paid in cash the 1st tranche of the overall bonus, in absence of any individual values /compliance breach⁵⁷;
- in the period 2020–2023 the remaining part of the overall incentive will be paid in cash and/or Fineco ordinary shares; each further tranche will be subject to the application of the Zero Factor for the year of allocation and in absence of any individual / values compliance breach;

2018	2019	2020	2021	2022	2023
PERFORMANCE YEAR	30% UPFRONT CASH	10% DEFERRED CASH	30% UPFRONT SHARES	10% DEFERRED CASH 10% DEFERRED SHARES	10% DEFERRED SHARES

- all the instalments are subject to the application of claw-back conditions, as legally enforceable;
- in coherence with 2017, a minimum threshold⁵⁸ will be introduced, below which no deferral mechanisms will be apply;
- the number of shares to be allocated in the respective instalments shall be defined in 2019, on the basis of the arithmetic mean of the official closing market price of Fineco ordinary shares during the month after the Board resolution that verifies the 2018 performance achievements;
- free Fineco ordinary shares that will be allocated will be freely transferable;
- the 2018 Incentive System provides for an expected impact on FinecoBank share capital of approximately 0,05%, assuming that all free shares for Financial Advisors have been assigned. The current overall dilution for all other outstanding FinecoBank equity-based plans both for Employees and Financial Advisors equals 1,14%. However, the 2018 PFA Incentive System does not have a proper dilution impact as the FinecoBank shares awarded are purchased on the market and are not generated through a free capital increase.

The beneficiaries cannot activate programs or agreements that specifically protect the value of unavailable financial instruments assigned within the incentive plans. Any form of coverage will be considered a violation of compliance rules and imply the consequences set out in the regulations, rules and procedures.

⁵⁷ Considering also the seriousness of any internal/external findings (e.g. Audit, Bank of Italy, Consob and/or analogous local authorities).

⁵⁸ Equal to Euro 75.000 that will be paid in cash.

5. Compensation Systems (CONTINUED)

5.5 2018 Incentive System for Financial Advisors belonging to *Identified Staff* (CONTINUED)

5.5.1 Comprehensive performance measurement

Taking into account the specificities of the PFA business, and in continuity with the previous years Incentive Plans in terms of business objectives, for the purposes of the 2018 Incentive System for PFA⁵⁹ the performance assessment of Financial Advisors included in the Identified Staff will be based on the following indicators:

- total net sales goal (difference between the invested and disinvested assets by FinecoBank customers);
- net sales of asset under management goal;
- development activities (for instance planned and structured meeting with customers);
- percentage of achievement of the overall group goal by the managed Financial Advisors and percentage of sales in Guided Products⁶⁰ in comparison with the group overall goal⁶¹;
- percentage of achievement of individual net sales goal and percentage of net sales of asset under management in comparison with the individual goal⁶²;
- value generated by the requalification of assets in liquidity and asset under custody in Guided Products.

⁵⁹ Always taking into account the individual compliance condition, as described above

⁶⁰ Guided products refer to high added value products and developed services, considering the different customers risk profiles

⁶¹ For the Financial Advisors with managerial positions with more than 5 PFA coordinated

⁶² For PFAs and Financial Advisors with managerial position and less than 5 PFA coordinated

5.6 2018 - 2020 Long Term Incentive Plan (LTI) for Financial Advisors Identified Staff

With the aim of rewarding, motivating and retaining selected Financial Advisors and Network Managers⁶³, in line with the commercial goals of the three-year period 2018 - 2020 and with the aim of creating value for Shareholders, a long-term plan has been defined. in cash and Fineco shares.

The Plan is dedicated to Financial Advisors who will be qualified as Identified Staff in the year 2020. At the moment, 15 beneficiaries are estimated⁶⁴.

The Plan - whose characteristics are described below in detail - provides:

- three-year performance targets (2018-2020) linked to Total Net Sales (NS), Net Sales of Guided Products (NSGP) and, for PFAs and Group Managers, also to the ratio between Guided Products (GP) as at December 31st 2020, on Total Financial Asset (TFA) as at December 31st 2019;
- entry conditions based on individual FinecoBank and Group performance;
- malus conditions of capital, liquidity and profitability at FinecoBank level and of Group capital and liquidity;
- specific individual compliance and claw-back conditions;
- a risk adjustment linked to the annual evaluation of the CRO Dashboard, assessed according to the methodology defined at Group level.
- a balanced structure of “upfront” and “deferred” payments, in the form of cash and/or shares (which will be purchased on the market).

PERFORMANCE GOALS

Performance goals are defined on the basis of increasing targets as a percentage of the cumulative budget for the three-year period of the Plan, in terms of Total Net Sales (NS) and Net Sales of Guided Products (NSGP). Through the evaluation system, as described below, the Plan aims at rewarding the extra performance towards the defined goals.

Performance indicators work in a general “matrix” logic with different specificities, depending on the target population (PFA / Group Manager and Area Manager) as shown below.

For Group Manager and PFA population, increasing bonuses are expected up to a theoretical maximum when 250% of the cumulated budgets in terms of Total Net Sales and Net Sales of Guided Products are reached⁶⁵.

NS	250%	70%	80%	100%	} Theoretical Bonus
	200%	60%	70%	80%	
	150%	50%	60%	70%	
		150%	200%	250%	NSGP

Vs 2018-20 budgets

⁶³ Group Managers and Area Managers (Financial Advisors with accessory assignment of other PFAs coordination)

⁶⁴ Identified pursuant to the regulation in place at the time

⁶⁵ Group Manager that at December 31st 2020 have reached the personal targets as described in the matrix, in order to access the bonus shall have also achieved the goal of 100% of Total Net Sales and Net Sales of Guided Products in the period of the coordinated PFAs.

5. Compensation Systems (CONTINUED)

5.6 2018 - 2020 Long Term Incentive Plan (LTI) for Financial Advisors Identified Staff (CONTINUED)

For the purposes of determining the final maximum bonus a “multiplier” is also provided based on the ratio between Guided Products and Total Financial Asset, as shown below

<i>Final Bonus</i>	
GP/TFA	
≥ 65%	1,5x
<65% ≥60%	1,25 x
<60%	1x

For the Area Managers the performance evaluation follows the same logics with targets “vs budget” measured in a different way, as shown below. Differently from Group Manager and PFAs, in facts, the further multiplier is not provided⁶⁶.

NS	200%	70%	80%	100%	} <i>Final Bonus</i>
	175%	60%	70%	80%	
	150%	50%	60%	70%	
	150%	175%	200%	NSGP	
Vs 2018-20 budgets					

MALUS AND ENTRY CONDITIONS

For the purposes of the Plan, specific entry conditions are defined at individual, Bank and Group level as detailed below.

Individual and Bank entry conditions

In order to access the bonus, is provided at individual level the achievement of specific thresholds in terms of Net Sales of Asset under Management⁶⁷, namely:

- Net Sales of Asset under Management >150% of individual target for PFAs e Group Managers with individual portfolios
- Net Sales of Asset under Management >100% of group target for Area Managers and Group Managers with group portfolio.

In addition to the above individual conditions, in order to access the bonus, it is provided at Bank level the achievement of a EVA threshold equal or higher than € 180 Mio.

Entry and Malus conditions at Bank and Group level

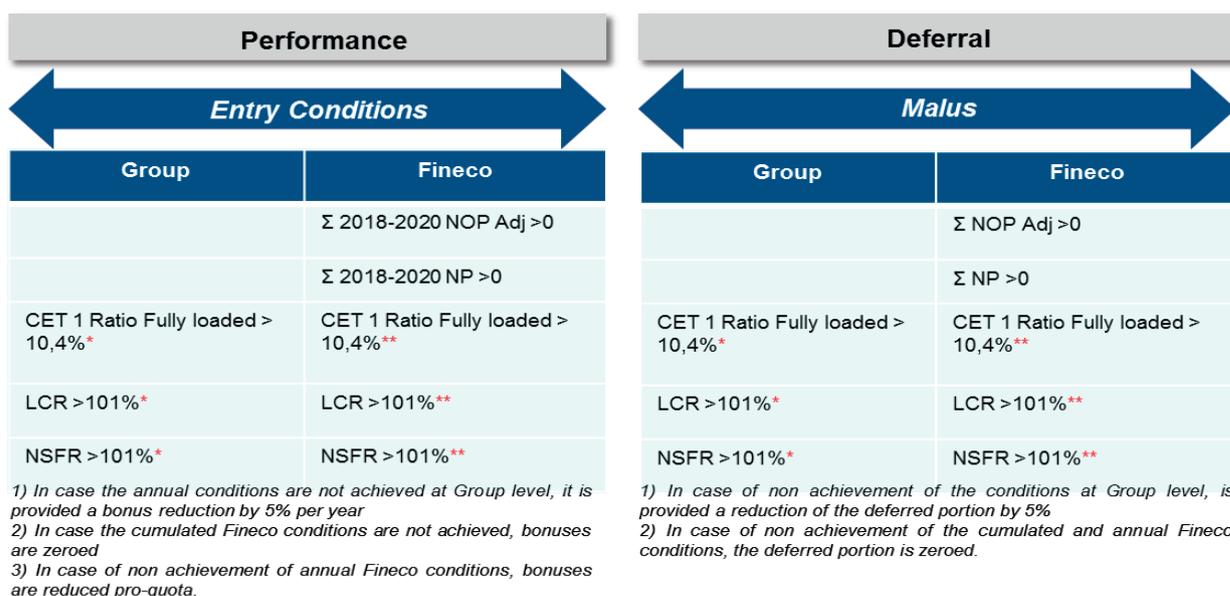
In order to comply with regulatory provisions, are defined:

- specific “Entry Conditions” at Fineco and Group level that will be measured within the Plan performance years and can confirm, reduce or cancel the individual bonuses pursuant to what is detailed below, and
- specific Fineco and Group Malus conditions measured within the deferral period that can confirm, reduce or cancel the deferred portions, pursuant to what is detailed below.

⁶⁶ The multiplier is not provided for Area Manager in consideration of the scope of the role and considering challenging the achievement of the over-performance in terms of Total Net Sales and Net Sales of Guided Products.

⁶⁷ Measured at 31/12/2020 as “cumulated” within the Plan performance years

For these purposes, specific Group and Fineco capital and liquidity indicators and Fineco profitability indicators have been defined. Capital and liquidity indicators (*Common Equity Tier 1 Ratio Fully Loaded, Liquidity Coverage Ratio and Net Stable Funding Ratio*) will be assessed yearly, while is provided a “cumulated” assessment of the profitability indicators (*Net Operating Profit Adjusted and Net Profit*). Below is shown the functioning mechanism of entry and malus conditions provided by the Plan.

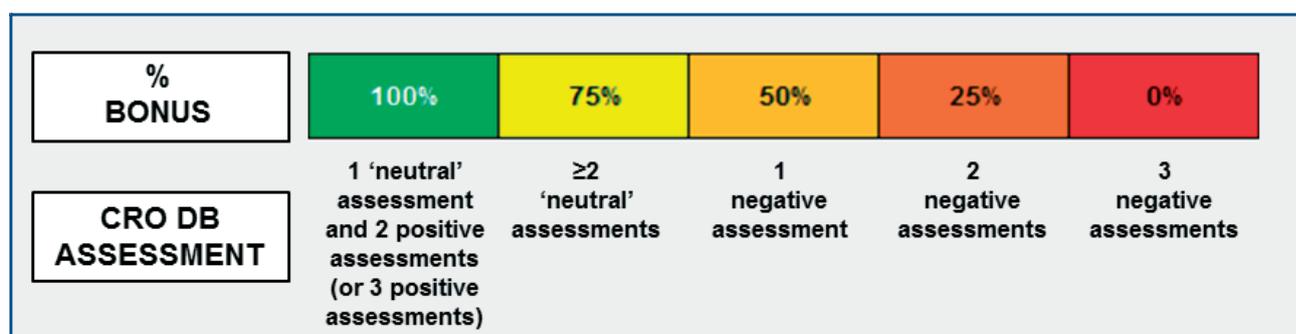


* In line with Group RAF 2018 (Trigger for CET1, Limit for LCR and NSFR). In case of more restrictive amendments provided by law in the Plan performance years, the thresholds will be modified accordingly.
** Values in line with Group ones. In case of more restrictive amendments provided by law in the Plan performance years, the thresholds will be modified accordingly.

The conditions must all be met for the purpose of awarding the maximum bonus (including deferrals).
The verification - in every year of performance of the Plan and in each year of bonus assignment - of the persistence of the agency relationship remains valid.
Each payment related to the Plan is subject to prior verification of the compliance of the behavior at individual level.
The bonus payment is subject to claw - back⁶⁸.

RISK ADJUSTMENT

For the purposes of the appropriate Plan correction for the Bank's Risk, the results of the annual CRO Dashboard assessments for the purposes of short-term incentive systems⁶⁹ will be taken into consideration for each year of the Plan's performance. The presence of several 'neutral' annual assessments or negative assessments will result in a proportional reduction of individual bonuses, as shown below.



68 See paragraph 3.2.
69 See paragraphs 5.3 and 5.5

5. Compensation Systems (CONTINUED)

5.6 2018 - 2020 Long Term Incentive Plan (LTI) for Financial Advisors Identified Staff (CONTINUED)

BONUS PAYMENT

A maximum bonus target of equal amount has been defined for all the participants of the plan, in line with the provisions of the applicable regulatory provisions and the FinecoBank Compensation Policy.

Individual bonuses - in particular - confirm compliance with the maximum limits for the variable remuneration envisaged for the Plan Beneficiaries, also taking into account the short-term variable remuneration attributable to each year of performance.

The bonuses will be paid 40% in cash and 60% in Fineco shares, according to the payment scheme shown below

2018 - 2020	2021	2022	2023	2024	2025
PERFORMANCE	20% UPFRONT CASH	20% DEFERRED CASH	20% UPFRONT SHARES	20% DEFERRED SHARES	20% DEFERRED SHARES

- In 2021 the first installment of the total incentive will be paid in cash once verified the compliance at the individual level with rules and principles of conduct and behavior, considering the severity of any internal / external inspections (ie Audit, Consob and / or similar local authorities);
- in 2022-2025 the remaining amount of the total incentive will be paid in several installments in cash and shares; each individual tranche will be subject to the application of the Zero Factor relating to the year of competence and to the verification of compliance by each beneficiary with rules and the principles of conduct and behavior.

As per regulations, there are periods of unavailability on the shares assigned equal to two years for the shares allocated upfront and one year for deferred shares.

The evaluation of the results and the conditions for the individual awarding of bonuses will be carried out by the Board of Directors, upon the proposal of the Remuneration Committee, according to the established governance⁷⁰.

The Board of Directors does not take into account, when deciding bonus, balance sheet extraordinary items which do not impact operational performance, regulatory capital and liquidity (e.g. goodwill impairment, extraordinary contributions to deposit guarantee schemes, etc.).

The maximum number of shares to be assigned with the third, fourth and fifth tranches of the bonus shall be defined in 2021, on the basis of the arithmetic mean of the official closing market price of Fineco ordinary shares during the month after the Board resolution that verifies the performance achievements in 2020.

⁷⁰ It is possible for the Remuneration Committee and the Board of Directors to increase bonuses up to 20% (within the maximum bonus provided by the Plan) or to correct them in negative without limits, in the presence of extraordinary conditions and taking into account elements such as for example behaviors with significant reputational impact. The 'positive' correction does not apply if the Group entry conditions are not reached, as described in this paragraph.

The Plan provides for an expected impact on FinecoBank share capital of approximately 0,08%, assuming that all free shares for Financial Advisors have been assigned. The current overall dilution for all other outstanding FinecoBank equity-based plans both for Employees and Financial Advisors equals 1,14%. However, the Plan does not have a proper dilution impact as the FinecoBank shares awarded are purchased on the market and are not generated through a free capital increase.

The beneficiaries cannot activate programs or agreements that specifically protect the value of unavailable financial instruments assigned within the incentive plans. Any form of coverage will be considered a violation of compliance rules and imply the consequences set out in the regulations, rules and procedures.

Moreover, following potential changes in current regulations and/or in relation to potential extraordinary and/or unpredictable contingencies which can impact the Group, the Company or the market in which it operates, the Board of Directors, having heard the opinion of Remuneration Committee, maintains the right to amend the system and relevant rules.

6. Compensation Data

6.1 2017 Compensation Outcomes

Employees

Euro/ 000												
Population as of 31/12/2017	No.	Fix	2017 Short Term Variable				Deferred variable from previous exercises***				Variable paid in 2017 from previous exercises ***	
			Upfront		Deferred		Vested in 2017		Unvested		€	Shares
			€	Shares	€	Shares	€	Shares	€	Shares		
			€	Shares	€	Shares	€	Shares	€	Shares	€	Shares
Chief Executive Officer and General Manager (CEO) *	1	850	170	-	255	425	56	2.371	282	4.041	395	1.425
Non-executives Directors**	13	707	-	-	-	-	-	-	-	-	-	-
Executives with strategic responsibilities	5	1.648	298	-	446	744	98	4.120	493	7.004	552	2.310
Other Identified staff	8	1.404	394	-	116	210	14	271	147	385	428	359

* 10 % of the amount has been paid by UniCredit S.p.A.

** Including members of the BoD whose office ended in 2017, members appointed and confirmed by the BoD on 11/04/2017 and members employees of Unicredit Group. The fix amount of members employees of Unicredit Group has been defined in compliance with the in force policy "Policy in materia di struttura, composizione e remunerazione degli Organi Sociali delle Società di Gruppo".

*** The shares amounts related to UniCredit Group Incentive System Plans are expressed with conversion rate and after Capital increase resolved on March, 13th 2017

Euro/ 000												
Population as of 31/12/2017	No.	Fix	2017 Short Term Variable				Deferred variable from previous exercises**				Variable paid in 2017 from previous exercises **	
			Upfront		Deferred		Vested in 2017		Unvested		€	Shares
			€	Shares	€	Shares	€	Shares	€	Shares		
			€	Shares	€	Shares	€	Shares	€	Shares	€	Shares
Identified Staff belonging to business functions *	5	2.178	436	-	653	1.089	144	6.059	722	10.295	888	3.485
Identified Staff belonging to support functions	6	1.140	226	-	164	290	24	520	118	949	324	479
Identified Staff belonging to control functions	3	583	200	-	-	-	-	183	82	187	163	129

* 10 % of the amount of the CEO has been paid by UniCredit S.p.A.

** The shares amounts related to UniCredit Group Incentive System Plans are expressed with conversion rate and after Capital increase resolved on March, 13th 2017

The vested component refers to cash and equity awards to which the right matured in 2017 as the performance conditions were achieved:

- vested cash payments refer to 2016 *Group Incentive System*;
- vested equity payments refer to 2013, 2014, 2015 *Group Incentive System* and to "2014-2017 Multi-year Plan Top Management".

The unvested component refer to cash and equity awards for which the right did not matured in 2017 and for which any potential future gain has not been yet realized and remains subject to future performance:

- unvested cash payments refer to 2015 and 2016 *Group Incentive System*;
- unvested equity payments refer to 2014, 2015, 2016 and "2014-2017 Multi-year Plan Top Management".

The value of the shares shown as 2017 short term variable and deferred variable from previous exercises is calculated considering:

- for 2014, 2015, 2016, 2017 *Group Incentive System* and for "2014-2017 Multi-year Plan Top Management", the arithmetic mean of the official closing prices of Fineco ordinary shares from January 5th to February 5th, 2018;
- for 2014 and 2013 *Group Incentive System* based on UniCredit shares, the arithmetic mean of the official closing prices of UniCredit ordinary shares from January 23th to February 23th, 2018.

Variable paid in 2017 from previous exercises includes pay-outs based on demonstrated multi-year performance achievements related to Group Incentive Systems plans based on Fineco and UniCredit shares, to the “2014-2017 Multi-year Plan Top Management” and to the “2014 Plan Key People”.

All stock options granted under existing Group LTI plans represent zero gain for the beneficiaries as long as the entry conditions will not allow the exercise.

The Chief Executive Officer and General Manager and 3 Executives with strategic responsibilities for 2017 have been rewarded with more than 1 mln Euros.

In the end, it is underlined that in 2017 any non standard⁷¹ remuneration has been paid for the Identified Staff.

It is underlined that in 2017 no Severance⁷² has been paid to or agreed with Identified Staff.

Financial Advisors

Euro/ 000

Population as of 31/12/2017	No.	Fix*	2017 Short Term Variable **				Deferred variable from previous exercises **				Variable paid in 2017 from previous exercises **	
			Upfront		Deferred		Vested in 2017		Unvested			
			€	Shares	€	Shares	€	Shares ***	€	Shares ***		
Personal Financial Advisors belonging to Identified Staff	7	4.608	311	0	107	268	34	355	97	656	344	124

* Recurring remuneration

** Non-recurring remuneration

*** Phantom Share

The vested component refers to cash, equity and phantom shares awards to which the right matured in 2017 as the performance conditions were achieved. In particular:

- vested cash payments refer to “2016 Group Incentive System PFA” for Financial Advisors and Managers of the Network;
- vested equity and phantom share payments refer to “2015 Group Incentive System PFA” and “2015-2017 Plan PFA” for Financial Advisors and Managers of the Network.

The unvested component refer to cash, equity and to Phantom shares to which the right did not matured in 2017 and for which any potential future gain has not been yet realized and remains subject to future performance. In particular:

- the unvested cash payment refer to “2015 Group Incentive System PFA” and to “2016 Group Incentive System PFA” for Financial Advisors and Managers of the Network.
- the unvested phantom shares refer to “2015 Group Incentive System PFA” for Financial Advisors and Managers of the Network
- the unvested equity refer to “2016 Group Incentive System PFA” and to “2015-2017 Plan PFA” for Financial Advisors and Managers of the Network.

The value of the shares / Phantom shares shown as 2017 short term variable and deferred variable from previous exercises is calculated considering the arithmetic mean of the official closing prices of Fineco ordinary shares from January 5th to February 5th, 2018.

Variable paid in 2017 from previous exercises includes pay-outs based on actual performance achievements related to “2014 Plan PFA”, to “2015 Group Incentive System PFA”, to “2016 Group Incentive System PFA” and to the “2014 Contest” plan for Financial Advisors and Managers of the Network.

71 See paragraph 3.4.

72 See paragraph 3.3.

6. Compensation Data (CONTINUED)

6.2 2017 Compensation Policy

Total compensation policy for non-Executive Directors, *Identified Staff* and for the overall employee population demonstrates in particular how:

- remuneration of the non-Executive Directors, as approved by the Shareholders' Meeting, does not include variable performance-related pay;
- *Identified Staff* are offered opportunities for variable compensation in line with their strategic role, regulatory requirements and our pay for performance culture;
- the general employee population is offered a balanced pay-mix in line with the role, scope and business or market context of reference.

COMPENSATION PAY-MIX

	FIX AND OTHER NON - PERFORMANCE RELATED PAY	VARIABLE PERFORMANCE - RELATED PAY
<i>NON-EXECUTIVE DIRECTORS</i>		
Chairman and Vice Chairman	100%	0%
Directors	100%	0%
Statutory Auditors	100%	0%
<i>OVERALL EMPLOYEE POPULATION</i>		
Business areas	77%	23%
Support function	92%	8%
Overall Company	89%	11%

6.3. Benefits Data

Our employees enjoy welfare, healthcare and life balance benefits that supplement social security plans and minimum contractual requirements. These benefits are intended to provide substantial guarantees for the well-being of staff and their family members during their active careers as well as in retirement.

In Italy, among the complementary pension plans, there are both defined performance funds (whose performances, which come to fruition once the retirement requirements are reached, are known in advance as they are set by the fund statute) and defined contribution plans (whose performances depend on the results of the asset management).

Complementary pension plans can also be classified as external or internal pension funds, where external funds are legally autonomous from the Group, while internal funds are accounting items entered into UniCredit S.p.A.'s balance sheet, whose creditor counterparts are the employees enrolled (both active and retired).

Both these categories are closed and, as such, they do not allow new subscriptions. The only exception is represented by the individual capitalization section of the "Fondo Pensione per il Personale delle Aziende del Gruppo UniCredit". Within this section subscribers can distribute their contribution – depending on their own risk appetite – among four investment lines (Insurance, Short, Medium and Long Term) characterized by different risk / yield ratios. In addition, always in this section, the enrolled employees may open complementary pension plan positions in favour of their family members dependent for tax purposes.

Ordinary Shareholders' Meeting of April 11, 2018RESULTS OF VOTINGSubject : **Approval of the financial statements as at December 31, 2017****Attendees:**n° **873** shareholders entitled to vote took part in the voting on own behalf or by proxyn° **500,253,459** ordinary shares**The counting of votes produced the following results:**

		%OF ORINARY SHARE CAPITAL PRESENT (Voting Quorum)	%OF ORDINARY SHARE ENTITLED TO VOTE	%SHARE CAPITAL
Favour	494,531,090	98.856106	98.856106	81.309556
Against	1,026,968	0.205290	0.205290	0.168851
SubTotal	495,558,058	99.061396	99.061396	81.478407
Abstention	958,769	0.191657	0.191657	0.157638
Not Voting	3,736,632	0.746948	0.746948	0.614368
SubTotale	4,695,401	0.938604	0.938604	0.772006
Total	500,253,459	100.000000	100.000000	82.250413

Shareholders:
Shareholders on own
behalf:873 People:
16 Shareholders by proxy:19
857

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **Approval of the financial statements as at December 31, 2017**

AGAINST

Surname	Tot. Votes	On own behalf	Proxy
6957 ESPOSITO MARCO	0	0	0
**D MERSEYSIDE PENSION FUND	209,168	0	209,168
6970 CLERICI CAMILLA	0	0	0
**D WEST MIDLANDS METROPOLITAN AUT PENS FD	97,000	0	97,000
**D FCP VILLIERS ACTIONS EDRAM	720,800	0	720,800
Total votes	1,026,968		
Percentage of voters%	0.205290		
Percentage of share capital %	0.168851		

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **Approval of the financial statements as at December 31, 2017****ABSTENTIONS**

Surname	Tot. Votes	On own behalf	Proxy
6304 CROCE MARIO	1	1	0
6957 ESPOSITO MARCO	0	0	0
**D CITY OF NEW YORK GROUP TRUST	438,768	0	438,768
6970 CLERICI CAMILLA	0	0	0
**D ARCA FONDI SGR - FONDO ARCA AZIONI ITALIA	100,000	0	100,000
**D CHALLENGE FUNDS CHALLENGE ITALIAN EQUITY	420,000	0	420,000
Total votes	958,769		
Percentage of voters%	0.191657		
Percentage of share capital%	0.157638		

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **Approval of the financial statements as at December 31, 2017**

NON VOTING

Surname	Tot. Votes	On own behalf	Proxy
6970 CLERICI CAMILLA	0	0	0
**D GENERALI SMART FUNDS SICAV	70,632	0	70,632
**D GENERALI INVESTMENTS SICAV	1,500,000	0	1,500,000
**D INTERFUND SICAV INTERFUND EQUITY ITALY	64,000	0	64,000
**D FIDEURAM ASSET MANAGEMENT (IRELAND) FONDITALIA EQUITY ITALY	428,000	0	428,000
**D FIDEURAM ASSET MANAGEMENT (IRELAND) FIDEURAM FUND EQUITY ITALY	5,000	0	5,000
**D FIDEURAM INVESTIMENTI SGR - FIDEURAM ITALIA	9,000	0	9,000
**D FIDEURAM INVESTIMENTI SGR - PIANO AZIONI ITALIA	150,000	0	150,000
**D FIDEURAM INVESTIMENTI SGR - PIANO BILANCIATO ITALIA 50	10,000	0	10,000
**D MEDIOLANUM GESTIONE FONDI SGR - FLESSIBILE FUTURO ITALIA	1,500,000	0	1,500,000
Total votes	3,736,632		
Percentage of voters%	0.746948		
Percentage of share capital %	0.614368		

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **Approval of the financial statements as at December 31, 2017**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
6041 BONETTI EMANUELE	10	10	0
6058 DE TOMASI PAOLA	4,000	4,000	0
6102 CERASUOLO STEFANO	9,481	9,481	0
6122 FOGLI MAURIZIO	1	1	0
6474 ANGELINI ALESSANDRO	250	250	0
6504 TIMUS ANDREEA	5	5	0
6547 GHIBAUDI LEOPOLDO	9,000	9,000	0
6616 ROSSI GIULIA	8,000	8,000	0
6755 LEONETTI GIULIANO	100	100	0
6849 LOIZZI GERMANA	3	3	0
6957 ESPOSITO MARCO	0	0	0
**D CITI RETIREMENT SAVINGS PLAN	137,653	0	137,653
**D UWF TROW INTL DISCOVERY	45,589	0	45,589
**D STANDARD LIFE INVESTMENTS GLOBAL SICAV II	53,674	0	53,674
**D SUBSIDIZED SCHOOLS P FUND NORTHERN	4,211	0	4,211
**D WILLIS TOWERS WATSON GROUP TRUST	3,441	0	3,441
**D 55016 UP INTERNATIONALE AKTIER	236,395	0	236,395
**D 56053 IP GLOBAL EQUITIES I	29,217	0	29,217
**D AST TRP DIVERS REAL GWTH PORT PDMO	1,049	0	1,049
**D ADVANCED SERIES TRUST AST T ROWE PRICE GROWTH OPPORTUNITIES PORTFOLIO GATEWAY CENTER	36,297	0	36,297
**D BNYMTD CF MITON EUROPEAN OPPTS FUND	630,272	0	630,272
**D NATIONAL BANK TRUST	42,267	0	42,267
**D RVN WILLIAM BLAIR	6,037	0	6,037
**D POWERSHARES PUREBETA FTSE DEVELOPED EX NORTHAMERICA PORTFOLIO	62	0	62
**D CHI OPERATING INVESTMENT PROGRAM LP	117,380	0	117,380
**D CATHOLIC HEALTH INITIATIVES MASTER TRUST	57,179	0	57,179
**D FIRST INITIATIVES INSURANCE LIMITED	12,910	0	12,910
**D GLOBAL EQUITY WELLINGTON	138,921	0	138,921
**D GLOBAL INVESTMENT FUND	31,323	0	31,323
**D MFS INTL EQUITY FUND	28,677	0	28,677
**D USBK MOMENTUMSHARES INTL QUANT ETF	121,743	0	121,743
**D 1135 APG DME STCK SEL	94,081	0	94,081
**D 1216 APG DME FINANC	2,255,729	0	2,255,729
**D UNISYS MASTER TRUST	60,092	0	60,092
**D AMG CHICAGO EQUITY PARTNERS BALANCED FUND	900	0	900
**D SAN FRANCISCO CITY AND COUNTY EMPLOYEES RETIREMENT SYSTEM	116,549	0	116,549
**D STICHTING DEPOSITARY APG DEVELOPED MARKETS EQUITY POOL	743,008	0	743,008
**D ELEMENTS INTERNATIONAL SMALL CAP PORTFOLIO	8,111	0	8,111
**D MANNING AND NAPIER FUND INC RAINIER INTERNATIONAL DISCOVERY FUND	605,665	0	605,665
**D FIRST INVESTORS GLOBAL FUND	237,361	0	237,361
**D PS FTSE LO BT EQ WT PORT	12,210	0	12,210
**D NYKREDIT ENGROS GLOBAL OPPORTUNITIES	56,912	0	56,912

Page 4

Shareholders:

857 People:

18

DE* proxy to the natural person above mentioned with the badge number

Shareholders on own behalf:

15

Shareholders by proxy:

842

**D proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations")

RL* legal representation to the natural person above mentioned with the badge number

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **Approval of the financial statements as at December 31, 2017**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D EIR EIE WELLINGTON INT	106,784	0	106,784
**D WILM MULTI MGR INTL FD OBERWEIS	216,903	0	216,903
**D AST PRU GRWTH ALL PTF QMA EAFE PDDF	59,020	0	59,020
**D PS FTSERAFI EUSM UCITS ETF BNYMTCIL	2,477	0	2,477
**D PS SP INTL DEVEL QUALITY PORTFOLIO	5,359	0	5,359
**D PS FR DEVEL MARK EX US SMALL PORT	17,503	0	17,503
**D AST FI PYRAMIS QUANT AA IE SC PDGJ	115,638	0	115,638
**D AST RCM WORLD TRENDS PORT PDBF	205,800	0	205,800
**D PENSION RESERVES INVESTMENT TRUST FUND	499,450	0	499,450
**D LMIF LMGAMI EURO SMLL CP	110,589	0	110,589
**D WELLINGTON MGMT CY LLPQUALITY EDUC FD	82,675	0	82,675
**D BNYMTCIL LAZARD GBL MANAGED VOL FD	31,714	0	31,714
**D IQ 50 PERCENT HEDGED FTSE EURO ETF	6,718	0	6,718
**D DB LAZARD GLB MNGD	25,000	0	25,000
**D AXA MPS FINANCIAL DAC	170,000	0	170,000
**D DEUTSCHE XTRK MSCI EMU HDG EQ ETF	3,191	0	3,191
**D BLACKROCK GLOBAL FUNDS	6,826,006	0	6,826,006
**D FPXF WILLIAM BLAIR CO	68,864	0	68,864
**D BLL AQUILA LIFE EUROPEAN EQUITY	437,644	0	437,644
**D BLL AQUILA LIFE OSEAS EQUITY FUND	3,292	0	3,292
**D AARP INSURANCE PLAN	10,266	0	10,266
**D AARP FOUNDATION	4,977	0	4,977
**D BNYMTD FTF FRANKLIN EUROPEAN OPP FD	7,195	0	7,195
**D MI FONDS K12 SPK	91,583	0	91,583
**D BANK OF AMERICA PENSION PLAN OECHSLE	190,091	0	190,091
**D BOA FBO SKL INVESTMENT GRP LLC	13,860	0	13,860
**D WMP OPP INVESTMENT PRINS LP	30,869	0	30,869
**D AARP LAZARD LQE GLB	29,329	0	29,329
**D DEUTSCHE XTRK MSCI EAFE SC HDG ETF	466	0	466
**D DBX FTSE DEV EX US COMP FACTOR	557	0	557
**D THE CLEVELAND CLINIC FOUNDATION	32,555	0	32,555
**D EATON VANCE MGMT INTL SMALL CAP	1,317	0	1,317
**D SLI EUROPEAN SMALLER COMPANIES	2,375,761	0	2,375,761
**D PS SP INTL DEVEL MOMENTUM PORT	504	0	504
**D HP INC MASTER TRUST	54,785	0	54,785
**D ONFF WILLIAM BLAIR NONUS	24,516	0	24,516
**D CE8F WILLIAM BLAIR IACG	185,061	0	185,061
**D RAYTHEON MASTER PENSION TRUST	38,925	0	38,925
**D VANGUARD INTL HIGH DIV YLD INDEX FD	42,184	0	42,184
**D BSNF NTR WILLIAM BLAIR	18,975	0	18,975
**D BSPF PMT WILLIAM BLAIR	24,044	0	24,044
**D DEAM FONDS SPEZIAL 2 AEQ SPK	1,269,411	0	1,269,411

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Shareholders: 857 People:
 Shareholders on own behalf: 15 Shareholders by proxy:

18 DE* proxy to the natural person above mentioned with the badge number
 842 **D proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations")
 RL* legal representation to the natural person above mentioned with the badge number

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **Approval of the financial statements as at December 31, 2017**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D DEAM FOND SPEZIAL 18 AEQ SPK	285,507	0	285,507
**D BLL DC EUROPEAN GROWTH FD AG PF	120,522	0	120,522
**D BNYMTD BIEF CONT EUR INV	56,736	0	56,736
**D BNYMTD BLK CONT EURO FD	618,846	0	618,846
**D BGF EUROPEAN SPECIAL SITUATIONS FUND	2,200,058	0	2,200,058
**D BGF CONT EURO FLEXIBLE FD EURO EQFD	3,798,551	0	3,798,551
**D BNYMTD RAMAM WORLD RECOVERY FUND	109,740	0	109,740
**D LRPF WILLIAM BLAIR	65,726	0	65,726
**D DEUTSCHE XTRK MSCI STH EUR HDG ETF	199	0	199
**D ATFF AMERICAN CENTURY	44,194	0	44,194
**D RZSF3001 NON US GE W BLAIR	134,381	0	134,381
**D MSV JP MORGAN	62,372	0	62,372
**D ALASKA PERMANENT FUND CORPORATION	359,406	0	359,406
**D SCA LAZARD	24,315	0	24,315
**D AON HEWITT COLLECTIVE INVESTMENT TRUST	41,778	0	41,778
**D MINISTERS AND MISSIONARIES BENEFIT BOARD OF AMERICAN BAPTIST CHURCH	16,459	0	16,459
**D MIN DEF PF OMAN AMUNDI EURSILV	77,256	0	77,256
**D BNYMTD BLK EURO DYNAMIC FD	3,063,616	0	3,063,616
**D PHC NT SMALL CAP	28,250	0	28,250
**D BNYMTD RM GLOBAL HIGH ALPHA FUND	28,810	0	28,810
**D AMG TIMESQUARE INTL SM CAP	1,205,000	0	1,205,000
**D BNYMTD BLK CONTINENTAL EURO INC	5,765,726	0	5,765,726
**D BNYMTD BLK CONT EUR EQ TRCK FD INV	313,139	0	313,139
**D OPERATING ENGINEERS LOCAL 101 PENSION FUND	120,000	0	120,000
**D BELL ATLANTIC MASTER TRUST	41,418	0	41,418
**D VERIZON MASTER SAVINGS TRUST	62,887	0	62,887
**D VOYA MULTI MANAGER INTERNATIONAL EQUITY FUND	49,013	0	49,013
**D THE EDUCATIONAL EMPLOYEES SUPPLEMENTARY RETIREMENT SYSTEM OF FAIRFAX COUNTY	5,348	0	5,348
**D GENERAL MILLS INVESTMENT TRUST	53,503	0	53,503
**D INDIANA PUBLIC RETIREMENT SYSTEM	20,228	0	20,228
**D KENTUCKY RETIREMENT SYSTEMS	580,000	0	580,000
**D KENTUCKY RETIREMENT SYSTEMS INSURANCE TRUST FUND	250,000	0	250,000
**D PUBLIC EMPLOYEES RETIREMENT SYSTEM OF MISSISSIPPI	72,395	0	72,395
**D PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF NEW MEXICO	16,687	0	16,687
**D BOARD OF PENSIONS OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA	80,956	0	80,956
**D JOHN S AND JAMES L KNIGHT FOUNDATION	65,800	0	65,800
**D SOUTH CAROLINA RETIREMENT SYSTEMS GROUP TRUST	288	0	288
**D UMC BENEFIT BOARD, INC	22,892	0	22,892
**D PRUDENTIAL INVESTMENT PORTFOLIO 2 PRUDENTIAL QMA INTL DEVELOPED MRKTS INDEX FUND	845	0	845
**D AHL DESERTWOOD FUND LIMITED C/O CITCO TRUSTEES (CAYMAN) LIMITED	109,956	0	109,956
**D PANAGORA DIVERSIFIED ARBITRAGE MASTER FUND LTD	2,630	0	2,630
**D MAP 192 SEGREGATED PORTFOLIO, PANAGORA ASST MGMNT INC PM ACT	30,024	0	30,024

Shareholders: 857 People: 18
 Shareholders on own behalf: 15 Shareholders by proxy: 842

Ordinary Shareholders' Meeting of April 11, 2018

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Surname	Tot. Votes	On own behalf	Proxy
**D GOVERNMENT OF NORWAY	4,267,532	0	4,267,532
**D NORGES BANK	225,448	0	225,448
**D UBS (LUX) EQUITY SICAV	68,735	0	68,735
**D UBS FUND MGT (CH) AG CH0516/UBSCHIF2-EGSCPII	98,996	0	98,996
**D UBS FUND MANAGEMENT (SWITZERLAND) AG,	123,764	0	123,764
**D CH0526 - UBS (CH) INSTITUTIONAL FUND - EQUITIES GLOBAL SMALL CAP PASSIVE II	15,606	0	15,606
**D AHL ALPHA MASTER LIMITED C/O CITCO TRUSTEES (CAYMAN) LIMITED	32,434	0	32,434
**D AHL DIRECTIONAL EQUITIES MASTER LIMITED	32,040	0	32,040
**D AHL EVOLUTION LTD SHARMAINE BERKELEY ARGONAUT LTD	777,939	0	777,939
**D ALT BETA EQUITY SIZE STRATEGY LIMITED CO NUMERIC INVESTORS LLC	310,536	0	310,536
**D AVIVA INVESTORS INTERNATIONAL INDEX TRACKING FUND	10,830	0	10,830
**D BLUE MOUNTAIN CREDIT ALTERNATIVES MASTER FUND LP CO M AND C CORP SERVICES LTD	67,980	0	67,980
**D BLUEMOUNTAIN FURSAN FUND LP CO MAPLES CORP SERVICES LIMITED	8,817	0	8,817
**D BLUEMOUNTAIN GUADALUPE PEAK FUND L,P,CO CORPORATION SERVICE COMPANY	4,655	0	4,655
**D BLUEMOUNTAIN KICKING HORSE FUND L,P, C/O MAPLES CORPORATE SVCS LTD	11,285	0	11,285
**D BLUEMOUNTAIN SYSTEMATIC MASTER FUND LP MAPLES CORP SERVICES LTD	40,285	0	40,285
**D CITITRUST LIMITED AS TRUSTEE OF BLACKROCK PREMIER FUNDS-BLACKROCK WORLD EQUITY INDEX FUND	326	0	326
**D IRISH LIFE ASSURANCE,	171,778	0	171,778
**D LAZARD ASSET MANAGEMENT LLC C/O LAZARD ASSET MANAGEMENT LLC - EUROPEAN LONG/SHORT	40,152	0	40,152
**D LEGAL AND GENERAL	116,862	0	116,862
**D LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	1,472,983	0	1,472,983
**D LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	15,847	0	15,847
**D LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	13,760	0	13,760
**D LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	52,838	0	52,838
**D LEGAL AND GENERAL COLLECTIVE INVESTMENT TRUST,	8,597	0	8,597
**D MCKINLEY NON US DEVELOPED 130 30 GROWTH ONSHORE FUND LP C O MCKINLEY C,MGMT,LLC	68,998	0	68,998
**D PANAGORA ASSET MANAGEMENT INC,	1,731	0	1,731
**D SLIC ER EX UK SM CM FD XESC	273,095	0	273,095
**D STANDARD LIFE INVESTMENT COMPANY GLOBAL SMALLER	2,573,190	0	2,573,190
**D STICHTING PENSIOENFONDS KPN STICHTING PENSIOENFONDS POSTNL STICHTING PENSIOENFONDS AVEBE	570,407	0	570,407
**D STICHTING PGM DEPOSITARY	422,749	0	422,749
**D THREADNEEDLE (LUX)	1,124,222	0	1,124,222
**D THREADNEEDLE INVESTMENT FUNDS ICVCA,	9,413,406	0	9,413,406
**D ZURICH LIFE ASSURANCE PLC	84,359	0	84,359
**D THREE CORNER MASTER L/SFUND LP	1,427,900	0	1,427,900
**D LUCERNE CAPITAL MASTER FUND LP	427,175	0	427,175
**D MANUFACTURERS AND TRADERS TRUST COMPANY	3,180	0	3,180
**D UNIVERSITY CLUB	630	0	630
**D FEDERATED KAUFMANN FUND	5,125,000	0	5,125,000
**D FEDERATED KAUFMANN FUND II	131,600	0	131,600
**D FEDERATED KAUFMANN SMALL CAP FUND	874,310	0	874,310
**D FIDELITY RUTLAND SQUARE TR II: STRAT ADV INT MULTI-MANAGER F	3,243	0	3,243

Ordinary Shareholders' Meeting of April 11, 2018

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Subject: **Approval of the financial statements as at December 31, 2017**

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Surname	Tot. Votes	On own behalf	Proxy
**D FIDELITY RUTLAND SQUARETRUST II: STRATEGIC ADVISERS INT F	312,995	0	312,995
**D LAUDUS INTERNATIONAL MARKETMASTERS FUND	464,055	0	464,055
**D SCHWAB INTERNATIONAL EQUITY ETF	313,517	0	313,517
**D LAZARD ASSET MANAGEMENT LLC	1,352	0	1,352
**D LAZARD RETIREMENT GLOBAL DYNAMIC MULTI ASSET PORTFOLIO	11,974	0	11,974
**D LAZARD MANAGED EQUITY VOLATILITY PORTFOLIO	3,051	0	3,051
**D LAZARD GLOBAL DYNAMIC MULTI ASSET PORTFOLIO	1,953	0	1,953
**D LAZARD REAL ASSETS AND PRICING OPPORTUNITIES PORTFOLIO	1,207	0	1,207
**D WELLINGTON GLOBAL OPPORTUNITIES FUND (CANADA)	100,206	0	100,206
**D WELLINGTON INTERNATIONAL OPPORTUNITIES FUND	16,577	0	16,577
**D MANNING AND NAPIER	902,020	0	902,020
**D MFS HERITAGE TRUST COMPANY COLLECTIVE INVESTMENT TRUST	135,594	0	135,594
**D INTERNATIONAL MONETARY FUND	15,994	0	15,994
**D ALLIANZ GLOBAL INVESTORS GMBH FOR ALLIANZGI-FONDS GHS	154,000	0	154,000
**D AMERICAN CENTURY STRATEGIC ASSET ALL, INC, STRAT ALL CONS F	1,280	0	1,280
**D AMERICAN CENTURY STRAT ASSET ALL, INC, STRAT ALL MODERATE F	4,430	0	4,430
**D AMERICAN CENTURY STRAT ASSET ALL, INC, STRATEGIC ALL AGGR F	4,680	0	4,680
**D AMERICAN CENTURY WORLD MUTUAL FUNDS, INC, INTL DISCOVERY F	141,830	0	141,830
**D AMERICAN CENTURY WORLD MUTUAL FUNDS, INC, INTL OPPORTUNITIES	170,088	0	170,088
**D AMERICAN CENTURY WORLD MUTUAL FUNDS INC - NT INT SM MID CAP F	61,980	0	61,980
**D AMERICAN CENTURY WORLD MUTUAL FUNDS, INC, - GLO SMALL CAP FD	6,683	0	6,683
**D AMERICAN CENTURY RETIREMENT DATE TRUST	61,347	0	61,347
**D ANIMA FUNDS PLC	78,238	0	78,238
**D CAREFIRST, INC, RETIREMENT PLAN TRUST FOR GHMSI ASSETS	43,000	0	43,000
**D CAREFIRST, INC, RETIREMENT PLAN TRUST FOR CFMI ASSETS	39,000	0	39,000
**D UAW RETIREE MEDICAL BENEFITS TRUST	101,658	0	101,658
**D HENDERSON INTERNATIONAL SMALL CAP FUND	20,028	0	20,028
**D SCPMG KEOGH PLAN	10,104	0	10,104
**D CALVERT WORLD VALUES F INC - CALVERT INT OPPORTUNITIES FUND	265,955	0	265,955
**D CALVERT RESP INX SRS, INC,-CLVRT DVD MRKTS EX-U,S, RSP INX FD	2,736	0	2,736
**D CONCEPT FUND SOLUTIONS PLC	1,286	0	1,286
**D THE REGENTS OF THE UNIVERSITY OF CALIFORNIA	206,295	0	206,295
**D MICROSOFT CORPORATION SAVINGS PLUS 401(K) PLAN	257,045	0	257,045
**D VALIC COMPANY I - ASSET ALLOCATION FUND	5,958	0	5,958
**D ALLIANZGI INTERNATIONAL SMALL-CAP FUND	308,542	0	308,542
**D PARAMETRIC INTERNATIONAL EQUITY FUND	4,180	0	4,180
**D EATON VANCE INTERNATIONAL SMALL-CAP FUND	34,992	0	34,992
**D FRANKLIN TEMPLETON ETF TRUST - FRANKLIN FTSE EUROPE ETF	4,305	0	4,305
**D FRANKLIN TEMPLETON ETF TRUST - FRANKLIN FTSE ITALY ETF	2,946	0	2,946
**D FRANKLIN TEMPLETON ETF TRUST-FRANKL LIBERTY INT OPPORTUN ETF	9,212	0	9,212
**D FRANKLIN TEMPLETON ETF TRUST - FRANKLIN FTSE EUROPE HEDGED ETF	1,400	0	1,400
**D THE GABELLI GLOBAL SMALL AND MID CAP VALUE TRUST	53,000	0	53,000

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **Approval of the financial statements as at December 31, 2017**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D THE GABELLI GLOBAL RISING INCOME AND DIVIDEND FUND	27,000	0	27,000
**D GUARDIAN INTERNATIONAL GROWTH VIP FUND	6,545	0	6,545
**D GAM STAR FUND P,L,C,	3,618,908	0	3,618,908
**D RUSSELL INVESTMENT COMPANY SELECT INTERNATIONAL EQUITY FUND	15,376	0	15,376
**D E,SUN COMM BANK LTD IN ITS CAP AMC OF NOM EUR MID SM CAP GR F	43,513	0	43,513
**D HARTFORD INTERNATIONAL OPPORTUNITIES HLS FUND	556,165	0	556,165
**D THE HARTFORD INTERNATIONAL GROWTH FUND	109,838	0	109,838
**D THE HARTFORD INTERNATIONAL OPPORTUNITIES FUND	1,168,591	0	1,168,591
**D HARTFORD INTERNATIONAL EQUITY FUND	29,877	0	29,877
**D THE HARTFORD GLOBAL ALL- ASSET FUND	38,263	0	38,263
**D ALLIANZGI GLOBAL SMALL-CAP FUND	145,266	0	145,266
**D TCW INTERNATIONAL SMALL CAP FUND	14,710	0	14,710
**D WILLIAM BLAIR COLLECTIVE INVESTMENT TRUST	320,539	0	320,539
**D WILLIAM BLAIR INTERNATIONAL GROWTH FUND	871,300	0	871,300
**D WILLIAM BLAIR INSTITUTIONAL INTERNATIONAL GROWTH FUND	667,695	0	667,695
**D LAZARD GLOBAL MANAGED VOLATILITY (CANADA) FUND	2,530	0	2,530
**D MAINSTAY EPOCH CAPITAL GROWTH FUND	64,534	0	64,534
**D MM SELECT EQUITY ASSET FUND	4,584	0	4,584
**D LAZARD WILMINGTON GLOBAL MANAGED VOLATILITY PORTFOLIO	27,779	0	27,779
**D ANCHOR SERIES TRUST STRATEGIC MULTI-ASSET PORTFOLIO	5,883	0	5,883
**D ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM	78,810	0	78,810
**D RUSSELL COMMON CONTRACTUAL FUND	16,027	0	16,027
**D KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM	138,639	0	138,639
**D KP INTERNATIONAL EQUITY FUND	20,205	0	20,205
**D LAZARD GLOBAL INVESTMENT FUNDS PUBLIC LIMITED COMPANY	751,719	0	751,719
**D MARYLAND STATE RETIREMENT & PENSION SYSTEM	15,867	0	15,867
**D GTAA PANTHER FUND L,P	2,894	0	2,894
**D MERCER QIF CCF	2,080,743	0	2,080,743
**D STATE OF MONTANA BOARD OF INVESTMENTS	42,090	0	42,090
**D TEXAS MUNICIPAL RETIREMENT SYSTEM	272,348	0	272,348
**D STATE OF NEW JERSEY COMMON PENSION FUND D	161,132	0	161,132
**D NEW YORK STATE DEFERRED COMPENSATION PLAN	76,623	0	76,623
**D LAZARD GLOBAL BALANCED INCOME FUND	778	0	778
**D LAZARD GLOBAL LOW VOLATILITY FUND	3,151	0	3,151
**D CITY OF NEW YORK GROUP TRUST	180,406	0	180,406
**D PRINCIPAL EXCHANGE-TRADED FDS-PRINC INT MULTI-FACTOR INDEX ETF	1,239	0	1,239
**D WELLINGTON GLOBAL OPPORTUNITIES EX-JAPAN FUND	68,655	0	68,655
**D THRIVENT MODERATE ALLOCATION PORTFOLIO	12,777	0	12,777
**D THRIVENT MODERATELY AGGRESSIVE ALLOCATION PORTFOLIO	4,781	0	4,781
**D THRIVENT AGGRESSIVE ALLOCATION PORTFOLIO	1,415	0	1,415
**D THRIVENT MODERATE ALLOCATION FUND	2,306	0	2,306
**D THRIVENT MODERATELY AGGRESSIVE ALLOCATION FUND	2,077	0	2,077

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**D THRIVENT AGGRESSIVE ALLOCATION FUND	1,282	0	1,282
**D THRIVENT GROWTH AND INCOME PLUS FUND	2,391	0	2,391
**D THRIVENT BALANCED INCOME PLUS FUND	6,696	0	6,696
**D THRIVENT GROWTH AND INCOME PLUS PORTFOLIO	2,616	0	2,616
**D THRIVENT BALANCED INCOME PLUS PORTFOLIO	7,564	0	7,564
**D THRIVENT LARGE CAP STOCK FUND	77,587	0	77,587
**D THRIVENT LARGE CAP STOCK PORTFOLIO	37,683	0	37,683
**D THRIVENT CORE INTERNATIONAL EQUITY FUND	105,132	0	105,132
**D THRIVENT DIVERSIFIED INCOME PLUS FUND	9,206	0	9,206
**D THRIVENT DIVERSIFIED INCOME PLUS PORTFOLIO	6,886	0	6,886
**D RUSSELL INVESTMENTS OVERSEAS EQUITY POOL	62,621	0	62,621
**D RUSSELL INVESTMENTS MULTI-FACTOR INTERNATIONAL EQUITY POOL	837	0	837
**D RUSSELL INSTITUTIONAL FUNDS,LLC-RUSSELL INTL EQUITY FUND	61,886	0	61,886
**D RUSSELL INVESTMENTS OVERSEAS EQUITY FUND	35,453	0	35,453
**D BANK OF KOREA	187,738	0	187,738
**D BIMCOR GLOBAL SMALL CAP POOLED FUND	43,678	0	43,678
**D CHANG HWA COMMERCIAL BANK, LTD,, IN ITS CAPACITY AS MASTER	288,800	0	288,800
**D STATE STREET IRELAND UNIT TRUST	2,399	0	2,399
**D SSGA SPDR ETFS EUROPE II PUBLIC LIMITED COMPANY	45,021	0	45,021
**D CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM	869,247	0	869,247
**D DELTASHARES S+P INTERNATIONAL MANAGED RISK ETF	6,109	0	6,109
**D CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM	517,835	0	517,835
**D TENNESSEE CONSOLIDATED RETIREMENT SYSTEM	190,600	0	190,600
**D TENNESSEE CONSOLIDATED RETIREMENT SYSTEM	348,095	0	348,095
**D PINEBRIDGE GLOBAL FUNDS	36,601	0	36,601
**D METZLER ASSET MANAGEMENT GMBH FOR MI-FONDS 415	97,000	0	97,000
**D ALLIANZ GLOBAL INVESTORS GMBH FOR ALLIANZGI-FONDS HPT	346,439	0	346,439
**D CAPITAL GROUP GLOBAL EQUITY FUND (CANADA)	2,865,000	0	2,865,000
**D CAPITAL GROUP GLOBAL BALANCED FUND (CANADA)	230,000	0	230,000
**D SAINT-GOBAIN CORPORATION DEFINED BENEFIT MASTER TRUST	27,921	0	27,921
**D VANGUARD FTSE DEVELOPED EUROPE ALL CAP INDEX ETF	8,413	0	8,413
**D VANGUARD FTSE DEVELOPED ALL CAP EX NORTH AMERICA INDEX ETF	8,644	0	8,644
**D VANGUARD DEVEL ALL-CAP EX NORTH AMERICA EQT IND POOLED FUND	541	0	541
**D VANGUARD GLOBAL LIQUIDITY FACTOR ETF	1,061	0	1,061
**D VANGUARD GLOBAL MOMENTUM FACTOR ETF	1,558	0	1,558
**D VANGUARD INVESTMENTS II COMMON CONTRACTUAL FUND	32,024	0	32,024
**D VANGUARD INVESTMENTS COMMON CONTRACTUAL FUND	36,461	0	36,461
**D VANGUARD FTSE DEVELOPED EUROPE INDEX ETF	1,123	0	1,123
**D VALIC COMPANY II INTERNATIONAL OPPORTUNITIES FUND	125,203	0	125,203
**D THE WELLINGTON TR COM NATIONAL ASS MULT COLLECT INV F TRUST	343,065	0	343,065
**D THE WELLINGTON TR CO NAT ASS MULT C TR F TR, OPPORT EQ PTF	72,130	0	72,130
**D THE WELLINGTON TR CO NAT ASS MULT COM GLB OPPORT PTF	45,012	0	45,012

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Shareholders:

857 People:

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DE* proxy to the natural person above mentioned with the badge number

Shareholders on own behalf:

15

Shareholders by proxy:

842

**D proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations)

RL* legal representation to the natural person above mentioned with the badge number

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RESULTS OF VOTING

Subject: **Approval of the financial statements as at December 31, 2017**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D THE WELLINGTON TR CO NAT ASS MULT COLLECTIVE INV F TRUST II	222,999	0	222,999
**D WELLS FARGO BK DECL OF TR EST INV FUNDS FOR EMPLOYEE BEN TR	48,345	0	48,345
**D WELLS FARGO MASTER TRUST-WELLS FRGO FACTR ENHANCED INT PRTFLIO	32,119	0	32,119
**D WISDOMTREE ISSUER PUBLIC LIMITED COMPANY	4,015	0	4,015
**D WASHINGTON STATE INVESTMENT BOARD	165,288	0	165,288
**D WISDOMTREE DYNAMIC CURRENCY HEDGED EUROPE EQUITY FUND	1,905	0	1,905
**D WISDOMTREE DYNAMIC CURRENCY HEDGED INTRNL EQUITY FUND	21,885	0	21,885
**D WISDOMTREE INTERNATIONAL HIGH DIVIDEND FUND	18,621	0	18,621
**D WISDOMTREE INTERNATIONAL MIDCAP DIVIDEND FUND	61,943	0	61,943
**D WISDOMTREE EUROPE LOCAL RECOVERY FUND	10,772	0	10,772
**D WISDOMTREE EUROPE HEDGED SMALLCAP EQUITY FUND	201,403	0	201,403
**D NEW YORK STATE TEACHERS RETIREMENT SYSTEM	214,056	0	214,056
**D PRUDENTIAL BANK AND TRUST	97,233	0	97,233
**D PRUDENTIAL RETIREMENT INSURANCE & ANNUITY COMPANY	118,313	0	118,313
**D WELLINGTON MANAGEMENT FUNDS (IRELAND) PLC	2,363	0	2,363
**D SPDR EURO STOXX SMALL CAP ETF	49,165	0	49,165
**D SS FTSE DEV COMPREHENSIVE FACTOR IND NON-LENDING COMMON TRU FD	4,034	0	4,034
**D SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMENT PL	711,442	0	711,442
**D AXA WORLD FUNDS	13,211,990	0	13,211,990
**D ALLIANZ GLOBAL INVESTORS FUND	1,883,899	0	1,883,899
**D BLACKROCK STRATEGIC FUNDS	334,818	0	334,818
**D DB X-TRACKERS	487,536	0	487,536
**D DEUTSCHE INVEST I	2,175,336	0	2,175,336
**D MFS MERIDIAN FUNDS	1,306,568	0	1,306,568
**D KIEGER FUND I	23,718	0	23,718
**D UBS ETF	65,218	0	65,218
**D DEUTSCHE ASSET MNGM INV GMBH FOR DWS EUROPE DYNAMIC	135,000	0	135,000
**D DEUTSCHE ASSET MNGM INV GMBH FOR DWS TOP EUROPE	2,694,000	0	2,694,000
**D DEUTSCHE ASSET MNGM INV GMBH FOR DWS EUROPEAN OPPORTUNITIES	622,257	0	622,257
**D DEUTSCHE ASSET MNGM INV GMBH FOR OPPENHEIM DYNAMIC EUROPE BAL	43,715	0	43,715
**D DEUTSCHE AST MGMT INVEST GMBH FR DEUTSCH AM QUANT EQ EUROLAND	79,811	0	79,811
**D ISHARES MSCI EAFE SMALL CAP ETF	1,389,975	0	1,389,975
**D ISHARES MSCI EUROPE SMALL-CAP ETF	69,326	0	69,326
**D ISHARES CORE MSCI EAFE ETF	1,437,247	0	1,437,247
**D ISHARES CORE MSCI TOTAL INTERNATIONAL STOCK ETF	189,056	0	189,056
**D ISHARES CORE MSCI INTERNATIONAL DEVELOPED MARKETS ETF	56,088	0	56,088
**D ISHARES CORE MSCI EAFE IMI INDEX ETF	27,938	0	27,938
**D ISHARES MSCI EUROPE IMI INDEX ETF	10,292	0	10,292
**D ISHARES CORE MSCI EUROPE ETF	117,297	0	117,297
**D CONNECTICUT GENERAL LIFE INSURANCE COMPANY	827	0	827
**D INTERNATIONAL PAPER CO COMMINGLED INVESTMENT GROUP TRUST	21,880	0	21,880
**D IBM 401K PLUS PLAN	86,186	0	86,186

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **Approval of the financial statements as at December 31, 2017**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM	127,113	0	127,113
**D RUSSELL TRUST CO COMMINGLED EMPLOYEE BENEFIT FUNDS TRUST	385,612	0	385,612
**D GENERAL CONFERENCE CORPORATION OF SEVENTH DAY ADVENTISTS	100,000	0	100,000
**D STATE OF ALASKA RETIREMENT AND BENEFITS PLANS	15,676	0	15,676
**D COLLEGE RETIREMENT EQUITIES FUND	1,055,755	0	1,055,755
**D RUSSELL INVESTMENT COMPANY - RUSSELL INTERN DEVELOPED MKT F	321,779	0	321,779
**D DELUXE CORPORATION MASTER TRUST	18,704	0	18,704
**D MERCY HEALTH	13,589	0	13,589
**D RUSSELL INVESTMENT FUNDS NON-U,S, FUND	52,453	0	52,453
**D RUSSELL INVESTMENT COMPANY II PLC	75,335	0	75,335
**D RUSSELL INVESTMENT COMPANY PLC	37,056	0	37,056
**D MULTI-STYLE, MULTI-MANAGER FUNDS PLC	98,841	0	98,841
**D THE WELLINGTON TR CO NAT ASS MULT COM ALPHA STRATEGIES PTF	36,829	0	36,829
**D MERCY HEALTH RETIREMENT TRUST	3,997	0	3,997
**D TRUTH INITIATIVE FOUNDATION	7,497	0	7,497
**D MSCI EAFE SMALL CAP PROV INDEX SEC COMMON TR F	118,386	0	118,386
**D ISHARES PUBLIC LIMITED COMPANY	1,498,441	0	1,498,441
**D ISHARES II PUBLIC LIMITED COMPANY	328,291	0	328,291
**D ISHARES VII PLC	968,051	0	968,051
**D ISHARES III PUBLIC LIMITED COMPANY	17,751	0	17,751
**D ISHARES I INVESTK MIT TGV F ISHS ST, EUROPE600 BS UCITS ETF DE	349,181	0	349,181
**D BLACKROCK AM DE FOR ISHS EURO STOXX BANKS 30-15 UCITS ETF (DE)	1,898,902	0	1,898,902
**D BLACKROCK AM DE FOR ISHARES EURO STOXX UCITS ETF (DE)	148,261	0	148,261
**D BLACKROCK AM DE FOR ISHS STOXX EUROPE SMALL 200 UCITS ETF (DE)	375,271	0	375,271
**D BLACKROCK AM DE FOR ISHARES STOXX EUROPE 600 UCITS ETF (DE)	350,587	0	350,587
**D BLACKROCK AM SCH AG OBO BIFS WORLD EX SW SMALL CAP EQ INDEX F	49,170	0	49,170
**D PINEBRIDGE GLOBAL DYNAMIC ASSET ALLOCATION FUND LLC	14,277	0	14,277
**D MANAGED PENSION FUNDS LIMITED	33,669	0	33,669
**D THE TRUSTEES OF CONOCOPHILLIPS PENSION PLAN	6,888	0	6,888
**D FAMILY INVESTMENTS CHILD TRUST FUND	11,150	0	11,150
**D FAMILY INVESTMENTS GLOBAL ICVC FAMILY BALANCED INT FUND	9,961	0	9,961
**D HSBC AS TRUSTEE FOR SSGA EUROPE EX UK EQUITY TRACKER FUND	284,213	0	284,213
**D FP RUSSELL INVESTMENTS ICVC-FP RUSSELL INV INT GROWTH ASSTS FD	8,584	0	8,584
**D ARAB AUTHORITY FOR AGRICULTURAL INVESTMENT AND DEVELOPMENT	7,541	0	7,541
**D STICHTING PHILIPS PENSIOENFONDS	56,707	0	56,707
**D MULTI-MANAGER ICVC - MULTI-MANGER INTERNATIONAL EQUITY FUND	91,914	0	91,914
**D VANGUARD INV FDS ICVC-VANG FTSE DEV WOR LD EX - UK EQT IND FD	57,793	0	57,793
**D VANGUARD INV F ICVC-VANGUARD FTSE DEV EUROPE EX-UK EQ INDEX F	119,820	0	119,820
**D VANGUARD INV FUNDS ICVC-VANGUARD FTSE GLOB ALL CAP IND FUND	423	0	423
**D RUSSELL INVESTMENTS GLOBAL OPPORTUNITIES FUND	96,617	0	96,617
**D PINEBRIDGE GLOBAL DYNAMIC ASSET ALLOCATION FUND	30,175	0	30,175
**D SUNSUPER SUPERANNUATION FUND	13,451	0	13,451

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Shareholders:

857 People:

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DE* proxy to the natural person above mentioned with the badge number

Shareholders on own behalf:

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Shareholders by proxy:

842

**D proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations")

RL* legal representation to the natural person above mentioned with the badge number

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **Approval of the financial statements as at December 31, 2017**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D CANADA PENSION PLAN INVESTMENT BOARD	1,086,400	0	1,086,400
**D THE TRUSTEES OF BP PENSION FUND	340,650	0	340,650
**D OMERS ADMINISTRATION CORPORATION FUND	380,331	0	380,331
**D CITADEL MULTI-STRATEGY EQUITIES FUND (ICAV)	14,644	0	14,644
**D AON SAVINGS PLAN TRUST	55,102	0	55,102
**D THE BOEING COMPANY EMPLOYEES SAVINGS PLANS MASTER TRUST	60,988	0	60,988
**D FORD MOTOR COMPANY DEFINED BENEFIT MASTER TRUST	13,955	0	13,955
**D HEWITT ASSOCIATES LLC 401K PLAN TRUST	19,737	0	19,737
**D BAPTIST FOUNDATION OF TEXAS DBA HIGHGROUND ADVISORS	26,952	0	26,952
**D MORGAN STANLEY DEFINED CONTRIBUTION MASTER TRUST	58,764	0	58,764
**D STATE OF UTAH, SCHOOL AND INSTITUTIONAL TRUST FUNDS	7,141	0	7,141
**D HRW TESTAMENTARY TRUST NO 3	40,800	0	40,800
**D HRW TESTAMENTARY TRUST NO, 8	39,100	0	39,100
**D HRW TESTAMENTARY TRUST NO, 12	40,500	0	40,500
**D EMPLOYEES RETIREMENT FUND OF THE CITY OF DALLAS	24,205	0	24,205
**D THE CURATORS OF THE UNIVERSITY OF MISSOURI	31,235	0	31,235
**D DFI LP EQUITY (PASSIVE)	1,693	0	1,693
**D NTGI-QM COMMON DAILY ALL COUNWD EX-US INV MKT INDEX F NONLEND	9,989	0	9,989
**D THE PUBLIC INSTITUTION FOR SOCIAL SECURITY	64,137	0	64,137
**D INTERNATIONAL MONETARY FUND STAFF RETIREMENT PLAN	442,591	0	442,591
**D NATIONAL COUNCIL FOR SOCIAL SECURITY FUND, P,R,C	34,430	0	34,430
**D MICROSOFT GLOBAL FINANCE	5,832	0	5,832
**D BLUE SKY GROUP	180,800	0	180,800
**D NEW ZEALAND SUPERANNUATION FUND	34,150	0	34,150
**D MERCER DS TRUST	143,860	0	143,860
**D BATTELLE MEMORIAL INSTITUTE	13,240	0	13,240
**D DUPONT AND RELATED COMP DEFINED CONTRIBUTION PLAN MASTER TR	61,137	0	61,137
**D PYRAMIS GROUP TRUST FOR EMPLOYEE BENEFIT PLANS	170,023	0	170,023
**D THE HEALTH FOUNDATION	25,840	0	25,840
**D NORTHERN TRUST GLOBAL INVESTMENTS COLLECTIVE FUNDS TRUST	334,975	0	334,975
**D NATIONAL RAILROAD RETIREMENT INVESTMENT TRUST	291,058	0	291,058
**D SUTTER HEALTH MASTER RETIREMENT TRUST	580,535	0	580,535
**D ADVOCATE HEALTH CARE NETWORK	28,762	0	28,762
**D CITY OF MILWAUKEE EMPLOYEES RETIREMENT SYSTEM	80,839	0	80,839
**D PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF COLORADO	468,968	0	468,968
**D FIREMEN`S ANNUITY & BENEFIT FUND OF CHICAGO	16,201	0	16,201
**D EMPLOYEES` RETIREMENT FUND OF THE CITY OF FORT WORTH	90,225	0	90,225
**D GENERAL PENSION AND SOCIAL SECURITY AUTHORITY	82,221	0	82,221
**D ILLINOIS MUNICIPAL RETIREMENT FUND	218,947	0	218,947
**D LOS ANGELES CITY EMPLOYEES RETIREMENT SYSTEM	41,051	0	41,051
**D CITY OF LOS ANGELES FIRE AND POLICE PENSION PLAN	65,307	0	65,307
**D LOCKHEED MARTIN CORPORATION MASTER RETIREMENT TRUST	138,897	0	138,897

Ordinary Shareholders' Meeting of April 11, 2018

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Surname	Tot. Votes	On own behalf	Proxy
**D MIDWEST OPERATING ENGINEERS PENSION TRUST FUND	600,000	0	600,000
**D UNITED MINE WORKERS OF AMERICA 1974 PENSION TRUST	68,907	0	68,907
**D POLICEMEN`S ANNUITY AND BENEFIT FUND OF CHICAGO	39,567	0	39,567
**D SALT RIVER PIMA-MARICOPA INDIAN COMMUNITY	21,155	0	21,155
**D UTAH STATE RETIREMENT SYSTEMS	69,008	0	69,008
**D FORD MOTOR COMPANY OF CANADA, LIMITED PENSION TRUST	1,181	0	1,181
**D NATIONAL WESTMINSTER BANK PLC PLC AS TR OF BARING EUR SEL TR	3,198,899	0	3,198,899
**D WHEELS COMMON INVESTMENT FUND	14,359	0	14,359
**D THE TRUSTEES OF ZURICH FINANCIAL SERVICES UK PENSION SCHEME	475,624	0	475,624
**D STICHTING PENSIOENFONDS APF	2,873	0	2,873
**D THE TRUSTEES OF CHEVRON UK PENSION PLAN	2,761	0	2,761
**D COLONIAL FIRST STATE INVESTMENT FUND 50	13,187	0	13,187
**D MUNICIPAL EMPLOYEES` ANNUITY AND BENEFIT FUND OF CHICAGO	9,452	0	9,452
**D LEGAL & GENERAL GLOBAL EQUITY INDEX FUND	1,487	0	1,487
**D NAT WEST BK AS TRUSTEE OF LEGAL & GENERAL EUROPEAN INDEX TR	230,275	0	230,275
**D NAT WEST BK PLC AS TRUSTEE OF THE LEGAL & GENERAL INT IND TR	26,634	0	26,634
**D BARING INVESTMENT FUNDS PLC	203,004	0	203,004
**D AMG FUNDS PLC	26,720	0	26,720
**D SSGA GROSS ROLL UP UNIT TRUST	13,909	0	13,909
**D LEGAL & GENERAL ICAV	2,648	0	2,648
**D LEGAL & GENERAL AUTHORISED CONTRACTUAL SCHEME	5,796	0	5,796
**D BLACKROCK AUTHORISED CONTRACTUAL SCHEME I	299,258	0	299,258
**D STATE TEACHERS RETIREMENT SYSTEM OF OHIO	173,208	0	173,208
**D ILLINOIS STATE BOARD OF INVESTMENT	78,822	0	78,822
**D VERDIPAPIRFONDET KLP AKSJEGLOBAL SMALL CAP INDEKS I	32,044	0	32,044
**D UNIVEST	276,604	0	276,604
6970 CLERICI CAMILLA	0	0	0
**D NORDEA 1 SICAV	1,411,219	0	1,411,219
**D MOMENTUM INVESTMENT FUNDS SICAV-SIF	125,735	0	125,735
**D JPMORGAN FUNDS	860,480	0	860,480
**D JPMORGAN INVESTMENT FUNDS	991,793	0	991,793
**D FRANKLIN TEMPLETON INVESTMENT FUNDS	2,792,340	0	2,792,340
**D T, ROWE PRICE FUNDS SICAV	192,210	0	192,210
**D CAPITAL INTERNATIONAL FUND	116,670	0	116,670
**D SCHRODER INTERNATIONAL SELECTION FUND	293,093	0	293,093
**D THE LUCERNE CAPITAL MASTER FUND LP C/O WALKERS CORPORATE LTD	28,406	0	28,406
**D NMM3 EUEQ MFS ACCOUNT	8,004	0	8,004
**D WELLINGTON MANAGEMENT PORTFOLIOS	222,312	0	222,312
**D FIDELITY FUNDS SICAV	795,854	0	795,854
**D ING DIRECT	33,717	0	33,717
**D NATIXIS INTERNT FUNDS LUX I	179,358	0	179,358
**D HUNTINGTON NATIONAL BANK TAXABLE ACC	8,290	0	8,290

Ordinary Shareholders' Meeting of April 11, 2018

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IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D WELLINGTON TRUST COMP COMM TRUST INT OPP	111,602	0	111,602
**D RAINIER INT SMALL CAP EQUITY COLLECTIVE	183,350	0	183,350
**D FIDELITY SALEM STR T FID TOTAL INT IND F	20,446	0	20,446
**D WTC-CTF INTERNATIONAL HORIZONS	23,208	0	23,208
**D DEVELOPED INTERNATION EQUITY SELECT ETF	1,976	0	1,976
**D BBH B FOR TMTBJ RE: MUTB400037270	6,775	0	6,775
**D JAPAN TRUSTEE SERVICES BANK LTD	206,631	0	206,631
**D DEUTSCHE EUROPEAN EQUITY FUND	108,050	0	108,050
**D GLOBAL X SCIENTIFIC BETA EUROPE ETF	1,130	0	1,130
**D PINEBRIDGE DYNAMIC ASSET ALLOCATION FUND	6,235	0	6,235
**D HSBC GROUP HONG KONG LOCAL STAFF RETIREMENT BENEFIT SCHEME	3,732	0	3,732
**D ANIMA SGR SPA	2,666,601	0	2,666,601
**D ANIMA SGR SPA ANIMA CRESCITA ITALIA	699,858	0	699,858
**D DEKA MASTER HAEK I	67,605	0	67,605
**D ALLIANZGI FONDS APNIESA	8,497	0	8,497
**D ALLIANZGI FONDS BAT LS	82,500	0	82,500
**D ALLIANZGI FONDS AFE	57,604	0	57,604
**D ALLIANZGI FONDS PTV2	47,620	0	47,620
**D ALLIANZGI FONDS PF1	8,813	0	8,813
**D ALLIANZGI FONDS PF2	45,698	0	45,698
**D ALLIANZ GI FONDS QUONIAM SMC	112,661	0	112,661
**D AXA ASSICURAZIONI SPA	11,000	0	11,000
**D PARVEST	4,707,241	0	4,707,241
**D JANUS HENDERSON HORIZON FUND	947,335	0	947,335
**D JANUS HENDERSON FUND	197,410	0	197,410
**D BNP PARIBAS L1	349,829	0	349,829
**D BNP PARIBAS A FUND	72,069	0	72,069
**D BNP PARIBAS B PENSION GROWTH	167,945	0	167,945
**D BNP PARIBAS B PENSION STABILITY	81,283	0	81,283
**D METROPOLITAN RENTASTRO	313,328	0	313,328
**D BNP PARIBAS B PENSION BALANCED	1,088,502	0	1,088,502
**D JANUS HEND INSTIT EUROP INDEX OPP FUND	42,487	0	42,487
**D JANUS HENDERS EUROPEAN SMALLER COMP FD	430,018	0	430,018
**D RESPONSIBLE INVESTMENT LEADERS INT SHARE	37,745	0	37,745
**D SENTOSA DEVELOPMENT CORPORATION	10,402	0	10,402
**D BNP PARIBAS MIDCAP EUROPE	1,397,460	0	1,397,460
**D TOTAL GESTION FLEX PATRI	46,511	0	46,511
**D FCP BNPP ACTIONS ENTREPRENEURS	752,692	0	752,692
**D BNP PARIBAS ACTIONS PME	696,084	0	696,084
**D FCP SCANDIUM	97,262	0	97,262
**D FCP CARDIF BNPP IP SMID CAP EURO	1,127,139	0	1,127,139
**D FCP LBPAM ACTIONS EUROPE LARGE CAP	47,785	0	47,785

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Shareholders: 857 People:
 Shareholders on own behalf: 15 Shareholders by proxy:

18 DE* proxy to the natural person above mentioned with the badge number
 842 **D proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations")
 RL* legal representation to the natural person above mentioned with the badge number

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **Approval of the financial statements as at December 31, 2017**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D FCP CNP ASSUR SMID CAP EUROPE	212,396	0	212,396
**D BNP PARIBAS SMALL CAP EUROLAND	4,097,208	0	4,097,208
**D FCP BNP PARIBAS ACTIONS EUROLAND	46,482	0	46,482
**D COMPT EUROPE	95,000	0	95,000
**D AXIVA ACTION 1	25,749	0	25,749
**D ACTIONS SELECTIONNEES	5,480	0	5,480
**D AXA VALEURS EURO	1,400,000	0	1,400,000
**D FCPE TOTAL ACTIONS EUROPEENNES	750,000	0	750,000
**D FCP BNP PARIBAS MIDCAP FRANCE	1,087,878	0	1,087,878
**D FCP AVIVA INVESTORS SMALL & MID CAPS EUR	222,914	0	222,914
**D AXA OPTIMAL INCOME	2,068,464	0	2,068,464
**D SAKKARAH 7	8,716	0	8,716
**D STICHT BEDRIJ MEDIA PNO	213,800	0	213,800
**D AFER ACTION PME	778,661	0	778,661
**D SAINT MARTIN 4	877,000	0	877,000
**D IPA CORPORATE ACTIONS AND INCOME	48,331	0	48,331
**D FONDS RESERVE RETRAITES	1,126,854	0	1,126,854
**D RAVGDT DIVERSIFIE II LBPAM	41,870	0	41,870
**D CPR AM	113,850	0	113,850
**D ROBECO CAPITAL GROWTH FUNDS	450,000	0	450,000
**D CORONATION GLOBAL OPPORTUNITIES FUND	423,707	0	423,707
**D SHELL TRUST (BERMUDA) LIMITED AS TRUSTEE	7,183	0	7,183
**D SHELL TRUST (BERMUDA) LTD AS TRUSTEE OF THE SHELL OVERSEAS C,P, FUND	34,987	0	34,987
**D DEKA INVESTMENT GMBH RE ARIDEKA	900,000	0	900,000
**D DEKA INVEST, RE DEKA-DIVIDENDENDISCOUNT	3,900	0	3,900
**D DEKA INVEST DIVIDENDENSTRATEGIE	838,900	0	838,900
**D DEKA BASISSTRATEGIE FLEXIBEL	18,500	0	18,500
**D DEKA INVESTMENT GMBH RE DEKA-DIVIDEND VA	68,000	0	68,000
**D DEKA INVESTMENT GMBH RE DEKA-MULTIASSET INCOME	100,000	0	100,000
**D THE MASTER TRUST BANK OF JAPAN LTD AS TRUSTEE FOR MTBJ400045842	1,720,886	0	1,720,886
**D TEACHERS` RETIREMENT SYSTEM OF THE CITY OF NEW YORK	47,864	0	47,864
**D UBS GLOBAL ASSET MANAGEMENT LIFE LTD	151,024	0	151,024
**D MERIFIN CAPITAL B,V,	39,575	0	39,575
**D WESTPAC WHOLESALE UNHEDGED INTERNATIONAL	43,815	0	43,815
**D ENTERGY CORP,RETIREMENT PLANS MASTER TR,	150,830	0	150,830
**D JEFFREY LLC	58,552	0	58,552
**D CHINA LIFE INSURANCE COMPANY LIMITED	36,007	0	36,007
**D FONDO CONSOLIDADO DE RESERVAS PREVISIONA	65,942	0	65,942
**D JPMORGAN CHASE BANK	2,000	0	2,000
**D UBS (US) GROUP TRUST	7,469	0	7,469
**D BT WHOLESALE MULTI MANAG INTL SHARE FUND	24,626	0	24,626
**D WSSP INTERNATIONAL EQUITIES TRUST	68,156	0	68,156

Ordinary Shareholders' Meeting of April 11, 2018

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Surname	Tot. Votes	On own behalf	Proxy
**D EUROPACIFIC GROWTH FUND	5,235,000	0	5,235,000
**D T, ROWE PRICE INTERNATIONAL SMALL CAP	497,948	0	497,948
**D THE BOEING COMPANY EMPLOYEE RETIREMENT PLANS MASTER TRUST	83,856	0	83,856
**D BLACKROCK FISSION INDEXED INTL EQUITY FD	12,748	0	12,748
**D ISHARES ALLCOUNTRY EQUITY INDEX FUND	1,214	0	1,214
**D INTERNATIONAL GROWTH AND INCOME FUND	6,475,000	0	6,475,000
**D ALTRIA CLIENT SERVICES MASTER RETIREM,T,	81,690	0	81,690
**D SUPER FUNDS MANAG CORP SOUTH AUSTRALIA	60,952	0	60,952
**D STICHTING PENSIOENFONDS VOOR DE WONINGCO	58,078	0	58,078
**D UBS ASSET MANAGEMENT LIFE LTD	283	0	283
**D MINISTRY OF STRATEGY AND FINANCE	40,968	0	40,968
**D T, ROWE PRICE INTERNATIONAL DISCOVERY FU	4,575,580	0	4,575,580
**D NVIT MULTI MANAGER INTERNATIONAL GROWTH	59,600	0	59,600
**D FLEXSHARES MORNINGSTAR DEVELOPED MARKETS	4,895	0	4,895
**D MFS INTERNATIONAL NEW DISCOVERY FUND	2,267,886	0	2,267,886
**D T ROWE PRICE INTERNATIONAL EQUITY INDEX	14,257	0	14,257
**D T ROWE PRICE GLOBAL ALLOCATION FUND INC	8,817	0	8,817
**D GOLDMAN SACHS TRUST-G,S,INTL,TAX MANAGED	32,601	0	32,601
**D PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OHIO	122,288	0	122,288
**D JPMORGAN LIFE LIMITED	81,039	0	81,039
**D JPM EUROPE DYNAMIC (EX UK) FUND	593,932	0	593,932
**D SANLAM LIFE AND PENSIONS UK LIMITED	49,930	0	49,930
**D AVIVA LIFE & PENSIONS UK LIMITED	135,750	0	135,750
**D STICHTING SHELL PENSIOENFONDS	117,749	0	117,749
**D SHELL PENSIONS TRUST LIMITED AS TRUSTEE OF SHELL CONTRIBUTORY PENSION FUND	75,058	0	75,058
**D STICHTING PENSIOENFONDS MEDISCH SPECIALI	283,660	0	283,660
**D STATE OF CALIFORNIA MASTER TRUST	158,670	0	158,670
**D NATIONAL PROVIDENT FUND AS TRUSTEE OF TH	16,166	0	16,166
**D DEKA INVEST RE DEKA-ZMV-FONDS	20,000	0	20,000
**D DEKA INVESTMENT GMBH RE PRODEKA	65,200	0	65,200
**D DEKA A-DOR-FONDS	6,503	0	6,503
**D DEKA INVESTMENT GMBH RE LANDSBERG-FONDS	5,900	0	5,900
**D DEKA INVESTMENT GMBH RE DEKA VALUE PLUS	10,813	0	10,813
**D ALLIANZGI-FONDS DSPT	11,872	0	11,872
**D BUMA-UNIVERSAL-FONDS-II	602,592	0	602,592
**D BUMA-UNIVERSAL-FONDS I	13,990	0	13,990
**D MI-FONDS 392	462,000	0	462,000
**D JPMORGAN EUROPEAN INVESTMENT TRUST PLC	98,990	0	98,990
**D KAPITALFORENINGEN INSTITUTIONEL INVESTOR EUROPAELSK AKTIER	1,011,641	0	1,011,641
**D NEW MEXICO STATE INVESTMENT COUNCIL	80,036	0	80,036
**D DEKA INTERNATIONAL S,A, RE DEKA-EUROSTOC	546,850	0	546,850
**D STICHTING PENSIOENFONDS VOOR HUISARTSEN	36,912	0	36,912

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Shareholders: 857 People:
 Shareholders on own behalf: 15 Shareholders by proxy:

18 DE* proxy to the natural person above mentioned with the badge number
 842 **D proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations")
 RL* legal representation to the natural person above mentioned with the badge number

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **Approval of the financial statements as at December 31, 2017**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D BUREAU OF LABOR FUNDS - LABOR RETIREMENT FUND	6,015	0	6,015
**D BUREAU OF LABOR FUNDS-LABOR INSURANCE FUND	217,051	0	217,051
**D BUREAU OF LABOR FUNDS- LABOR PENSION FUND	19,873	0	19,873
**D NORDEA PRO EUROPEAN FUND	377,784	0	377,784
**D NORDEA EUROPE FUND	1,612,784	0	1,612,784
**D INVESTERINGSFORENINGEN NORDEA INV AKTIER	586,767	0	586,767
**D ARTEMIS EUROPEAN OPPORTUNITIES FUND	844,653	0	844,653
**D BLACKROCK MULTI-ASSET INC,PORTF,OF BLACK	754,307	0	754,307
**D BLACKROCK INSTITUTIONAL TRUST COMPANY N,A, INVESTMENT FUNDS FOR EMPLOYEE BENEFIT TRUSTS	354,859	0	354,859
**D JP MORGAN CHASE RETIREMENT PLAN	119,470	0	119,470
**D PENSION TRUST FUND FOR OPERATING ENGINEE	400,000	0	400,000
**D LONDON LIFE INSURANCE COMPANY	69,200	0	69,200
**D CANADA POST CORPORATION REGISTERED PENSI	106,197	0	106,197
**D THE NOVA SCOTIA HEALTH EMPLOYEES PENS PL	83,637	0	83,637
**D THE BOMBARDIER TRUST (UK)	61,392	0	61,392
**D FTSE ALL WORLD INDEX FUND	20,987	0	20,987
**D FLF STRATEGIC GLOBAL EQUITY FUND	119,463	0	119,463
**D REASSURE LIMITED	123,245	0	123,245
**D FLF GLOBAL EQUITY FUND	60,413	0	60,413
**D CITADEL ADVISORS LLC	86,066	0	86,066
**D FRIENDS LIFE AND PENSIONS LIMITED	51,154	0	51,154
**D FRIENDS LIFE FUNDS LIMITED	59,324	0	59,324
**D HSBC EUROPEAN INDEX FUND	97,246	0	97,246
**D AXA FRAMLINGTON FINANCIAL FUND	101,283	0	101,283
**D FRIENDS LIFE AND PENSIONS LIMITED	3,317	0	3,317
**D TR EUROPEN GROWTH TRUST PLC	691,650	0	691,650
**D ARC I - FONDS SEGMENT 1 -AKTIEN EUROPA	26,458	0	26,458
**D SONDERVERMOGEN INKA OPRA FONDS	16,181	0	16,181
**D INTERNATIONALE KAPITALANLAGEGESELLSCHAFT MBH	48,500	0	48,500
**D VANGUARD EUROPEAN STOCK INDEX FUND	945,197	0	945,197
**D VANGUARD DEVELOPED MARKETS INDEX FUND	2,155,375	0	2,155,375
**D VANGUARD TOTAL WORLD STOCK INDEX FUND	113,470	0	113,470
**D VANGUARD FTSE ALL-WORLD EX US INDEX FUND	663,474	0	663,474
**D PIONEER FLEXIBLE OPPORTUNITIES FUND	480,295	0	480,295
**D VANGUARD FUNDS PLC	187,648	0	187,648
**D VANGUARD INVESTMENT SERIES PLC	39,953	0	39,953
**D VANGUARD INVESTMENT SERIES PLC	7,356	0	7,356
**D VANGUARD INVESTMENT SERIES PLC	93,449	0	93,449
**D KVV AKTIEN FONDS 1	1,844	0	1,844
**D TRUSTEAM ROC EUROPE C O TRUSTEAM FINANCE	331,269	0	331,269
**D FCP CM-CIC SILVER ECONOMIE	220,000	0	220,000
**D FIDUCIARY TRUST COMPANY INTERNATIONAL AS	67,000	0	67,000

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **Approval of the financial statements as at December 31, 2017**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D MANAGEMENT BOARD PUBLIC SERVICE PENSION	3,513	0	3,513
**D SCHRODER PENSION MANAGEMENT LTD	66,373	0	66,373
**D VANGUARD INTERNATIONAL SMALL COMPANIES INDEX FUND	32,076	0	32,076
**D ONEPATH GLOBAL SHARES - SMALL CAP UNHEDGED) INDEXPOOL	26,862	0	26,862
**D VANGUARD TOTAL INTERNATIONAL STOCK INDEX	5,243,100	0	5,243,100
**D VANGUARD INTERNATIONAL EXPLORER FUND	815,900	0	815,900
**D HSBC AVB	8,841	0	8,841
**D SUZUKA INKA	131,022	0	131,022
**D SCHRODER ADVANCED BETA GLOBAL EQUITY SMA	65,536	0	65,536
**D SCHRODER GLOBAL MULTI-FACTOR EQUITY FUND	132,300	0	132,300
**D LOMBARD ODIER FUNDS (SWITZERLAND) SA	25,266	0	25,266
**D REALDANIA	192,400	0	192,400
**D MERRILL LYNCH INTERNATIONAL	322,064	0	322,064
**D SCHUBEL FAM TR-MANNING AND NAPIER A DV	990	0	990
**D POND 2007 FAMILY TRUST MANNING SUB	1,320	0	1,320
**D HUNTER FAMILY FDN MANNING	1,865	0	1,865
**D MANNING AND NAPIER ADVISOR INC	110,730	0	110,730
**D IRON WORKERS LOCALS 40361 AND 417 ANNUITY FUND	18,440	0	18,440
**D BURTON X ROSENBERG INSUR TR MAN SUB	1,375	0	1,375
**D THE MALUTH FAMILY TRUST MANNING SUB	1,360	0	1,360
**D C E COMPALL REV TR 10-23-09 MAN D N	990	0	990
**D GRAHAM C BROCK MANNING INTL	770	0	770
**D MANNING AND NAPIER FUND INC PRO BLEND MODERATE TERM SERIES	28,940	0	28,940
**D THE BAKERY AND CONFECTIONERY UNION AND INDUSTRY INTERNATIONAL PENSION FUND	120,215	0	120,215
**D IRON WORKERS LOCALS 40 361 AND 41 7 PENSION FUND	13,505	0	13,505
**D ALMEIDA FAMILY LEGACY TR MANNING	855	0	855
**D THE HORWARD TRUST MANNING AND NAPIER	580	0	580
**D CJB CRUT II 11-27-06 MANNING	795	0	795
**D MANNING AND NAPIER FUND INC,OVE RS EAS SERIES	339,195	0	339,195
**D TANGLIN CLAYMORE LLC MANNING	1,590	0	1,590
**D CJB FAMILY TR 06-15-00 MANNING	1,825	0	1,825
**D IRON WORKERS LOCAL 11 PENSION FUND	14,780	0	14,780
**D QUIGG VENTURES LLC MANNING AND NAPIER	2,005	0	2,005
**D FLIGHT ATTENDANT MEDICAL RESEARCH INSTITUTE	6,850	0	6,850
**D JURGENSEN INVSTMNTS LLC MANNING SUB	835	0	835
**D MANNING AND NAPIER ADVISORS INC	265,770	0	265,770
**D MICHIGAN CATHOLIC CONFERENCE MASTER PENSION TRUST	41,760	0	41,760
**D OPUS FINANCIAL LLC-MANNING AND NAPIER	5,160	0	5,160
**D GRUSECKI NEXGEN LLC-MANNING AND NAPIER	1,605	0	1,605
**D R C DELL TRUST-MANNING AND NAPIER R A DV	810	0	810
**D FLEISCHHACKER 09 TR MANNING AND NAPIER	795	0	795
**D ANTHONY K, KESMAN TRUSTEE	945	0	945

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **Approval of the financial statements as at December 31, 2017**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D BRIDGE BUILDER INTERNATIONAL EQUITY FUND	581,660	0	581,660
**D FLK (TE) LLC MANNING AND NAPIER	2,590	0	2,590
**D CHURCH OF THE HOLYCONFORTER-SUB	565	0	565
**D PNC BANK NA	17,025	0	17,025
**D GST EX MRTL TR C-U CONSTANCE-MA ND N	1,290	0	1,290
**D RELIABLE PARTNERS MANNING INTL	845	0	845
**D FIRST STATE TRUST COMPANY FOR MULTIPLE BENEFICIARIES	685	0	685
**D GOLDER FAMILY FOUNDATION-MANDN	1,115	0	1,115
**D ROOSEVELT UNIVERSITY	15,295	0	15,295
**D IRA FBO JAMES KING BNY MELLON	575	0	575
**D MELISSA S, WIDEN-MANNING ANDAP IER	890	0	890
**D J HANSEN REV TR 4-29-81 MANNING	2,495	0	2,495
**D ROBERT A ROSHOLT IRAR-OMANNING - SU B	890	0	890
**D JAMES J, BAKKE 1987 TRUST MANN ING 6001 N	3,190	0	3,190
**D LARRY D CONTOS REV TR MANNING SUB 755	870	0	870
**D JOHN M, MC DONOUGH IRAR-MAN AND NAP	865	0	865
**D DORIS K, CHRISTOPHER 1996 TR-MA ND	20,970	0	20,970
**D OLIVE MC CARTHY 2009 TRUST-MANNING	1,255	0	1,255
**D CATHERINE SLARK TR-MANNING ANDN API	1,840	0	1,840
**D GEOFFREY C FENNER MANNING INTLl	580	0	580
**D ELIZABETH E, RIORDAN 1997 TRMANNING	1,405	0	1,405
**D STANLEY H MEADOWS 90 TR-MANNING NAP	5,855	0	5,855
**D J MCCARTNEY12-30-97 MANNING-NAP IER	1,610	0	1,610
**D DEBRA K MAYER-MANNING ANDNAPIER - SU B	650	0	650
**D CAROL GOLDER REVTR MANNING AND NAP	950	0	950
**D R MORRIS ILLINOIS QTIP MARTR M AND N	735	0	735
**D LOMBARDI JTWROS MANNING AND NAPIER	1,370	0	1,370
**D JAMES E WICKS TRMANNING NAPIER	920	0	920
**D CHRISTOPHER ENOCK LVG TRMANNING	980	0	980
**D MARY KATHERINE LAUDERBACK	775	0	775
**D BARBARA S, BLÜHM REV TR-MANNING INTL	1,135	0	1,135
**D JOSEPH L, BOZICH 2005TR-MANNING	885	0	885
**D THOMAS C GAPUTIS REV TR-MANNING	995	0	995
**D J G FENCIK TR-MANNING AND NAPIER	2,065	0	2,065
**D BRUCE BARRON REVOCABLE TRUST	1,635	0	1,635
**D L, S, BUONANNO-MANNING AND NAPIER	1,550	0	1,550
**D BUNRATTY HOLDINGS LLC-MANNING INTL	1,280	0	1,280
**D MANNING AND NAPIER FUND INC -PR O BLEND-MAXIMUM TERM SERIES	291,450	0	291,450
**D MORRIS 1992 GIFT TR FORELLEN-M AND N	2,495	0	2,495
**D FANCELLI FDN INC, (SPECIAL)-MANNING	2,165	0	2,165
**D MIAMI DADE COMMUNITY COLLEGE FOUNDATION 300 NE	6,110	0	6,110
**D REGIONAL TRANSPORTATIONDISCTRIC T	10,555	0	10,555

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **Approval of the financial statements as at December 31, 2017**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D HAGEN FAMILY TR U-ADTD7-7-1989 MA AND N	1,500	0	1,500
**D MANNING AND NAPIER FUNDING, -BLE ND ED ASSET MODERATE SEREIS	3,810	0	3,810
**D JEFFREY S, ARONIN REV TRUST	7,180	0	7,180
**D MELVYN FISHER IRREV TR US BANK TRUSTEE	995	0	995
**D MANNING AND NAPIER FUND INC INT	541,920	0	541,920
**D MANNING AND NAPIER FUND INC	46,880	0	46,880
**D KIRBY ROSPLOCK DECLOFTR MANNING	835	0	835
**D FEINBERG FAMILY LTD PART2-MANNING	615	0	615
**D EVERGREEN PARTNERS GENPRT-MAND	895	0	895
**D CJB CRUT 5-1-01-MANNING	1,855	0	1,855
**D GOLDER 2007 FAM TR-MANNING AND NAPIER	1,620	0	1,620
**D JESSICA S SUPERA MANNING INTL	590	0	590
**D THOMAS R SMITH REVRE-MANN AND NAPIER	700	0	700
**D JAY W CHRISTOPHER 1996TR-MANNING ING	14,670	0	14,670
**D R, AND L, BRADLEY JT REVTR-MANNING	1,110	0	1,110
**D LEONARD X ROSEMBERG 2007TR-MANNING	775	0	775
**D A,BERGDOLL REV TR-MANNING ANDN API ER	1,415	0	1,415
**D WILLIAM G JUEGENSEN REV TRMANNING	2,755	0	2,755
**D TERRENCE P, DIAMOND-MANNINGINTL 8706	655	0	655
**D L BUONANNO TR T SMITH SR-MANDN	2,375	0	2,375
**D WILLIAM FOOTE 95 TR-MANNING AND NAPIER	1,070	0	1,070
**D DEBORAH A, SCHMIDT REVTR-MANNING	960	0	960
**D CAIRD ARNOLD HARBECK REVTR-MANNING	985	0	985
**D ROBERT KLEINERT JR DECLTR- MANNING	690	0	690
**D JULES M, LASER MANNING AND NAPERIR	760	0	760
**D G MCLACHLAN DECLTR-MANNING-NAPIER	1,830	0	1,830
**D ELIZABETH DRUCKER-MANNING AND NAPIER	510	0	510
**D BGF EURO MKTS FD EURO EQUITY PF	10,669,505	0	10,669,505
**D GLOBAL DIVERSIFIED SUB TRUST	5,116	0	5,116
**D ELEVA UCITS FD EUROLAND SELECT	128,300	0	128,300
**D METZLER INT INV PUBLIC LTD	866,000	0	866,000
**D UBS EUR SMALL CAP EQUITY FD MY	84,125	0	84,125
**D THE NORTHWESTERN MUTUAL LIFE I	400,000	0	400,000
**D ARRCO LONG TERME B	212,530	0	212,530
**D ARRCO QUANT 1	129,208	0	129,208
**D CIPAV ALOIS	173,484	0	173,484
**D SOGECAP ACTIONS SMALL CAP	813,805	0	813,805
**D COLISEE IFC 1	530,000	0	530,000
**D SG ACTIONS EUROPE MID CAP	174,380	0	174,380
**D MUF-LYXOR EURO STOXX BANKS	825,693	0	825,693
**D ALLIANZ ACTIONS EURO PME-ETI	140,200	0	140,200
**D LYXOR EURO STOXX 300	31,765	0	31,765

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **Approval of the financial statements as at December 31, 2017**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D LYXOR INDEX FD-LYXOR STOXX EUR	56,768	0	56,768
**D MUL-LYXOR ITALIA EQUITY PIR	25,973	0	25,973
**D AMUNDI FUNDS II-PIONEER FLEX O	91,490	0	91,490
**D AMUNDI SGR SPA AZIONARIO EUROPA	196,518	0	196,518
**D AMUNDI SF EURO EQ MARKET PLUS	7,244	0	7,244
**D AMUNDI FUNDS II-GLOB MULTI ASS	39,463	0	39,463
**D AMUNDI FUNDS II-EURO POTENTIAL	2,806,988	0	2,806,988
**D AMUNDI FUNDS II-EURO RESEARCH	294,285	0	294,285
**D AMUNDI FUNDS II-EUROPE EQ OPTIM	82,021	0	82,021
**D PIONEER INV TOT RETURN	28,211	0	28,211
**D AMUNDI SOLUZ IT-PR CED 12 2019	38,160	0	38,160
**D AMUNDI SOL IT-PR CED 22 2020	47,716	0	47,716
**D AMUNDI SOL IT-PR CED 03 2020	45,423	0	45,423
**D AMUNDI SOL IT-PR CED 05 2020	80,229	0	80,229
**D AMUNDI SOL IT-PR CED 06 2020	54,059	0	54,059
**D AMUNDI SOL IT-PR CED 08 2020	63,584	0	63,584
**D AMUNDI SOL IT-PR CED 09 2020	52,520	0	52,520
**D AMUNDI SOL IT-PR CED 12 2020	22,990	0	22,990
**D AMUNDI SOL IT-PR CED 11 2020	39,870	0	39,870
**D AMUNDI SOL IT-PR CED 02 2021	20,160	0	20,160
**D AMUNDI SD-EQ PLAN 60	14,077	0	14,077
**D EURIZON CAPITAL SGR-GLOBAL MULTIASSET SELECTION 09/22	17,700	0	17,700
**D EURIZON CAPITAL SGR - EURIZON PROGETTO ITALIA 70	110,849	0	110,849
**D EURIZON CAPITAL SGR - EURIZON AZIONI ITALIA	282,955	0	282,955
**D EURIZON CAPITAL SGR - EURIZON PIR ITALIA AZIONI	11,498	0	11,498
**D EURIZON CAPITAL SGR - EURIZON PROGETTO ITALIA 40	124,092	0	124,092
**D EPSILON SGR - EPSILON FLESSIBILE AZIONI EURO APRILE 2021	1,240	0	1,240
**D EPSILON SGR - EPSILON FLESSIBILE AZIONI EURO FEBBRAIO 2021	3,013	0	3,013
**D EPSILON SGR - EPSILON FLESSIBILE AZIONI EURO GIUGNO 2021	882	0	882
**D EPSILON SGR - EPSILON FLESSIBILE AZIONI EURO NOVEMBRE 2020	10,351	0	10,351
**D EPSILON SGR - EPSILON FLESSIBILE AZIONI EURO SETTEMBRE 2020	13,945	0	13,945
**D EPSILON SGR - EPSILON MULTIASSET 3 ANNI DICEMBRE 2019	13,355	0	13,355
**D EPSILON SGR - EPSILON MULTIASSET 3 ANNI LUGLIO 2020	3,959	0	3,959
**D EPSILON SGR - EPSILON MULTIASSET 3 ANNI MAGGIO 2020	8,055	0	8,055
**D EPSILON SGR - EPSILON MULTIASSET 3 ANNI MARZO 2020	6,326	0	6,326
**D EIS-EURO EQUITY INSURANCE CAPITAL LIGHT 49	51,771	0	51,771
**D ISE - GLOBAL DYNAMIC MULTITRENDER 06/2015	6,071	0	6,071
**D ISE - MULTIASSET ABSOLUTE 3 ANNI 07/2016	29,072	0	29,072
**D EPF-ABSOLUTE Q-MULTISTRATEGY	5,670	0	5,670
**D ISE - MULTIASSET ABSOLUTE 3 ANNI - 04/2016	32,015	0	32,015
**D EUF-EQUITY ITALY	92,759	0	92,759
**D ISE - DYNAMIC INCOME MULTITRENDER 01/2016	4,162	0	4,162

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **Approval of the financial statements as at December 31, 2017**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D PRIVILEGE	35,454	0	35,454
**D ASSURDIX	49,978	0	49,978
**D CPR EUROLAND	395,972	0	395,972
**D CPR SILVER AGE	4,427,663	0	4,427,663
**D FCP CPR EUROLAND PREMIUM	89,275	0	89,275
**D AMUNDI ETF FTSE ITALIA PIR UCITS ETF DR	29,428	0	29,428
**D FCP NATIXIS ACTIONS SMALL MID CAP EURO	348,000	0	348,000
**D NATIXIS ACTIONS EUROPE SECTEURS	100,573	0	100,573
**D FCP GROUPAMA AVENIR EURO	4,739,300	0	4,739,300
**D FCP GROUPAMA EURO STOCK	100,000	0	100,000
**D FCP GROUPAMA EUROPE STOCK	2,400	0	2,400
**D OPCVM SEEYOND EQUITY FACTOR INVESTING EURO	20,993	0	20,993
**D FCP BEST BUSINESS MODELS	1,310,000	0	1,310,000
**D MULTISMART ACTIONS EURO	704	0	704
**D CROISSANCE PME M	495,933	0	495,933
**D BNY MELLON EMPLOYEE BENEFIT COLLECTIVE INVESTMENT FUND PLAN	15,536	0	15,536
**D THE ROYAL INST FOR THE ADVANCEMENT OF LEARNING MCGILL UNIVERSITY	25,056	0	25,056
**D FRONTIERS INTERNATIONAL EQUITY POOL	7,291	0	7,291
**D THE GREAT-WEST LIFE ASSURANCE COMPANY	41,850	0	41,850
**D BMO GLOBAL BANKS HEDGED TO CADINDEX ETF 100	833	0	833
**D MCGILL UNIVERSITY PENSION FUND	12,957	0	12,957
**D THE GLENORE CANADIAN PENSION FUNDS TRUST-FOREIGN EQUITY FUND	20,379	0	20,379
**D ONTARIO PENSION BOARD ,	330,050	0	330,050
**D EPOCH GLOBAL EQUITY FUND	292,095	0	292,095
**D IMPERIAL INTERNATIONAL EQUITY POOL	350,727	0	350,727
**D IMPERIAL OVERSEAS EQUITY POOL	17,476	0	17,476
**D CIBC INTERNATIONAL SMALL COMPANIES FUND	26,021	0	26,021
**D ALLEGHENY COLLEGE	9,400	0	9,400
**D ERIE COUMMINTY FOUNDATION	10,600	0	10,600
**D CF DV ACWI EX-U,S, IMI FUND	1,477	0	1,477
**D TIMESQUARE FOCUS FUND LP	3,500	0	3,500
**D LOF EUROZONE SMALL AND MID CAPS98453 51	1,400,000	0	1,400,000
**D FCP EDMOND DE ROTHSCHILD EURO LEADERS	1,241,700	0	1,241,700
**D FCP EDMOND DE ROTHSCHILD EURO SRI	198,180	0	198,180
**D FCP EDMOND DE ROTHSCHILD EUROPEMIDCAPS	912,000	0	912,000
**D EDMOND DE ROTHSCHILD EUROPE MIDCAP	131,760	0	131,760
**D AA FORTIS ACTIONS PETIT CAP EUROPE	348,520	0	348,520
**D FCP RSI EURO P	71,651	0	71,651
**D FCP LCF PHARMA INTERNATIONAL	151,080	0	151,080
**D FCP GROUPAMA PHARMA DIVERSIFIE	69,000	0	69,000
**D UNIVERS CNP 1	122,145	0	122,145
**D FCP NATIXIS IONIS	45,498	0	45,498

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Shareholders: 857 People:
Shareholders on own behalf: 15 Shareholders by proxy:

18 DE* proxy to the natural person above mentioned with the badge number
842 **D proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations")
RL* legal representation to the natural person above mentioned with the badge number

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **Approval of the financial statements as at December 31, 2017**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D CNP ASSUR SMALL CAP	379,980	0	379,980
**D EGEPARGNE 2	69,584	0	69,584
**D I,2,C, ACTIONS	517,000	0	517,000
**D FCP CONTI GESTION	43,834	0	43,834
**D EDMOND DE ROTHSCHILD ASSET MANAGEM,	314,330	0	314,330
**D FCP ECUREULL RETRAITE EURO ACTIONS 4	320,000	0	320,000
**D FCP LBPAM ACTIONS FINANCE	27,349	0	27,349
**D FCP TUTELAIRE ACTIONS	18,800	0	18,800
**D SICAV LBPAM ACTIONS EURO	340,000	0	340,000
**D NATIXIS ASSET MANAGEMENT FUNDS	15,142	0	15,142
**D G FUND	1,102,223	0	1,102,223
**D AMUNDI FUNDS SICAV	2,610,085	0	2,610,085
**D EDMOND DE ROTHSCHILD (EUROPE)	3,016,936	0	3,016,936
7103 MONDO GIUSEPPE	100	100	0
7250 MARTIRIGGIANO ANTONIO	3,361	3,361	0
7290 ZACCARDI ANTONELLA	1	1	0
7350 PRANDINI GIULIANO	5,000	5,000	0
7435 ROSSI MARCO	63,975	63,975	0
7559 CAGLIA MARIA	0	0	0
DE* UNICREDIT S,P,A,	215,066,403	0	215,066,403
Total votes	494,531,090		
Percentage of voters%	98.856106		
Percentage of share capital %	81.309556		

Ordinary Shareholders' Meeting of April 11, 2018RESULTS OF VOTINGSubject : **Allocation of the profit for the year 2017****Attendees:**n° **873** shareholders entitled to vote took part in the voting on own behalf or by proxyn° **500,253,459** ordinary shares**The counting of votes produced the following results:**

		%OF ORINARY SHARE CAPITAL PRESENT (Voting Quorum)	%OF ORDINARY SHARE ENTITLED TO VOTE	%SHARE CAPITAL
Favour	494,969,858	98,943815	98,943815	81,381697
Against	1,026,968	0,205290	0,205290	0,168851
SubTotal	495,996,826	99,149105	99,149105	81,550548
Abstention	520,001	0,103948	0,103948	0,085497
Not Voting	3,736,632	0,746948	0,746948	0,614368
SubTotale	4,256,633	0,850895	0,850895	0,699865
Total	500,253,459	100,000000	100,000000	82,250413

Shareholders:
Shareholders on own
behalf:873 People:
16 Shareholders by
proxy:19
857

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject : **Allocation of the profit for the year 2017**

AGAINST

Surname	Tot. Votes	On own behalf	Proxy
6957 ESPOSITO MARCO	0	0	0
**D MERSEYSIDE PENSION FUND	209.168	0	209.168
6970 CLERICI CAMILLA	0	0	0
**D WEST MIDLANDS METROPOLITAN AUT PENS FD	97.000	0	97.000
**D FCP VILLIERS ACTIONS EDRAM	720.800	0	720.800

Total votes 1.026.968
Percentage of voters% 0,205290
Percentage of share capital % 0,168851

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **Allocation of the profit for the year 2017**

Surname	
6304	CROCE MARIO
6970	CLERICI CAMILLA
**D	ARCA FONDI SGR - FONDO ARCA AZIONI ITALIA
**D	CHALLENGE FUNDS CHALLENGE ITALIAN EQUITY

Total votes 520.001
Percentage of voters% 0,103948
Percentage of share capital % 0,085497

ABSTENTIONS

Tot. Votes	On own behalf	Proxy
1	1	0
0	0	0
100.000	0	100.000
420.000	0	420.000

Shareholders:
 Shareholders on own behalf:

3 People:
 1 Shareholders by proxy:

Page 2
 2 DE* proxy to the natural person above mentioned with the badge number
 2 **D proxy to natural person above mentioned with the badge number (voting at the specific **assisted voting stations)
 RL* legal representation to the natural person above mentioned with the badge number

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **Allocation of the profit for the year 2017****NON VOTING**

Surname	Tot. Votes	On own behalf	Proxy
6970 CLERICI CAMILLA	0	0	0
**D GENERALI SMART FUNDS SICAV	70.632	0	70.632
**D GENERALI INVESTMENTS SICAV	1.500.000	0	1.500.000
**D INTERFUND SICAV INTERFUND EQUITY ITALY	64.000	0	64.000
**D FIDEURAM ASSET MANAGEMENT (IRELAND) FONDITALIA EQUITY ITALY	428.000	0	428.000
**D FIDEURAM ASSET MANAGEMENT (IRELAND) FIDEURAM FUND EQUITY ITALY	5.000	0	5.000
**D FIDEURAM INVESTIMENTI SGR - FIDEURAM ITALIA	9.000	0	9.000
**D FIDEURAM INVESTIMENTI SGR - PIANO AZIONI ITALIA	150.000	0	150.000
**D FIDEURAM INVESTIMENTI SGR - PIANO BILANCIATO ITALIA 50	10.000	0	10.000
**D MEDIOLANUM GESTIONE FONDI SGR - FLESSIBILE FUTURO ITALIA	1.500.000	0	1.500.000

Total votes 3.736.632
Percentage of voters% 0,746948
Percentage of share capital % 0,614368

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: Allocation of the profit for the year 2017

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
6041 BONETTI EMANUELE	10	10	0
6058 DE TOMASI PAOLA	4.000	4.000	0
6102 CERASUOLO STEFANO	9.481	9.481	0
6122 FOGLI MAURIZIO	1	1	0
6474 ANGELINI ALESSANDRO	250	250	0
6504 TIMUS ANDREEA	5	5	0
6547 GHIBAUDI LEOPOLDO	9.000	9.000	0
6616 ROSSI GIULIA	8.000	8.000	0
6755 LEONETTI GIULIANO	100	100	0
6849 LOIZZI GERMANA	3	3	0
6957 ESPOSITO MARCO	0	0	0
**D CITI RETIREMENT SAVINGS PLAN	137.653	0	137.653
**D UWF TROW INTL DISCOVERY	45.589	0	45.589
**D STANDARD LIFE INVESTMENTS GLOBAL SICAV II	53.674	0	53.674
**D SUBSIDIZED SCHOOLS P FUND NORTHERN	4.211	0	4.211
**D WILLIS TOWERS WATSON GROUP TRUST	3.441	0	3.441
**D 55016 UP INTERNATIONALE AKTIER	236.395	0	236.395
**D 56053 IP GLOBAL EQUITIES I	29.217	0	29.217
**D AST TRP DIVERS REAL GWTH PORT PDMO	1.049	0	1.049
**D ADVANCED SERIES TRUST AST T ROWE PRICE GROWTH OPPORTUNITIES PORTFOLIO GATEWAY CENTER	36.297	0	36.297
**D BNYMTD CF MITON EUROPEAN OPPTS FUND	630.272	0	630.272
**D NATIONAL BANK TRUST	42.267	0	42.267
**D RVN WILLIAM BLAIR	6.037	0	6.037
**D POWERSHARES PUREBETA FTSE DEVELOPED EX NORTHAMERICA PORTFOLIO	62	0	62
**D CHI OPERATING INVESTMENT PROGRAM LP	117.380	0	117.380
**D CATHOLIC HEALTH INITIATIVES MASTER TRUST	57.179	0	57.179
**D FIRST INITIATIVES INSURANCE LIMITED	12.910	0	12.910
**D GLOBAL EQUITY WELLINGTON	138.921	0	138.921
**D GLOBAL INVESTMENT FUND	31.323	0	31.323
**D MFS INTL EQUITY FUND	28.677	0	28.677
**D USBK MOMENTUMSHARES INTL QUANT ETF	121.743	0	121.743
**D 1135 APG DME STCK SEL	94.081	0	94.081
**D 1216 APG DME FINANC	2.255.729	0	2.255.729
**D UNISYS MASTER TRUST	60.092	0	60.092
**D AMG CHICAGO EQUITY PARTNERS BALANCED FUND	900	0	900
**D SAN FRANCISCO CITY AND COUNTY EMPLOYEES RETIREMENT SYSTEM	116.549	0	116.549
**D STICHTING DEPOSITARY APG DEVELOPED MARKETS EQUITY POOL	743.008	0	743.008
**D ELEMENTS INTERNATIONAL SMALL CAP PORTFOLIO	8.111	0	8.111
**D MANNING AND NAPIER FUND INC RAINIER INTERNATIONAL DISCOVERY FUND	605.665	0	605.665
**D FIRST INVESTORS GLOBAL FUND	237.361	0	237.361
**D PS FTSE LO BT EQ WT PORT	12.210	0	12.210
**D NYKREDIT ENGROS GLOBAL OPPORTUNTIES	56.912	0	56.912
**D EIR EIE WELLINGTON INT	106.784	0	106.784
**D WILM MULTI MGR INTL FD OBERWEIS	216.903	0	216.903
**D AST PRU GRWTH ALL PTF QMA EAFE PDDF	59.020	0	59.020
**D PS FTSERAFI EUSM UCITS ETF BNYMTCIL	2.477	0	2.477

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: Allocation of the profit for the year 2017

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D PS SP INTL DEVEL QUALITY PORTFOLIO	5.359	0	5.359
**D PS FR DEVEL MARK EX US SMALL PORT	17.503	0	17.503
**D AST FI PYRAMIS QUANT AA IE SC PDGJ	115.638	0	115.638
**D AST RCM WORLD TRENDS PORT PDBF	205.800	0	205.800
**D PENSION RESERVES INVESTMENT TRUST FUND	499.450	0	499.450
**D LMIF LMGAMI EURO SMLL CP	110.589	0	110.589
**D WELLINGTON MGMT CY LLPQUALITY EDUC FD	82.675	0	82.675
**D BNYMTCIL LAZARD GBL MANAGED VOL FD	31.714	0	31.714
**D IQ 50 PERCENT HEDGED FTSE EURO ETF	6.718	0	6.718
**D DB LAZARD GLB MNGD	25.000	0	25.000
**D AXA MPS FINANCIAL DAC	170.000	0	170.000
**D DEUTSCHE XTRK MSCI EMU HDG EQ ETF	3.191	0	3.191
**D BLACKROCK GLOBAL FUNDS	6.826.006	0	6.826.006
**D FPXF WILLIAM BLAIR CO	68.864	0	68.864
**D BLL AQUILA LIFE EUROPEAN EQUITY	437.644	0	437.644
**D BLL AQUILA LIFE OSEAS EQUITY FUND	3.292	0	3.292
**D AARP INSURANCE PLAN	10.266	0	10.266
**D AARP FOUNDATION	4.977	0	4.977
**D BNYMTD FTF FRANKLIN EUROPEAN OPP FD	7.195	0	7.195
**D MI FONDS K12 SPK	91.583	0	91.583
**D BANK OF AMERICA PENSION PLAN OECHSLE	190.091	0	190.091
**D BOA FBO SKL INVESTMENT GRP LLC	13.860	0	13.860
**D WMP OPP INVESTMENT PRINS LP	30.869	0	30.869
**D AARP LAZARD LQE GLB	29.329	0	29.329
**D DEUTSCHE XTRK MSCI EAFE SC HDG ETF	466	0	466
**D DBX FTSE DEV EX US COMP FACTOR	557	0	557
**D THE CLEVELAND CLINIC FOUNDATION	32.555	0	32.555
**D EATON VANCE MGMT INTL SMALL CAP	1.317	0	1.317
**D SLI EUROPEAN SMALLER COMPANIES	2.375.761	0	2.375.761
**D PS SP INTL DEVEL MOMENTUM PORT	504	0	504
**D HP INC MASTER TRUST	54.785	0	54.785
**D ONFF WILLIAM BLAIR NONUS	24.516	0	24.516
**D CE8F WILLIAM BLAIR IACG	185.061	0	185.061
**D RAYTHEON MASTER PENSION TRUST	38.925	0	38.925
**D VANGUARD INTL HIGH DIV YLD INDEX FD	42.184	0	42.184
**D BSNF NTR WILLIAM BLAIR	18.975	0	18.975
**D BSPF PMT WILLIAM BLAIR	24.044	0	24.044
**D DEAM FONDS SPEZIAL 2 AEQ SPK	1.269.411	0	1.269.411
**D DEAM FOND SPEZIAL 18 AEQ SPK	285.507	0	285.507
**D BLL DC EUROPEAN GROWTH FD AG PF	120.522	0	120.522
**D BNYMTD BIEF CONT EUR INV	56.736	0	56.736
**D BNYMTD BLK CONT EURO FD	618.846	0	618.846
**D BGF EUROPEAN SPECIAL SITUATIONS FUND	2.200.058	0	2.200.058
**D BGF CONT EURO FLEXIBLE FD EURO EQFD	3.798.551	0	3.798.551
**D BNYMTD RAMAM WORLD RECOVERY FUND	109.740	0	109.740
**D LRPF WILLIAM BLAIR	65.726	0	65.726

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: Allocation of the profit for the year 2017

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D DEUTSCHE XTRK MSCI STH EUR HDG ETF	199	0	199
**D ATFF AMERICAN CENTURY	44.194	0	44.194
**D RZSF3001 NON US GE W BLAIR	134.381	0	134.381
**D MSV JP MORGAN	62.372	0	62.372
**D ALASKA PERMANENT FUND CORPORATION	359.406	0	359.406
**D SCA LAZARD	24.315	0	24.315
**D AON HEWITT COLLECTIVE INVESTMENT TRUST	41.778	0	41.778
**D MINISTERS AND MISSIONARIES BENEFIT BOARD OF AMERICAN BAPTIST CHURCH	16.459	0	16.459
**D MIN DEF PF OMAN AMUNDI EURSILV	77.256	0	77.256
**D BNYMTD BLK EURO DYNAMIC FD	3.063.616	0	3.063.616
**D PHC NT SMALL CAP	28.250	0	28.250
**D BNYMTD RM GLOBAL HIGH ALPHA FUND	28.810	0	28.810
**D AMG TIMESSQUARE INTL SM CAP	1.205.000	0	1.205.000
**D BNYMTD BLK CONTINENTAL EURO INC	5.765.726	0	5.765.726
**D BNYMTD BLK CONT EUR EQ TRCK FD INV	313.139	0	313.139
**D OPERATING ENGINEERS LOCAL 101 PENSION FUND	120.000	0	120.000
**D BELL ATLANTIC MASTER TRUST	41.418	0	41.418
**D VERIZON MASTER SAVINGS TRUST	62.887	0	62.887
**D VOYA MULTI MANAGER INTERNATIONAL EQUITY FUND	49.013	0	49.013
**D THE EDUCATIONAL EMPLOYEES SUPPLEMENTARY RETIREMENT SYSTEM OF FAIRFAX COUNTY	5.348	0	5.348
**D GENERAL MILLS INVESTMENT TRUST	53.503	0	53.503
**D INDIANA PUBLIC RETIREMENT SYSTEM	20.228	0	20.228
**D KENTUCKY RETIREMENT SYSTEMS	580.000	0	580.000
**D KENTUCKY RETIREMENT SYSTEMS INSURANCE TRUST FUND	250.000	0	250.000
**D PUBLIC EMPLOYEES RETIREMENT SYSTEM OF MISSISSIPPI	72.395	0	72.395
**D PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF NEW MEXICO	16.687	0	16.687
**D BOARD OF PENSIONS OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA	80.956	0	80.956
**D JOHN S AND JAMES L KNIGHT FOUNDATION	65.800	0	65.800
**D SOUTH CAROLINA RETIREMENT SYSTEMS GROUP TRUST	288	0	288
**D UMC BENEFIT BOARD, INC	22.892	0	22.892
**D PRUDENTIAL INVESTMENT PORTFOLIO 2 PRUDENTIAL QMA INTL DEVELOPED MRKTS INDEX FUND	845	0	845
**D AHL DESERTWOOD FUND LIMITED C/O CITCO TRUSTEES (CAYMAN) LIMITED	109.956	0	109.956
**D PANAGORA DIVERSIFIED ARBITRAGE MASTER FUND LTD	2.630	0	2.630
**D MAP 192 SEGREGATED PORTFOLIO, PANAGORA ASST MGMNT INC PM ACT	30.024	0	30.024
**D GOVERNMENT OF NORWAY	4.267.532	0	4.267.532
**D NORGES BANK	225.448	0	225.448
**D UBS (LUX) EQUITY SICAV	68.735	0	68.735
**D UBS FUND MGT (CH) AG CH0516/UBSCHIF2-EGSCPII	98.996	0	98.996
**D UBS FUND MANAGEMENT (SWITZERLAND) AG.	123.764	0	123.764
**D CH0526 - UBS (CH) INSTITUTIONAL FUND - EQUITIES GLOBAL SMALL CAP PASSIVE II	15.606	0	15.606
**D AHL ALPHA MASTER LIMITED C/O CITCO TRUSTEES (CAYMAN) LIMITED	32.434	0	32.434
**D AHL DIRECTIONAL EQUITIES MASTER LIMITED	32.040	0	32.040
**D AHL EVOLUTION LTD SHARMAINE BERKELEY ARGONAUT LTD	777.939	0	777.939
**D ALT BETA EQUITY SIZE STRATEGY LIMITED CO NUMERIC INVESTORS LLC	310.536	0	310.536
**D AVIVA INVESTORS INTERNATIONAL INDEX TRACKING FUND	10.830	0	10.830
**D BLUE MOUNTAIN CREDIT ALTERNATIVES MASTER FUND LP CO M AND C CORP SERVICES LTD	67.980	0	67.980

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: Allocation of the profit for the year 2017

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D BLUEMOUNTAIN FURSAN FUND LP CO MAPLES CORP SERVICES LIMITED	8.817	0	8.817
**D BLUEMOUNTAIN GUADALUPE PEAK FUND L.P.CO CORPORATION SERVICE COMPANY	4.655	0	4.655
**D BLUEMOUNTAIN KICKING HORSE FUND L.P. C/O MAPLES CORPORATE SVCS LTD	11.285	0	11.285
**D BLUEMOUNTAIN SYSTEMATIC MASTER FUND LP MAPLES CORP SERVICES LTD	40.285	0	40.285
**D CITITRUST LIMITED AS TRUSTEE OF BLACKROCK PREMIER FUNDS-BLACKROCK WORLD EQUITY INDEX FUND	326	0	326
**D IRISH LIFE ASSURANCE.	171.778	0	171.778
**D LAZARD ASSET MANAGEMENT LLC C/O LAZARD ASSET MANAGEMENT LLC - EUROPEAN LONG/SHORT	40.152	0	40.152
**D LEGAL AND GENERAL	116.862	0	116.862
**D LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	1.472.983	0	1.472.983
**D LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	15.847	0	15.847
**D LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	13.760	0	13.760
**D LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	52.838	0	52.838
**D LEGAL AND GENERAL COLLECTIVE INVESTMENT TRUST.	8.597	0	8.597
**D MCKINLEY NON US DEVELOPED 130 30 GROWTH ONSHORE FUND LP C O MCKINLEY C.MGMT.LLC	68.998	0	68.998
**D PANAGORA ASSET MANAGEMENT INC.	1.731	0	1.731
**D SLIC ER EX UK SM CM FD XESC	273.095	0	273.095
**D STANDARD LIFE INVESTMENT COMPANY GLOBAL SMALLER	2.573.190	0	2.573.190
**D STICHTING PENSIOENFONDS KPN STICHTING PENSIOENFONDS POSTNL STICHTING PENSIOENFONDS AVEBE	570.407	0	570.407
**D STICHTING PGGM DEPOSITARY	422.749	0	422.749
**D THREADNEEDLE (LUX	1.124.222	0	1.124.222
**D THREADNEEDLE INVESTMENT FUNDS ICVCA.	9.413.406	0	9.413.406
**D ZURICH LIFE ASSURANCE PLC	84.359	0	84.359
**D THREE CORNER MASTER L/SFUND LP	1.427.900	0	1.427.900
**D LUCERNE CAPITAL MASTER FUND LP	427.175	0	427.175
**D MANUFACTURERS AND TRADERS TRUST COMPANY	3.180	0	3.180
**D UNIVERSITY CLUB	630	0	630
**D FEDERATED KAUFMANN FUND	5.125.000	0	5.125.000
**D FEDERATED KAUFMANN FUND II	131.600	0	131.600
**D FEDERATED KAUFMANN SMALL CAP FUND	874.310	0	874.310
**D FIDELITY RUTLAND SQUARE TR II: STRAT ADV INT MULTI-MANAGER F	3.243	0	3.243
**D FIDELITY RUTLAND SQUARETRUST II: STRATEGIC ADVISERS INT F	312.995	0	312.995
**D LAUDUS INTERNATIONAL MARKETMASTERS FUND	464.055	0	464.055
**D SCHWAB INTERNATIONAL EQUITY ETF	313.517	0	313.517
**D LAZARD ASSET MANAGEMENT LLC	1.352	0	1.352
**D LAZARD RETIREMENT GLOBAL DYNAMIC MULTI ASSET PORTFOLIO	11.974	0	11.974
**D LAZARD MANAGED EQUITY VOLATILITY PORTFOLIO	3.051	0	3.051
**D LAZARD GLOBAL DYNAMIC MULTI ASSET PORTFOLIO	1.953	0	1.953
**D LAZARD REAL ASSETS AND PRICING OPPORTUNITIES PORTFOLIO	1.207	0	1.207
**D WELLINGTON GLOBAL OPPORTUNITIES FUND (CANADA)	100.206	0	100.206
**D WELLINGTON INTERNATIONAL OPPORTUNITIES FUND	16.577	0	16.577
**D MANNING AND NAPIER	902.020	0	902.020
**D MFS HERITAGE TRUST COMPANY COLLECTIVE INVESTMENT TRUST	135.594	0	135.594
**D INTERNATIONAL MONETARY FUND	15.994	0	15.994
**D ALLIANZ GLOBAL INVESTORS GMBH FOR ALLIANZGI-FONDS GHS	154.000	0	154.000
**D AMERICAN CENTURY STRATEGIC ASSET ALL, INC. STRAT ALL CONS F	1.280	0	1.280
**D AMERICAN CENTURY STRAT ASSET ALL, INC. STRAT ALL MODERATE F	4.430	0	4.430

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: Allocation of the profit for the year 2017

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D AMERICAN CENTURY STRAT ASSET ALL, INC. STRATEGIC ALL AGGR F	4.680	0	4.680
**D AMERICAN CENTURY WORLD MUTUAL FUNDS, INC. INTL DISCOVERY F	141.830	0	141.830
**D AMERICAN CENTURY WORLD MUTUAL FUNDS, INC. INTL OPPORTUNITIES	170.088	0	170.088
**D AMERICAN CENTURY WORLD MUTUAL FUNDS INC - NT INT SM MID CAP F	61.980	0	61.980
**D AMERICAN CENTURY WORLD MUTUAL FUNDS, INC. - GLO SMALL CAP FD	6.683	0	6.683
**D AMERICAN CENTURY RETIREMENT DATE TRUST	61.347	0	61.347
**D ANIMA FUNDS PLC	78.238	0	78.238
**D CAREFIRST, INC. RETIREMENT PLAN TRUST FOR GHMSI ASSETS	43.000	0	43.000
**D CAREFIRST, INC. RETIREMENT PLAN TRUST FOR CFMI ASSETS	39.000	0	39.000
**D UAW RETIREE MEDICAL BENEFITS TRUST	101.658	0	101.658
**D HENDERSON INTERNATIONAL SMALL CAP FUND	20.028	0	20.028
**D SCPMG KEOGH PLAN	10.104	0	10.104
**D CALVERT WORLD VALUES F INC - CALVERT INT OPPORTUNITIES FUND	265.955	0	265.955
**D CALVERT RESP INX SRS, INC.-CLVRT DVD MRKTS EX-U.S. RSP INX FD	2.736	0	2.736
**D CONCEPT FUND SOLUTIONS PLC	1.286	0	1.286
**D THE REGENTS OF THE UNIVERSITY OF CALIFORNIA	206.295	0	206.295
**D MICROSOFT CORPORATION SAVINGS PLUS 401(K) PLAN	257.045	0	257.045
**D VALIC COMPANY I - ASSET ALLOCATION FUND	5.958	0	5.958
**D ALLIANZGI INTERNATIONAL SMALL-CAP FUND	308.542	0	308.542
**D PARAMETRIC INTERNATIONAL EQUITY FUND	4.180	0	4.180
**D EATON VANCE INTERNATIONAL SMALL-CAP FUND	34.992	0	34.992
**D FRANKLIN TEMPLETON ETF TRUST - FRANKLIN FTSE EUROPE ETF	4.305	0	4.305
**D FRANKLIN TEMPLETON ETF TRUST - FRANKLIN FTSE ITALY ETF	2.946	0	2.946
**D FRANKLIN TEMPLETON ETF TRUST-FRANKL LIBERTY INT OPPORTUN ETF	9.212	0	9.212
**D FRANKLIN TEMPLETON ETF TRUST - FRANKLIN FTSE EUROPE HEDGED ETF	1.400	0	1.400
**D THE GABELLI GLOBAL SMALL AND MID CAP VALUE TRUST	53.000	0	53.000
**D THE GABELLI GLOBAL RISING INCOME AND DIVIDEND FUND	27.000	0	27.000
**D GUARDIAN INTERNATIONAL GROWTH VIP FUND	6.545	0	6.545
**D GAM STAR FUND P.L.C.	3.618.908	0	3.618.908
**D RUSSELL INVESTMENT COMPANY SELECT INTERNATIONAL EQUITY FUND	15.376	0	15.376
**D E.SUN COMM BANK LTD IN ITS CAP AMC OF NOM EUR MID SM CAP GR F	43.513	0	43.513
**D HARTFORD INTERNATIONAL OPPORTUNITIES HLS FUND	556.165	0	556.165
**D THE HARTFORD INTERNATIONAL GROWTH FUND	109.838	0	109.838
**D THE HARTFORD INTERNATIONAL OPPORTUNITIES FUND	1.168.591	0	1.168.591
**D HARTFORD INTERNATIONAL EQUITY FUND	29.877	0	29.877
**D THE HARTFORD GLOBAL ALL- ASSET FUND	38.263	0	38.263
**D ALLIANZGI GLOBAL SMALL-CAP FUND	145.266	0	145.266
**D TCW INTERNATIONAL SMALL CAP FUND	14.710	0	14.710
**D WILLIAM BLAIR COLLECTIVE INVESTMENT TRUST	320.539	0	320.539
**D WILLIAM BLAIR INTERNATIONAL GROWTH FUND	871.300	0	871.300
**D WILLIAM BLAIR INSTITUTIONAL INTERNATIONAL GROWTH FUND	667.695	0	667.695
**D LAZARD GLOBAL MANAGED VOLATILITY (CANADA) FUND	2.530	0	2.530
**D MAINSTAY EPOCH CAPITAL GROWTH FUND	64.534	0	64.534
**D MM SELECT EQUITY ASSET FUND	4.584	0	4.584
**D LAZARD WILMINGTON GLOBAL MANAGED VOLATILITY PORTFOLIO	27.779	0	27.779
**D ANCHOR SERIES TRUST STRATEGIC MULTI-ASSET PORTFOLIO	5.883	0	5.883

Shareholders: 858 People:
 Shareholders on own behalf: 15 Shareholders by proxy:

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 18 DE* proxy to the natural person on above mentioned with the badge number
 843 **D proxy to natural person on above mentioned with the badge number (voting at the specific "assisted voting stations")
 RL* legal representation to the natural person on above mentioned with the badge number

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: Allocation of the profit for the year 2017

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM	78.810	0	78.810
**D RUSSELL COMMON CONTRACTUAL FUND	16.027	0	16.027
**D KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM	138.639	0	138.639
**D KP INTERNATIONAL EQUITY FUND	20.205	0	20.205
**D LAZARD GLOBAL INVESTMENT FUNDS PUBLIC LIMITED COMPANY	751.719	0	751.719
**D MARYLAND STATE RETIREMENT & PENSION SYSTEM	15.867	0	15.867
**D GTAA PANTHER FUND L.P	2.894	0	2.894
**D MERCER QIF CCF	2.080.743	0	2.080.743
**D STATE OF MONTANA BOARD OF INVESTMENTS	42.090	0	42.090
**D TEXAS MUNICIPAL RETIREMENT SYSTEM	272.348	0	272.348
**D STATE OF NEW JERSEY COMMON PENSION FUND D	161.132	0	161.132
**D NEW YORK STATE DEFERRED COMPENSATION PLAN	76.623	0	76.623
**D LAZARD GLOBAL BALANCED INCOME FUND	778	0	778
**D LAZARD GLOBAL LOW VOLATILITY FUND	3.151	0	3.151
**D CITY OF NEW YORK GROUP TRUST	180.406	0	180.406
**D CITY OF NEW YORK GROUP TRUST	438.768	0	438.768
**D PRINCIPAL EXCHANGE-TRADED FDS-PRINC INT MULTI-FACTOR INDEX ETF	1.239	0	1.239
**D WELLINGTON GLOBAL OPPORTUNITIES EX-JAPAN FUND	68.655	0	68.655
**D THRIVENT MODERATE ALLOCATION PORTFOLIO	12.777	0	12.777
**D THRIVENT MODERATELY AGGRESSIVE ALLOCATION PORTFOLIO	4.781	0	4.781
**D THRIVENT AGGRESSIVE ALLOCATION PORTFOLIO	1.415	0	1.415
**D THRIVENT MODERATE ALLOCATION FUND	2.306	0	2.306
**D THRIVENT MODERATELY AGGRESSIVE ALLOCATION FUND	2.077	0	2.077
**D THRIVENT AGGRESSIVE ALLOCATION FUND	1.282	0	1.282
**D THRIVENT GROWTH AND INCOME PLUS FUND	2.391	0	2.391
**D THRIVENT BALANCED INCOME PLUS FUND	6.696	0	6.696
**D THRIVENT GROWTH AND INCOME PLUS PORTFOLIO	2.616	0	2.616
**D THRIVENT BALANCED INCOME PLUS PORTFOLIO	7.564	0	7.564
**D THRIVENT LARGE CAP STOCK FUND	77.587	0	77.587
**D THRIVENT LARGE CAP STOCK PORTFOLIO	37.683	0	37.683
**D THRIVENT CORE INTERNATIONAL EQUITY FUND	105.132	0	105.132
**D THRIVENT DIVERSIFIED INCOME PLUS FUND	9.206	0	9.206
**D THRIVENT DIVERSIFIED INCOME PLUS PORTFOLIO	6.886	0	6.886
**D RUSSELL INVESTMENTS OVERSEAS EQUITY POOL	62.621	0	62.621
**D RUSSELL INVESTMENTS MULTI-FACTOR INTERNATIONAL EQUITY POOL	837	0	837
**D RUSSELL INSTITUTIONAL FUNDS,LLC-RUSSELL INTL EQUITY FUND	61.886	0	61.886
**D RUSSELL INVESTMENTS OVERSEAS EQUITY FUND	35.453	0	35.453
**D BANK OF KOREA	187.738	0	187.738
**D BIMCOR GLOBAL SMALL CAP POOLED FUND	43.678	0	43.678
**D CHANG HWA COMMERCIAL BANK, LTD., IN ITS CAPACITY AS MASTER	288.800	0	288.800
**D STATE STREET IRELAND UNIT TRUST	2.399	0	2.399
**D SSGA SPDR ETFS EUROPE II PUBLIC LIMITED COMPANY	45.021	0	45.021
**D CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM	869.247	0	869.247
**D DELTASHARES S+P INTERNATIONAL MANAGED RISK ETF	6.109	0	6.109
**D CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM	517.835	0	517.835
**D TENNESSEE CONSOLIDATED RETIREMENT SYSTEM	190.600	0	190.600

Shareholders: 858 People:
 Shareholders on own behalf: 15 Shareholders by proxy:

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: Allocation of the profit for the year 2017

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D TENNESSEE CONSOLIDATED RETIREMENT SYSTEM	348.095	0	348.095
**D PINEBRIDGE GLOBAL FUNDS	36.601	0	36.601
**D METZLER ASSET MANAGEMENT GMBH FOR MI-FONDS 415	97.000	0	97.000
**D ALLIANZ GLOBAL INVESTORS GMBH FOR ALLIANZGI-FONDS HPT	346.439	0	346.439
**D CAPITAL GROUP GLOBAL EQUITY FUND (CANADA)	2.865.000	0	2.865.000
**D CAPITAL GROUP GLOBAL BALANCED FUND (CANADA)	230.000	0	230.000
**D SAINT-GOBAIN CORPORATION DEFINED BENEFIT MASTER TRUST	27.921	0	27.921
**D VANGUARD FTSE DEVELOPED EUROPE ALL CAP INDEX ETF	8.413	0	8.413
**D VANGUARD FTSE DEVELOPED ALL CAP EX NORTH AMERICA INDEX ETF	8.644	0	8.644
**D VANGUARD DEVEL ALL-CAP EX NORTH AMERICA EQT IND POOLED FUND	541	0	541
**D VANGUARD GLOBAL LIQUIDITY FACTOR ETF	1.061	0	1.061
**D VANGUARD GLOBAL MOMENTUM FACTOR ETF	1.558	0	1.558
**D VANGUARD INVESTMENTS II COMMON CONTRACTUAL FUND	32.024	0	32.024
**D VANGUARD INVESTMENTS COMMON CONTRACTUAL FUND	36.461	0	36.461
**D VANGUARD FTSE DEVELOPED EUROPE INDEX ETF	1.123	0	1.123
**D VALIC COMPANY II INTERNATIONAL OPPORTUNITIES FUND	125.203	0	125.203
**D THE WELLINGTON TR COM NATIONAL ASS MULT COLLECT INV F TRUST	343.065	0	343.065
**D THE WELLINGTON TR CO NAT ASS MULT C TR F TR, OPPORT EQ PTF	72.130	0	72.130
**D THE WELLINGTON TR CO NAT ASS MULT COM GLB OPPORT PTF	45.012	0	45.012
**D THE WELLINGTON TR CO NAT ASS MULT COLLECTIVE INV F TRUST II	222.999	0	222.999
**D WELLS FARGO BK DECL OF TR EST INV FUNDS FOR EMPLOYEE BEN TR	48.345	0	48.345
**D WELLS FARGO MASTER TRUST-WELLS FRGO FACTR ENHANCED INT PRTFLIO	32.119	0	32.119
**D WISDOMTREE ISSUER PUBLIC LIMITED COMPANY	4.015	0	4.015
**D WASHINGTON STATE INVESTMENT BOARD	165.288	0	165.288
**D WISDOMTREE DYNAMIC CURRENCY HEDGED EUROPE EQUITY FUND	1.905	0	1.905
**D WISDOMTREE DYNAMIC CURRENCY HEDGED INTRNL EQUITY FUND	21.885	0	21.885
**D WISDOMTREE INTERNATIONAL HIGH DIVIDEND FUND	18.621	0	18.621
**D WISDOMTREE INTERNATIONAL MIDCAP DIVIDEND FUND	61.943	0	61.943
**D WISDOMTREE EUROPE LOCAL RECOVERY FUND	10.772	0	10.772
**D WISDOMTREE EUROPE HEDGED SMALLCAP EQUITY FUND	201.403	0	201.403
**D NEW YORK STATE TEACHERS RETIREMENT SYSTEM	214.056	0	214.056
**D PRUDENTIAL BANK AND TRUST	97.233	0	97.233
**D PRUDENTIAL RETIREMENT INSURANCE & ANNUITY COMPANY	118.313	0	118.313
**D WELLINGTON MANAGEMENT FUNDS (IRELAND) PLC	2.363	0	2.363
**D SPDR EURO STOXX SMALL CAP ETF	49.165	0	49.165
**D SS FTSE DEV COMPREHENSIVE FACTOR IND NON-LENDING COMMON TRU FD	4.034	0	4.034
**D SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMENT PL	711.442	0	711.442
**D AXA WORLD FUNDS	13.211.990	0	13.211.990
**D ALLIANZ GLOBAL INVESTORS FUND	1.883.899	0	1.883.899
**D BLACKROCK STRATEGIC FUNDS	334.818	0	334.818
**D DB X-TRACKERS	487.536	0	487.536
**D DEUTSCHE INVEST I	2.175.336	0	2.175.336
**D MFS MERIDIAN FUNDS	1.306.568	0	1.306.568
**D KIEGER FUND I	23.718	0	23.718
**D UBS ETF	65.218	0	65.218
**D DEUTSCHE ASSET MNGM INV GMBH FOR DWS EUROPE DYNAMIC	135.000	0	135.000

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: Allocation of the profit for the year 2017

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D DEUTSCHE ASSET MNGM INV GMBH FOR DWS TOP EUROPE	2.694.000	0	2.694.000
**D DEUTSCHE ASSET MNGM INV GMBH FOR DWS EUROPEAN OPPORTUNITIES	622.257	0	622.257
**D DEUTSCHE ASSET MNGM INV GMBH FOR OPPENHEIM DYNAMIC EUROPE BAL	43.715	0	43.715
**D DEUTSCHE AST MGMT INVEST GMBH FR DEUTSCH AM QUANT EQ EUROLAND	79.811	0	79.811
**D ISHARES MSCI EAFE SMALL CAP ETF	1.389.975	0	1.389.975
**D ISHARES MSCI EUROPE SMALL-CAP ETF	69.326	0	69.326
**D ISHARES CORE MSCI EAFE ETF	1.437.247	0	1.437.247
**D ISHARES CORE MSCI TOTAL INTERNATIONAL STOCK ETF	189.056	0	189.056
**D ISHARES CORE MSCI INTERNATIONAL DEVELOPED MARKETS ETF	56.088	0	56.088
**D ISHARES CORE MSCI EAFE IMI INDEX ETF	27.938	0	27.938
**D ISHARES MSCI EUROPE IMI INDEX ETF	10.292	0	10.292
**D ISHARES CORE MSCI EUROPE ETF	117.297	0	117.297
**D CONNECTICUT GENERAL LIFE INSURANCE COMPANY	827	0	827
**D INTERNATIONAL PAPER CO COMMINGLED INVESTMENT GROUP TRUST	21.880	0	21.880
**D IBM 401K PLUS PLAN	86.186	0	86.186
**D OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM	127.113	0	127.113
**D RUSSELL TRUST CO COMMINGLED EMPLOYEE BENEFIT FUNDS TRUST	385.612	0	385.612
**D GENERAL CONFERENCE CORPORATION OF SEVENTH DAY ADVENTISTS	100.000	0	100.000
**D STATE OF ALASKA RETIREMENT AND BENEFITS PLANS	15.676	0	15.676
**D COLLEGE RETIREMENT EQUITIES FUND	1.055.755	0	1.055.755
**D RUSSELL INVESTMENT COMPANY - RUSSELL INTERN DEVELOPED MKT F	321.779	0	321.779
**D DELUXE CORPORATION MASTER TRUST	18.704	0	18.704
**D MERCY HEALTH	13.589	0	13.589
**D RUSSELL INVESTMENT FUNDS NON-U.S. FUND	52.453	0	52.453
**D RUSSELL INVESTMENT COMPANY II PLC	75.335	0	75.335
**D RUSSELL INVESTMENT COMPANY PLC	37.056	0	37.056
**D MULTI-STYLE, MULTI-MANAGER FUNDS PLC	98.841	0	98.841
**D THE WELLINGTON TR CO NAT ASS MULT COM ALPHA STRATEGIES PTF	36.829	0	36.829
**D MERCY HEALTH RETIREMENT TRUST	3.997	0	3.997
**D TRUTH INITIATIVE FOUNDATION	7.497	0	7.497
**D MSCI EAFE SMALL CAP PROV INDEX SEC COMMON TR F	118.386	0	118.386
**D ISHARES PUBLIC LIMITED COMPANY	1.498.441	0	1.498.441
**D ISHARES II PUBLIC LIMITED COMPANY	328.291	0	328.291
**D ISHARES VII PLC	968.051	0	968.051
**D ISHARES III PUBLIC LIMITED COMPANY	17.751	0	17.751
**D ISHARES I INVESTK MIT TGV F ISHS ST. EUROPE600 BS UCITS ETF DE	349.181	0	349.181
**D BLACKROCK AM DE FOR ISHS EURO STOXX BANKS 30-15 UCITS ETF (DE)	1.898.902	0	1.898.902
**D BLACKROCK AM DE FOR ISHARES EURO STOXX UCITS ETF (DE)	148.261	0	148.261
**D BLACKROCK AM DE FOR ISHS STOXX EUROPE SMALL 200 UCITS ETF (DE)	375.271	0	375.271
**D BLACKROCK AM DE FOR ISHARES STOXX EUROPE 600 UCITS ETF (DE)	350.587	0	350.587
**D BLACKROCK AM SCH AG OBO BIFS WORLD EX SW SMALL CAP EQ INDEX F	49.170	0	49.170
**D PINEBRIDGE GLOBAL DYNAMIC ASSET ALLOCATION FUND LLC	14.277	0	14.277
**D MANAGED PENSION FUNDS LIMITED	33.669	0	33.669
**D THE TRUSTEES OF CONOCOPHILLIPS PENSION PLAN	6.888	0	6.888
**D FAMILY INVESTMENTS CHILD TRUST FUND	11.150	0	11.150
**D FAMILY INVESTMENTS GLOBAL ICVC FAMILY BALANCED INT FUND	9.961	0	9.961

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: Allocation of the profit for the year 2017

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D HSBC AS TRUSTEE FOR SSGA EUROPE EX UK EQUITY TRACKER FUND	284.213	0	284.213
**D FP RUSSELL INVESTMENTS ICVC-FP RUSSELL INV INT GROWTH ASSTS FD	8.584	0	8.584
**D ARAB AUTHORITY FOR AGRICULTURAL INVESTMENT AND DEVELOPMENT	7.541	0	7.541
**D STICHTING PHILIPS PENSIOENFONDS	56.707	0	56.707
**D MULTI-MANAGER ICVC - MULTI-MANGER INTERNATIONAL EQUITY FUND	91.914	0	91.914
**D VANGUARD INV FDS ICVC-VANG FTSE DEV WOR LD EX - UK EQT IND FD	57.793	0	57.793
**D VANGUARD INV F ICVC-VANGUARD FTSE DEV EUROPE EX-UK EQ INDEX F	119.820	0	119.820
**D VANGUARD INV FUNDS ICVC-VANGUARD FTSE GLOB ALL CAP IND FUND	423	0	423
**D RUSSELL INVESTMENTS GLOBAL OPPORTUNITIES FUND	96.617	0	96.617
**D PINEBRIDGE GLOBAL DYNAMIC ASSET ALLOCATION FUND	30.175	0	30.175
**D SUNSUPER SUPERANNUATION FUND	13.451	0	13.451
**D CANADA PENSION PLAN INVESTMENT BOARD	1.086.400	0	1.086.400
**D THE TRUSTEES OF BP PENSION FUND	340.650	0	340.650
**D OMERS ADMINISTRATION CORPORATION FUND	380.331	0	380.331
**D CITADEL MULTI-STRATEGY EQUITIES FUND (ICAV)	14.644	0	14.644
**D AON SAVINGS PLAN TRUST	55.102	0	55.102
**D THE BOEING COMPANY EMPLOYEES SAVINGS PLANS MASTER TRUST	60.988	0	60.988
**D FORD MOTOR COMPANY DEFINED BENEFIT MASTER TRUST	13.955	0	13.955
**D HEWITT ASSOCIATES LLC 401K PLAN TRUST	19.737	0	19.737
**D BAPTIST FOUNDATION OF TEXAS DBA HIGHGROUND ADVISORS	26.952	0	26.952
**D MORGAN STANLEY DEFINED CONTRIBUTION MASTER TRUST	58.764	0	58.764
**D STATE OF UTAH, SCHOOL AND INSTITUTIONAL TRUST FUNDS	7.141	0	7.141
**D HRW TESTAMENTARY TRUST NO 3	40.800	0	40.800
**D HRW TESTAMENTARY TRUST NO. 8	39.100	0	39.100
**D HRW TESTAMENTARY TRUST NO. 12	40.500	0	40.500
**D EMPLOYEES RETIREMENT FUND OF THE CITY OF DALLAS	24.205	0	24.205
**D THE CURATORS OF THE UNIVERSITY OF MISSOURI	31.235	0	31.235
**D DFI LP EQUITY (PASSIVE)	1.693	0	1.693
**D NTGI-QM COMMON DAILY ALL COUNWD EX-US INV MKT INDEX F NONLEND	9.989	0	9.989
**D THE PUBLIC INSTITUTION FOR SOCIAL SECURITY	64.137	0	64.137
**D INTERNATIONAL MONETARY FUND STAFF RETIREMENT PLAN	442.591	0	442.591
**D NATIONAL COUNCIL FOR SOCIAL SECURITY FUND, P.R.C	34.430	0	34.430
**D MICROSOFT GLOBAL FINANCE	5.832	0	5.832
**D BLUE SKY GROUP	180.800	0	180.800
**D NEW ZEALAND SUPERANNUATION FUND	34.150	0	34.150
**D MERCER DS TRUST	143.860	0	143.860
**D BATTELLE MEMORIAL INSTITUTE	13.240	0	13.240
**D DUPONT AND RELATED COMP DEFINED CONTRIBUTION PLAN MASTER TR	61.137	0	61.137
**D PYRAMIS GROUP TRUST FOR EMPLOYEE BENEFIT PLANS	170.023	0	170.023
**D THE HEALTH FOUNDATION	25.840	0	25.840
**D NORTHERN TRUST GLOBAL INVESTMENTS COLLECTIVE FUNDS TRUST	334.975	0	334.975
**D NATIONAL RAILROAD RETIREMENT INVESTMENT TRUST	291.058	0	291.058
**D SUTTER HEALTH MASTER RETIREMENT TRUST	580.535	0	580.535
**D ADVOCATE HEALTH CARE NETWORK	28.762	0	28.762
**D CITY OF MILWAUKEE EMPLOYES RETIREMENT SYSTEM	80.839	0	80.839
**D PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF COLORADO	468.968	0	468.968

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: Allocation of the profit for the year 2017

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D FIREMEN`S ANNUITY & BENEFIT FUND OF CHICAGO	16.201	0	16.201
**D EMPLOYEES` RETIREMENT FUND OF THE CITY OF FORT WORTH	90.225	0	90.225
**D GENERAL PENSION AND SOCIAL SECURITY AUTHORITY	82.221	0	82.221
**D ILLINOIS MUNICIPAL RETIREMENT FUND	218.947	0	218.947
**D LOS ANGELES CITY EMPLOYEES RETIREMENT SYSTEM	41.051	0	41.051
**D CITY OF LOS ANGELES FIRE AND POLICE PENSION PLAN	65.307	0	65.307
**D LOCKHEED MARTIN CORPORATION MASTER RETIREMENT TRUST	138.897	0	138.897
**D MIDWEST OPERATING ENGINEERS PENSION TRUST FUND	600.000	0	600.000
**D UNITED MINE WORKERS OF AMERICA 1974 PENSION TRUST	68.907	0	68.907
**D POLICEMEN`S ANNUITY AND BENEFIT FUND OF CHICAGO	39.567	0	39.567
**D SALT RIVER PIMA-MARICOPA INDIAN COMMUNITY	21.155	0	21.155
**D UTAH STATE RETIREMENT SYSTEMS	69.008	0	69.008
**D FORD MOTOR COMPANY OF CANADA, LIMITED PENSION TRUST	1.181	0	1.181
**D NATIONAL WESTMINSTER BANK PLC PLC AS TR OF BARING EUR SEL TR	3.198.899	0	3.198.899
**D WHEELS COMMON INVESTMENT FUND	14.359	0	14.359
**D THE TRUSTEES OF ZURICH FINANCIAL SERVICES UK PENSION SCHEME	475.624	0	475.624
**D STICHTING PENSIOENFONDS APF	2.873	0	2.873
**D THE TRUSTEES OF CHEVRON UK PENSION PLAN	2.761	0	2.761
**D COLONIAL FIRST STATE INVESTMENT FUND 50	13.187	0	13.187
**D MUNICIPAL EMPLOYEES` ANNUITY AND BENEFIT FUND OF CHICAGO	9.452	0	9.452
**D LEGAL & GENERAL GLOBAL EQUITY INDEX FUND	1.487	0	1.487
**D NAT WEST BK AS TRUSTEE OF LEGAL & GENERAL EUROPEAN INDEX TR	230.275	0	230.275
**D NAT WEST BK PLC AS TRUSTEE OF THE LEGAL & GENERAL INT IND TR	26.634	0	26.634
**D BARING INVESTMENT FUNDS PLC	203.004	0	203.004
**D AMG FUNDS PLC	26.720	0	26.720
**D SSGA GROSS ROLL UP UNIT TRUST	13.909	0	13.909
**D LEGAL & GENERAL ICAV	2.648	0	2.648
**D LEGAL & GENERAL AUTHORISED CONTRACTUAL SCHEME	5.796	0	5.796
**D BLACKROCK AUTHORISED CONTRACTUAL SCHEME I	299.258	0	299.258
**D STATE TEACHERS RETIREMENT SYSTEM OF OHIO	173.208	0	173.208
**D ILLINOIS STATE BOARD OF INVESTMENT	78.822	0	78.822
**D VERDIPAPIRFONDET KLP AKSJEGLOBAL SMALL CAP INDEKS I	32.044	0	32.044
**D UNIVEST	276.604	0	276.604
6970 CLERICI CAMILLA	0	0	0
**D NORDEA 1 SICAV	1.411.219	0	1.411.219
**D MOMENTUM INVESTMENT FUNDS SICAV-SIF	125.735	0	125.735
**D JPMORGAN FUNDS	860.480	0	860.480
**D JPMORGAN INVESTMENT FUNDS	991.793	0	991.793
**D FRANKLIN TEMPLETON INVESTMENT FUNDS	2.792.340	0	2.792.340
**D T. ROWE PRICE FUNDS SICAV	192.210	0	192.210
**D CAPITAL INTERNATIONAL FUND	116.670	0	116.670
**D SCHRODER INTERNATIONAL SELECTION FUND	293.093	0	293.093
**D THE LUCERNE CAPITAL MASTER FUND LP C/O WALKERS CORPORATE LTD	28.406	0	28.406
**D NMM3 EUEQ MFS ACCOUNT	8.004	0	8.004
**D WELLINGTON MANAGEMENT PORTFOLIOS	222.312	0	222.312
**D FIDELITY FUNDS SICAV	795.854	0	795.854

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Subject: Allocation of the profit for the year 2017

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D ING DIRECT	33.717	0	33.717
**D NATIXIS INTERNT FUNDS LUX I	179.358	0	179.358
**D HUNTINGTON NATIONAL BANK TAXABLE ACC	8.290	0	8.290
**D WELLINGTON TRUST COMP COMM TRUST INT OPP	111.602	0	111.602
**D RAINIER INT SMALL CAP EQUITY COLLECTIVE	183.350	0	183.350
**D FIDELITY SALEM STR T FID TOTAL INT IND F	20.446	0	20.446
**D WTC-CTF INTERNATIONAL HORIZONS	23.208	0	23.208
**D DEVELOPED INTERNATION EQUITY SELECT ETF	1.976	0	1.976
**D BBH B FOR TMTBJ RE: MUTB400037270	6.775	0	6.775
**D JAPAN TRUSTEE SERVICES BANK LTD	206.631	0	206.631
**D DEUTSCHE EUROPEAN EQUITY FUND	108.050	0	108.050
**D GLOBAL X SCIENTIFIC BETA EUROPE ETF	1.130	0	1.130
**D PINEBRIDGE DYNAMIC ASSET ALLOCATION FUND	6.235	0	6.235
**D HSBC GROUP HONG KONG LOCAL STAFF RETIREMENT BENEFIT SCHEME	3.732	0	3.732
**D ANIMA SGR SPA	2.666.601	0	2.666.601
**D ANIMA SGR SPA ANIMA CRESCITA ITALIA	699.858	0	699.858
**D DEKA MASTER HAEK I	67.605	0	67.605
**D ALLIANZGI FONDS APNIESA	8.497	0	8.497
**D ALLIANZGI FONDS BAT LS	82.500	0	82.500
**D ALLIANZGI FONDS AFE	57.604	0	57.604
**D ALLIANZGI FONDS PTV2	47.620	0	47.620
**D ALLIANZGI FONDS PF1	8.813	0	8.813
**D ALLIANZGI FONDS PF2	45.698	0	45.698
**D ALLIANZ GI FONDS QUONIAM SMC	112.661	0	112.661
**D AXA ASSICURAZIONI SPA	11.000	0	11.000
**D PARVEST	4.707.241	0	4.707.241
**D JANUS HENDERSON HORIZON FUND	947.335	0	947.335
**D JANUS HENDERSON FUND	197.410	0	197.410
**D BNP PARIBAS L1	349.829	0	349.829
**D BNP PARIBAS A FUND	72.069	0	72.069
**D BNP PARIBAS B PENSION GROWTH	167.945	0	167.945
**D BNP PARIBAS B PENSION STABILITY	81.283	0	81.283
**D METROPOLITAN RENTASTRO	313.328	0	313.328
**D BNP PARIBAS B PENSION BALANCED	1.088.502	0	1.088.502
**D JANUS HEND INSTIT EUROP INDEX OPP FUND	42.487	0	42.487
**D JANUS HENDERS EUROPEAN SMALLER COMP FD	430.018	0	430.018
**D RESPONSIBLE INVESTMENT LEADERS INT SHARE	37.745	0	37.745
**D SENTOSA DEVELOPMENT CORPORATION	10.402	0	10.402
**D BNP PARIBAS MIDCAP EUROPE	1.397.460	0	1.397.460
**D TOTAL GESTION FLEX PATRI	46.511	0	46.511
**D FCP BNPP ACTIONS ENTREPRENEURS	752.692	0	752.692
**D BNP PARIBAS ACTIONS PME	696.084	0	696.084
**D FCP SCANDIUM	97.262	0	97.262
**D FCP CARDIF BNPP IP SMID CAP EURO	1.127.139	0	1.127.139
**D FCP LBPAM ACTIONS EUROPE LARGE CAP	47.785	0	47.785
**D FCP CNP ASSUR SMID CAP EUROPE	212.396	0	212.396

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Shareholders: 858 People:
 Shareholders on own behalf: 15 Shareholders by proxy:

18 DE* proxy to the natural person above mentioned with the badge number
 843 **D proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations")
 RL* legal representation to the natural person above mentioned with the badge number

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: Allocation of the profit for the year 2017

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D BNP PARIBAS SMALL CAP EUROLAND	4.097.208	0	4.097.208
**D FCP BNP PARIBAS ACTIONS EUROLAND	46.482	0	46.482
**D COMPT EUROPE	95.000	0	95.000
**D AXIVA ACTION 1	25.749	0	25.749
**D ACTIONS SELECTIONNEES	5.480	0	5.480
**D AXA VALEURS EURO	1.400.000	0	1.400.000
**D FCPE TOTAL ACTIONS EUROPEENNES	750.000	0	750.000
**D FCP BNP PARIBAS MIDCAP FRANCE	1.087.878	0	1.087.878
**D FCP AVIVA INVESTORS SMALL & MID CAPS EUR	222.914	0	222.914
**D AXA OPTIMAL INCOME	2.068.464	0	2.068.464
**D SAKKARAH 7	8.716	0	8.716
**D STICHT BEDRIJ MEDIA PNO	213.800	0	213.800
**D AFER ACTION PME	778.661	0	778.661
**D SAINT MARTIN 4	877.000	0	877.000
**D IPA CORPORATE ACTIONS AND INCOME	48.331	0	48.331
**D FONDS RESERVE RETRAITES	1.126.854	0	1.126.854
**D RAVGDT DIVERSIFIE II LBPAM	41.870	0	41.870
**D CPR AM	113.850	0	113.850
**D ROBECO CAPITAL GROWTH FUNDS	450.000	0	450.000
**D CORONATION GLOBAL OPPORTUNITIES FUND	423.707	0	423.707
**D SHELL TRUST (BERMUDA) LIMITED AS TRUSTEE	7.183	0	7.183
**D SHELL TRUST (BERMUDA) LTD AS TRUSTEE OF THE SHELL OVERSEAS C.P. FUND	34.987	0	34.987
**D DEKA INVESTMENT GMBH RE ARIDEKA	900.000	0	900.000
**D DEKA INVEST. RE DEKA-DIVIDENDENDISCOUNT	3.900	0	3.900
**D DEKA INVEST DIVIDENDENSTRATEGIE	838.900	0	838.900
**D DEKA BASISSTRATEGIE FLEXIBEL	18.500	0	18.500
**D DEKA INVESTMENT GMBH RE DEKA-DIVIDEND VA	68.000	0	68.000
**D DEKA INVESTMENT GMBH RE DEKA-MULTIASSET INCOME	100.000	0	100.000
**D THE MASTER TRUST BANK OF JAPAN LTD AS TRUSTEE FOR MTBJ400045842	1.720.886	0	1.720.886
**D TEACHERS` RETIREMENT SYSTEM OF THE CITY OF NEW YORK	47.864	0	47.864
**D UBS GLOBAL ASSET MANAGEMENT LIFE LTD	151.024	0	151.024
**D MERIFIN CAPITAL B.V.	39.575	0	39.575
**D WESTPAC WHOLESALE UNHEDGED INTERNATIONAL	43.815	0	43.815
**D ENTERGY CORP.RETIREMENT PLANS MASTER TR.	150.830	0	150.830
**D JEFFREY LLC	58.552	0	58.552
**D CHINA LIFE INSURANCE COMPANY LIMITED	36.007	0	36.007
**D FONDO CONSOLIDADO DE RESERVAS PREVISIONA	65.942	0	65.942
**D JPMORGAN CHASE BANK	2.000	0	2.000
**D UBS (US) GROUP TRUST	7.469	0	7.469
**D BT WHOLESALE MULTI MANAG INTL SHARE FUND	24.626	0	24.626
**D WSSP INTERNATIONAL EQUITIES TRUST	68.156	0	68.156
**D EUROPACIFIC GROWTH FUND	5.235.000	0	5.235.000
**D T. ROWE PRICE INTERNATIONAL SMALL CAP	497.948	0	497.948
**D THE BOEING COMPANY EMPLOYEE RETIREMENT PLANS MASTER TRUST	83.856	0	83.856
**D BLACKROCK FISSION INDEXED INTL EQUITY FD	12.748	0	12.748
**D ISHARES ALLCOUNTRY EQUITY INDEX FUND	1.214	0	1.214

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

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IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D INTERNATIONAL GROWTH AND INCOME FUND	6.475.000	0	6.475.000
**D ALTRIA CLIENT SERVICES MASTER RETIREM.T.	81.690	0	81.690
**D SUPER FUNDS MANAG CORP SOUTH AUSTRALIA	60.952	0	60.952
**D STICHTING PENSIOENFONDS VOOR DE WONINGCO	58.078	0	58.078
**D UBS ASSET MANAGEMENT LIFE LTD	283	0	283
**D MINISTRY OF STRATEGY AND FINANCE	40.968	0	40.968
**D T. ROWE PRICE INTERNATIONAL DISCOVERY FU	4.575.580	0	4.575.580
**D NVIT MULTI MANAGER INTERNATIONAL GROWTH	59.600	0	59.600
**D FLEXSHARES MORNINGSTAR DEVELOPED MARKETS	4.895	0	4.895
**D MFS INTERNATIONAL NEW DISCOVERY FUND	2.267.886	0	2.267.886
**D T ROWE PRICE INTERNATIONAL EQUITY INDEX	14.257	0	14.257
**D T ROWE PRICE GLOBAL ALLOCATION FUND INC	8.817	0	8.817
**D GOLDMAN SACHS TRUST-G.S.INTL.TAX MANAGED	32.601	0	32.601
**D PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OHIO	122.288	0	122.288
**D JPMORGAN LIFE LIMITED	81.039	0	81.039
**D JPM EUROPE DYNAMIC (EX UK) FUND	593.932	0	593.932
**D SANLAM LIFE AND PENSIONS UK LIMITED	49.930	0	49.930
**D AVIVA LIFE & PENSIONS UK LIMITED	135.750	0	135.750
**D STICHTING SHELL PENSIOENFONDS	117.749	0	117.749
**D SHELL PENSIONS TRUST LIMITED AS TRUSTEE OF SHELL CONTRIBUTORY PENSION FUND	75.058	0	75.058
**D STICHTING PENSIOENFONDS MEDISCH SPECIALI	283.660	0	283.660
**D STATE OF CALIFORNIA MASTER TRUST	158.670	0	158.670
**D NATIONAL PROVIDENT FUND AS TRUSTEE OF TH	16.166	0	16.166
**D DEKA INVEST RE DEKA-ZMV-FONDS	20.000	0	20.000
**D DEKA INVESTMENT GMBH RE PRODEKA	65.200	0	65.200
**D DEKA A-DOR-FONDS	6.503	0	6.503
**D DEKA INVESTMENT GMBH RE LANDSBERG-FONDS	5.900	0	5.900
**D DEKA INVESTMENT GMBH RE DEKA VALUE PLUS	10.813	0	10.813
**D ALLIANZGI-FONDS DSPT	11.872	0	11.872
**D BUMA-UNIVERSAL-FONDS-II	602.592	0	602.592
**D BUMA-UNIVERSAL-FONDS I	13.990	0	13.990
**D MI-FONDS 392	462.000	0	462.000
**D JPMORGAN EUROPEAN INVESTMENT TRUST PLC	98.990	0	98.990
**D KAPITALFORENINGEN ISTITUTIONEL INVESTOR EUROPAELSKE AKTIER	1.011.641	0	1.011.641
**D NEW MEXICO STATE INVESTMENT COUNCIL	80.036	0	80.036
**D DEKA INTERNATIONAL S.A. RE DEKA-EUROSTOC	546.850	0	546.850
**D STICHTING PENSIOENFONDS VOOR HUISARTSEN	36.912	0	36.912
**D BUREAU OF LABOR FUNDS - LABOR RETIREMENT FUND	6.015	0	6.015
**D BUREAU OF LABOR FUNDS-LABOR INSURANCE FUND	217.051	0	217.051
**D BUREAU OF LABOR FUNDS- LABOR PENSION FUND	19.873	0	19.873
**D NORDEA PRO EUROPEAN FUND	377.784	0	377.784
**D NORDEA EUROPE FUND	1.612.784	0	1.612.784
**D INVESTERINGSFORENINGEN NORDEA INV AKTIER	586.767	0	586.767
**D ARTEMIS EUROPEAN OPPORTUNITIES FUND	844.653	0	844.653
**D BLACKROCK MULTI-ASSET INC.PORTF.OF BLACK	754.307	0	754.307
**D BLACKROCK INSTITUTIONAL TRUST COMPANY N.A. INVESTMENT FUNDS FOR EMPLOYEE BENEFIT TRUSTS	354.859	0	354.859

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: Allocation of the profit for the year 2017

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D JP MORGAN CHASE RETIREMENT PLAN	119.470	0	119.470
**D PENSION TRUST FUND FOR OPERATING ENGINEE	400.000	0	400.000
**D LONDON LIFE INSURANCE COMPANY	69.200	0	69.200
**D CANADA POST CORPORATION REGISTERED PENSI	106.197	0	106.197
**D THE NOVA SCOTIA HEALTH EMPLOYEES PENS PL	83.637	0	83.637
**D THE BOMBARDIER TRUST (UK)	61.392	0	61.392
**D FTSE ALL WORLD INDEX FUND	20.987	0	20.987
**D FLF STRATEGIC GLOBAL EQUITY FUND	119.463	0	119.463
**D REASSURE LIMITED	123.245	0	123.245
**D FLF GLOBAL EQUITY FUND	60.413	0	60.413
**D CITADEL ADVISORS LLC	86.066	0	86.066
**D FRIENDS LIFE AND PENSIONS LIMITED	51.154	0	51.154
**D FRIENDS LIFE FUNDS LIMITED	59.324	0	59.324
**D HSBC EUROPEAN INDEX FUND	97.246	0	97.246
**D AXA FRAMLINGTON FINANCIAL FUND	101.283	0	101.283
**D FRIENDS LIFE AND PENSIONS LIMITED	3.317	0	3.317
**D TR EUROPEN GROWTH TRUST PLC	691.650	0	691.650
**D ARC I - FONDS SEGMENT 1 -AKTIEN EUROPA	26.458	0	26.458
**D SONDERVERMOGEN INKA OPRA FONDS	16.181	0	16.181
**D INTERNATIONALE KAPITALANLAGEGESELLSCHAFT MBH	48.500	0	48.500
**D VANGUARD EUROPEAN STOCK INDEX FUND	945.197	0	945.197
**D VANGUARD DEVELOPED MARKETS INDEX FUND	2.155.375	0	2.155.375
**D VANGUARD TOTAL WORLD STOCK INDEX FUND	113.470	0	113.470
**D VANGUARD FTSE ALL-WORLD EX US INDEX FUND	663.474	0	663.474
**D PIONEER FLEXIBLE OPPORTUNITIES FUND	480.295	0	480.295
**D VANGUARD FUNDS PLC	187.648	0	187.648
**D VANGUARD INVESTMENT SERIES PLC	39.953	0	39.953
**D VANGUARD INVESTMENT SERIES PLC	7.356	0	7.356
**D VANGUARD INVESTMENT SERIES PLC	93.449	0	93.449
**D KVV AKTIEN FONDS 1	1.844	0	1.844
**D TRUSTEAM ROC EUROPE C O TRUSTEAM FINANCE	331.269	0	331.269
**D FCP CM-CIC SILVER ECONOMIE	220.000	0	220.000
**D FIDUCIARY TRUST COMPANY INTERNATIONAL AS	67.000	0	67.000
**D MANAGEMENT BOARD PUBLIC SERVICE PENSION	3.513	0	3.513
**D SCHRODER PENSION MANAGEMENT LTD	66.373	0	66.373
**D VANGUARD INTERNATIONAL SMALL COMPANIES INDEX FUND	32.076	0	32.076
**D ONEPATH GLOBAL SHARES - SMALL CAP UNHEDGED) INDEXPOOL	26.862	0	26.862
**D VANGUARD TOTAL INTERNATIONAL STOCK INDEX	5.243.100	0	5.243.100
**D VANGUARD INTERNATIONAL EXPLORER FUND	815.900	0	815.900
**D HSBC AVB	8.841	0	8.841
**D SUZUKA INKA	131.022	0	131.022
**D SCHRODER ADVANCED BETA GLOBAL EQUITY SMA	65.536	0	65.536
**D SCHRODER GLOBAL MULTI-FACTOR EQUITY FUND	132.300	0	132.300
**D LOMBARD ODIER FUNDS (SWITZERLAND) SA	25.266	0	25.266
**D REALDANIA	192.400	0	192.400
**D MERRILL LYNCH INTERNATIONAL	322.064	0	322.064

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: Allocation of the profit for the year 2017

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D SCHUBEL FAM TR-MANNING AND NAPIER A DV	990	0	990
**D POND 2007 FAMILY TRUST MANNING SUB	1.320	0	1.320
**D HUNTER FAMILY FDN MANNING	1.865	0	1.865
**D MANNING AND NAPIER ADVISOR INC	110.730	0	110.730
**D IRON WORKERS LOCALS 40361 AND 417 ANNUITY FUND	18.440	0	18.440
**D BURTON X ROSENBERG INSUR TR MAN SUB	1.375	0	1.375
**D THE MALUTH FAMILY TRUST MANNING SUB	1.360	0	1.360
**D C E COMPALL REV TR 10-23-09 MAN D N	990	0	990
**D GRAHAM C BROCK MANNING INTL	770	0	770
**D MANNING AND NAPIER FUND INC PRO BLEND MODERATE TERM SERIES	28.940	0	28.940
**D THE BAKERY AND CONFECTIONERY UNION AND INDUSTRY INTERNATIONAL PENSION FUND	120.215	0	120.215
**D IRON WORKERS LOCALS 40 361 AND 41 7 PENSION FUND	13.505	0	13.505
**D ALMEIDA FAMILY LEGACY TR MANNING	855	0	855
**D THE HORWARD TRUST MANNING AND NAPIER	580	0	580
**D CJB CRUT II 11-27-06 MANNING	795	0	795
**D MANNING AND NAPIER FUND INC.OVE RS EAS SERIES	339.195	0	339.195
**D TANGLIN CLAYMORE LLC MANNING	1.590	0	1.590
**D CJB FAMILY TR 06-15-00 MANNING	1.825	0	1.825
**D IRON WORKERS LOCAL 11 PENSION FUND	14.780	0	14.780
**D QUIGG VENTURES LLC MANNING AND NAPIER	2.005	0	2.005
**D FLIGHT ATTENDANT MEDICAL RESEARCH INSTITUTE	6.850	0	6.850
**D JURGENSEN INVSTMNTS LLC MANNING SUB	835	0	835
**D MANNING AND NAPIER ADVISORS INC	265.770	0	265.770
**D MICHIGAN CATHOLIC CONFERENCE MASTER PENSION TRUST	41.760	0	41.760
**D OPUS FINANCIAL LLC-MANNING AND NAPIER	5.160	0	5.160
**D GRUSECKI NEXGEN LLC-MANNING AND NAPIER	1.605	0	1.605
**D R C DELL TRUST-MANNING AND NAPIER R A DV	810	0	810
**D FLEISCHHACKER 09 TR MANNING AND NAPIER	795	0	795
**D ANTHONY K. KESMAN TRUSTEE	945	0	945
**D BRIDGE BUILDER INTERNATIONAL EQUITY FUND	581.660	0	581.660
**D FLK (TE) LLC MANNING AND NAPIER	2.590	0	2.590
**D CHURCH OF THE HOLYCONFORTER-SUB	565	0	565
**D PNC BANK NA	17.025	0	17.025
**D GST EX MRTL TR C-U CONSTANCE-MA ND N	1.290	0	1.290
**D RELIABLE PARTNERS MANNING INTL	845	0	845
**D FIRST STATE TRUST COMPANY FOR MULTIPLE BENEFICIARIES	685	0	685
**D GOLDER FAMILY FOUNDATION-MANDN	1.115	0	1.115
**D ROOSEVELT UNIVERSITY	15.295	0	15.295
**D IRA FBO JAMES KING BNY MELLON	575	0	575
**D MELISSA S. WIDEN-MANNING ANDAP IER	890	0	890
**D J HANSEN REV TR 4-29-81 MANNING	2.495	0	2.495
**D ROBERT A ROSHOLT IRAR-OMANNING - SU B	890	0	890
**D JAMES J. BAKKE 1987 TRUST MANN ING 6001 N	3.190	0	3.190
**D LARRY D CONTOS REV TR MANNING SUB 755	870	0	870
**D JOHN M. MC DONOUGH IRAR-MAN AND NAP	865	0	865
**D DORIS K. CHRISTOPHER 1996 TR-MA ND	20.970	0	20.970

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IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D OLIVE MC CARTHY 2009 TRUST-MANNING	1.255	0	1.255
**D CATHERINE SLARK TR-MANNING ANDN API	1.840	0	1.840
**D GEOFFREY C FENNER MANNING INTL1	580	0	580
**D ELIZABETH E. RIORDAN 1997 TRMANNING	1.405	0	1.405
**D STANLEY H MEADOWS 90 TR-MANNING NAP	5.855	0	5.855
**D J MCCARTNEY12-30-97 MANNING-NAP IER	1.610	0	1.610
**D DEBRA K MAYER-MANNING ANDNAPIER - SU B	650	0	650
**D CAROL GOLDER REVTR MANNING AND NAP	950	0	950
**D R MORRIS ILLINOIS QTIP MARTR M AND N	735	0	735
**D LOMBARDI JTWROS MANNING AND NAPIER	1.370	0	1.370
**D JAMES E WICKS TRMANNING NAPIER	920	0	920
**D CHRISTOPHER ENOCK LVG TRMANNING	980	0	980
**D MARY KATHERINE LAUDERBACK	775	0	775
**D BARBARA S. BLUHM REV TR-MANNING INTL	1.135	0	1.135
**D JOSEPH L. BOZICH 2005TR-MANNING	885	0	885
**D THOMAS C GAPUTIS REV TR-MANNING	995	0	995
**D J G FENCIK TR-MANNING AND NAPIER	2.065	0	2.065
**D BRUCE BARRON REVOCABLE TRUST	1.635	0	1.635
**D L. S. BUONANNO-MANNING AND NAPIER	1.550	0	1.550
**D BUNRATTY HOLDINGS LLC-MANNING INTL	1.280	0	1.280
**D MANNING AND NAPIER FUND INC -PR O BLEND-MAXIMUM TERM SERIES	291.450	0	291.450
**D MORRIS 1992 GIFT TR FORELLEN-M AND N	2.495	0	2.495
**D FANCELLI FDN INC. (SPECIAL)-MANNING	2.165	0	2.165
**D MIAMI DADE COMMUNITY COLLEGE FOUNDATION 300 NE	6.110	0	6.110
**D REGIONAL TRANSPORTATIONDISCTRIC T	10.555	0	10.555
**D HAGEN FAMILY TR U-ADTD7-7-1989 MA AND N	1.500	0	1.500
**D MANNING AND NAPIER FUNDINC. -BLE ND ED ASSET MODERATE SEREIS	3.810	0	3.810
**D JEFFREY S. ARONIN REV TRUST	7.180	0	7.180
**D MELVYN FISHER IRREV TR US BANK TRUSTEE	995	0	995
**D MANNING AND NAPIER FUND INC INT	541.920	0	541.920
**D MANNING AND NAPIER FUND INC	46.880	0	46.880
**D KIRBY ROSPLOCK DECLOFTR MANNING	835	0	835
**D FEINBERG FAMILY LTD PART2-MANNING	615	0	615
**D EVERGREEN PARTNERS GENPRT-MAND	895	0	895
**D CJB CRUT 5-1-01-MANNING	1.855	0	1.855
**D GOLDER 2007 FAM TR-MANNING AND NAPIER	1.620	0	1.620
**D JESSICA S SUPERA MANNING INTL	590	0	590
**D THOMAS R SMITH REVRE-MANN AND NAPIER	700	0	700
**D JAY W CHRISTOPHER 1996TR-MANNING ING	14.670	0	14.670
**D R. AND L. BRADLEY JT REVTR-MANNING	1.110	0	1.110
**D LEONARD X ROSEMBERG 2007TR-MANNING	775	0	775
**D A.BERGDOLL REV TR-MANNING ANDN API ER	1.415	0	1.415
**D WILLIAM G JUEGENSEN REV TRMANNING	2.755	0	2.755
**D TERRENCE P. DIAMOND-MANNINGINTL 8706	655	0	655
**D L BUONANNO TR T SMITH SR-MANDN	2.375	0	2.375
**D WILLIAM FOOTE 95 TR-MANNING AND NAPIER	1.070	0	1.070

Ordinary Shareholders' Meeting of April 11, 2018

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IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D DEBORAH A. SCHMIDT REVTR-MANNING	960	0	960
**D CAIRD ARNOLD HARBECK REVTR-MANNING	985	0	985
**D ROBERT KLEINERT JR DECLTR- MANNING	690	0	690
**D JULES M. LASER MANNING AND NAPERIR	760	0	760
**D G MCLACHLAN DECLTR-MANNING-NAPIER	1.830	0	1.830
**D ELIZABETH DRUCKER-MANNING AND NAPIER	510	0	510
**D BGF EURO MKTS FD EURO EQUITY PF	10.669.505	0	10.669.505
**D GLOBAL DIVERSIFIED SUB TRUST	5.116	0	5.116
**D ELEVA UCITS FD EUROLAND SELECT	128.300	0	128.300
**D METZLER INT INV PUBLIC LTD	866.000	0	866.000
**D UBS EUR SMALL CAP EQUITY FD MY	84.125	0	84.125
**D THE NORTHWESTERN MUTUAL LIFE I	400.000	0	400.000
**D ARRCO LONG TERME B	212.530	0	212.530
**D ARRCO QUANT 1	129.208	0	129.208
**D CIPAV ALOIS	173.484	0	173.484
**D SOGECAP ACTIONS SMALL CAP	813.805	0	813.805
**D COLISEE IFC 1	530.000	0	530.000
**D SG ACTIONS EUROPE MID CAP	174.380	0	174.380
**D MUF-LYXOR EURO STOXX BANKS	825.693	0	825.693
**D ALLIANZ ACTIONS EURO PME-ETI	140.200	0	140.200
**D LYXOR EURO STOXX 300	31.765	0	31.765
**D LYXOR INDEX FD-LYXOR STOXX EUR	56.768	0	56.768
**D MUL-LYXOR ITALIA EQUITY PIR	25.973	0	25.973
**D AMUNDI FUNDS II-PIIONEER FLEX O	91.490	0	91.490
**D AMUNDI SGR SPA AZIONARIO EUROPA	196.518	0	196.518
**D AMUNDI SF EURO EQ MARKET PLUS	7.244	0	7.244
**D AMUNDI FUNDS II-GLOB MULTI ASS	39.463	0	39.463
**D AMUNDI FUNDS II-EURO POTENTIAL	2.806.988	0	2.806.988
**D AMUNDI FUNDS II-EURO RESEARCH	294.285	0	294.285
**D AMUNDI FUNDS II-EUROP EQ OPTIM	82.021	0	82.021
**D PIONEER INV TOT RETURN	28.211	0	28.211
**D AMUNDI SOLUZ IT-PR CED 12 2019	38.160	0	38.160
**D AMUNDI SOL IT-PR CED 22 2020	47.716	0	47.716
**D AMUNDI SOL IT-PR CED 03 2020	45.423	0	45.423
**D AMUNDI SOL IT-PR CED 05 2020	80.229	0	80.229
**D AMUNDI SOL IT-PR CED 06 2020	54.059	0	54.059
**D AMUNDI SOL IT-PR CED 08 2020	63.584	0	63.584
**D AMUNDI SOL IT-PR CED 09 2020	52.520	0	52.520
**D AMUNDI SOL IT-PR CED 12 2020	22.990	0	22.990
**D AMUNDI SOL IT-PR CED 11 2020	39.870	0	39.870
**D AMUNDI SOL IT-PR CED 02 2021	20.160	0	20.160
**D AMUNDI SD-EQ PLAN 60	14.077	0	14.077
**D EURIZON CAPITAL SGR-GLOBAL MULTIASSET SELECTION 09/22	17.700	0	17.700
**D EURIZON CAPITAL SGR - EURIZON PROGETTO ITALIA 70	110.849	0	110.849
**D EURIZON CAPITAL SGR - EURIZON AZIONI ITALIA	282.955	0	282.955
**D EURIZON CAPITAL SGR - EURIZON PIR ITALIA AZIONI	11.498	0	11.498

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Shareholders:

858 People:

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DE* proxy to the natural person above mentioned with the badge number

Shareholders on own behalf:

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Shareholders by proxy:

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**D proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations)

RL* legal representation to the natural person above mentioned with the badge number

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Surname	Tot. Votes	On own behalf	Proxy
**D EURIZON CAPITAL SGR - EURIZON PROGETTO ITALIA 40	124.092	0	124.092
**D EPSILON SGR - EPSILON FLESSIBILE AZIONI EURO APRILE 2021	1.240	0	1.240
**D EPSILON SGR - EPSILON FLESSIBILE AZIONI EURO FEBBRAIO 2021	3.013	0	3.013
**D EPSILON SGR - EPSILON FLESSIBILE AZIONI EURO GIUGNO 2021	882	0	882
**D EPSILON SGR - EPSILON FLESSIBILE AZIONI EURO NOVEMBRE 2020	10.351	0	10.351
**D EPSILON SGR - EPSILON FLESSIBILE AZIONI EURO SETTEMBRE 2020	13.945	0	13.945
**D EPSILON SGR - EPSILON MULTIASET 3 ANNI DICEMBRE 2019	13.355	0	13.355
**D EPSILON SGR - EPSILON MULTIASET 3 ANNI LUGLIO 2020	3.959	0	3.959
**D EPSILON SGR - EPSILON MULTIASET 3 ANNI MAGGIO 2020	8.055	0	8.055
**D EPSILON SGR - EPSILON MULTIASET 3 ANNI MARZO 2020	6.326	0	6.326
**D EIS-EURO EQUITY INSURANCE CAPITAL LIGHT 49	51.771	0	51.771
**D ISE - GLOBAL DYNAMIC MULTITRENDER 06/2015	6.071	0	6.071
**D ISE - MULTIASET ABSOLUTE 3 ANNI 07/2016	29.072	0	29.072
**D EPF-ABSOLUTE Q-MULTISTRATEGY	5.670	0	5.670
**D ISE - MULTIASET ABSOLUTE 3 ANNI - 04/2016	32.015	0	32.015
**D EUF-EQUITY ITALY	92.759	0	92.759
**D ISE - DYNAMIC INCOME MULTITRENDER 01/2016	4.162	0	4.162
**D PRIVILEGE	35.454	0	35.454
**D ASSURDIX	49.978	0	49.978
**D CPR EUROLAND	395.972	0	395.972
**D CPR SILVER AGE	4.427.663	0	4.427.663
**D FCP CPR EUROLAND PREMIUM	89.275	0	89.275
**D AMUNDI ETF FTSE ITALIA PIR UCITS ETF DR	29.428	0	29.428
**D FCP NATIXIS ACTIONS SMALL MID CAP EURO	348.000	0	348.000
**D NATIXIS ACTIONS EUROPE SECTEURS	100.573	0	100.573
**D FCP GROUPAMA AVENIR EURO	4.739.300	0	4.739.300
**D FCP GROUPAMA EURO STOCK	100.000	0	100.000
**D FCP GROUPAMA EUROPE STOCK	2.400	0	2.400
**D OPCVM SEEYOND EQUITY FACTOR INVESTING EURO	20.993	0	20.993
**D FCP BEST BUSINESS MODELS	1.310.000	0	1.310.000
**D MULTISMART ACTIONS EURO	704	0	704
**D CROISSANCE PME M	495.933	0	495.933
**D BNY MELLON EMPLOYEE BENEFIT COLLECTIVE INVESTMENT FUND PLAN	15.536	0	15.536
**D THE ROYAL INST FOR THE ADVANCEMENT OF LEARNING MCGILL UNIVERSITY	25.056	0	25.056
**D FRONTIERS INTERNATIONAL EQUITY POOL	7.291	0	7.291
**D THE GREAT-WEST LIFE ASSURANCE COMPANY	41.850	0	41.850
**D BMO GLOBAL BANKS HEDGED TO CADINDEX ETF 100	833	0	833
**D MCGILL UNIVERSITY PENSION FUND	12.957	0	12.957
**D THE GLENORE CANADIAN PENSION FUNDS TRUST-FOREIGN EQUITY FUND	20.379	0	20.379
**D ONTARIO PENSION BOARD .	330.050	0	330.050
**D EPOCH GLOBAL EQUITY FUND	292.095	0	292.095
**D IMPERIAL INTERNATIONAL EQUITY POOL	350.727	0	350.727
**D IMPERIAL OVERSEAS EQUITY POOL	17.476	0	17.476
**D CIBC INTERNATIONAL SMALL COMPANIES FUND	26.021	0	26.021
**D ALLEGHENY COLLEGE	9.400	0	9.400
**D ERIE COUMMINTY FOUNDATION	10.600	0	10.600

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Shareholders: 858 People:
Shareholders on own behalf: 15 Shareholders by proxy:

18 DE* proxy to the natural person above mentioned with the badge number
843 **D proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations")
RL* legal representation to the natural person above mentioned with the badge number

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: Allocation of the profit for the year 2017

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy	
**D	CF DV ACWI EX-U.S. IMI FUND	1.477	0	1.477
**D	TIMESQUARE FOCUS FUND LP	3.500	0	3.500
**D	LOF EUROZONE SMALL AND MID CAPS98453 51	1.400.000	0	1.400.000
**D	FCP EDMOND DE ROTHSCHILD EURO LEADERS	1.241.700	0	1.241.700
**D	FCP EDMOND DE ROTHSCHILD EURO SRI	198.180	0	198.180
**D	FCP EDMOND DE ROTHSCHILD EUROPEMIDCAPS	912.000	0	912.000
**D	EDMOND DE ROTHSCHILD EUROPE MIDCAP	131.760	0	131.760
**D	AA FORTIS ACTIONS PETIT CAP EUROPE	348.520	0	348.520
**D	FCP RSI EURO P	71.651	0	71.651
**D	FCP LCF PHARMA INTERNATIONAL	151.080	0	151.080
**D	FCP GROUPAMA PHARMA DIVERSIFIE	69.000	0	69.000
**D	UNIVERS CNP 1	122.145	0	122.145
**D	FCP NATIXIS IONIS	45.498	0	45.498
**D	CNP ASSUR SMALL CAP	379.980	0	379.980
**D	EGEPARGNE 2	69.584	0	69.584
**D	I.2.C. ACTIONS	517.000	0	517.000
**D	FCP CONTI GESTION	43.834	0	43.834
**D	EDMOND DE ROTHSCHILD ASSET MANAGEM.	314.330	0	314.330
**D	FCP ECUREUIL RETRAITE EURO ACTIONS 4	320.000	0	320.000
**D	FCP LBPAM ACTIONS FINANCE	27.349	0	27.349
**D	FCP TUTELAIRE ACTIONS	18.800	0	18.800
**D	SICAV LBPAM ACTIONS EURO	340.000	0	340.000
**D	NATIXIS ASSET MANAGEMENT FUNDS	15.142	0	15.142
**D	G FUND	1.102.223	0	1.102.223
**D	AMUNDI FUNDS SICAV	2.610.085	0	2.610.085
**D	EDMOND DE ROTHSCHILD (EUROPE)	3.016.936	0	3.016.936
7103	MONDO GIUSEPPE	100	100	0
7250	MARTIRIGGIANO ANTONIO	3.361	3.361	0
7290	ZACCARDI ANTONELLA	1	1	0
7350	PRANDINI GIULIANO	5.000	5.000	0
7435	ROSSI MARCO	63.975	63.975	0
7559	CAGLIA MARIA	0	0	0
DE*	UNICREDIT S.P.A.	215.066.403	0	215.066.403
Total votes	494.969.858			
Percentage of voters%	98,943815			
Percentage of share capital %	81,381697			

Ordinary Shareholders' Meeting of April 11, 2018RESULTS OF VOTINGSubject : **Completion of the Board of Statutory Auditors****Attendees:**n° **871** shareholders entitled to vote took part in the voting on own behalf or by proxyn° **285,186,956** ordinary shares**The counting of votes produced the following results:**

		%OF ORINARY SHARE CAPITAL PRESENT (Voting Quorum)	%OF ORDINARY SHARE ENTITLED TO VOTE	%SHARE CAPITAL
Favour	283,056,367	99.252915	99.252915	46.539415
Against	1,824,420	0.639728	0.639728	0.299967
SubTotal	284,880,787	99.892643	99.892643	46.839381
Abstention	306,169	0.107357	0.107357	0.050340
Not Voting	0	0.000000	0.000000	0.000000
SubTotale	306,169	0.107357	0.107357	0.050340
Total	285,186,956	100.000000	100.000000	46.889721

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **Completion of the Board of Statutory Auditors**

AGAINST

Surname	Tot. Votes	On own behalf	Proxy
6957 ESPOSITO MARCO	0	0	0
**D AMG TIMESSQUARE INTL SM CAP	1,205,000	0	1,205,000
**D JOHN S AND JAMES L KNIGHT FOUNDATION	65,800	0	65,800
**D TENNESSEE CONSOLIDATED RETIREMENT SYSTEM	190,600	0	190,600
**D HRW TESTAMENTARY TRUST NO 3	40,800	0	40,800
**D HRW TESTAMENTARY TRUST NO, 8	39,100	0	39,100
**D HRW TESTAMENTARY TRUST NO, 12	40,500	0	40,500
**D AMG FUNDS PLC	26,720	0	26,720
6970 CLERICI CAMILLA	0	0	0
**D REALDANIA	192,400	0	192,400
**D ALLEGHENY COLLEGE	9,400	0	9,400
**D ERIE COUMMINTY FOUNDATION	10,600	0	10,600
**D TIMESQUARE FOCUS FUND LP	3,500	0	3,500
Total votes	1,824,420		
Percentage of voters%	0.639728		
Percentage of share capital %	0.299967		

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **Completion of the Board of Statutory Auditors**

	Surname
6304	CROCE MARIO
6957	ESPOSITO MARCO
**D	MERSEYSIDE PENSION FUND
6970	CLERICI CAMILLA
**D	WEST MIDLANDS METROPOLITAN AUT PENS FD

Total votes 306,169
Percentage of voters% 0.107357
Percentage of share capital % 0.050340

ABSTENTIONS

Tot. Votes	On own behalf	Proxy
1	1	0
0	0	0
209,168	0	209,168
0	0	0
97,000	0	97,000

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **Completion of the Board of Statutory Auditors**

NON VOTING

Surname	Tot. Votes	On own behalf	Proxy
Total votes	0		
Percentage of voters%	0.000000		
Percentage of share capital %	0.000000		

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **Completion of the Board of Statutory Auditors**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
6041 BONETTI EMANUELE	10	10	0
6058 DE TOMASI PAOLA	4,000	4,000	0
6102 CERASUOLO STEFANO	9,481	9,481	0
6122 FOGLI MAURIZIO	1	1	0
6474 ANGELINI ALESSANDRO	250	250	0
6504 TIMUS ANDREEA	5	5	0
6547 GHIBAUDI LEOPOLDO	9,000	9,000	0
6616 ROSSI GIULIA	8,000	8,000	0
6849 LOIZZI GERMANA	3	3	0
6957 ESPOSITO MARCO	0	0	0
**D CITI RETIREMENT SAVINGS PLAN	137,653	0	137,653
**D UWF TROW INTL DISCOVERY	45,589	0	45,589
**D STANDARD LIFE INVESTMENTS GLOBAL SICAV II	53,674	0	53,674
**D SUBSIDIZED SCHOOLS P FUND NORTHERN	4,211	0	4,211
**D WILLIS TOWERS WATSON GROUP TRUST	3,441	0	3,441
**D 55016 UP INTERNATIONALE AKTIER	236,395	0	236,395
**D 56053 IP GLOBAL EQUITIES I	29,217	0	29,217
**D AST TRP DIVERS REAL GWTH PORT PDMO	1,049	0	1,049
**D ADVANCED SERIES TRUST AST T ROWE PRICE GROWTH OPPORTUNITIES PORTFOLIO GATEWAY CENTER	36,297	0	36,297
**D BNYMTD CF MITON EUROPEAN OPFS FUND	630,272	0	630,272
**D NATIONAL BANK TRUST	42,267	0	42,267
**D RVN WILLIAM BLAIR	6,037	0	6,037
**D POWERSHARES PUREBETA FTSE DEVELOPED EX NORTHAMERICA PORTFOLIO	62	0	62
**D CHI OPERATING INVESTMENT PROGRAM LP	117,380	0	117,380
**D CATHOLIC HEALTH INITIATIVES MASTER TRUST	57,179	0	57,179
**D FIRST INITIATIVES INSURANCE LIMITED	12,910	0	12,910
**D GLOBAL EQUITY WELLINGTON	138,921	0	138,921
**D GLOBAL INVESTMENT FUND	31,323	0	31,323
**D MFS INTL EQUITY FUND	28,677	0	28,677
**D USBK MOMENTUMSHARES INTL QUANT ETF	121,743	0	121,743
**D 1135 APG DME STCK SEL	94,081	0	94,081
**D 1216 APG DME FINANC	2,255,729	0	2,255,729
**D UNISYS MASTER TRUST	60,092	0	60,092
**D AMG CHICAGO EQUITY PARTNERS BALANCED FUND	900	0	900
**D SAN FRANCISCO CITY AND COUNTY EMPLOYEES RETIREMENT SYSTEM	116,549	0	116,549
**D STICHTING DEPOSITARY APG DEVELOPED MARKETS EQUITY POOL	743,008	0	743,008
**D ELEMENTS INTERNATIONAL SMALL CAP PORTFOLIO	8,111	0	8,111
**D MANNING AND NAPIER FUND INC RAINIER INTERNATIONAL DISCOVERY FUND	605,665	0	605,665
**D FIRST INVESTORS GLOBAL FUND	237,361	0	237,361
**D PS FTSE LO BT EQ WT PORT	12,210	0	12,210
**D NYKREDIT ENGROS GLOBAL OPPORTUNITIES	56,912	0	56,912
**D EIR EIE WELLINGTON INT	106,784	0	106,784
**D WILM MULTI MGR INTL FD OBERWEIS	216,903	0	216,903
**D AST PRU GRWTH ALL PTF QMA EAFE PDDF	59,020	0	59,020
**D PS FTSERAFI EUSM UCITS ETF BNYMTCIL	2,477	0	2,477
**D PS SP INTL DEVEL QUALITY PORTFOLIO	5,359	0	5,359

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **Completion of the Board of Statutory Auditors**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D PS FR DEVEL MARK EX US SMALL PORT	17,503	0	17,503
**D AST FI PYRAMIS QUANT AA IE SC PDGJ	115,638	0	115,638
**D AST RCM WORLD TRENDS PORT PDBF	205,800	0	205,800
**D PENSION RESERVES INVESTMENT TRUST FUND	499,450	0	499,450
**D LMIF LMGAMI EURO SMLL CP	110,589	0	110,589
**D WELLINGTON MGMT CY LLPQUALITY EDUC FD	82,675	0	82,675
**D BNYMTCIL LAZARD GBL MANAGED VOL FD	31,714	0	31,714
**D IQ 50 PERCENT HEDGED FTSE EURO ETF	6,718	0	6,718
**D DB LAZARD GLB MNGD	25,000	0	25,000
**D AXA MPS FINANCIAL DAC	170,000	0	170,000
**D DEUTSCHE XTRK MSCI EMU HDG EQ ETF	3,191	0	3,191
**D BLACKROCK GLOBAL FUNDS	6,826,006	0	6,826,006
**D FPDF WILLIAM BLAIR CO	68,864	0	68,864
**D BLL AQUILA LIFE EUROPEAN EQUITY	437,644	0	437,644
**D BLL AQUILA LIFE OSEAS EQUITY FUND	3,292	0	3,292
**D AARP INSURANCE PLAN	10,266	0	10,266
**D AARP FOUNDATION	4,977	0	4,977
**D BNYMTD FTF FRANKLIN EUROPEAN OPP FD	7,195	0	7,195
**D MI FONDS K12 SPK	91,583	0	91,583
**D BANK OF AMERICA PENSION PLAN OECHSLE	190,091	0	190,091
**D BOA FBO SKL INVESTMENT GRP LLC	13,860	0	13,860
**D WMP OPP INVESTMENT PRINS LP	30,869	0	30,869
**D AARP LAZARD LQE GLB	29,329	0	29,329
**D DEUTSCHE XTRK MSCI EAFE SC HDG ETF	466	0	466
**D DBX FTSE DEV EX US COMP FACTOR	557	0	557
**D THE CLEVELAND CLINIC FOUNDATION	32,555	0	32,555
**D EATON VANCE MGMT INTL SMALL CAP	1,317	0	1,317
**D SLI EUROPEAN SMALLER COMPANIES	2,375,761	0	2,375,761
**D PS SP INTL DEVEL MOMENTUM PORT	504	0	504
**D HP INC MASTER TRUST	54,785	0	54,785
**D ONFF WILLIAM BLAIR NONUS	24,516	0	24,516
**D CE8F WILLIAM BLAIR IACG	185,061	0	185,061
**D RAYTHEON MASTER PENSION TRUST	38,925	0	38,925
**D VANGUARD INTL HIGH DIV YLD INDEX FD	42,184	0	42,184
**D BSNF NTR WILLIAM BLAIR	18,975	0	18,975
**D BSPF PMT WILLIAM BLAIR	24,044	0	24,044
**D DEAM FONDS SPEZIAL 2 AEQ SPK	1,269,411	0	1,269,411
**D DEAM FOND SPEZIAL 18 AEQ SPK	285,507	0	285,507
**D BLL DC EUROPEAN GROWTH FD AG PF	120,522	0	120,522
**D BNYMTD BIEF CONT EUR INV	56,736	0	56,736
**D BNYMTD BLK CONT EURO FD	618,846	0	618,846
**D BGF EUROPEAN SPECIAL SITUATIONS FUND	2,200,058	0	2,200,058
**D BGF CONT EURO FLEXIBLE FD EURO EQFD	3,798,551	0	3,798,551
**D BNYMTD RAMAM WORLD RECOVERY FUND	109,740	0	109,740
**D LRPf WILLIAM BLAIR	65,726	0	65,726
**D DEUTSCHE XTRK MSCI STH EUR HDG ETF	199	0	199

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **Completion of the Board of Statutory Auditors**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D ATFF AMERICAN CENTURY	44,194	0	44,194
**D RZSF3001 NON US GE W BLAIR	134,381	0	134,381
**D MSV JP MORGAN	62,372	0	62,372
**D ALASKA PERMANENT FUND CORPORATION	359,406	0	359,406
**D SCA LAZARD	24,315	0	24,315
**D AON HEWITT COLLECTIVE INVESTMENT TRUST	41,778	0	41,778
**D MINISTERS AND MISSIONARIES BENEFIT BOARD OF AMERICAN BAPTIST CHURCH	16,459	0	16,459
**D MIN DEF PF OMAN AMUNDI EURSILV	77,256	0	77,256
**D BNYMTD BLK EURO DYNAMIC FD	3,063,616	0	3,063,616
**D PHC NT SMALL CAP	28,250	0	28,250
**D BNYMTD RM GLOBAL HIGH ALPHA FUND	28,810	0	28,810
**D BNYMTD BLK CONTINENTAL EURO INC	5,765,726	0	5,765,726
**D BNYMTD BLK CONT EUR EQ TRCK FD INV	313,139	0	313,139
**D OPERATING ENGINEERS LOCAL 101 PENSION FUND	120,000	0	120,000
**D BELL ATLANTIC MASTER TRUST	41,418	0	41,418
**D VERIZON MASTER SAVINGS TRUST	62,887	0	62,887
**D VOYA MULTI MANAGER INTERNATIONAL EQUITY FUND	49,013	0	49,013
**D THE EDUCATIONAL EMPLOYEES SUPPLEMENTARY RETIREMENT SYSTEM OF FAIRFAX COUNTY	5,348	0	5,348
**D GENERAL MILLS INVESTMENT TRUST	53,503	0	53,503
**D INDIANA PUBLIC RETIREMENT SYSTEM	20,228	0	20,228
**D KENTUCKY RETIREMENT SYSTEMS	580,000	0	580,000
**D KENTUCKY RETIREMENT SYSTEMS INSURANCE TRUST FUND	250,000	0	250,000
**D PUBLIC EMPLOYEES RETIREMENT SYSTEM OF MISSISSIPPI	72,395	0	72,395
**D PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF NEW MEXICO	16,687	0	16,687
**D BOARD OF PENSIONS OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA	80,956	0	80,956
**D SOUTH CAROLINA RETIREMENT SYSTEMS GROUP TRUST	288	0	288
**D UMC BENEFIT BOARD, INC	22,892	0	22,892
**D PRUDENTIAL INVESTMENT PORTFOLIO 2 PRUDENTIAL QMA INTL DEVELOPED MRKTS INDEX FUND	845	0	845
**D AHL DESERTWOOD FUND LIMITED C/O CITCO TRUSTEES (CAYMAN) LIMITED	109,956	0	109,956
**D PANAGORA DIVERSIFIED ARBITRAGE MASTER FUND LTD	2,630	0	2,630
**D MAP 192 SEGREGATED PORTFOLIO, PANAGORA ASST MGMNT INC PM ACT	30,024	0	30,024
**D GOVERNMENT OF NORWAY	4,267,532	0	4,267,532
**D NORGES BANK	225,448	0	225,448
**D UBS (LUX) EQUITY SICAV	68,735	0	68,735
**D UBS FUND MGT (CH) AG CH0516/UBSCHIF2-EGSCPII	98,996	0	98,996
**D UBS FUND MANAGEMENT (SWITZERLAND) AG,	123,764	0	123,764
**D CH0526 - UBS (CH) INSTITUTIONAL FUND - EQUITIES GLOBAL SMALL CAP PASSIVE II	15,606	0	15,606
**D AHL ALPHA MASTER LIMITED C/O CITCO TRUSTEES (CAYMAN) LIMITED	32,434	0	32,434
**D AHL DIRECTIONAL EQUITIES MASTER LIMITED	32,040	0	32,040
**D AHL EVOLUTION LTD SHARMAINE BERKELEY ARGONAUT LTD	777,939	0	777,939
**D ALT BETA EQUITY SIZE STRATEGY LIMITED CO NUMERIC INVESTORS LLC	310,536	0	310,536
**D AVIVA INVESTORS INTERNATIONAL INDEX TRACKING FUND	10,830	0	10,830
**D BLUE MOUNTAIN CREDIT ALTERNATIVES MASTER FUND LP CO M AND C CORP SERVICES LTD	67,980	0	67,980
**D BLUEMOUNTAIN FURSAN FUND LP CO MAPLES CORP SERVICES LIMITED	8,817	0	8,817
**D BLUEMOUNTAIN GUADALUPE PEAK FUND L,P,CO CORPORATION SERVICE COMPANY	4,655	0	4,655
**D BLUEMOUNTAIN KICKING HORSE FUND L,P, C/O MAPLES CORPORATE SVCS LTD	11,285	0	11,285

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **Completion of the Board of Statutory Auditors**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D BLUEMOUNTAIN SYSTEMATIC MASTER FUND LP MAPLES CORP SERVICES LTD	40,285	0	40,285
**D CITITRUST LIMITED AS TRUSTEE OF BLACKROCK PREMIER FUNDS-BLACKROCK WORLD EQUITY INDEX FUND	326	0	326
**D IRISH LIFE ASSURANCE,	171,778	0	171,778
**D LAZARD ASSET MANAGEMENT LLC C/O LAZARD ASSET MANAGEMENT LLC - EUROPEAN LONG/SHORT	40,152	0	40,152
**D LEGAL AND GENERAL	116,862	0	116,862
**D LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	1,472,983	0	1,472,983
**D LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	15,847	0	15,847
**D LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	13,760	0	13,760
**D LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	52,838	0	52,838
**D LEGAL AND GENERAL COLLECTIVE INVESTMENT TRUST,	8,597	0	8,597
**D MCKINLEY NON US DEVELOPED 130 30 GROWTH ONSHORE FUND LP C O MCKINLEY C,MGMT,LLC	68,998	0	68,998
**D PANAGORA ASSET MANAGEMENT INC,	1,731	0	1,731
**D SLIC ER EX UK SM CM FD XESC	273,095	0	273,095
**D STANDARD LIFE INVESTMENT COMPANY GLOBAL SMALLER	2,573,190	0	2,573,190
**D STICHTING PENSIOENFONDS KPN STICHTING PENSIOENFONDS POSTNL STICHTING PENSIOENFONDS AVEBE	570,407	0	570,407
**D STICHTING PGGM DEPOSITARY	422,749	0	422,749
**D THREADNEEDLE (LUX	1,124,222	0	1,124,222
**D THREADNEEDLE INVESTMENT FUNDS ICVCA,	9,413,406	0	9,413,406
**D ZURICH LIFE ASSURANCE PLC	84,359	0	84,359
**D THREE CORNER MASTER L/SFUND LP	1,427,900	0	1,427,900
**D LUCERNE CAPITAL MASTER FUND LP	427,175	0	427,175
**D MANUFACTURERS AND TRADERS TRUST COMPANY	3,180	0	3,180
**D UNIVERSITY CLUB	630	0	630
**D FEDERATED KAUFMANN FUND	5,125,000	0	5,125,000
**D FEDERATED KAUFMANN FUND II	131,600	0	131,600
**D FEDERATED KAUFMANN SMALL CAP FUND	874,310	0	874,310
**D FIDELITY RUTLAND SQUARE TR II: STRAT ADV INT MULTI-MANAGER F	3,243	0	3,243
**D FIDELITY RUTLAND SQUARETRUST II: STRATEGIC ADVISERS INT F	312,995	0	312,995
**D LAUDUS INTERNATIONAL MARKETMASTERS FUND	464,055	0	464,055
**D SCHWAB INTERNATIONAL EQUITY ETF	313,517	0	313,517
**D LAZARD ASSET MANAGEMENT LLC	1,352	0	1,352
**D LAZARD RETIREMENT GLOBAL DYNAMIC MULTI ASSET PORTFOLIO	11,974	0	11,974
**D LAZARD MANAGED EQUITY VOLATILITY PORTFOLIO	3,051	0	3,051
**D LAZARD GLOBAL DYNAMIC MULTI ASSET PORTFOLIO	1,953	0	1,953
**D LAZARD REAL ASSETS AND PRICING OPPORTUNITIES PORTFOLIO	1,207	0	1,207
**D WELLINGTON GLOBAL OPPORTUNITIES FUND (CANADA)	100,206	0	100,206
**D WELLINGTON INTERNATIONAL OPPORTUNITIES FUND	16,577	0	16,577
**D MANNING AND NAPIER	902,020	0	902,020
**D MFS HERITAGE TRUST COMPANY COLLECTIVE INVESTMENT TRUST	135,594	0	135,594
**D INTERNATIONAL MONETARY FUND	15,994	0	15,994
**D ALLIANZ GLOBAL INVESTORS GMBH FOR ALLIANZGI-FONDS GHS	154,000	0	154,000
**D AMERICAN CENTURY STRATEGIC ASSET ALL, INC, STRAT ALL CONS F	1,280	0	1,280
**D AMERICAN CENTURY STRAT ASSET ALL, INC, STRAT ALL MODERATE F	4,430	0	4,430
**D AMERICAN CENTURY STRAT ASSET ALL, INC, STRATEGIC ALL AGGR F	4,680	0	4,680
**D AMERICAN CENTURY WORLD MUTUAL FUNDS, INC, INTL DISCOVERY F	141,830	0	141,830
**D AMERICAN CENTURY WORLD MUTUAL FUNDS, INC, INTL OPPORTUNITIES	170,088	0	170,088

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **Completion of the Board of Statutory Auditors**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D AMERICAN CENTURY WORLD MUTUAL FUNDS INC - NT INT SM MID CAP F	61,980	0	61,980
**D AMERICAN CENTURY WORLD MUTUAL FUNDS, INC, - GLO SMALL CAP FD	6,683	0	6,683
**D AMERICAN CENTURY RETIREMENT DATE TRUST	61,347	0	61,347
**D ANIMA FUNDS PLC	78,238	0	78,238
**D CAREFIRST, INC, RETIREMENT PLAN TRUST FOR GHMSI ASSETS	43,000	0	43,000
**D CAREFIRST, INC, RETIREMENT PLAN TRUST FOR CFMI ASSETS	39,000	0	39,000
**D UAW RETIREE MEDICAL BENEFITS TRUST	101,658	0	101,658
**D HENDERSON INTERNATIONAL SMALL CAP FUND	20,028	0	20,028
**D SCPMG KEOGH PLAN	10,104	0	10,104
**D CALVERT WORLD VALUES F INC - CALVERT INT OPPORTUNITIES FUND	265,955	0	265,955
**D CALVERT RESP INX SRS, INC,-CLVRT DVD MRKTS EX-U,S, RSP INX FD	2,736	0	2,736
**D CONCEPT FUND SOLUTIONS PLC	1,286	0	1,286
**D THE REGENTS OF THE UNIVERSITY OF CALIFORNIA	206,295	0	206,295
**D MICROSOFT CORPORATION SAVINGS PLUS 401(K) PLAN	257,045	0	257,045
**D VALIC COMPANY I - ASSET ALLOCATION FUND	5,958	0	5,958
**D ALLIANZGI INTERNATIONAL SMALL-CAP FUND	308,542	0	308,542
**D PARAMETRIC INTERNATIONAL EQUITY FUND	4,180	0	4,180
**D EATON VANCE INTERNATIONAL SMALL-CAP FUND	34,992	0	34,992
**D FRANKLIN TEMPLETON ETF TRUST - FRANKLIN FTSE EUROPE ETF	4,305	0	4,305
**D FRANKLIN TEMPLETON ETF TRUST - FRANKLIN FTSE ITALY ETF	2,946	0	2,946
**D FRANKLIN TEMPLETON ETF TRUST-FRANKL LIBERTY INT OPPORTUN ETF	9,212	0	9,212
**D FRANKLIN TEMPLETON ETF TRUST - FRANKLIN FTSE EUROPE HEDGED ETF	1,400	0	1,400
**D THE GABELLI GLOBAL SMALL AND MID CAP VALUE TRUST	53,000	0	53,000
**D THE GABELLI GLOBAL RISING INCOME AND DIVIDEND FUND	27,000	0	27,000
**D GUARDIAN INTERNATIONAL GROWTH VIP FUND	6,545	0	6,545
**D GAM STAR FUND P,L,C,	3,618,908	0	3,618,908
**D RUSSELL INVESTMENT COMPANY SELECT INTERNATIONAL EQUITY FUND	15,376	0	15,376
**D E,SUN COMM BANK LTD IN ITS CAP AMC OF NOM EUR MID SM CAP GR F	43,513	0	43,513
**D HARTFORD INTERNATIONAL OPPORTUNITIES HLS FUND	556,165	0	556,165
**D THE HARTFORD INTERNATIONAL GROWTH FUND	109,838	0	109,838
**D THE HARTFORD INTERNATIONAL OPPORTUNITIES FUND	1,168,591	0	1,168,591
**D HARTFORD INTERNATIONAL EQUITY FUND	29,877	0	29,877
**D THE HARTFORD GLOBAL ALL- ASSET FUND	38,263	0	38,263
**D ALLIANZGI GLOBAL SMALL-CAP FUND	145,266	0	145,266
**D TCW INTERNATIONAL SMALL CAP FUND	14,710	0	14,710
**D WILLIAM BLAIR COLLECTIVE INVESTMENT TRUST	320,539	0	320,539
**D WILLIAM BLAIR INTERNATIONAL GROWTH FUND	871,300	0	871,300
**D WILLIAM BLAIR INSTITUTIONAL INTERNATIONAL GROWTH FUND	667,695	0	667,695
**D LAZARD GLOBAL MANAGED VOLATILITY (CANADA) FUND	2,530	0	2,530
**D MAINSTAY EPOCH CAPITAL GROWTH FUND	64,534	0	64,534
**D MM SELECT EQUITY ASSET FUND	4,584	0	4,584
**D LAZARD WILMINGTON GLOBAL MANAGED VOLATILITY PORTFOLIO	27,779	0	27,779
**D ANCHOR SERIES TRUST STRATEGIC MULTI-ASSET PORTFOLIO	5,883	0	5,883
**D ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM	78,810	0	78,810
**D RUSSELL COMMON CONTRACTUAL FUND	16,027	0	16,027
**D KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM	138,639	0	138,639

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **Completion of the Board of Statutory Auditors**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D KP INTERNATIONAL EQUITY FUND	20,205	0	20,205
**D LAZARD GLOBAL INVESTMENT FUNDS PUBLIC LIMITED COMPANY	751,719	0	751,719
**D MARYLAND STATE RETIREMENT & PENSION SYSTEM	15,867	0	15,867
**D GTAA PANTHER FUND L,P	2,894	0	2,894
**D MERCER QIF CCF	2,080,743	0	2,080,743
**D STATE OF MONTANA BOARD OF INVESTMENTS	42,090	0	42,090
**D TEXAS MUNICIPAL RETIREMENT SYSTEM	272,348	0	272,348
**D STATE OF NEW JERSEY COMMON PENSION FUND D	161,132	0	161,132
**D NEW YORK STATE DEFERRED COMPENSATION PLAN	76,623	0	76,623
**D LAZARD GLOBAL BALANCED INCOME FUND	778	0	778
**D LAZARD GLOBAL LOW VOLATILITY FUND	3,151	0	3,151
**D CITY OF NEW YORK GROUP TRUST	180,406	0	180,406
**D CITY OF NEW YORK GROUP TRUST	438,768	0	438,768
**D PRINCIPAL EXCHANGE-TRADED FDS-PRINC INT MULTI-FACTOR INDEX ETF	1,239	0	1,239
**D WELLINGTON GLOBAL OPPORTUNITIES EX-JAPAN FUND	68,655	0	68,655
**D THRIVENT MODERATE ALLOCATION PORTFOLIO	12,777	0	12,777
**D THRIVENT MODERATELY AGGRESSIVE ALLOCATION PORTFOLIO	4,781	0	4,781
**D THRIVENT AGGRESSIVE ALLOCATION PORTFOLIO	1,415	0	1,415
**D THRIVENT MODERATE ALLOCATION FUND	2,306	0	2,306
**D THRIVENT MODERATELY AGGRESSIVE ALLOCATION FUND	2,077	0	2,077
**D THRIVENT AGGRESSIVE ALLOCATION FUND	1,282	0	1,282
**D THRIVENT GROWTH AND INCOME PLUS FUND	2,391	0	2,391
**D THRIVENT BALANCED INCOME PLUS FUND	6,696	0	6,696
**D THRIVENT GROWTH AND INCOME PLUS PORTFOLIO	2,616	0	2,616
**D THRIVENT BALANCED INCOME PLUS PORTFOLIO	7,564	0	7,564
**D THRIVENT LARGE CAP STOCK FUND	77,587	0	77,587
**D THRIVENT LARGE CAP STOCK PORTFOLIO	37,683	0	37,683
**D THRIVENT CORE INTERNATIONAL EQUITY FUND	105,132	0	105,132
**D THRIVENT DIVERSIFIED INCOME PLUS FUND	9,206	0	9,206
**D THRIVENT DIVERSIFIED INCOME PLUS PORTFOLIO	6,886	0	6,886
**D RUSSELL INVESTMENTS OVERSEAS EQUITY POOL	62,621	0	62,621
**D RUSSELL INVESTMENTS MULTI-FACTOR INTERNATIONAL EQUITY POOL	837	0	837
**D RUSSELL INSTITUTIONAL FUNDS,LLC-RUSSELL INTL EQUITY FUND	61,886	0	61,886
**D RUSSELL INVESTMENTS OVERSEAS EQUITY FUND	35,453	0	35,453
**D BANK OF KOREA	187,738	0	187,738
**D BIMCOR GLOBAL SMALL CAP POOLED FUND	43,678	0	43,678
**D CHANG HWA COMMERCIAL BANK, LTD,, IN ITS CAPACITY AS MASTER	288,800	0	288,800
**D STATE STREET IRELAND UNIT TRUST	2,399	0	2,399
**D SSGA SPDR ETFS EUROPE II PUBLIC LIMITED COMPANY	45,021	0	45,021
**D CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM	869,247	0	869,247
**D DELTASHARES S+P INTERNATIONAL MANAGED RISK ETF	6,109	0	6,109
**D CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM	517,835	0	517,835
**D TENNESSEE CONSOLIDATED RETIREMENT SYSTEM	348,095	0	348,095
**D PINEBRIDGE GLOBAL FUNDS	36,601	0	36,601
**D METZLER ASSET MANAGEMENT GMBH FOR MI-FONDS 415	97,000	0	97,000
**D ALLIANZ GLOBAL INVESTORS GMBH FOR ALLIANZGI-FONDS HPT	346,439	0	346,439

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RESULTS OF VOTING

Subject: **Completion of the Board of Statutory Auditors**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D CAPITAL GROUP GLOBAL EQUITY FUND (CANADA)	2,865,000	0	2,865,000
**D CAPITAL GROUP GLOBAL BALANCED FUND (CANADA)	230,000	0	230,000
**D SAINT-GOBAIN CORPORATION DEFINED BENEFIT MASTER TRUST	27,921	0	27,921
**D VANGUARD FTSE DEVELOPED EUROPE ALL CAP INDEX ETF	8,413	0	8,413
**D VANGUARD FTSE DEVELOPED ALL CAP EX NORTH AMERICA INDEX ETF	8,644	0	8,644
**D VANGUARD DEVEL ALL-CAP EX NORTH AMERICA EQT IND POOLED FUND	541	0	541
**D VANGUARD GLOBAL LIQUIDITY FACTOR ETF	1,061	0	1,061
**D VANGUARD GLOBAL MOMENTUM FACTOR ETF	1,558	0	1,558
**D VANGUARD INVESTMENTS II COMMON CONTRACTUAL FUND	32,024	0	32,024
**D VANGUARD INVESTMENTS COMMON CONTRACTUAL FUND	36,461	0	36,461
**D VANGUARD FTSE DEVELOPED EUROPE INDEX ETF	1,123	0	1,123
**D VALIC COMPANY II INTERNATIONAL OPPORTUNITIES FUND	125,203	0	125,203
**D THE WELLINGTON TR COM NATIONAL ASS MULT COLLECT INV F TRUST	343,065	0	343,065
**D THE WELLINGTON TR CO NAT ASS MULT C TR F TR, OPPORT EQ PTF	72,130	0	72,130
**D THE WELLINGTON TR CO NAT ASS MULT COM GLB OPPORT PTF	45,012	0	45,012
**D THE WELLINGTON TR CO NAT ASS MULT COLLECTIVE INV F TRUST II	222,999	0	222,999
**D WELLS FARGO BK DECL OF TR EST INV FUNDS FOR EMPLOYEE BEN TR	48,345	0	48,345
**D WELLS FARGO MASTER TRUST-WELLS FRGO FACTR ENHANCED INT PRTFLIO	32,119	0	32,119
**D WISDOMTREE ISSUER PUBLIC LIMITED COMPANY	4,015	0	4,015
**D WASHINGTON STATE INVESTMENT BOARD	165,288	0	165,288
**D WISDOMTREE DYNAMIC CURRENCY HEDGED EUROPE EQUITY FUND	1,905	0	1,905
**D WISDOMTREE DYNAMIC CURRENCY HEDGED INTRNL EQUITY FUND	21,885	0	21,885
**D WISDOMTREE INTERNATIONAL HIGH DIVIDEND FUND	18,621	0	18,621
**D WISDOMTREE INTERNATIONAL MIDCAP DIVIDEND FUND	61,943	0	61,943
**D WISDOMTREE EUROPE LOCAL RECOVERY FUND	10,772	0	10,772
**D WISDOMTREE EUROPE HEDGED SMALLCAP EQUITY FUND	201,403	0	201,403
**D NEW YORK STATE TEACHERS RETIREMENT SYSTEM	214,056	0	214,056
**D PRUDENTIAL BANK AND TRUST	97,233	0	97,233
**D PRUDENTIAL RETIREMENT INSURANCE & ANNUITY COMPANY	118,313	0	118,313
**D WELLINGTON MANAGEMENT FUNDS (IRELAND) PLC	2,363	0	2,363
**D SPDR EURO STOXX SMALL CAP ETF	49,165	0	49,165
**D SS FTSE DEV COMPREHENSIVE FACTOR IND NON-LENDING COMMON TRU FD	4,034	0	4,034
**D SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMENT PL	711,442	0	711,442
**D AXA WORLD FUNDS	13,211,990	0	13,211,990
**D ALLIANZ GLOBAL INVESTORS FUND	1,883,899	0	1,883,899
**D BLACKROCK STRATEGIC FUNDS	334,818	0	334,818
**D DB X-TRACKERS	487,536	0	487,536
**D DEUTSCHE INVEST I	2,175,336	0	2,175,336
**D MFS MERIDIAN FUNDS	1,306,568	0	1,306,568
**D KIEGER FUND I	23,718	0	23,718
**D UBS ETF	65,218	0	65,218
**D DEUTSCHE ASSET MNGM INV GMBH FOR DWS EUROPE DYNAMIC	135,000	0	135,000
**D DEUTSCHE ASSET MNGM INV GMBH FOR DWS TOP EUROPE	2,694,000	0	2,694,000
**D DEUTSCHE ASSET MNGM INV GMBH FOR DWS EUROPEAN OPPORTUNITIES	622,257	0	622,257
**D DEUTSCHE ASSET MNGM INV GMBH FOR OPPENHEIM DYNAMIC EUROPE BAL	43,715	0	43,715
**D DEUTSCHE AST MGMNT INVEST GMBH FR DEUTSCH AM QUANT EQ EUROLAND	79,811	0	79,811

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **Completion of the Board of Statutory Auditors****IN FAVOUR**

Surname	Tot. Votes	On own behalf	Proxy
**D ISHARES MSCI EAFE SMALL CAP ETF	1,389,975	0	1,389,975
**D ISHARES MSCI EUROPE SMALL-CAP ETF	69,326	0	69,326
**D ISHARES CORE MSCI EAFE ETF	1,437,247	0	1,437,247
**D ISHARES CORE MSCI TOTAL INTERNATIONAL STOCK ETF	189,056	0	189,056
**D ISHARES CORE MSCI INTERNATIONAL DEVELOPED MARKETS ETF	56,088	0	56,088
**D ISHARES CORE MSCI EAFE IMI INDEX ETF	27,938	0	27,938
**D ISHARES MSCI EUROPE IMI INDEX ETF	10,292	0	10,292
**D ISHARES CORE MSCI EUROPE ETF	117,297	0	117,297
**D CONNECTICUT GENERAL LIFE INSURANCE COMPANY	827	0	827
**D INTERNATIONAL PAPER CO COMMINGLED INVESTMENT GROUP TRUST	21,880	0	21,880
**D IBM 401K PLUS PLAN	86,186	0	86,186
**D OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM	127,113	0	127,113
**D RUSSELL TRUST CO COMMINGLED EMPLOYEE BENEFIT FUNDS TRUST	385,612	0	385,612
**D GENERAL CONFERENCE CORPORATION OF SEVENTH DAY ADVENTISTS	100,000	0	100,000
**D STATE OF ALASKA RETIREMENT AND BENEFITS PLANS	15,676	0	15,676
**D COLLEGE RETIREMENT EQUITIES FUND	1,055,755	0	1,055,755
**D RUSSELL INVESTMENT COMPANY - RUSSELL INTERN DEVELOPED MKT F	321,779	0	321,779
**D DELUXE CORPORATION MASTER TRUST	18,704	0	18,704
**D MERCY HEALTH	13,589	0	13,589
**D RUSSELL INVESTMENT FUNDS NON-U,S, FUND	52,453	0	52,453
**D RUSSELL INVESTMENT COMPANY II PLC	75,335	0	75,335
**D RUSSELL INVESTMENT COMPANY PLC	37,056	0	37,056
**D MULTI-STYLE, MULTI-MANAGER FUNDS PLC	98,841	0	98,841
**D THE WELLINGTON TR CO NAT ASS MULT COM ALPHA STRATEGIES PTF	36,829	0	36,829
**D MERCY HEALTH RETIREMENT TRUST	3,997	0	3,997
**D TRUTH INITIATIVE FOUNDATION	7,497	0	7,497
**D MSCI EAFE SMALL CAP PROV INDEX SEC COMMON TR F	118,386	0	118,386
**D ISHARES PUBLIC LIMITED COMPANY	1,498,441	0	1,498,441
**D ISHARES II PUBLIC LIMITED COMPANY	328,291	0	328,291
**D ISHARES VII PLC	968,051	0	968,051
**D ISHARES III PUBLIC LIMITED COMPANY	17,751	0	17,751
**D ISHARES I INVESTK MIT TGV F ISHS ST, EUROPE600 BS UCITS ETF DE	349,181	0	349,181
**D BLACKROCK AM DE FOR ISHS EURO STOXX BANKS 30-15 UCITS ETF (DE)	1,898,902	0	1,898,902
**D BLACKROCK AM DE FOR ISHARES EURO STOXX UCITS ETF (DE)	148,261	0	148,261
**D BLACKROCK AM DE FOR ISHS STOXX EUROPE SMALL 200 UCITS ETF (DE)	375,271	0	375,271
**D BLACKROCK AM DE FOR ISHARES STOXX EUROPE 600 UCITS ETF (DE)	350,587	0	350,587
**D BLACKROCK AM SCH AG OBO BIFS WORLD EX SW SMALL CAP EQ INDEX F	49,170	0	49,170
**D PINEBRIDGE GLOBAL DYNAMIC ASSET ALLOCATION FUND LLC	14,277	0	14,277
**D MANAGED PENSION FUNDS LIMITED	33,669	0	33,669
**D THE TRUSTEES OF CONOCOPHILLIPS PENSION PLAN	6,888	0	6,888
**D FAMILY INVESTMENTS CHILD TRUST FUND	11,150	0	11,150
**D FAMILY INVESTMENTS GLOBAL ICVC FAMILY BALANCED INT FUND	9,961	0	9,961
**D HSBC AS TRUSTEE FOR SSGA EUROPE EX UK EQUITY TRACKER FUND	284,213	0	284,213
**D FP RUSSELL INVESTMENTS ICVC-FP RUSSELL INV INT GROWTH ASSTS FD	8,584	0	8,584
**D ARAB AUTHORITY FOR AGRICULTURAL INVESTMENT AND DEVELOPMENT	7,541	0	7,541
**D STICHTING PHILIPS PENSOENFONDS	56,707	0	56,707

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RESULTS OF VOTING

Subject: **Completion of the Board of Statutory Auditors**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D MULTI-MANAGER ICVC - MULTI-MANGER INTERNATIONAL EQUITY FUND	91,914	0	91,914
**D VANGUARD INV FDS ICVC-VANG FTSE DEV WOR LD EX - UK EQT IND FD	57,793	0	57,793
**D VANGUARD INV F ICVC-VANGUARD FTSE DEV EUROPE EX-UK EQ INDEX F	119,820	0	119,820
**D VANGUARD INV FUNDS ICVC-VANGUARD FTSE GLOB ALL CAP IND FUND	423	0	423
**D RUSSELL INVESTMENTS GLOBAL OPPORTUNITIES FUND	96,617	0	96,617
**D PINEBRIDGE GLOBAL DYNAMIC ASSET ALLOCATION FUND	30,175	0	30,175
**D SUNSUPER SUPERANNUATION FUND	13,451	0	13,451
**D CANADA PENSION PLAN INVESTMENT BOARD	1,086,400	0	1,086,400
**D THE TRUSTEES OF BP PENSION FUND	340,650	0	340,650
**D OMERS ADMINISTRATION CORPORATION FUND	380,331	0	380,331
**D CITADEL MULTI-STRATEGY EQUITIES FUND (ICAV)	14,644	0	14,644
**D AON SAVINGS PLAN TRUST	55,102	0	55,102
**D THE BOEING COMPANY EMPLOYEES SAVINGS PLANS MASTER TRUST	60,988	0	60,988
**D FORD MOTOR COMPANY DEFINED BENEFIT MASTER TRUST	13,955	0	13,955
**D HEWITT ASSOCIATES LLC 401K PLAN TRUST	19,737	0	19,737
**D BAPTIST FOUNDATION OF TEXAS DBA HIGHGROUND ADVISORS	26,952	0	26,952
**D MORGAN STANLEY DEFINED CONTRIBUTION MASTER TRUST	58,764	0	58,764
**D STATE OF UTAH, SCHOOL AND INSTITUTIONAL TRUST FUNDS	7,141	0	7,141
**D EMPLOYEES RETIREMENT FUND OF THE CITY OF DALLAS	24,205	0	24,205
**D THE CURATORS OF THE UNIVERSITY OF MISSOURI	31,235	0	31,235
**D DFI LP EQUITY (PASSIVE)	1,693	0	1,693
**D NTGI-QM COMMON DAILY ALL COUNWD EX-US INV MKT INDEX F NONLEND	9,989	0	9,989
**D THE PUBLIC INSTITUTION FOR SOCIAL SECURITY	64,137	0	64,137
**D INTERNATIONAL MONETARY FUND STAFF RETIREMENT PLAN	442,591	0	442,591
**D NATIONAL COUNCIL FOR SOCIAL SECURITY FUND, P,R,C	34,430	0	34,430
**D MICROSOFT GLOBAL FINANCE	5,832	0	5,832
**D BLUE SKY GROUP	180,800	0	180,800
**D NEW ZEALAND SUPERANNUATION FUND	34,150	0	34,150
**D MERCER DS TRUST	143,860	0	143,860
**D BATTELLE MEMORIAL INSTITUTE	13,240	0	13,240
**D DUPONT AND RELATED COMP DEFINED CONTRIBUTION PLAN MASTER TR	61,137	0	61,137
**D PYRAMIS GROUP TRUST FOR EMPLOYEE BENEFIT PLANS	170,023	0	170,023
**D THE HEALTH FOUNDATION	25,840	0	25,840
**D NORTHERN TRUST GLOBAL INVESTMENTS COLLECTIVE FUNDS TRUST	334,975	0	334,975
**D NATIONAL RAILROAD RETIREMENT INVESTMENT TRUST	291,058	0	291,058
**D SUTTER HEALTH MASTER RETIREMENT TRUST	580,535	0	580,535
**D ADVOCATE HEALTH CARE NETWORK	28,762	0	28,762
**D CITY OF MILWAUKEE EMPLOYEES RETIREMENT SYSTEM	80,839	0	80,839
**D PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF COLORADO	468,968	0	468,968
**D FIREMEN`S ANNUITY & BENEFIT FUND OF CHICAGO	16,201	0	16,201
**D EMPLOYEES` RETIREMENT FUND OF THE CITY OF FORT WORTH	90,225	0	90,225
**D GENERAL PENSION AND SOCIAL SECURITY AUTHORITY	82,221	0	82,221
**D ILLINOIS MUNICIPAL RETIREMENT FUND	218,947	0	218,947
**D LOS ANGELES CITY EMPLOYEES RETIREMENT SYSTEM	41,051	0	41,051
**D CITY OF LOS ANGELES FIRE AND POLICE PENSION PLAN	65,307	0	65,307
**D LOCKHEED MARTIN CORPORATION MASTER RETIREMENT TRUST	138,897	0	138,897

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **Completion of the Board of Statutory Auditors**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D MIDWEST OPERATING ENGINEERS PENSION TRUST FUND	600,000	0	600,000
**D UNITED MINE WORKERS OF AMERICA 1974 PENSION TRUST	68,907	0	68,907
**D POLICEMEN`S ANNUITY AND BENEFIT FUND OF CHICAGO	39,567	0	39,567
**D SALT RIVER PIMA-MARICOPA INDIAN COMMUNITY	21,155	0	21,155
**D UTAH STATE RETIREMENT SYSTEMS	69,008	0	69,008
**D FORD MOTOR COMPANY OF CANADA, LIMITED PENSION TRUST	1,181	0	1,181
**D NATIONAL WESTMINSTER BANK PLC PLC AS TR OF BARING EUR SEL TR	3,198,899	0	3,198,899
**D WHEELS COMMON INVESTMENT FUND	14,359	0	14,359
**D THE TRUSTEES OF ZURICH FINANCIAL SERVICES UK PENSION SCHEME	475,624	0	475,624
**D STICHTING PENSIOENFONDS APF	2,873	0	2,873
**D THE TRUSTEES OF CHEVRON UK PENSION PLAN	2,761	0	2,761
**D COLONIAL FIRST STATE INVESTMENT FUND 50	13,187	0	13,187
**D MUNICIPAL EMPLOYEES` ANNUITY AND BENEFIT FUND OF CHICAGO	9,452	0	9,452
**D LEGAL & GENERAL GLOBAL EQUITY INDEX FUND	1,487	0	1,487
**D NAT WEST BK AS TRUSTEE OF LEGAL & GENERAL EUROPEAN INDEX TR	230,275	0	230,275
**D NAT WEST BK PLC AS TRUSTEE OF THE LEGAL & GENERAL INT IND TR	26,634	0	26,634
**D BARING INVESTMENT FUNDS PLC	203,004	0	203,004
**D SSGA GROSS ROLL UP UNIT TRUST	13,909	0	13,909
**D LEGAL & GENERAL ICAV	2,648	0	2,648
**D LEGAL & GENERAL AUTHORISED CONTRACTUAL SCHEME	5,796	0	5,796
**D BLACKROCK AUTHORISED CONTRACTUAL SCHEME I	299,258	0	299,258
**D STATE TEACHERS RETIREMENT SYSTEM OF OHIO	173,208	0	173,208
**D ILLINOIS STATE BOARD OF INVESTMENT	78,822	0	78,822
**D VERDIPAPIRFONDET KLP AKSJEGLOBAL SMALL CAP INDEKS I	32,044	0	32,044
**D UNIVEST	276,604	0	276,604
6970 CLERICI CAMILLA	0	0	0
**D NORDEA 1 SICAV	1,411,219	0	1,411,219
**D MOMENTUM INVESTMENT FUNDS SICAV-SIF	125,735	0	125,735
**D JPMORGAN FUNDS	860,480	0	860,480
**D JPMORGAN INVESTMENT FUNDS	991,793	0	991,793
**D ARCA FONDI SGR - FONDO ARCA AZIONI ITALIA	100,000	0	100,000
**D FRANKLIN TEMPLETON INVESTMENT FUNDS	2,792,340	0	2,792,340
**D T, ROWE PRICE FUNDS SICAV	192,210	0	192,210
**D CAPITAL INTERNATIONAL FUND	116,670	0	116,670
**D SCHRODER INTERNATIONAL SELECTION FUND	293,093	0	293,093
**D THE LUCERNE CAPITAL MASTER FUND LP C/O WALKERS CORPORATE LTD	28,406	0	28,406
**D NMM3 EUEQ MFS ACCOUNT	8,004	0	8,004
**D GENERALI SMART FUNDS SICAV	70,632	0	70,632
**D CHALLENGE FUNDS CHALLENGE ITALIAN EQUITY	420,000	0	420,000
**D GENERALI INVESTMENTS SICAV	1,500,000	0	1,500,000
**D WELLINGTON MANAGEMENT PORTFOLIOS	222,312	0	222,312
**D FIDELITY FUNDS SICAV	795,854	0	795,854
**D ING DIRECT	33,717	0	33,717
**D NATIXIS INTERNT FUNDS LUX I	179,358	0	179,358
**D HUNTINGTON NATIONAL BANK TAXABLE ACC	8,290	0	8,290
**D WELLINGTON TRUST COMP COMM TRUST INT OPP	111,602	0	111,602

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **Completion of the Board of Statutory Auditors**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D RAINIER INT SMALL CAP EQUITY COLLECTIVE	183,350	0	183,350
**D FIDELITY SALEM STR T FID TOTAL INT IND F	20,446	0	20,446
**D WTC-CTF INTERNATIONAL HORIZONS	23,208	0	23,208
**D DEVELOPED INTERNATION EQUITY SELECT ETF	1,976	0	1,976
**D BBH B FOR TMTBJ RE: MUTB400037270	6,775	0	6,775
**D JAPAN TRUSTEE SERVICES BANK LTD	206,631	0	206,631
**D DEUTSCHE EUROPEAN EQUITY FUND	108,050	0	108,050
**D GLOBAL X SCIENTIFIC BETA EUROPE ETF	1,130	0	1,130
**D PINEBRIDGE DYNAMIC ASSET ALLOCATION FUND	6,235	0	6,235
**D HSBC GROUP HONG KONG LOCAL STAFF RETIREMENT BENEFIT SCHEME	3,732	0	3,732
**D ANIMA SGR SPA	2,666,601	0	2,666,601
**D ANIMA SGR SPA ANIMA CRESCITA ITALIA	699,858	0	699,858
**D DEKA MASTER HAEK I	67,605	0	67,605
**D ALLIANZGI FONDS APNIESA	8,497	0	8,497
**D ALLIANZGI FONDS BAT LS	82,500	0	82,500
**D ALLIANZGI FONDS AFE	57,604	0	57,604
**D ALLIANZGI FONDS PTV2	47,620	0	47,620
**D ALLIANZGI FONDS PF1	8,813	0	8,813
**D ALLIANZGI FONDS PF2	45,698	0	45,698
**D ALLIANZ GI FONDS QUONIAM SMC	112,661	0	112,661
**D AXA ASSICURAZIONI SPA	11,000	0	11,000
**D PARVEST	4,707,241	0	4,707,241
**D JANUS HENDERSON HORIZON FUND	947,335	0	947,335
**D JANUS HENDERSON FUND	197,410	0	197,410
**D BNP PARIBAS L1	349,829	0	349,829
**D BNP PARIBAS A FUND	72,069	0	72,069
**D BNP PARIBAS B PENSION GROWTH	167,945	0	167,945
**D BNP PARIBAS B PENSION STABILITY	81,283	0	81,283
**D METROPOLITAN RENTASTRO	313,328	0	313,328
**D BNP PARIBAS B PENSION BALANCED	1,088,502	0	1,088,502
**D JANUS HEND INSTIT EUROP INDEX OPP FUND	42,487	0	42,487
**D JANUS HENDERS EUROPEAN SMALLER COMP FD	430,018	0	430,018
**D RESPONSIBLE INVESTMENT LEADERS INT SHARE	37,745	0	37,745
**D SENTOSA DEVELOPMENT CORPORATION	10,402	0	10,402
**D BNP PARIBAS MIDCAP EUROPE	1,397,460	0	1,397,460
**D TOTAL GESTION FLEX PATRI	46,511	0	46,511
**D FCP BNPP ACTIONS ENTREPRENEURS	752,692	0	752,692
**D BNP PARIBAS ACTIONS PME	696,084	0	696,084
**D FCP SCANDIUM	97,262	0	97,262
**D FCP CARDIF BNPP IP SMID CAP EURO	1,127,139	0	1,127,139
**D FCP LBPAM ACTIONS EUROPE LARGE CAP	47,785	0	47,785
**D FCP CNP ASSUR SMID CAP EUROPE	212,396	0	212,396
**D BNP PARIBAS SMALL CAP EUROLAND	4,097,208	0	4,097,208
**D FCP BNP PARIBAS ACTIONS EUROLAND	46,482	0	46,482
**D COMPT EUROPE	95,000	0	95,000
**D AXIVA ACTION 1	25,749	0	25,749

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **Completion of the Board of Statutory Auditors**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D ACTIONS SELECTIONNEES	5,480	0	5,480
**D AXA VALEURS EURO	1,400,000	0	1,400,000
**D FCPE TOTAL ACTIONS EUROPEENNES	750,000	0	750,000
**D FCP BNP PARIBAS MIDCAP FRANCE	1,087,878	0	1,087,878
**D FCP AVIVA INVESTORS SMALL & MID CAPS EUR	222,914	0	222,914
**D AXA OPTIMAL INCOME	2,068,464	0	2,068,464
**D SAKKARAH 7	8,716	0	8,716
**D STICHT BEDRIJ MEDIA PNO	213,800	0	213,800
**D AFER ACTION PME	778,661	0	778,661
**D SAINT MARTIN 4	877,000	0	877,000
**D IPA CORPORATE ACTIONS AND INCOME	48,331	0	48,331
**D FONDS RESERVE RETRAITES	1,126,854	0	1,126,854
**D RAVGDT DIVERSIFIE II LBPAM	41,870	0	41,870
**D CPR AM	113,850	0	113,850
**D ROBECO CAPITAL GROWTH FUNDS	450,000	0	450,000
**D CORONATION GLOBAL OPPORTUNITIES FUND	423,707	0	423,707
**D SHELL TRUST (BERMUDA) LIMITED AS TRUSTEE	7,183	0	7,183
**D SHELL TRUST (BERMUDA) LTD AS TRUSTEE OF THE SHELL OVERSEAS C,P, FUND	34,987	0	34,987
**D DEKA INVESTMENT GMBH RE ARIDEKA	900,000	0	900,000
**D DEKA INVEST, RE DEKA-DIVIDENDENDISCOUNT	3,900	0	3,900
**D DEKA INVEST DIVIDENDENSTRATEGIE	838,900	0	838,900
**D DEKA BASISSTRATEGIE FLEXIBEL	18,500	0	18,500
**D DEKA INVESTMENT GMBH RE DEKA-DIVIDEND VA	68,000	0	68,000
**D DEKA INVESTMENT GMBH RE DEKA-MULTIASSET INCOME	100,000	0	100,000
**D THE MASTER TRUST BANK OF JAPAN LTD AS TRUSTEE FOR MTBJ400045842	1,720,886	0	1,720,886
**D TEACHERS` RETIREMENT SYSTEM OF THE CITY OF NEW YORK	47,864	0	47,864
**D UBS GLOBAL ASSET MANAGEMENT LIFE LTD	151,024	0	151,024
**D MERIFIN CAPITAL B,V,	39,575	0	39,575
**D WESTPAC WHOLESALE UNHEDGED INTERNATIONAL	43,815	0	43,815
**D ENTERGY CORP,RETIREMENT PLANS MASTER TR,	150,830	0	150,830
**D JEFFREY LLC	58,552	0	58,552
**D CHINA LIFE INSURANCE COMPANY LIMITED	36,007	0	36,007
**D FONDO CONSOLIDADO DE RESERVAS PREVISIONA	65,942	0	65,942
**D JPMORGAN CHASE BANK	2,000	0	2,000
**D UBS (US) GROUP TRUST	7,469	0	7,469
**D BT WHOLESALE MULTI MANAG INTL SHARE FUND	24,626	0	24,626
**D WSSP INTERNATIONAL EQUITIES TRUST	68,156	0	68,156
**D EUROPACIFIC GROWTH FUND	5,235,000	0	5,235,000
**D T, ROWE PRICE INTERNATIONAL SMALL CAP	497,948	0	497,948
**D THE BOEING COMPANY EMPLOYEE RETIREMENT PLANS MASTER TRUST	83,856	0	83,856
**D BLACKROCK FISSION INDEXED INTL EQUITY FD	12,748	0	12,748
**D ISHARES ALLCOUNTRY EQUITY INDEX FUND	1,214	0	1,214
**D INTERNATIONAL GROWTH AND INCOME FUND	6,475,000	0	6,475,000
**D ALTRIA CLIENT SERVICES MASTER RETIREM,T,	81,690	0	81,690
**D SUPER FUNDS MANAG CORP SOUTH AUSTRALIA	60,952	0	60,952
**D STICHTING PENSIOENFONDS VOOR DE WONINGCO	58,078	0	58,078

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **Completion of the Board of Statutory Auditors**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D UBS ASSET MANAGEMENT LIFE LTD	283	0	283
**D MINISTRY OF STRATEGY AND FINANCE	40,968	0	40,968
**D T, ROWE PRICE INTERNATIONAL DISCOVERY FU	4,575,580	0	4,575,580
**D NVIT MULTI MANAGER INTERNATIONAL GROWTH	59,600	0	59,600
**D FLEXSHARES MORNINGSTAR DEVELOPED MARKETS	4,895	0	4,895
**D MFS INTERNATIONAL NEW DISCOVERY FUND	2,267,886	0	2,267,886
**D T ROWE PRICE INTERNATIONAL EQUITY INDEX	14,257	0	14,257
**D T ROWE PRICE GLOBAL ALLOCATION FUND INC	8,817	0	8,817
**D GOLDMAN SACHS TRUST-G,S,INTL,TAX MANAGED	32,601	0	32,601
**D PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OHIO	122,288	0	122,288
**D JPMORGAN LIFE LIMITED	81,039	0	81,039
**D JPM EUROPE DYNAMIC (EX UK) FUND	593,932	0	593,932
**D SANLAM LIFE AND PENSIONS UK LIMITED	49,930	0	49,930
**D AVIVA LIFE & PENSIONS UK LIMITED	135,750	0	135,750
**D STICHTING SHELL PENSIOENFONDS	117,749	0	117,749
**D SHELL PENSIONS TRUST LIMITED AS TRUSTEE OF SHELL CONTRIBUTORY PENSION FUND	75,058	0	75,058
**D STICHTING PENSIOENFONDS MEDISCH SPECIALI	283,660	0	283,660
**D STATE OF CALIFORNIA MASTER TRUST	158,670	0	158,670
**D NATIONAL PROVIDENT FUND AS TRUSTEE OF TH	16,166	0	16,166
**D DEKA INVEST RE DEKA-ZMV-FONDS	20,000	0	20,000
**D DEKA INVESTMENT GMBH RE PRODEKA	65,200	0	65,200
**D DEKA A-DOR-FONDS	6,503	0	6,503
**D DEKA INVESTMENT GMBH RE LANDSBERG-FONDS	5,900	0	5,900
**D DEKA INVESTMENT GMBH RE DEKA VALUE PLUS	10,813	0	10,813
**D ALLIANZGI-FONDS DSPT	11,872	0	11,872
**D BUMA-UNIVERSAL-FONDS-II	602,592	0	602,592
**D BUMA-UNIVERSAL-FONDS I	13,990	0	13,990
**D MI-FONDS 392	462,000	0	462,000
**D JPMORGAN EUROPEAN INVESTMENT TRUST PLC	98,990	0	98,990
**D KAPITALFORENINGEN ISTITUTIONEL INVESTOR EUROPAELSKE AKTIER	1,011,641	0	1,011,641
**D NEW MEXICO STATE INVESTMENT COUNCIL	80,036	0	80,036
**D DEKA INTERNATIONAL S,A, RE DEKA-EUROSTOC	546,850	0	546,850
**D STICHTING PENSIOENFONDS VOOR HUISARTSEN	36,912	0	36,912
**D BUREAU OF LABOR FUNDS - LABOR RETIREMENT FUND	6,015	0	6,015
**D BUREAU OF LABOR FUNDS-LABOR INSURANCE FUND	217,051	0	217,051
**D BUREAU OF LABOR FUNDS- LABOR PENSION FUND	19,873	0	19,873
**D NORDEA PRO EUROPEAN FUND	377,784	0	377,784
**D NORDEA EUROPE FUND	1,612,784	0	1,612,784
**D INVESTERINGSFORENINGEN NORDEA INV AKTIER	586,767	0	586,767
**D ARTEMIS EUROPEAN OPPORTUNITIES FUND	844,653	0	844,653
**D BLACKROCK MULTI-ASSET INC,PORTF,OF BLACK	754,307	0	754,307
**D BLACKROCK INSTITUTIONAL TRUST COMPANY N,A, INVESTMENT FUNDS FOR EMPLOYEE BENEFIT TRUSTS	354,859	0	354,859
**D JP MORGAN CHASE RETIREMENT PLAN	119,470	0	119,470
**D PENSION TRUST FUND FOR OPERATING ENGINEE	400,000	0	400,000
**D LONDON LIFE INSURANCE COMPANY	69,200	0	69,200
**D CANADA POST CORPORATION REGISTERED PENSI	106,197	0	106,197

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **Completion of the Board of Statutory Auditors**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D THE NOVA SCOTIA HEALTH EMPLOYEES PENS PL	83,637	0	83,637
**D THE BOMBARDIER TRUST (UK)	61,392	0	61,392
**D FTSE ALL WORLD INDEX FUND	20,987	0	20,987
**D FLF STRATEGIC GLOBAL EQUITY FUND	119,463	0	119,463
**D REASSURE LIMITED	123,245	0	123,245
**D FLF GLOBAL EQUITY FUND	60,413	0	60,413
**D CITADEL ADVISORS LLC	86,066	0	86,066
**D FRIENDS LIFE AND PENSIONS LIMITED	51,154	0	51,154
**D FRIENDS LIFE FUNDS LIMITED	59,324	0	59,324
**D HSBC EUROPEAN INDEX FUND	97,246	0	97,246
**D AXA FRAMLINGTON FINANCIAL FUND	101,283	0	101,283
**D FRIENDS LIFE AND PENSIONS LIMITED	3,317	0	3,317
**D TR EUROPEN GROWTH TRUST PLC	691,650	0	691,650
**D ARC I - FONDS SEGMENT 1 -AKTIEN EUROPA	26,458	0	26,458
**D SONDERVERMOGEN INKA OPRA FONDS	16,181	0	16,181
**D INTERNATIONALE KAPITALANLAGEGESELLSCHAFT MBH	48,500	0	48,500
**D VANGUARD EUROPEAN STOCK INDEX FUND	945,197	0	945,197
**D VANGUARD DEVELOPED MARKETS INDEX FUND	2,155,375	0	2,155,375
**D VANGUARD TOTAL WORLD STOCK INDEX FUND	113,470	0	113,470
**D VANGUARD FTSE ALL-WORLD EX US INDEX FUND	663,474	0	663,474
**D PIONEER FLEXIBLE OPPORTUNITIES FUND	480,295	0	480,295
**D VANGUARD FUNDS PLC	187,648	0	187,648
**D VANGUARD INVESTMENT SERIES PLC	39,953	0	39,953
**D VANGUARD INVESTMENT SERIES PLC	7,356	0	7,356
**D VANGUARD INVESTMENT SERIES PLC	93,449	0	93,449
**D KVV AKTIEN FONDS 1	1,844	0	1,844
**D FCP VILLIERS ACTIONS EDRAM	720,800	0	720,800
**D TRUSTEAM ROC EUROPE C O TRUSTEAM FINANCE	331,269	0	331,269
**D FCP CM-CIC SILVER ECONOMIE	220,000	0	220,000
**D FIDUCIARY TRUST COMPANY INTERNATIONAL AS	67,000	0	67,000
**D MANAGEMENT BOARD PUBLIC SERVICE PENSION	3,513	0	3,513
**D SCHRODER PENSION MANAGEMENT LTD	66,373	0	66,373
**D VANGUARD INTERNATIONAL SMALL COMPANIES INDEX FUND	32,076	0	32,076
**D ONEPATH GLOBAL SHARES - SMALL CAP UNHEDGED) INDEXPOOL	26,862	0	26,862
**D VANGUARD TOTAL INTERNATIONAL STOCK INDEX	5,243,100	0	5,243,100
**D VANGUARD INTERNATIONAL EXPLORER FUND	815,900	0	815,900
**D HSBC AVB	8,841	0	8,841
**D SUZUKA INKA	131,022	0	131,022
**D SCHRODER ADVANCED BETA GLOBAL EQUITY SMA	65,536	0	65,536
**D SCHRODER GLOBAL MULTI-FACTOR EQUITY FUND	132,300	0	132,300
**D LOMBARD ODIER FUNDS (SWITZERLAND) SA	25,266	0	25,266
**D MERRILL LYNCH INTERNATIONAL	322,064	0	322,064
**D SCHUBEL FAM TR-MANNING AND NAPIER A DV	990	0	990
**D POND 2007 FAMILY TRUST MANNING SUB	1,320	0	1,320
**D HUNTER FAMILY FDN MANNING	1,865	0	1,865
**D MANNING AND NAPIER ADVISOR INC	110,730	0	110,730

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **Completion of the Board of Statutory Auditors**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D IRON WORKERS LOCALS 40361 AND 417 ANNUITY FUND	18,440	0	18,440
**D BURTON X ROSENBERG INSUR TR MAN SUB	1,375	0	1,375
**D THE MALUTH FAMILY TRUST MANNING SUB	1,360	0	1,360
**D C E COMPALL REV TR 10-23-09 MAN D N	990	0	990
**D GRAHAM C BROCK MANNING INTL	770	0	770
**D MANNING AND NAPIER FUND INC PRO BLEND MODERATE TERM SERIES	28,940	0	28,940
**D THE BAKERY AND CONFECTIONERY UNION AND INDUSTRY INTERNATIONAL PENSION FUND	120,215	0	120,215
**D IRON WORKERS LOCALS 40 361 AND 41 7 PENSION FUND	13,505	0	13,505
**D ALMEIDA FAMILY LEGACY TR MANNING	855	0	855
**D THE HORWARD TRUST MANNING AND NAPIER	580	0	580
**D CJB CRUT II 11-27-06 MANNING	795	0	795
**D MANNING AND NAPIER FUND INC,OVE RS EAS SERIES	339,195	0	339,195
**D TANGLIN CLAYMORE LLC MANNING	1,590	0	1,590
**D CJB FAMILY TR 06-15-00 MANNING	1,825	0	1,825
**D IRON WORKERS LOCAL 11 PENSION FUND	14,780	0	14,780
**D QUIGG VENTURES LLC MANNING AND NAPIER	2,005	0	2,005
**D FLIGHT ATTENDANT MEDICAL RESEARCH INSTITUTE	6,850	0	6,850
**D JURGENSEN INVSTMNTS LLC MANNING SUB	835	0	835
**D MANNING AND NAPIER ADVISORS INC	265,770	0	265,770
**D MICHIGAN CATHOLIC CONFERENCE MASTER PENSION TRUST	41,760	0	41,760
**D OPUS FINANCIAL LLC-MANNING AND NAPIER	5,160	0	5,160
**D GRUSECKI NEXGEN LLC-MANNING AND NAPIER	1,605	0	1,605
**D R C DELL TRUST-MANNING AND NAPIER R A DV	810	0	810
**D FLEISCHHACKER 09 TR MANNING AND NAPIER	795	0	795
**D ANTHONY K, KESMAN TRUSTEE	945	0	945
**D BRIDGE BUILDER INTERNATIONAL EQUITY FUND	581,660	0	581,660
**D FLK (TE) LLC MANNING AND NAPIER	2,590	0	2,590
**D CHURCH OF THE HOLYCONFORTER-SUB	565	0	565
**D PNC BANK NA	17,025	0	17,025
**D GST EX MRTL TR C-U CONSTANCE-MA ND N	1,290	0	1,290
**D RELIABLE PARTNERS MANNING INTL	845	0	845
**D FIRST STATE TRUST COMPANY FOR MULTIPLE BENEFICIARIES	685	0	685
**D GOLDER FAMILY FOUNDATION-MANDN	1,115	0	1,115
**D ROOSEVELT UNIVERSITY	15,295	0	15,295
**D IRA FBO JAMES KING BNY MELLON	575	0	575
**D MELISSA S, WIDEN-MANNING ANDAP IER	890	0	890
**D J HANSEN REV TR 4-29-81 MANNING	2,495	0	2,495
**D ROBERT A ROSHOLT IRAR-OMANNING - SU B	890	0	890
**D JAMES J, BAKKE 1987 TRUST MANN ING 6001 N	3,190	0	3,190
**D LARRY D CONTOS REV TR MANNING SUB 755	870	0	870
**D JOHN M, MC DONOUGH IRAR-MAN AND NAP	865	0	865
**D DORIS K, CHRISTOPHER 1996 TR-MA ND	20,970	0	20,970
**D OLIVE MC CARTHY 2009 TRUST-MANNING	1,255	0	1,255
**D CATHERINE SLARK TR-MANNING ANDN API	1,840	0	1,840
**D GEOFFREY C FENNER MANNING INTLL	580	0	580
**D ELIZABETH E, RIORDAN 1997 TRMANNING	1,405	0	1,405

Shareholders:

857 People:

16

DE* proxy to the natural person above mentioned with the badge number

Shareholders on own behalf:

14

Shareholders by proxy:

843

**D proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations)

RL* legal representation to the natural person above mentioned with the badge number

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **Completion of the Board of Statutory Auditors**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D STANLEY H MEADOWS 90 TR-MANNING NAP	5,855	0	5,855
**D J MCCARTNEY12-30-97 MANNING-NAP IER	1,610	0	1,610
**D DEBRA K MAYER-MANNING ANDNAPIER - SU B	650	0	650
**D CAROL GOLDER REVTR MANNING AND NAP	950	0	950
**D R MORRIS ILLINOIS QTIP MARTR M AND N	735	0	735
**D LOMBARDI JTWROS MANNING AND NAPIER	1,370	0	1,370
**D JAMES E WICKS TRMANNING NAPIER	920	0	920
**D CHRISTOPHER ENOCK LVG TRMANNING	980	0	980
**D MARY KATHERINE LAUDERBACK	775	0	775
**D BARBARA S, BLUHM REV TR-MANNING INTL	1,135	0	1,135
**D JOSEPH L, BOZICH 2005TR-MANNING	885	0	885
**D THOMAS C GAPUTIS REV TR-MANNING	995	0	995
**D J G FENCIK TR-MANNING AND NAPIER	2,065	0	2,065
**D BRUCE BARRON REVOCABLE TRUST	1,635	0	1,635
**D L, S, BUONANNO-MANNING AND NAPIER	1,550	0	1,550
**D BUNRATTY HOLDINGS LLC-MANNING INTL	1,280	0	1,280
**D MANNING AND NAPIER FUND INC -PR O BLEND-MAXIMUM TERM SERIES	291,450	0	291,450
**D MORRIS 1992 GIFT TR FORELLEN-M AND N	2,495	0	2,495
**D FANCELLI FDN INC, (SPECIAL)-MANNING	2,165	0	2,165
**D MIAMI DADE COMMUNITY COLLEGE FOUNDATION 300 NE	6,110	0	6,110
**D REGIONAL TRANSPORTATIONDISCTRIC T	10,555	0	10,555
**D HAGEN FAMILY TR U-ADTD7-7-1989 MA AND N	1,500	0	1,500
**D MANNING AND NAPIER FUNDINC, -BLE ND ED ASSET MODERATE SEREIS	3,810	0	3,810
**D JEFFREY S, ARONIN REV TRUST	7,180	0	7,180
**D MELVYN FISHER IRREV TR US BANK TRUSTEE	995	0	995
**D MANNING AND NAPIER FUND INC INT	541,920	0	541,920
**D MANNING AND NAPIER FUND INC	46,880	0	46,880
**D KIRBY ROSPLOCK DECLOFTR MANNING	835	0	835
**D FEINBERG FAMILY LTD PART2-MANNING	615	0	615
**D EVERGREEN PARTNERS GENPRT-MAND	895	0	895
**D CJB CRUT 5-1-01-MANNING	1,855	0	1,855
**D GOLDER 2007 FAM TR-MANNING AND NAPIER	1,620	0	1,620
**D JESSICA S SUPERA MANNING INTL	590	0	590
**D THOMAS R SMITH REVRE-MANN AND NAPIER	700	0	700
**D JAY W CHRISTOPHER 1996TR-MANNING ING	14,670	0	14,670
**D R, AND L, BRADLEY JT REVTR-MANNING	1,110	0	1,110
**D LEONARD X ROSEMBERG 2007TR-MANNING	775	0	775
**D A,BERGDOLL REV TR-MANNING ANDN API ER	1,415	0	1,415
**D WILLIAM G JUEGENSEN REV TRMANNING	2,755	0	2,755
**D TERRENCE P, DIAMOND-MANNINGINTL 8706	655	0	655
**D L BUONANNO TR T SMITH SR-MANDN	2,375	0	2,375
**D WILLIAM FOOTE 95 TR-MANNING AND NAPIER	1,070	0	1,070
**D DEBORAH A, SCHMIDT REVTR-MANNING	960	0	960
**D CAIRD ARNOLD HARBECK REVTR-MANNING	985	0	985
**D ROBERT KLEINERT JR DECLTR- MANNING	690	0	690
**D JULES M, LASER MANNING AND NAPERIR	760	0	760

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **Completion of the Board of Statutory Auditors****IN FAVOUR**

Surname	Tot. Votes	On own behalf	Proxy
**D G MCLACHLAN DECLTR-MANNING-NAPIER	1,830	0	1,830
**D ELIZABETH DRUCKER-MANNING AND NAPIER	510	0	510
**D BGF EURO MKTS FD EURO EQUITY PF	10,669,505	0	10,669,505
**D INTERFUND SICAV INTERFUND EQUITY ITALY	64,000	0	64,000
**D FIDEURAM ASSET MANAGEMENT (IRELAND) FONDITALIA EQUITY ITALY	428,000	0	428,000
**D FIDEURAM ASSET MANAGEMENT (IRELAND) FIDEURAM FUND EQUITY ITALY	5,000	0	5,000
**D GLOBAL DIVERSIFIED SUB TRUST	5,116	0	5,116
**D ELEVA UCITS FD EUROLAND SELECT	128,300	0	128,300
**D METZLER INT INV PUBLIC LTD	866,000	0	866,000
**D UBS EUR SMALL CAP EQUITY FD MY	84,125	0	84,125
**D THE NORTHWESTERN MUTUAL LIFE I	400,000	0	400,000
**D ARRCO LONG TERME B	212,530	0	212,530
**D ARRCO QUANT 1	129,208	0	129,208
**D CIPAV ALOIS	173,484	0	173,484
**D SOGECAP ACTIONS SMALL CAP	813,805	0	813,805
**D COLISEE IFC 1	530,000	0	530,000
**D SG ACTIONS EUROPE MID CAP	174,380	0	174,380
**D MUF-LYXOR EURO STOXX BANKS	825,693	0	825,693
**D ALLIANZ ACTIONS EURO PME-ETI	140,200	0	140,200
**D LYXOR EURO STOXX 300	31,765	0	31,765
**D LYXOR INDEX FD-LYXOR STOXX EUR	56,768	0	56,768
**D MUL-LYXOR ITALIA EQUITY PIR	25,973	0	25,973
**D AMUNDI FUNDS II-PIIONEER FLEX O	91,490	0	91,490
**D AMUNDI SGR SPA AZIONARIO EUROPA	196,518	0	196,518
**D AMUNDI SF EURO EQ MARKET PLUS	7,244	0	7,244
**D AMUNDI FUNDS II-GLOB MULTI ASS	39,463	0	39,463
**D AMUNDI FUNDS II-EURO POTENTIAL	2,806,988	0	2,806,988
**D AMUNDI FUNDS II-EURO RESEARCH	294,285	0	294,285
**D AMUNDI FUNDS II-EUROP EQ OPTIM	82,021	0	82,021
**D PIONEER INV TOT RETURN	28,211	0	28,211
**D AMUNDI SOLUZ IT-PR CED 12 2019	38,160	0	38,160
**D AMUNDI SOL IT-PR CED 22 2020	47,716	0	47,716
**D AMUNDI SOL IT-PR CED 03 2020	45,423	0	45,423
**D AMUNDI SOL IT-PR CED 05 2020	80,229	0	80,229
**D AMUNDI SOL IT-PR CED 06 2020	54,059	0	54,059
**D AMUNDI SOL IT-PR CED 08 2020	63,584	0	63,584
**D AMUNDI SOL IT-PR CED 09 2020	52,520	0	52,520
**D AMUNDI SOL IT-PR CED 12 2020	22,990	0	22,990
**D AMUNDI SOL IT-PR CED 11 2020	39,870	0	39,870
**D AMUNDI SOL IT-PR CED 02 2021	20,160	0	20,160
**D AMUNDI SD-EQ PLAN 60	14,077	0	14,077
**D FIDEURAM INVESTIMENTI SGR - FIDEURAM ITALIA	9,000	0	9,000
**D FIDEURAM INVESTIMENTI SGR - PIANO AZIONI ITALIA	150,000	0	150,000
**D FIDEURAM INVESTIMENTI SGR - PIANO BILANCIATO ITALIA 50	10,000	0	10,000
**D EURIZON CAPITAL SGR-GLOBAL MULTIASSET SELECTION 09/22	17,700	0	17,700
**D EURIZON CAPITAL SGR - EURIZON PROGETTO ITALIA 70	110,849	0	110,849

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Shareholders:

857 People:

16

DE* proxy to the natural person above mentioned with the badge number

Shareholders on own behalf:

14

Shareholders by proxy:

843

**D proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations)

RL* legal representation to the natural person above mentioned with the badge number

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **Completion of the Board of Statutory Auditors****IN FAVOUR**

Surname	Tot. Votes	On own behalf	Proxy
**D EURIZON CAPITAL SGR - EURIZON AZIONI ITALIA	282,955	0	282,955
**D EURIZON CAPITAL SGR - EURIZON PIR ITALIA AZIONI	11,498	0	11,498
**D EURIZON CAPITAL SGR - EURIZON PROGETTO ITALIA 40	124,092	0	124,092
**D EPSILON SGR - EPSILON FLESSIBILE AZIONI EURO APRILE 2021	1,240	0	1,240
**D EPSILON SGR - EPSILON FLESSIBILE AZIONI EURO FEBBRAIO 2021	3,013	0	3,013
**D EPSILON SGR - EPSILON FLESSIBILE AZIONI EURO GIUGNO 2021	882	0	882
**D EPSILON SGR - EPSILON FLESSIBILE AZIONI EURO NOVEMBRE 2020	10,351	0	10,351
**D EPSILON SGR - EPSILON FLESSIBILE AZIONI EURO SETTEMBRE 2020	13,945	0	13,945
**D EPSILON SGR - EPSILON MULTIASET 3 ANNI DICEMBRE 2019	13,355	0	13,355
**D EPSILON SGR - EPSILON MULTIASET 3 ANNI LUGLIO 2020	3,959	0	3,959
**D EPSILON SGR - EPSILON MULTIASET 3 ANNI MAGGIO 2020	8,055	0	8,055
**D EPSILON SGR - EPSILON MULTIASET 3 ANNI MARZO 2020	6,326	0	6,326
**D EIS-EURO EQUITY INSURANCE CAPITAL LIGHT 49	51,771	0	51,771
**D ISE - GLOBAL DYNAMIC MULTITRENDER 06/2015	6,071	0	6,071
**D ISE - MULTIASET ABSOLUTE 3 ANNI 07/2016	29,072	0	29,072
**D EPF-ABSOLUTE Q-MULTISTRATEGY	5,670	0	5,670
**D ISE - MULTIASET ABSOLUTE 3 ANNI - 04/2016	32,015	0	32,015
**D EUF-EQUITY ITALY	92,759	0	92,759
**D ISE - DYNAMIC INCOME MULTITRENDER 01/2016	4,162	0	4,162
**D MEDIOLANUM GESTIONE FONDI SGR - FLESSIBILE FUTURO ITALIA	1,500,000	0	1,500,000
**D PRIVILEGE	35,454	0	35,454
**D ASSURDIX	49,978	0	49,978
**D CPR EUROLAND	395,972	0	395,972
**D CPR SILVER AGE	4,427,663	0	4,427,663
**D FCP CPR EUROLAND PREMIUM	89,275	0	89,275
**D AMUNDI ETF FTSE ITALIA PIR UCITS ETF DR	29,428	0	29,428
**D FCP NATIXIS ACTIONS SMALL MID CAP EURO	348,000	0	348,000
**D NATIXIS ACTIONS EUROPE SECTEURS	100,573	0	100,573
**D FCP GROUPAMA AVENIR EURO	4,739,300	0	4,739,300
**D FCP GROUPAMA EURO STOCK	100,000	0	100,000
**D FCP GROUPAMA EUROPE STOCK	2,400	0	2,400
**D OPCVM SEEYOND EQUITY FACTOR INVESTING EURO	20,993	0	20,993
**D FCP BEST BUSINESS MODELS	1,310,000	0	1,310,000
**D MULTISMART ACTIONS EURO	704	0	704
**D CROISSANCE PME M	495,933	0	495,933
**D BNY MELLON EMPLOYEE BENEFIT COLLECTIVE INVESTMENT FUND PLAN	15,536	0	15,536
**D THE ROYAL INST FOR THE ADVANCEMENT OF LEARNING MCGILL UNIVERSITY	25,056	0	25,056
**D FRONTIERS INTERNATIONAL EQUITY POOL	7,291	0	7,291
**D THE GREAT-WEST LIFE ASSURANCE COMPANY	41,850	0	41,850
**D BMO GLOBAL BANKS HEDGED TO CADINDEX ETF 100	833	0	833
**D MCGILL UNIVERSITY PENSION FUND	12,957	0	12,957
**D THE GLENORE CANADIAN PENSION FUNDS TRUST-FOREIGN EQUITY FUND	20,379	0	20,379
**D ONTARIO PENSION BOARD ,	330,050	0	330,050
**D EPOCH GLOBAL EQUITY FUND	292,095	0	292,095
**D IMPERIAL INTERNATIONAL EQUITY POOL	350,727	0	350,727
**D IMPERIAL OVERSEAS EQUITY POOL	17,476	0	17,476

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **Completion of the Board of Statutory Auditors****IN FAVOUR**

Surname	Tot. Votes	On own behalf	Proxy
**D CIBC INTERNATIONAL SMALL COMPANIES FUND	26,021	0	26,021
**D CF DV ACWI EX-U,S, IMI FUND	1,477	0	1,477
**D LOF EUROZONE SMALL AND MID CAPS98453 51	1,400,000	0	1,400,000
**D FCP EDMOND DE ROTHSCHILD EURO LEADERS	1,241,700	0	1,241,700
**D FCP EDMOND DE ROTHSCHILD EURO SRI	198,180	0	198,180
**D FCP EDMOND DE ROTHSCHILD EUROPEMIDCAPS	912,000	0	912,000
**D EDMOND DE ROTHSCHILD EUROPE MIDCAP	131,760	0	131,760
**D AA FORTIS ACTIONS PETIT CAP EUROPE	348,520	0	348,520
**D FCP RSI EURO P	71,651	0	71,651
**D FCP LCF PHARMA INTERNATIONAL	151,080	0	151,080
**D FCP GROUPAMA PHARMA DIVERSIFIE	69,000	0	69,000
**D UNIVERS CNP 1	122,145	0	122,145
**D FCP NATIXIS IONIS	45,498	0	45,498
**D CNP ASSUR SMALL CAP	379,980	0	379,980
**D EGEPARNE 2	69,584	0	69,584
**D I,2,C, ACTIONS	517,000	0	517,000
**D FCP CONTI GESTION	43,834	0	43,834
**D EDMOND DE ROTHSCHILD ASSET MANAGEM,	314,330	0	314,330
**D FCP ECUREUIL RETRAITE EURO ACTIONS 4	320,000	0	320,000
**D FCP LBPAM ACTIONS FINANCE	27,349	0	27,349
**D FCP TUTELAIRE ACTIONS	18,800	0	18,800
**D SICAV LBPAM ACTIONS EURO	340,000	0	340,000
**D NATIXIS ASSET MANAGEMENT FUNDS	15,142	0	15,142
**D G FUND	1,102,223	0	1,102,223
**D AMUNDI FUNDS SICAV	2,610,085	0	2,610,085
**D EDMOND DE ROTHSCHILD (EUROPE)	3,016,936	0	3,016,936
7103 MONDO GIUSEPPE	100	100	0
7250 MARTIRIGGIANO ANTONIO	3,361	3,361	0
7290 ZACCARDI ANTONELLA	1	1	0
7350 PRANDINI GIULIANO	5,000	5,000	0
7435 ROSSI MARCO	63,975	63,975	0
Total votes	283,056,367		
Percentage of voters%	99.252915		
Percentage of share capital %	46.539415		

Ordinary Shareholders' Meeting of April 11, 2018RESULTS OF VOTINGSubject : **2018 Remuneration Policy****Attendees:**n° **872** shareholders entitled to vote took part in the voting on own behalf or by proxyn° **500,253,359** ordinary shares**The counting of votes produced the following results:**

		%OF ORINARY SHARE CAPITAL PRESENT (Voting Quorum)	%OF ORDINARY SHARE ENTITLED TO VOTE	%SHARE CAPITAL
Favour	471,249,765	94.202219	94.202219	77.481699
Against	7,067,734	1.412831	1.412831	1.162059
SubTotal	478,317,499	95.615050	95.615050	78.643758
Abstention	18,199,228	3.638002	3.638002	2.992271
Not Voting	3,736,632	0.746948	0.746948	0.614368
SubTotale	21,935,860	4.384950	4.384950	3.606639
Total	500,253,359	100.000000	100.000000	82.250397

Shareholders:
Shareholders on own
behalf:872 People:
15 Shareholders by proxy:18
857

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject : **2018 Remuneration Policy**

AGAINST

Surname	Tot. Votes	On own behalf	Proxy
6957 ESPOSITO MARCO	0	0	0
**D BNYMTD RAMAM WORLD RECOVERY FUND	109,740	0	109,740
**D BNYMTD RM GLOBAL HIGH ALPHA FUND	28,810	0	28,810
**D AVIVA INVESTORS INTERNATIONAL INDEX TRACKING FUND	10,830	0	10,830
**D STICHTING PGGM DEPOSITARY	422,749	0	422,749
**D BATTELLE MEMORIAL INSTITUTE	13,240	0	13,240
**D THE HEALTH FOUNDATION	25,840	0	25,840
6970 CLERICI CAMILLA	0	0	0
**D NORDEA 1 SICAV	1,411,219	0	1,411,219
**D FCP LBPAM ACTIONS EUROPE LARGE CAP	47,785	0	47,785
**D FCP AVIVA INVESTORS SMALL & MID CAPS EUR	222,914	0	222,914
**D RAVGDT DIVERSIFIE II LBPAM	41,870	0	41,870
**D WESTPAC WHOLESALE UNHEDGED INTERNATIONAL	43,815	0	43,815
**D BT WHOLESALE MULTI MANAG INTL SHARE FUND	24,626	0	24,626
**D WSSP INTERNATIONAL EQUITIES TRUST	68,156	0	68,156
**D AVIVA LIFE & PENSIONS UK LIMITED	135,750	0	135,750
**D NORDEA PRO EUROPEAN FUND	377,784	0	377,784
**D NORDEA EUROPE FUND	1,612,784	0	1,612,784
**D INVESTERINGSFORENINGEN NORDEA INV AKTIER	586,767	0	586,767
**D FRIENDS LIFE AND PENSIONS LIMITED	3,317	0	3,317
**D FCP VILLIERS ACTIONS EDRAM	720,800	0	720,800
**D TRUSTEAM ROC EUROPE C O TRUSTEAM FINANCE	331,269	0	331,269
**D FCP CM-CIC SILVER ECONOMIE	220,000	0	220,000
**D EIS-EURO EQUITY INSURANCE CAPITAL LIGHT 49	51,771	0	51,771
**D ISE - GLOBAL DYNAMIC MULTITRENDER 06/2015	6,071	0	6,071
**D ISE - MULTIASSET ABSOLUTE 3 ANNI 07/2016	29,072	0	29,072
**D EPF-ABSOLUTE Q-MULTISTRATEGY	5,670	0	5,670
**D ISE - MULTIASSET ABSOLUTE 3 ANNI - 04/2016	32,015	0	32,015
**D EUF-EQUITY ITALY	92,759	0	92,759
**D ISE - DYNAMIC INCOME MULTITRENDER 01/2016	4,162	0	4,162
**D FCP LBPAM ACTIONS FINANCE	27,349	0	27,349
**D FCP TUTELAIRE ACTIONS	18,800	0	18,800
**D SICAV LBPAM ACTIONS EURO	340,000	0	340,000

Total votes 7,067,734
Percentage of voters% 1.412831
Percentage of share capital % 1.162059

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **2018 Remuneration Policy****ABSTENTIONS**

Surname	Tot. Votes	On own behalf	Proxy
6041 BONETTI EMANUELE	10	10	0
6122 FOGLI MAURIZIO	1	1	0
6304 CROCE MARIO	1	1	0
6957 ESPOSITO MARCO	0	0	0
**D MERSEYSIDE PENSION FUND	209,168	0	209,168
6970 CLERICI CAMILLA	0	0	0
**D ARCA FONDI SGR - FONDO ARCA AZIONI ITALIA	100,000	0	100,000
**D CHALLENGE FUNDS CHALLENGE ITALIAN EQUITY	420,000	0	420,000
**D PARVEST	4,707,241	0	4,707,241
**D BNP PARIBAS L1	349,829	0	349,829
**D BNP PARIBAS A FUND	72,069	0	72,069
**D BNP PARIBAS B PENSION GROWTH	167,945	0	167,945
**D BNP PARIBAS B PENSION STABILITY	81,283	0	81,283
**D METROPOLITAN RENTASTRO	313,328	0	313,328
**D BNP PARIBAS B PENSION BALANCED	1,088,502	0	1,088,502
**D BNP PARIBAS MIDCAP EUROPE	1,397,460	0	1,397,460
**D FCP BNPP ACTIONS ENTREPRENEURS	752,692	0	752,692
**D BNP PARIBAS ACTIONS PME	696,084	0	696,084
**D FCP CARDIF BNPP IP SMID CAP EURO	1,127,139	0	1,127,139
**D FCP CNP ASSUR SMID CAP EUROPE	212,396	0	212,396
**D BNP PARIBAS SMALL CAP EUROLAND	4,097,208	0	4,097,208
**D FCP BNP PARIBAS ACTIONS EUROLAND	46,482	0	46,482
**D FCP BNP PARIBAS MIDCAP FRANCE	1,087,878	0	1,087,878
**D AFER ACTION PME	778,661	0	778,661
**D IPA CORPORATE ACTIONS AND INCOME	48,331	0	48,331
**D WEST MIDLANDS METROPOLITAN AUT PENS FD	97,000	0	97,000
**D AA FORTIS ACTIONS PETIT CAP EUROPE	348,520	0	348,520

Total votes 18,199,228
Percentage of voters% 3.638002
Percentage of share capital % 2.992271

Shareholders: 25 People: 5
Shareholders on own behalf: 3 Shareholders by proxy: 22

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DE* proxy to the natural person above mentioned with the badge number

**D proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations")

RL* legal representation to the natural person above mentioned with the badge number

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **2018 Remuneration Policy****NON VOTING**

Surname	Tot. Votes	On own behalf	Proxy
6970 CLERICI CAMILLA	0	0	0
**D GENERALI SMART FUNDS SICAV	70,632	0	70,632
**D GENERALI INVESTMENTS SICAV	1,500,000	0	1,500,000
**D INTERFUND SICAV INTERFUND EQUITY ITALY	64,000	0	64,000
**D FIDEURAM ASSET MANAGEMENT (IRELAND) FONDITALIA EQUITY ITALY	428,000	0	428,000
**D FIDEURAM ASSET MANAGEMENT (IRELAND) FIDEURAM FUND EQUITY ITALY	5,000	0	5,000
**D FIDEURAM INVESTIMENTI SGR - FIDEURAM ITALIA	9,000	0	9,000
**D FIDEURAM INVESTIMENTI SGR - PIANO AZIONI ITALIA	150,000	0	150,000
**D FIDEURAM INVESTIMENTI SGR - PIANO BILANCIATO ITALIA 50	10,000	0	10,000
**D MEDIOLANUM GESTIONE FONDI SGR - FLESSIBILE FUTURO ITALIA	1,500,000	0	1,500,000
Total votes	3,736,632		
Percentage of voters%	0.746948		
Percentage of share capital %	0.614368		

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **2018 Remuneration Policy**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
6058 DE TOMASI PAOLA	4,000	4,000	0
6102 CERASUOLO STEFANO	9,481	9,481	0
6474 ANGELINI ALESSANDRO	250	250	0
6504 TIMUS ANDREEA	5	5	0
6547 GHIBAUDI LEOPOLDO	9,000	9,000	0
6616 ROSSI GIULIA	8,000	8,000	0
6849 LOIZZI GERMANA	3	3	0
6957 ESPOSITO MARCO	0	0	0
**D CITI RETIREMENT SAVINGS PLAN	137,653	0	137,653
**D UWF TROW INTL DISCOVERY	45,589	0	45,589
**D STANDARD LIFE INVESTMENTS GLOBAL SICAV II	53,674	0	53,674
**D SUBSIDIZED SCHOOLS P FUND NORTHERN	4,211	0	4,211
**D WILLIS TOWERS WATSON GROUP TRUST	3,441	0	3,441
**D 55016 UP INTERNATIONALE AKTIER	236,395	0	236,395
**D 56053 IP GLOBAL EQUITIES I	29,217	0	29,217
**D AST TRP DIVERS REAL GWTH PORT PDMO	1,049	0	1,049
**D ADVANCED SERIES TRUST AST T ROWE PRICE GROWTH OPPORTUNITIES PORTFOLIO GATEWAY CENTER	36,297	0	36,297
**D BNYMTD CF MITON EUROPEAN OPPTS FUND	630,272	0	630,272
**D NATIONAL BANK TRUST	42,267	0	42,267
**D RVN WILLIAM BLAIR	6,037	0	6,037
**D POWERSHARES PUREBETA FTSE DEVELOPED EX NORTHAMERICA PORTFOLIO	62	0	62
**D CHI OPERATING INVESTMENT PROGRAM LP	117,380	0	117,380
**D CATHOLIC HEALTH INITIATIVES MASTER TRUST	57,179	0	57,179
**D FIRST INITIATIVES INSURANCE LIMITED	12,910	0	12,910
**D GLOBAL EQUITY WELLINGTON	138,921	0	138,921
**D GLOBAL INVESTMENT FUND	31,323	0	31,323
**D MFS INTL EQUITY FUND	28,677	0	28,677
**D USBK MOMENTUMSHARES INTL QUANT ETF	121,743	0	121,743
**D 1135 APG DME STCK SEL	94,081	0	94,081
**D 1216 APG DME FINANC	2,255,729	0	2,255,729
**D UNISYS MASTER TRUST	60,092	0	60,092
**D AMG CHICAGO EQUITY PARTNERS BALANCED FUND	900	0	900
**D SAN FRANCISCO CITY AND COUNTY EMPLOYEES RETIREMENT SYSTEM	116,549	0	116,549
**D STICHTING DEPOSITARY APG DEVELOPED MARKETS EQUITY POOL	743,008	0	743,008
**D ELEMENTS INTERNATIONAL SMALL CAP PORTFOLIO	8,111	0	8,111
**D MANNING AND NAPIER FUND INC RAINIER INTERNATIONAL DISCOVERY FUND	605,665	0	605,665
**D FIRST INVESTORS GLOBAL FUND	237,361	0	237,361
**D PS FTSE LO BT EQ WT PORT	12,210	0	12,210
**D NYKREDIT ENGROS GLOBAL OPPORTUNITIES	56,912	0	56,912
**D EIR EIE WELLINGTON INT	106,784	0	106,784
**D WILM MULTI MGR INTL FD OBERWEIS	216,903	0	216,903
**D AST PRU GRWTH ALL PTF QMA EAFE PDFF	59,020	0	59,020
**D PS FTSERAFI EUSM UCITS ETF BNYMTCIL	2,477	0	2,477
**D PS SP INTL DEVEL QUALITY PORTFOLIO	5,359	0	5,359
**D PS FR DEVEL MARK EX US SMALL PORT	17,503	0	17,503
**D AST FI PYRAMIS QUANT AA IE SC PDGJ	115,638	0	115,638

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **2018 Remuneration Policy**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D AST RCM WORLD TRENDS PORT PDBF	205,800	0	205,800
**D PENSION RESERVES INVESTMENT TRUST FUND	499,450	0	499,450
**D LMIF LMGAMI EURO SMLL CP	110,589	0	110,589
**D WELLINGTON MGMT CY LLPQUALITY EDUC FD	82,675	0	82,675
**D BNYMTCIL LAZARD GBL MANAGED VOL FD	31,714	0	31,714
**D IQ 50 PERCENT HEDGED FTSE EURO ETF	6,718	0	6,718
**D DB LAZARD GLB MNGD	25,000	0	25,000
**D AXA MPS FINANCIAL DAC	170,000	0	170,000
**D DEUTSCHE XTRK MSCI EMU HDG EQ ETF	3,191	0	3,191
**D BLACKROCK GLOBAL FUNDS	6,826,006	0	6,826,006
**D FPXF WILLIAM BLAIR CO	68,864	0	68,864
**D BLL AQUILA LIFE EUROPEAN EQUITY	437,644	0	437,644
**D BLL AQUILA LIFE OSEAS EQUITY FUND	3,292	0	3,292
**D AARP INSURANCE PLAN	10,266	0	10,266
**D AARP FOUNDATION	4,977	0	4,977
**D BNYMTD FTF FRANKLIN EUROPEAN OPP FD	7,195	0	7,195
**D MI FONDS K12 SPK	91,583	0	91,583
**D BANK OF AMERICA PENSION PLAN OECHSLE	190,091	0	190,091
**D BOA FBO SKL INVESTMENT GRP LLC	13,860	0	13,860
**D WMP OPP INVESTMENT PRINS LP	30,869	0	30,869
**D AARP LAZARD LQE GLB	29,329	0	29,329
**D DEUTSCHE XTRK MSCI EAFE SC HDG ETF	466	0	466
**D DBX FTSE DEV EX US COMP FACTOR	557	0	557
**D THE CLEVELAND CLINIC FOUNDATION	32,555	0	32,555
**D EATON VANCE MGMT INTL SMALL CAP	1,317	0	1,317
**D SLI EUROPEAN SMALLER COMPANIES	2,375,761	0	2,375,761
**D PS SP INTL DEVEL MOMENTUM PORT	504	0	504
**D HP INC MASTER TRUST	54,785	0	54,785
**D ONFF WILLIAM BLAIR NONUS	24,516	0	24,516
**D CE8F WILLIAM BLAIR IACG	185,061	0	185,061
**D RAYTHEON MASTER PENSION TRUST	38,925	0	38,925
**D VANGUARD INTL HIGH DIV YLD INDEX FD	42,184	0	42,184
**D BSNF NTR WILLIAM BLAIR	18,975	0	18,975
**D BSPF PMT WILLIAM BLAIR	24,044	0	24,044
**D DEAM FONDS SPEZIAL 2 AEQ SPK	1,269,411	0	1,269,411
**D DEAM FOND SPEZIAL 18 AEQ SPK	285,507	0	285,507
**D BLL DC EUROPEAN GROWTH FD AG PF	120,522	0	120,522
**D BNYMTD BIEF CONT EUR INV	56,736	0	56,736
**D BNYMTD BLK CONT EURO FD	618,846	0	618,846
**D BGF EUROPEAN SPECIAL SITUATIONS FUND	2,200,058	0	2,200,058
**D BGF CONT EURO FLEXIBLE FD EURO EQFD	3,798,551	0	3,798,551
**D LRPf WILLIAM BLAIR	65,726	0	65,726
**D DEUTSCHE XTRK MSCI STH EUR HDG ETF	199	0	199
**D ATFF AMERICAN CENTURY	44,194	0	44,194
**D RZSF3001 NON US GE W BLAIR	134,381	0	134,381
**D MSV JP MORGAN	62,372	0	62,372

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Surname	Tot. Votes	On own behalf	Proxy
**D ALASKA PERMANENT FUND CORPORATION	359,406	0	359,406
**D SCA LAZARD	24,315	0	24,315
**D AON HEWITT COLLECTIVE INVESTMENT TRUST	41,778	0	41,778
**D MINISTERS AND MISSIONARIES BENEFIT BOARD OF AMERICAN BAPTIST CHURCH	16,459	0	16,459
**D MIN DEF PF OMAN AMUNDI EURSILV	77,256	0	77,256
**D BNYMTD BLK EURO DYNAMIC FD	3,063,616	0	3,063,616
**D PHC NT SMALL CAP	28,250	0	28,250
**D AMG TIMESQUARE INTL SM CAP	1,205,000	0	1,205,000
**D BNYMTD BLK CONTINENTAL EURO INC	5,765,726	0	5,765,726
**D BNYMTD BLK CONT EUR EQ TRCK FD INV	313,139	0	313,139
**D OPERATING ENGINEERS LOCAL 101 PENSION FUND	120,000	0	120,000
**D BELL ATLANTIC MASTER TRUST	41,418	0	41,418
**D VERIZON MASTER SAVINGS TRUST	62,887	0	62,887
**D VOYA MULTI MANAGER INTERNATIONAL EQUITY FUND	49,013	0	49,013
**D THE EDUCATIONAL EMPLOYEES SUPPLEMENTARY RETIREMENT SYSTEM OF FAIRFAX COUNTY	5,348	0	5,348
**D GENERAL MILLS INVESTMENT TRUST	53,503	0	53,503
**D INDIANA PUBLIC RETIREMENT SYSTEM	20,228	0	20,228
**D KENTUCKY RETIREMENT SYSTEMS	580,000	0	580,000
**D KENTUCKY RETIREMENT SYSTEMS INSURANCE TRUST FUND	250,000	0	250,000
**D PUBLIC EMPLOYEES RETIREMENT SYSTEM OF MISSISSIPPI	72,395	0	72,395
**D PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF NEW MEXICO	16,687	0	16,687
**D BOARD OF PENSIONS OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA	80,956	0	80,956
**D JOHN S AND JAMES L KNIGHT FOUNDATION	65,800	0	65,800
**D SOUTH CAROLINA RETIREMENT SYSTEMS GROUP TRUST	288	0	288
**D UMC BENEFIT BOARD, INC	22,892	0	22,892
**D PRUDENTIAL INVESTMENT PORTFOLIO 2 PRUDENTIAL QMA INTL DEVELOPED MRKTS INDEX FUND	845	0	845
**D AHL DESERTWOOD FUND LIMITED C/O CITCO TRUSTEES (CAYMAN) LIMITED	109,956	0	109,956
**D PANAGORA DIVERSIFIED ARBITRAGE MASTER FUND LTD	2,630	0	2,630
**D MAP 192 SEGREGATED PORTFOLIO, PANAGORA ASST MGMNT INC PM ACT	30,024	0	30,024
**D GOVERNMENT OF NORWAY	4,267,532	0	4,267,532
**D NORGES BANK	225,448	0	225,448
**D UBS (LUX) EQUITY SICAV	68,735	0	68,735
**D UBS FUND MGT (CH) AG CH0516/UBSCHIF2-EGSCPII	98,996	0	98,996
**D UBS FUND MANAGEMENT (SWITZERLAND) AG,	123,764	0	123,764
**D CH0526 - UBS (CH) INSTITUTIONAL FUND - EQUITIES GLOBAL SMALL CAP PASSIVE II	15,606	0	15,606
**D AHL ALPHA MASTER LIMITED C/O CITCO TRUSTEES (CAYMAN) LIMITED	32,434	0	32,434
**D AHL DIRECTIONAL EQUITIES MASTER LIMITED	32,040	0	32,040
**D AHL EVOLUTION LTD SHARMAINE BERKELEY ARGONAUT LTD	777,939	0	777,939
**D ALT BETA EQUITY SIZE STRATEGY LIMITED CO NUMERIC INVESTORS LLC	310,536	0	310,536
**D BLUE MOUNTAIN CREDIT ALTERNATIVES MASTER FUND LP CO M AND C CORP SERVICES LTD	67,980	0	67,980
**D BLUEMOUNTAIN FURSAN FUND LP CO MAPLES CORP SERVICES LIMITED	8,817	0	8,817
**D BLUEMOUNTAIN GUADALUPE PEAK FUND L,P,CO CORPORATION SERVICE COMPANY	4,655	0	4,655
**D BLUEMOUNTAIN KICKING HORSE FUND L,P, C/O MAPLES CORPORATE SVCS LTD	11,285	0	11,285
**D BLUEMOUNTAIN SYSTEMATIC MASTER FUND LP MAPLES CORP SERVICES LTD	40,285	0	40,285
**D CITITRUST LIMITED AS TRUSTEE OF BLACKROCK PREMIER FUNDS-BLACKROCK WORLD EQUITY INDEX FUND	326	0	326
**D IRISH LIFE ASSURANCE,	171,778	0	171,778

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**D LAZARD ASSET MANAGEMENT LLC C/O LAZARD ASSET MANAGEMENT LLC - EUROPEAN LONG/SHORT	40,152	0	40,152
**D LEGAL AND GENERAL	116,862	0	116,862
**D LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	1,472,983	0	1,472,983
**D LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	15,847	0	15,847
**D LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	13,760	0	13,760
**D LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	52,838	0	52,838
**D LEGAL AND GENERAL COLLECTIVE INVESTMENT TRUST,	8,597	0	8,597
**D MCKINLEY NON US DEVELOPED 130 30 GROWTH ONSHORE FUND LP C O MCKINLEY C, MGMT, LLC	68,998	0	68,998
**D PANAGORA ASSET MANAGEMENT INC,	1,731	0	1,731
**D SLIC ER EX UK SM CM FD XESC	273,095	0	273,095
**D STANDARD LIFE INVESTMENT COMPANY GLOBAL SMALLER	2,573,190	0	2,573,190
**D STICHTING PENSIOENFONDS KPN STICHTING PENSIOENFONDS POSTNL STICHTING PENSIOENFONDS AVEBE	570,407	0	570,407
**D THREADNEEDLE (LUX	1,124,222	0	1,124,222
**D THREADNEEDLE INVESTMENT FUNDS ICVCA,	9,413,406	0	9,413,406
**D ZURICH LIFE ASSURANCE PLC	84,359	0	84,359
**D THREE CORNER MASTER L/SFUND LP	1,427,900	0	1,427,900
**D LUCERNE CAPITAL MASTER FUND LP	427,175	0	427,175
**D MANUFACTURERS AND TRADERS TRUST COMPANY	3,180	0	3,180
**D UNIVERSITY CLUB	630	0	630
**D FEDERATED KAUFMANN FUND	5,125,000	0	5,125,000
**D FEDERATED KAUFMANN FUND II	131,600	0	131,600
**D FEDERATED KAUFMANN SMALL CAP FUND	874,310	0	874,310
**D FIDELITY RUTLAND SQUARE TR II: STRAT ADV INT MULTI-MANAGER F	3,243	0	3,243
**D FIDELITY RUTLAND SQUARETRUST II: STRATEGIC ADVISERS INT F	312,995	0	312,995
**D LAUDUS INTERNATIONAL MARKETMASTERS FUND	464,055	0	464,055
**D SCHWAB INTERNATIONAL EQUITY ETF	313,517	0	313,517
**D LAZARD ASSET MANAGEMENT LLC	1,352	0	1,352
**D LAZARD RETIREMENT GLOBAL DYNAMIC MULTI ASSET PORTFOLIO	11,974	0	11,974
**D LAZARD MANAGED EQUITY VOLATILITY PORTFOLIO	3,051	0	3,051
**D LAZARD GLOBAL DYNAMIC MULTI ASSET PORTFOLIO	1,953	0	1,953
**D LAZARD REAL ASSETS AND PRICING OPPORTUNITIES PORTFOLIO	1,207	0	1,207
**D WELLINGTON GLOBAL OPPORTUNITIES FUND (CANADA)	100,206	0	100,206
**D WELLINGTON INTERNATIONAL OPPORTUNITIES FUND	16,577	0	16,577
**D MANNING AND NAPIER	902,020	0	902,020
**D MFS HERITAGE TRUST COMPANY COLLECTIVE INVESTMENT TRUST	135,594	0	135,594
**D INTERNATIONAL MONETARY FUND	15,994	0	15,994
**D ALLIANZ GLOBAL INVESTORS GMBH FOR ALLIANZGI-FONDS GHS	154,000	0	154,000
**D AMERICAN CENTURY STRATEGIC ASSET ALL, INC, STRAT ALL CONS F	1,280	0	1,280
**D AMERICAN CENTURY STRAT ASSET ALL, INC, STRAT ALL MODERATE F	4,430	0	4,430
**D AMERICAN CENTURY STRAT ASSET ALL, INC, STRATEGIC ALL AGGR F	4,680	0	4,680
**D AMERICAN CENTURY WORLD MUTUAL FUNDS, INC, INTL DISCOVERY F	141,830	0	141,830
**D AMERICAN CENTURY WORLD MUTUAL FUNDS, INC, INTL OPPORTUNITIES	170,088	0	170,088
**D AMERICAN CENTURY WORLD MUTUAL FUNDS INC - NT INT SM MID CAP F	61,980	0	61,980
**D AMERICAN CENTURY WORLD MUTUAL FUNDS, INC, - GLO SMALL CAP FD	6,683	0	6,683
**D AMERICAN CENTURY RETIREMENT DATE TRUST	61,347	0	61,347
**D ANIMA FUNDS PLC	78,238	0	78,238

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**D CAREFIRST, INC, RETIREMENT PLAN TRUST FOR GHMSI ASSETS	43,000	0	43,000
**D CAREFIRST, INC, RETIREMENT PLAN TRUST FOR CFMI ASSETS	39,000	0	39,000
**D UAW RETIREE MEDICAL BENEFITS TRUST	101,658	0	101,658
**D HENDERSON INTERNATIONAL SMALL CAP FUND	20,028	0	20,028
**D SCPMG KEOGH PLAN	10,104	0	10,104
**D CALVERT WORLD VALUES F INC - CALVERT INT OPPORTUNITIES FUND	265,955	0	265,955
**D CALVERT RESP INX SRS, INC,-CLVRT DVD MRKTS EX-U,S, RSP INX FD	2,736	0	2,736
**D CONCEPT FUND SOLUTIONS PLC	1,286	0	1,286
**D THE REGENTS OF THE UNIVERSITY OF CALIFORNIA	206,295	0	206,295
**D MICROSOFT CORPORATION SAVINGS PLUS 401(K) PLAN	257,045	0	257,045
**D VALIC COMPANY I - ASSET ALLOCATION FUND	5,958	0	5,958
**D ALLIANZGI INTERNATIONAL SMALL-CAP FUND	308,542	0	308,542
**D PARAMETRIC INTERNATIONAL EQUITY FUND	4,180	0	4,180
**D EATON VANCE INTERNATIONAL SMALL-CAP FUND	34,992	0	34,992
**D FRANKLIN TEMPLETON ETF TRUST - FRANKLIN FTSE EUROPE ETF	4,305	0	4,305
**D FRANKLIN TEMPLETON ETF TRUST - FRANKLIN FTSE ITALY ETF	2,946	0	2,946
**D FRANKLIN TEMPLETON ETF TRUST-FRANKL LIBERTY INT OPPORTUN ETF	9,212	0	9,212
**D FRANKLIN TEMPLETON ETF TRUST - FRANKLIN FTSE EUROPE HEDGED ETF	1,400	0	1,400
**D THE GABELLI GLOBAL SMALL AND MID CAP VALUE TRUST	53,000	0	53,000
**D THE GABELLI GLOBAL RISING INCOME AND DIVIDEND FUND	27,000	0	27,000
**D GUARDIAN INTERNATIONAL GROWTH VIP FUND	6,545	0	6,545
**D GAM STAR FUND P,L,C,	3,618,908	0	3,618,908
**D RUSSELL INVESTMENT COMPANY SELECT INTERNATIONAL EQUITY FUND	15,376	0	15,376
**D E,SUN COMM BANK LTD IN ITS CAP AMC OF NOM EUR MID SM CAP GR F	43,513	0	43,513
**D HARTFORD INTERNATIONAL OPPORTUNITIES HLS FUND	556,165	0	556,165
**D THE HARTFORD INTERNATIONAL GROWTH FUND	109,838	0	109,838
**D THE HARTFORD INTERNATIONAL OPPORTUNITIES FUND	1,168,591	0	1,168,591
**D HARTFORD INTERNATIONAL EQUITY FUND	29,877	0	29,877
**D THE HARTFORD GLOBAL ALL- ASSET FUND	38,263	0	38,263
**D ALLIANZGI GLOBAL SMALL-CAP FUND	145,266	0	145,266
**D TCW INTERNATIONAL SMALL CAP FUND	14,710	0	14,710
**D WILLIAM BLAIR COLLECTIVE INVESTMENT TRUST	320,539	0	320,539
**D WILLIAM BLAIR INTERNATIONAL GROWTH FUND	871,300	0	871,300
**D WILLIAM BLAIR INSTITUTIONAL INTERNATIONAL GROWTH FUND	667,695	0	667,695
**D LAZARD GLOBAL MANAGED VOLATILITY (CANADA) FUND	2,530	0	2,530
**D MAINSTAY EPOCH CAPITAL GROWTH FUND	64,534	0	64,534
**D MM SELECT EQUITY ASSET FUND	4,584	0	4,584
**D LAZARD WILMINGTON GLOBAL MANAGED VOLATILITY PORTFOLIO	27,779	0	27,779
**D ANCHOR SERIES TRUST STRATEGIC MULTI-ASSET PORTFOLIO	5,883	0	5,883
**D ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM	78,810	0	78,810
**D RUSSELL COMMON CONTRACTUAL FUND	16,027	0	16,027
**D KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM	138,639	0	138,639
**D KP INTERNATIONAL EQUITY FUND	20,205	0	20,205
**D LAZARD GLOBAL INVESTMENT FUNDS PUBLIC LIMITED COMPANY	751,719	0	751,719
**D MARYLAND STATE RETIREMENT & PENSION SYSTEM	15,867	0	15,867
**D GTAA PANTHER FUND L,P	2,894	0	2,894

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**D MERCER QIF CCF	2,080,743	0	2,080,743
**D STATE OF MONTANA BOARD OF INVESTMENTS	42,090	0	42,090
**D TEXAS MUNICIPAL RETIREMENT SYSTEM	272,348	0	272,348
**D STATE OF NEW JERSEY COMMON PENSION FUND D	161,132	0	161,132
**D NEW YORK STATE DEFERRED COMPENSATION PLAN	76,623	0	76,623
**D LAZARD GLOBAL BALANCED INCOME FUND	778	0	778
**D LAZARD GLOBAL LOW VOLATILITY FUND	3,151	0	3,151
**D CITY OF NEW YORK GROUP TRUST	180,406	0	180,406
**D CITY OF NEW YORK GROUP TRUST	438,768	0	438,768
**D PRINCIPAL EXCHANGE-TRADED FDS-PRINC INT MULTI-FACTOR INDEX ETF	1,239	0	1,239
**D WELLINGTON GLOBAL OPPORTUNITIES EX-JAPAN FUND	68,655	0	68,655
**D THRIVENT MODERATE ALLOCATION PORTFOLIO	12,777	0	12,777
**D THRIVENT MODERATELY AGGRESSIVE ALLOCATION PORTFOLIO	4,781	0	4,781
**D THRIVENT AGGRESSIVE ALLOCATION PORTFOLIO	1,415	0	1,415
**D THRIVENT MODERATE ALLOCATION FUND	2,306	0	2,306
**D THRIVENT MODERATELY AGGRESSIVE ALLOCATION FUND	2,077	0	2,077
**D THRIVENT AGGRESSIVE ALLOCATION FUND	1,282	0	1,282
**D THRIVENT GROWTH AND INCOME PLUS FUND	2,391	0	2,391
**D THRIVENT BALANCED INCOME PLUS FUND	6,696	0	6,696
**D THRIVENT GROWTH AND INCOME PLUS PORTFOLIO	2,616	0	2,616
**D THRIVENT BALANCED INCOME PLUS PORTFOLIO	7,564	0	7,564
**D THRIVENT LARGE CAP STOCK FUND	77,587	0	77,587
**D THRIVENT LARGE CAP STOCK PORTFOLIO	37,683	0	37,683
**D THRIVENT CORE INTERNATIONAL EQUITY FUND	105,132	0	105,132
**D THRIVENT DIVERSIFIED INCOME PLUS FUND	9,206	0	9,206
**D THRIVENT DIVERSIFIED INCOME PLUS PORTFOLIO	6,886	0	6,886
**D RUSSELL INVESTMENTS OVERSEAS EQUITY POOL	62,621	0	62,621
**D RUSSELL INVESTMENTS MULTI-FACTOR INTERNATIONAL EQUITY POOL	837	0	837
**D RUSSELL INSTITUTIONAL FUNDS,LLC-RUSSELL INTL EQUITY FUND	61,886	0	61,886
**D RUSSELL INVESTMENTS OVERSEAS EQUITY FUND	35,453	0	35,453
**D BANK OF KOREA	187,738	0	187,738
**D BIMCOR GLOBAL SMALL CAP POOLED FUND	43,678	0	43,678
**D CHANG HWA COMMERCIAL BANK, LTD,, IN ITS CAPACITY AS MASTER	288,800	0	288,800
**D STATE STREET IRELAND UNIT TRUST	2,399	0	2,399
**D SSGA SPDR ETFS EUROPE II PUBLIC LIMITED COMPANY	45,021	0	45,021
**D CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM	869,247	0	869,247
**D DELTASHARES S+P INTERNATIONAL MANAGED RISK ETF	6,109	0	6,109
**D CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM	517,835	0	517,835
**D TENNESSEE CONSOLIDATED RETIREMENT SYSTEM	190,600	0	190,600
**D TENNESSEE CONSOLIDATED RETIREMENT SYSTEM	348,095	0	348,095
**D PINEBRIDGE GLOBAL FUNDS	36,601	0	36,601
**D METZLER ASSET MANAGEMENT GMBH FOR MI-FONDS 415	97,000	0	97,000
**D ALLIANZ GLOBAL INVESTORS GMBH FOR ALLIANZGI-FONDS HPT	346,439	0	346,439
**D CAPITAL GROUP GLOBAL EQUITY FUND (CANADA)	2,865,000	0	2,865,000
**D CAPITAL GROUP GLOBAL BALANCED FUND (CANADA)	230,000	0	230,000
**D SAINT-GOBAIN CORPORATION DEFINED BENEFIT MASTER TRUST	27,921	0	27,921

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**D VANGUARD FTSE DEVELOPED EUROPE ALL CAP INDEX ETF	8,413	0	8,413
**D VANGUARD FTSE DEVELOPED ALL CAP EX NORTH AMERICA INDEX ETF	8,644	0	8,644
**D VANGUARD DEVEL ALL-CAP EX NORTH AMERICA EQT IND POOLED FUND	541	0	541
**D VANGUARD GLOBAL LIQUIDITY FACTOR ETF	1,061	0	1,061
**D VANGUARD GLOBAL MOMENTUM FACTOR ETF	1,558	0	1,558
**D VANGUARD INVESTMENTS II COMMON CONTRACTUAL FUND	32,024	0	32,024
**D VANGUARD INVESTMENTS COMMON CONTRACTUAL FUND	36,461	0	36,461
**D VANGUARD FTSE DEVELOPED EUROPE INDEX ETF	1,123	0	1,123
**D VALIC COMPANY II INTERNATIONAL OPPORTUNITIES FUND	125,203	0	125,203
**D THE WELLINGTON TR COM NATIONAL ASS MULT COLLECT INV F TRUST	343,065	0	343,065
**D THE WELLINGTON TR CO NAT ASS MULT C TR F TR, OPPORT EQ PTF	72,130	0	72,130
**D THE WELLINGTON TR CO NAT ASS MULT COM GLB OPPORT PTF	45,012	0	45,012
**D THE WELLINGTON TR CO NAT ASS MULT COLLECTIVE INV F TRUST II	222,999	0	222,999
**D WELLS FARGO BK DECL OF TR EST INV FUNDS FOR EMPLOYEE BEN TR	48,345	0	48,345
**D WELLS FARGO MASTER TRUST-WELLS FRGO FACTR ENHANCED INT PRFTFLIO	32,119	0	32,119
**D WISDOMTREE ISSUER PUBLIC LIMITED COMPANY	4,015	0	4,015
**D WASHINGTON STATE INVESTMENT BOARD	165,288	0	165,288
**D WISDOMTREE DYNAMIC CURRENCY HEDGED EUROPE EQUITY FUND	1,905	0	1,905
**D WISDOMTREE DYNAMIC CURRENCY HEDGED INTRNL EQUITY FUND	21,885	0	21,885
**D WISDOMTREE INTERNATIONAL HIGH DIVIDEND FUND	18,621	0	18,621
**D WISDOMTREE INTERNATIONAL MIDCAP DIVIDEND FUND	61,943	0	61,943
**D WISDOMTREE EUROPE LOCAL RECOVERY FUND	10,772	0	10,772
**D WISDOMTREE EUROPE HEDGED SMALLCAP EQUITY FUND	201,403	0	201,403
**D NEW YORK STATE TEACHERS RETIREMENT SYSTEM	214,056	0	214,056
**D PRUDENTIAL BANK AND TRUST	97,233	0	97,233
**D PRUDENTIAL RETIREMENT INSURANCE & ANNUITY COMPANY	118,313	0	118,313
**D WELLINGTON MANAGEMENT FUNDS (IRELAND) PLC	2,363	0	2,363
**D SPDR EURO STOXX SMALL CAP ETF	49,165	0	49,165
**D SS FTSE DEV COMPREHENSIVE FACTOR IND NON-LENDING COMMON TRU FD	4,034	0	4,034
**D SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMENT PL	711,442	0	711,442
**D AXA WORLD FUNDS	13,211,990	0	13,211,990
**D ALLIANZ GLOBAL INVESTORS FUND	1,883,899	0	1,883,899
**D BLACKROCK STRATEGIC FUNDS	334,818	0	334,818
**D DB X-TRACKERS	487,536	0	487,536
**D DEUTSCHE INVEST I	2,175,336	0	2,175,336
**D MFS MERIDIAN FUNDS	1,306,568	0	1,306,568
**D KIEGER FUND I	23,718	0	23,718
**D UBS ETF	65,218	0	65,218
**D DEUTSCHE ASSET MNGM INV GMBH FOR DWS EUROPE DYNAMIC	135,000	0	135,000
**D DEUTSCHE ASSET MNGM INV GMBH FOR DWS TOP EUROPE	2,694,000	0	2,694,000
**D DEUTSCHE ASSET MNGM INV GMBH FOR DWS EUROPEAN OPPORTUNITIES	622,257	0	622,257
**D DEUTSCHE ASSET MNGM INV GMBH FOR OPPENHEIM DYNAMIC EUROPE BAL	43,715	0	43,715
**D DEUTSCHE AST MGMT INVEST GMBH FR DEUTSCH AM QUANT EQ EUROLAND	79,811	0	79,811
**D ISHARES MSCI EAFE SMALL CAP ETF	1,389,975	0	1,389,975
**D ISHARES MSCI EUROPE SMALL-CAP ETF	69,326	0	69,326
**D ISHARES CORE MSCI EAFE ETF	1,437,247	0	1,437,247

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**D ISHARES CORE MSCI TOTAL INTERNATIONAL STOCK ETF	189,056	0	189,056
**D ISHARES CORE MSCI INTERNATIONAL DEVELOPED MARKETS ETF	56,088	0	56,088
**D ISHARES CORE MSCI EAFE IMI INDEX ETF	27,938	0	27,938
**D ISHARES MSCI EUROPE IMI INDEX ETF	10,292	0	10,292
**D ISHARES CORE MSCI EUROPE ETF	117,297	0	117,297
**D CONNECTICUT GENERAL LIFE INSURANCE COMPANY	827	0	827
**D INTERNATIONAL PAPER CO COMMINGLED INVESTMENT GROUP TRUST	21,880	0	21,880
**D IBM 401K PLUS PLAN	86,186	0	86,186
**D OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM	127,113	0	127,113
**D RUSSELL TRUST CO COMMINGLED EMPLOYEE BENEFIT FUNDS TRUST	385,612	0	385,612
**D GENERAL CONFERENCE CORPORATION OF SEVENTH DAY ADVENTISTS	100,000	0	100,000
**D STATE OF ALASKA RETIREMENT AND BENEFITS PLANS	15,676	0	15,676
**D COLLEGE RETIREMENT EQUITIES FUND	1,055,755	0	1,055,755
**D RUSSELL INVESTMENT COMPANY - RUSSELL INTERN DEVELOPED MKT F	321,779	0	321,779
**D DELUXE CORPORATION MASTER TRUST	18,704	0	18,704
**D MERCY HEALTH	13,589	0	13,589
**D RUSSELL INVESTMENT FUNDS NON-U,S, FUND	52,453	0	52,453
**D RUSSELL INVESTMENT COMPANY II PLC	75,335	0	75,335
**D RUSSELL INVESTMENT COMPANY PLC	37,056	0	37,056
**D MULTI-STYLE, MULTI-MANAGER FUNDS PLC	98,841	0	98,841
**D THE WELLINGTON TR CO NAT ASS MULT COM ALPHA STRATEGIES PTF	36,829	0	36,829
**D MERCY HEALTH RETIREMENT TRUST	3,997	0	3,997
**D TRUTH INITIATIVE FOUNDATION	7,497	0	7,497
**D MSCI EAFE SMALL CAP PROV INDEX SEC COMMON TR F	118,386	0	118,386
**D ISHARES PUBLIC LIMITED COMPANY	1,498,441	0	1,498,441
**D ISHARES II PUBLIC LIMITED COMPANY	328,291	0	328,291
**D ISHARES VII PLC	968,051	0	968,051
**D ISHARES III PUBLIC LIMITED COMPANY	17,751	0	17,751
**D ISHARES I INVESTK MIT TGV F ISHS ST, EUROPE600 BS UCITS ETF DE	349,181	0	349,181
**D BLACKROCK AM DE FOR ISHS EURO STOXX BANKS 30-15 UCITS ETF (DE)	1,898,902	0	1,898,902
**D BLACKROCK AM DE FOR ISHARES EURO STOXX UCITS ETF (DE)	148,261	0	148,261
**D BLACKROCK AM DE FOR ISHS STOXX EUROPE SMALL 200 UCITS ETF (DE)	375,271	0	375,271
**D BLACKROCK AM DE FOR ISHARES STOXX EUROPE 600 UCITS ETF (DE)	350,587	0	350,587
**D BLACKROCK AM SCH AG OBO BIFS WORLD EX SW SMALL CAP EQ INDEX F	49,170	0	49,170
**D PINEBRIDGE GLOBAL DYNAMIC ASSET ALLOCATION FUND LLC	14,277	0	14,277
**D MANAGED PENSION FUNDS LIMITED	33,669	0	33,669
**D THE TRUSTEES OF CONOCOPHILLIPS PENSION PLAN	6,888	0	6,888
**D FAMILY INVESTMENTS CHILD TRUST FUND	11,150	0	11,150
**D FAMILY INVESTMENTS GLOBAL ICVC FAMILY BALANCED INT FUND	9,961	0	9,961
**D HSBC AS TRUSTEE FOR SSGA EUROPE EX UK EQUITY TRACKER FUND	284,213	0	284,213
**D FP RUSSELL INVESTMENTS ICVC-FP RUSSELL INV INT GROWTH ASSTS FD	8,584	0	8,584
**D ARAB AUTHORITY FOR AGRICULTURAL INVESTMENT AND DEVELOPMENT	7,541	0	7,541
**D STICHTING PHILIPS PENSIOENFONDS	56,707	0	56,707
**D MULTI-MANAGER ICVC - MULTI-MANGER INTERNATIONAL EQUITY FUND	91,914	0	91,914
**D VANGUARD INV FDS ICVC-VANG FTSE DEV WOR LD EX - UK EQT IND FD	57,793	0	57,793
**D VANGUARD INV F ICVC-VANGUARD FTSE DEV EUROPE EX-UK EQ INDEX F	119,820	0	119,820

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**D VANGUARD INV FUNDS ICVC-VANGUARD FTSE GLOB ALL CAP IND FUND	423	0	423
**D RUSSELL INVESTMENTS GLOBAL OPPORTUNITIES FUND	96,617	0	96,617
**D PINEBRIDGE GLOBAL DYNAMIC ASSET ALLOCATION FUND	30,175	0	30,175
**D SUNSUPER SUPERANNUATION FUND	13,451	0	13,451
**D CANADA PENSION PLAN INVESTMENT BOARD	1,086,400	0	1,086,400
**D THE TRUSTEES OF BP PENSION FUND	340,650	0	340,650
**D OMERS ADMINISTRATION CORPORATION FUND	380,331	0	380,331
**D CITADEL MULTI-STRATEGY EQUITIES FUND (ICAV)	14,644	0	14,644
**D AON SAVINGS PLAN TRUST	55,102	0	55,102
**D THE BOEING COMPANY EMPLOYEES SAVINGS PLANS MASTER TRUST	60,988	0	60,988
**D FORD MOTOR COMPANY DEFINED BENEFIT MASTER TRUST	13,955	0	13,955
**D HEWITT ASSOCIATES LLC 401K PLAN TRUST	19,737	0	19,737
**D BAPTIST FOUNDATION OF TEXAS DBA HIGHGROUND ADVISORS	26,952	0	26,952
**D MORGAN STANLEY DEFINED CONTRIBUTION MASTER TRUST	58,764	0	58,764
**D STATE OF UTAH, SCHOOL AND INSTITUTIONAL TRUST FUNDS	7,141	0	7,141
**D HRW TESTAMENTARY TRUST NO 3	40,800	0	40,800
**D HRW TESTAMENTARY TRUST NO, 8	39,100	0	39,100
**D HRW TESTAMENTARY TRUST NO, 12	40,500	0	40,500
**D EMPLOYEES RETIREMENT FUND OF THE CITY OF DALLAS	24,205	0	24,205
**D THE CURATORS OF THE UNIVERSITY OF MISSOURI	31,235	0	31,235
**D DFI LP EQUITY (PASSIVE)	1,693	0	1,693
**D NTGI-QM COMMON DAILY ALL COUNWD EX-US INV MKT INDEX F NONLEND	9,989	0	9,989
**D THE PUBLIC INSTITUTION FOR SOCIAL SECURITY	64,137	0	64,137
**D INTERNATIONAL MONETARY FUND STAFF RETIREMENT PLAN	442,591	0	442,591
**D NATIONAL COUNCIL FOR SOCIAL SECURITY FUND, P,R,C	34,430	0	34,430
**D MICROSOFT GLOBAL FINANCE	5,832	0	5,832
**D BLUE SKY GROUP	180,800	0	180,800
**D NEW ZEALAND SUPERANNUATION FUND	34,150	0	34,150
**D MERCER DS TRUST	143,860	0	143,860
**D DUPONT AND RELATED COMP DEFINED CONTRIBUTION PLAN MASTER TR	61,137	0	61,137
**D PYRAMIS GROUP TRUST FOR EMPLOYEE BENEFIT PLANS	170,023	0	170,023
**D NORTHERN TRUST GLOBAL INVESTMENTS COLLECTIVE FUNDS TRUST	334,975	0	334,975
**D NATIONAL RAILROAD RETIREMENT INVESTMENT TRUST	291,058	0	291,058
**D SUTTER HEALTH MASTER RETIREMENT TRUST	580,535	0	580,535
**D ADVOCATE HEALTH CARE NETWORK	28,762	0	28,762
**D CITY OF MILWAUKEE EMPLOYEES RETIREMENT SYSTEM	80,839	0	80,839
**D PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF COLORADO	468,968	0	468,968
**D FIREMEN`S ANNUITY & BENEFIT FUND OF CHICAGO	16,201	0	16,201
**D EMPLOYEES` RETIREMENT FUND OF THE CITY OF FORT WORTH	90,225	0	90,225
**D GENERAL PENSION AND SOCIAL SECURITY AUTHORITY	82,221	0	82,221
**D ILLINOIS MUNICIPAL RETIREMENT FUND	218,947	0	218,947
**D LOS ANGELES CITY EMPLOYEES RETIREMENT SYSTEM	41,051	0	41,051
**D CITY OF LOS ANGELES FIRE AND POLICE PENSION PLAN	65,307	0	65,307
**D LOCKHEED MARTIN CORPORATION MASTER RETIREMENT TRUST	138,897	0	138,897
**D MIDWEST OPERATING ENGINEERS PENSION TRUST FUND	600,000	0	600,000
**D UNITED MINE WORKERS OF AMERICA 1974 PENSION TRUST	68,907	0	68,907

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**D POLICEMEN`S ANNUITY AND BENEFIT FUND OF CHICAGO	39,567	0	39,567
**D SALT RIVER PIMA-MARICOPA INDIAN COMMUNITY	21,155	0	21,155
**D UTAH STATE RETIREMENT SYSTEMS	69,008	0	69,008
**D FORD MOTOR COMPANY OF CANADA, LIMITED PENSION TRUST	1,181	0	1,181
**D NATIONAL WESTMINSTER BANK PLC PLC AS TR OF BARING EUR SEL TR	3,198,899	0	3,198,899
**D WHEELS COMMON INVESTMENT FUND	14,359	0	14,359
**D THE TRUSTEES OF ZURICH FINANCIAL SERVICES UK PENSION SCHEME	475,624	0	475,624
**D STICHTING PENSIOENFONDS APF	2,873	0	2,873
**D THE TRUSTEES OF CHEVRON UK PENSION PLAN	2,761	0	2,761
**D COLONIAL FIRST STATE INVESTMENT FUND 50	13,187	0	13,187
**D MUNICIPAL EMPLOYEES` ANNUITY AND BENEFIT FUND OF CHICAGO	9,452	0	9,452
**D LEGAL & GENERAL GLOBAL EQUITY INDEX FUND	1,487	0	1,487
**D NAT WEST BK AS TRUSTEE OF LEGAL & GENERAL EUROPEAN INDEX TR	230,275	0	230,275
**D NAT WEST BK PLC AS TRUSTEE OF THE LEGAL & GENERAL INT IND TR	26,634	0	26,634
**D BARING INVESTMENT FUNDS PLC	203,004	0	203,004
**D AMG FUNDS PLC	26,720	0	26,720
**D SSGA GROSS ROLL UP UNIT TRUST	13,909	0	13,909
**D LEGAL & GENERAL ICAV	2,648	0	2,648
**D LEGAL & GENERAL AUTHORISED CONTRACTUAL SCHEME	5,796	0	5,796
**D BLACKROCK AUTHORISED CONTRACTUAL SCHEME I	299,258	0	299,258
**D STATE TEACHERS RETIREMENT SYSTEM OF OHIO	173,208	0	173,208
**D ILLINOIS STATE BOARD OF INVESTMENT	78,822	0	78,822
**D VERDIPAPIRFONDET KLP AKSJGLOBAL SMALL CAP INDEKS I	32,044	0	32,044
**D UNIVEST	276,604	0	276,604
6970 CLERICI CAMILLA	0	0	0
**D MOMENTUM INVESTMENT FUNDS SICAV-SIF	125,735	0	125,735
**D JPMORGAN FUNDS	860,480	0	860,480
**D JPMORGAN INVESTMENT FUNDS	991,793	0	991,793
**D FRANKLIN TEMPLETON INVESTMENT FUNDS	2,792,340	0	2,792,340
**D T, ROWE PRICE FUNDS SICAV	192,210	0	192,210
**D CAPITAL INTERNATIONAL FUND	116,670	0	116,670
**D SCHRODER INTERNATIONAL SELECTION FUND	293,093	0	293,093
**D THE LUCERNE CAPITAL MASTER FUND LP C/O WALKERS CORPORATE LTD	28,406	0	28,406
**D NMM3 EUEQ MFS ACCOUNT	8,004	0	8,004
**D WELLINGTON MANAGEMENT PORTFOLIOS	222,312	0	222,312
**D FIDELITY FUNDS SICAV	795,854	0	795,854
**D ING DIRECT	33,717	0	33,717
**D NATIXIS INTERNT FUNDS LUX I	179,358	0	179,358
**D HUNTINGTON NATIONAL BANK TAXABLE ACC	8,290	0	8,290
**D WELLINGTON TRUST COMP COMM TRUST INT OPP	111,602	0	111,602
**D RAINIER INT SMALL CAP EQUITY COLLECTIVE	183,350	0	183,350
**D FIDELITY SALEM STR T FID TOTAL INT IND F	20,446	0	20,446
**D WTC-CTF INTERNATIONAL HORIZONS	23,208	0	23,208
**D DEVELOPED INTERNATIONAL EQUITY SELECT ETF	1,976	0	1,976
**D BBH B FOR TMTBJ RE: MUTB400037270	6,775	0	6,775
**D JAPAN TRUSTEE SERVICES BANK LTD	206,631	0	206,631

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**D DEUTSCHE EUROPEAN EQUITY FUND	108,050	0	108,050
**D GLOBAL X SCIENTIFIC BETA EUROPE ETF	1,130	0	1,130
**D PINEBRIDGE DYNAMIC ASSET ALLOCATION FUND	6,235	0	6,235
**D HSBC GROUP HONG KONG LOCAL STAFF RETIREMENT BENEFIT SCHEME	3,732	0	3,732
**D ANIMA SGR SPA	2,666,601	0	2,666,601
**D ANIMA SGR SPA ANIMA CRESCITA ITALIA	699,858	0	699,858
**D DEKA MASTER HAEK I	67,605	0	67,605
**D ALLIANZGI FONDS APNIESA	8,497	0	8,497
**D ALLIANZGI FONDS BAT LS	82,500	0	82,500
**D ALLIANZGI FONDS AFE	57,604	0	57,604
**D ALLIANZGI FONDS PTV2	47,620	0	47,620
**D ALLIANZGI FONDS PF1	8,813	0	8,813
**D ALLIANZGI FONDS PF2	45,698	0	45,698
**D ALLIANZ GI FONDS QUONIAM SMC	112,661	0	112,661
**D AXA ASSICURAZIONI SPA	11,000	0	11,000
**D JANUS HENDERSON HORIZON FUND	947,335	0	947,335
**D JANUS HENDERSON FUND	197,410	0	197,410
**D JANUS HEND INSTIT EUROP INDEX OPP FUND	42,487	0	42,487
**D JANUS HENDERS EUROPEAN SMALLER COMP FD	430,018	0	430,018
**D RESPONSIBLE INVESTMENT LEADERS INT SHARE	37,745	0	37,745
**D SENTOSA DEVELOPMENT CORPORATION	10,402	0	10,402
**D TOTAL GESTION FLEX PATRI	46,511	0	46,511
**D FCP SCANDIUM	97,262	0	97,262
**D COMPT EUROPE	95,000	0	95,000
**D AXIVA ACTION 1	25,749	0	25,749
**D ACTIONS SELECTIONNEES	5,480	0	5,480
**D AXA VALEURS EURO	1,400,000	0	1,400,000
**D FCPE TOTAL ACTIONS EUROPEENNES	750,000	0	750,000
**D AXA OPTIMAL INCOME	2,068,464	0	2,068,464
**D SAKKARAH 7	8,716	0	8,716
**D STICHT BEDRIJ MEDIA PNO	213,800	0	213,800
**D SAINT MARTIN 4	877,000	0	877,000
**D FONDS RESERVE RETRAITES	1,126,854	0	1,126,854
**D CPR AM	113,850	0	113,850
**D ROBECO CAPITAL GROWTH FUNDS	450,000	0	450,000
**D CORONATION GLOBAL OPPORTUNITIES FUND	423,707	0	423,707
**D SHELL TRUST (BERMUDA) LIMITED AS TRUSTEE	7,183	0	7,183
**D SHELL TRUST (BERMUDA) LTD AS TRUSTEE OF THE SHELL OVERSEAS C,P, FUND	34,987	0	34,987
**D DEKA INVESTMENT GMBH RE ARIDEKA	900,000	0	900,000
**D DEKA INVEST, RE DEKA-DIVIDENDENDISCOUNT	3,900	0	3,900
**D DEKA INVEST DIVIDENDENSTRATEGIE	838,900	0	838,900
**D DEKA BASISSTRATEGIE FLEXIBEL	18,500	0	18,500
**D DEKA INVESTMENT GMBH RE DEKA-DIVIDEND VA	68,000	0	68,000
**D DEKA INVESTMENT GMBH RE DEKA-MULTIASSET INCOME	100,000	0	100,000
**D THE MASTER TRUST BANK OF JAPAN LTD AS TRUSTEE FOR MTEBJ400045842	1,720,886	0	1,720,886
**D TEACHERS` RETIREMENT SYSTEM OF THE CITY OF NEW YORK	47,864	0	47,864

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**D UBS GLOBAL ASSET MANAGEMENT LIFE LTD	151,024	0	151,024
**D MERIFIN CAPITAL B,V,	39,575	0	39,575
**D ENTERGY CORP,RETIREMENT PLANS MASTER TR,	150,830	0	150,830
**D JEFFREY LLC	58,552	0	58,552
**D CHINA LIFE INSURANCE COMPANY LIMITED	36,007	0	36,007
**D FONDO CONSOLIDADO DE RESERVAS PREVISIONA	65,942	0	65,942
**D JPMORGAN CHASE BANK	2,000	0	2,000
**D UBS (US) GROUP TRUST	7,469	0	7,469
**D EUROPACIFIC GROWTH FUND	5,235,000	0	5,235,000
**D T, ROWE PRICE INTERNATIONAL SMALL CAP	497,948	0	497,948
**D THE BOEING COMPANY EMPLOYEE RETIREMENT PLANS MASTER TRUST	83,856	0	83,856
**D BLACKROCK FISSION INDEXED INTL EQUITY FD	12,748	0	12,748
**D ISHARES ALLCOUNTRY EQUITY INDEX FUND	1,214	0	1,214
**D INTERNATIONAL GROWTH AND INCOME FUND	6,475,000	0	6,475,000
**D ALTRIA CLIENT SERVICES MASTER RETIREM,T,	81,690	0	81,690
**D SUPER FUNDS MANAG CORP SOUTH AUSTRALIA	60,952	0	60,952
**D STICHTING PENSIOENFONDS VOOR DE WONINGCO	58,078	0	58,078
**D UBS ASSET MANAGEMENT LIFE LTD	283	0	283
**D MINISTRY OF STRATEGY AND FINANCE	40,968	0	40,968
**D T, ROWE PRICE INTERNATIONAL DISCOVERY FU	4,575,580	0	4,575,580
**D NVIT MULTI MANAGER INTERNATIONAL GROWTH	59,600	0	59,600
**D FLEXSHARES MORNINGSTAR DEVELOPED MARKETS	4,895	0	4,895
**D MFS INTERNATIONAL NEW DISCOVERY FUND	2,267,886	0	2,267,886
**D T ROWE PRICE INTERNATIONAL EQUITY INDEX	14,257	0	14,257
**D T ROWE PRICE GLOBAL ALLOCATION FUND INC	8,817	0	8,817
**D GOLDMAN SACHS TRUST-G,S,INTL,TAX MANAGED	32,601	0	32,601
**D PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OHIO	122,288	0	122,288
**D JPMORGAN LIFE LIMITED	81,039	0	81,039
**D JPM EUROPE DYNAMIC (EX UK) FUND	593,932	0	593,932
**D SANLAM LIFE AND PENSIONS UK LIMITED	49,930	0	49,930
**D STICHTING SHELL PENSIOENFONDS	117,749	0	117,749
**D SHELL PENSIONS TRUST LIMITED AS TRUSTEE OF SHELL CONTRIBUTORY PENSION FUND	75,058	0	75,058
**D STICHTING PENSIOENFONDS MEDISCH SPECIALI	283,660	0	283,660
**D STATE OF CALIFORNIA MASTER TRUST	158,670	0	158,670
**D NATIONAL PROVIDENT FUND AS TRUSTEE OF TH	16,166	0	16,166
**D DEKA INVEST RE DEKA-ZMV-FONDS	20,000	0	20,000
**D DEKA INVESTMENT GMBH RE PRODEKA	65,200	0	65,200
**D DEKA A-DOR-FONDS	6,503	0	6,503
**D DEKA INVESTMENT GMBH RE LANDSBERG-FONDS	5,900	0	5,900
**D DEKA INVESTMENT GMBH RE DEKA VALUE PLUS	10,813	0	10,813
**D ALLIANZGI-FONDS DSPT	11,872	0	11,872
**D BUMA-UNIVERSAL-FONDS-II	602,592	0	602,592
**D BUMA-UNIVERSAL-FONDS I	13,990	0	13,990
**D MI-FONDS 392	462,000	0	462,000
**D JPMORGAN EUROPEAN INVESTMENT TRUST PLC	98,990	0	98,990
**D KAPITALFORENINGEN INSTITUTIONEL INVESTOR EUROPAELSKE AKTIER	1,011,641	0	1,011,641

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**D NEW MEXICO STATE INVESTMENT COUNCIL	80,036	0	80,036
**D DEKA INTERNATIONAL S,A, RE DEKA-EUROSTOC	546,850	0	546,850
**D STICHTING PENSIOENFONDS VOOR HUISARTSEN	36,912	0	36,912
**D BUREAU OF LABOR FUNDS - LABOR RETIREMENT FUND	6,015	0	6,015
**D BUREAU OF LABOR FUNDS-LABOR INSURANCE FUND	217,051	0	217,051
**D BUREAU OF LABOR FUNDS- LABOR PENSION FUND	19,873	0	19,873
**D ARTEMIS EUROPEAN OPPORTUNITIES FUND	844,653	0	844,653
**D BLACKROCK MULTI-ASSET INC,PORTF,OF BLACK	754,307	0	754,307
**D BLACKROCK INSTITUTIONAL TRUST COMPANY N,A, INVESTMENT FUNDS FOR EMPLOYEE BENEFIT TRUSTS	354,859	0	354,859
**D JP MORGAN CHASE RETIREMENT PLAN	119,470	0	119,470
**D PENSION TRUST FUND FOR OPERATING ENGINEE	400,000	0	400,000
**D LONDON LIFE INSURANCE COMPANY	69,200	0	69,200
**D CANADA POST CORPORATION REGISTERED PENSI	106,197	0	106,197
**D THE NOVA SCOTIA HEALTH EMPLOYEES PENS PL	83,637	0	83,637
**D THE BOMBARDIER TRUST (UK)	61,392	0	61,392
**D FTSE ALL WORLD INDEX FUND	20,987	0	20,987
**D FLF STRATEGIC GLOBAL EQUITY FUND	119,463	0	119,463
**D REASSURE LIMITED	123,245	0	123,245
**D FLF GLOBAL EQUITY FUND	60,413	0	60,413
**D CITADEL ADVISORS LLC	86,066	0	86,066
**D FRIENDS LIFE AND PENSIONS LIMITED	51,154	0	51,154
**D FRIENDS LIFE FUNDS LIMITED	59,324	0	59,324
**D HSBC EUROPEAN INDEX FUND	97,246	0	97,246
**D AXA FRAMLINGTON FINANCIAL FUND	101,283	0	101,283
**D TR EUROPEN GROWTH TRUST PLC	691,650	0	691,650
**D ARC I - FONDS SEGMENT 1 -AKTIEN EUROPA	26,458	0	26,458
**D SONDERVERMOGEN INKA OPRA FONDS	16,181	0	16,181
**D INTERNATIONALE KAPITALANLAGEGESELLSCHAFT MBH	48,500	0	48,500
**D VANGUARD EUROPEAN STOCK INDEX FUND	945,197	0	945,197
**D VANGUARD DEVELOPED MARKETS INDEX FUND	2,155,375	0	2,155,375
**D VANGUARD TOTAL WORLD STOCK INDEX FUND	113,470	0	113,470
**D VANGUARD FTSE ALL-WORLD EX US INDEX FUND	663,474	0	663,474
**D PIONEER FLEXIBLE OPPORTUNITIES FUND	480,295	0	480,295
**D VANGUARD FUNDS PLC	187,648	0	187,648
**D VANGUARD INVESTMENT SERIES PLC	39,953	0	39,953
**D VANGUARD INVESTMENT SERIES PLC	7,356	0	7,356
**D VANGUARD INVESTMENT SERIES PLC	93,449	0	93,449
**D KVV AKTIEN FONDS 1	1,844	0	1,844
**D FIDUCIARY TRUST COMPANY INTERNATIONAL AS	67,000	0	67,000
**D MANAGEMENT BOARD PUBLIC SERVICE PENSION	3,513	0	3,513
**D SCHRODER PENSION MANAGEMENT LTD	66,373	0	66,373
**D VANGUARD INTERNATIONAL SMALL COMPANIES INDEX FUND	32,076	0	32,076
**D ONEPATH GLOBAL SHARES - SMALL CAP UNHEDGED) INDEXPOOL	26,862	0	26,862
**D VANGUARD TOTAL INTERNATIONAL STOCK INDEX	5,243,100	0	5,243,100
**D VANGUARD INTERNATIONAL EXPLORER FUND	815,900	0	815,900
**D HSBC AVB	8,841	0	8,841

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **2018 Remuneration Policy**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D SUZUKA INKA	131,022	0	131,022
**D SCHRODER ADVANCED BETA GLOBAL EQUITY SMA	65,536	0	65,536
**D SCHRODER GLOBAL MULTI-FACTOR EQUITY FUND	132,300	0	132,300
**D LOMBARD ODIER FUNDS (SWITZERLAND) SA	25,266	0	25,266
**D REALDANIA	192,400	0	192,400
**D MERRILL LYNCH INTERNATIONAL	322,064	0	322,064
**D SCHUBEL FAM TR-MANNING AND NAPIER A DV	990	0	990
**D POND 2007 FAMILY TRUST MANNING SUB	1,320	0	1,320
**D HUNTER FAMILY FDN MANNING	1,865	0	1,865
**D MANNING AND NAPIER ADVISOR INC	110,730	0	110,730
**D IRON WORKERS LOCALS 40361 AND 417 ANNUITY FUND	18,440	0	18,440
**D BURTON X ROSENBERG INSUR TR MAN SUB	1,375	0	1,375
**D THE MALUTH FAMILY TRUST MANNING SUB	1,360	0	1,360
**D C E COMPALL REV TR 10-23-09 MAN D N	990	0	990
**D GRAHAM C BROCK MANNING INTL	770	0	770
**D MANNING AND NAPIER FUND INC PRO BLEND MODERATE TERM SERIES	28,940	0	28,940
**D THE BAKERY AND CONFECTIONERY UNION AND INDUSTRY INTERNATIONAL PENSION FUND	120,215	0	120,215
**D IRON WORKERS LOCALS 40 361 AND 41 7 PENSION FUND	13,505	0	13,505
**D ALMEIDA FAMILY LEGACY TR MANNING	855	0	855
**D THE HORWARD TRUST MANNING AND NAPIER	580	0	580
**D CJB CRUT II 11-27-06 MANNING	795	0	795
**D MANNING AND NAPIER FUND INC,OVE RS EAS SERIES	339,195	0	339,195
**D TANGLIN CLAYMORE LLC MANNING	1,590	0	1,590
**D CJB FAMILY TR 06-15-00 MANNING	1,825	0	1,825
**D IRON WORKERS LOCAL 11 PENSION FUND	14,780	0	14,780
**D QUIGG VENTURES LLC MANNING AND NAPIER	2,005	0	2,005
**D FLIGHT ATTENDANT MEDICAL RESEARCH INSTITUTE	6,850	0	6,850
**D JURGENSEN INVSTMNTS LLC MANNING SUB	835	0	835
**D MANNING AND NAPIER ADVISORS INC	265,770	0	265,770
**D MICHIGAN CATHOLIC CONFERENCE MASTER PENSION TRUST	41,760	0	41,760
**D OPUS FINANCIAL LLC-MANNING AND NAPIER	5,160	0	5,160
**D GRUSECKI NEXGEN LLC-MANNING AND NAPIER	1,605	0	1,605
**D R C DELL TRUST-MANNING AND NAPIER R A DV	810	0	810
**D FLEISCHHACKER 09 TR MANNING AND NAPIER	795	0	795
**D ANTHONY K, KESMAN TRUSTEE	945	0	945
**D BRIDGE BUILDER INTERNATIONAL EQUITY FUND	581,660	0	581,660
**D FLK (TE) LLC MANNING AND NAPIER	2,590	0	2,590
**D CHURCH OF THE HOLYCONFORTER-SUB	565	0	565
**D PNC BANK NA	17,025	0	17,025
**D GST EX MRTL TR C-U CONSTANCE-MA ND N	1,290	0	1,290
**D RELIABLE PARTNERS MANNING INTL	845	0	845
**D FIRST STATE TRUST COMPANY FOR MULTIPLE BENEFICIARIES	685	0	685
**D GOLDER FAMILY FOUNDATION-MANDN	1,115	0	1,115
**D ROOSEVELT UNIVERSITY	15,295	0	15,295
**D IRA FBO JAMES KING BNY MELLON	575	0	575
**D MELISSA S, WIDEN-MANNING ANDAP IER	890	0	890

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **2018 Remuneration Policy**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D J HANSEN REV TR 4-29-81 MANNING	2,495	0	2,495
**D ROBERT A RSHOLT IRAR-OMANNING - SU B	890	0	890
**D JAMES J, BAKKE 1987 TRUST MANN ING 6001 N	3,190	0	3,190
**D LARRY D CONTOS REV TR MANNING SUB 755	870	0	870
**D JOHN M, MC DONOUGH IRAR-MAN AND NAP	865	0	865
**D DORIS K, CHRISTOPHER 1996 TR-MA ND	20,970	0	20,970
**D OLIVE MC CARTHY 2009 TRUST-MANNING	1,255	0	1,255
**D CATHERINE SLARK TR-MANNING ANDN API	1,840	0	1,840
**D GEOFFREY C FENNER MANNING INTL1	580	0	580
**D ELIZABETH E, RIORDAN 1997 TRMANNING	1,405	0	1,405
**D STANLEY H MEADOWS 90 TR-MANNING NAP	5,855	0	5,855
**D J MCCARTNEY12-30-97 MANNING-NAP IER	1,610	0	1,610
**D DEBRA K MAYER-MANNING ANDNAPIER - SU B	650	0	650
**D CAROL GOLDER REVTR MANNING AND NAP	950	0	950
**D R MORRIS ILLINOIS QTIP MARTR M AND N	735	0	735
**D LOMBARDI JTWROS MANNING AND NAPIER	1,370	0	1,370
**D JAMES E WICKS TRMANNING NAPIER	920	0	920
**D CHRISTOPHER ENOCK LVG TRMANNING	980	0	980
**D MARY KATHERINE LAUDERBACK	775	0	775
**D BARBARA S, BLUHM REV TR-MANNING INTL	1,135	0	1,135
**D JOSEPH L, BOZICH 2005TR-MANNING	885	0	885
**D THOMAS C GAPUTIS REV TR-MANNING	995	0	995
**D J G FENCIK TR-MANNING AND NAPIER	2,065	0	2,065
**D BRUCE BARRON REVOCABLE TRUST	1,635	0	1,635
**D L, S, BUONANNO-MANNING AND NAPIER	1,550	0	1,550
**D BUNRATY HOLDINGS LLC-MANNING INTL	1,280	0	1,280
**D MANNING AND NAPIER FUND INC -PR O BLEND-MAXIMUM TERM SERIES	291,450	0	291,450
**D MORRIS 1992 GIFT TR FORELLEN-M AND N	2,495	0	2,495
**D FANCELLI FDN INC, (SPECIAL)-MANNING	2,165	0	2,165
**D MIAMI DADE COMMUNITY COLLEGE FOUNDATION 300 NE	6,110	0	6,110
**D REGIONAL TRANSPORTATIONDISCTRIC T	10,555	0	10,555
**D HAGEN FAMILY TR U-ADTD7-7-1989 MA AND N	1,500	0	1,500
**D MANNING AND NAPIER FUNDINC, -BLE ND ED ASSET MODERATE SEREIS	3,810	0	3,810
**D JEFFREY S, ARONIN REV TRUST	7,180	0	7,180
**D MELVYN FISHER IRREV TR US BANK TRUSTEE	995	0	995
**D MANNING AND NAPIER FUND INC INT	541,920	0	541,920
**D MANNING AND NAPIER FUND INC	46,880	0	46,880
**D KIRBY ROSPLOCK DECLOFTR MANNING	835	0	835
**D FEINBERG FAMILY LTD PART2-MANNING	615	0	615
**D EVERGREEN PARTNERS GENPRT-MAND	895	0	895
**D CJB CRUT 5-1-01-MANNING	1,855	0	1,855
**D GOLDER 2007 FAM TR-MANNING AND NAPIER	1,620	0	1,620
**D JESSICA S SUPERA MANNING INTL	590	0	590
**D THOMAS R SMITH REVRE-MANN AND NAPIER	700	0	700
**D JAY W CHRISTOPHER 1996TR-MANNING ING	14,670	0	14,670
**D R, AND L, BRADLEY JT REVTR-MANNING	1,110	0	1,110

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **2018 Remuneration Policy**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D LEONARD X ROSEMBERG 2007TR-MANNING	775	0	775
**D A,BERGDOLL REV TR-MANNING ANDN API ER	1,415	0	1,415
**D WILLIAM G JUEGENSEN REV TRMANNING	2,755	0	2,755
**D TERRENCE P, DIAMOND-MANNINGINTL 8706	655	0	655
**D L BUONANNO TR T SMITH SR-MANDN	2,375	0	2,375
**D WILLIAM FOOTE 95 TR-MANNING AND NAPIER	1,070	0	1,070
**D DEBORAH A, SCHMIDT REVTR-MANNING	960	0	960
**D CAIRD ARNOLD HARBECK REVTR-MANNING	985	0	985
**D ROBERT KLEINERT JR DECLTR- MANNING	690	0	690
**D JULES M, LASER MANNING AND NAPERIR	760	0	760
**D G MCLACHLAN DECLTR-MANNING-NAPIER	1,830	0	1,830
**D ELIZABETH DRUCKER-MANNING AND NAPIER	510	0	510
**D BGF EURO MKTS FD EURO EQUITY PF	10,669,505	0	10,669,505
**D GLOBAL DIVERSIFIED SUB TRUST	5,116	0	5,116
**D ELEVA UCITS FD EUROLAND SELECT	128,300	0	128,300
**D METZLER INT INV PUBLIC LTD	866,000	0	866,000
**D UBS EUR SMALL CAP EQUITY FD MY	84,125	0	84,125
**D THE NORTHWESTERN MUTUAL LIFE I	400,000	0	400,000
**D ARRCO LONG TERME B	212,530	0	212,530
**D ARRCO QUANT 1	129,208	0	129,208
**D CIPAV ALOIS	173,484	0	173,484
**D SOGECAP ACTIONS SMALL CAP	813,805	0	813,805
**D COLISEE IFC 1	530,000	0	530,000
**D SG ACTIONS EUROPE MID CAP	174,380	0	174,380
**D MUF-LYXOR EURO STOXX BANKS	825,693	0	825,693
**D ALLIANZ ACTIONS EURO PME-ETI	140,200	0	140,200
**D LYXOR EURO STOXX 300	31,765	0	31,765
**D LYXOR INDEX FD-LYXOR STOXX EUR	56,768	0	56,768
**D MUL-LYXOR ITALIA EQUITY PIR	25,973	0	25,973
**D AMUNDI FUNDS II-PIIONEER FLEX O	91,490	0	91,490
**D AMUNDI SGR SPA AZIONARIO EUROPA	196,518	0	196,518
**D AMUNDI SF EURO EQ MARKET PLUS	7,244	0	7,244
**D AMUNDI FUNDS II-GLOB MULTI ASS	39,463	0	39,463
**D AMUNDI FUNDS II-EURO POTENTIAL	2,806,988	0	2,806,988
**D AMUNDI FUNDS II-EURO RESEARCH	294,285	0	294,285
**D AMUNDI FUNDS II-EUROP EQ OPTIM	82,021	0	82,021
**D PIONEER INV TOT RETURN	28,211	0	28,211
**D AMUNDI SOLUZ IT-PR CED 12 2019	38,160	0	38,160
**D AMUNDI SOL IT-PR CED 22 2020	47,716	0	47,716
**D AMUNDI SOL IT-PR CED 03 2020	45,423	0	45,423
**D AMUNDI SOL IT-PR CED 05 2020	80,229	0	80,229
**D AMUNDI SOL IT-PR CED 06 2020	54,059	0	54,059
**D AMUNDI SOL IT-PR CED 08 2020	63,584	0	63,584
**D AMUNDI SOL IT-PR CED 09 2020	52,520	0	52,520
**D AMUNDI SOL IT-PR CED 12 2020	22,990	0	22,990
**D AMUNDI SOL IT-PR CED 11 2020	39,870	0	39,870

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **2018 Remuneration Policy**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D AMUNDI SOL IT-PR CED 02 2021	20,160	0	20,160
**D AMUNDI SD-EQ PLAN 60	14,077	0	14,077
**D EURIZON CAPITAL SGR-GLOBAL MULTIASET SELECTION 09/22	17,700	0	17,700
**D EURIZON CAPITAL SGR - EURIZON PROGETTO ITALIA 70	110,849	0	110,849
**D EURIZON CAPITAL SGR - EURIZON AZIONI ITALIA	282,955	0	282,955
**D EURIZON CAPITAL SGR - EURIZON PIR ITALIA AZIONI	11,498	0	11,498
**D EURIZON CAPITAL SGR - EURIZON PROGETTO ITALIA 40	124,092	0	124,092
**D EPSILON SGR - EPSILON FLESSIBILE AZIONI EURO APRILE 2021	1,240	0	1,240
**D EPSILON SGR - EPSILON FLESSIBILE AZIONI EURO FEBBRAIO 2021	3,013	0	3,013
**D EPSILON SGR - EPSILON FLESSIBILE AZIONI EURO GIUGNO 2021	882	0	882
**D EPSILON SGR - EPSILON FLESSIBILE AZIONI EURO NOVEMBRE 2020	10,351	0	10,351
**D EPSILON SGR - EPSILON FLESSIBILE AZIONI EURO SETTEMBRE 2020	13,945	0	13,945
**D EPSILON SGR - EPSILON MULTIASET 3 ANNI DICEMBRE 2019	13,355	0	13,355
**D EPSILON SGR - EPSILON MULTIASET 3 ANNI LUGLIO 2020	3,959	0	3,959
**D EPSILON SGR - EPSILON MULTIASET 3 ANNI MAGGIO 2020	8,055	0	8,055
**D EPSILON SGR - EPSILON MULTIASET 3 ANNI MARZO 2020	6,326	0	6,326
**D PRIVILEGE	35,454	0	35,454
**D ASSURDIX	49,978	0	49,978
**D CPR EUROLAND	395,972	0	395,972
**D CPR SILVER AGE	4,427,663	0	4,427,663
**D FCP CPR EUROLAND PREMIUM	89,275	0	89,275
**D AMUNDI ETF FTSE ITALIA PIR UCITS ETF DR	29,428	0	29,428
**D FCP NATIXIS ACTIONS SMALL MID CAP EURO	348,000	0	348,000
**D NATIXIS ACTIONS EUROPE SECTEURS	100,573	0	100,573
**D FCP GROUPAMA AVENIR EURO	4,739,300	0	4,739,300
**D FCP GROUPAMA EURO STOCK	100,000	0	100,000
**D FCP GROUPAMA EUROPE STOCK	2,400	0	2,400
**D OPCVM SEEYOND EQUITY FACTOR INVESTING EURO	20,993	0	20,993
**D FCP BEST BUSINESS MODELS	1,310,000	0	1,310,000
**D MULTISMART ACTIONS EURO	704	0	704
**D CROISSANCE PME M	495,933	0	495,933
**D BNY MELLON EMPLOYEE BENEFIT COLLECTIVE INVESTMENT FUND PLAN	15,536	0	15,536
**D THE ROYAL INST FOR THE ADVANCEMENT OF LEARNING MCGILL UNIVERSITY	25,056	0	25,056
**D FRONTIERS INTERNATIONAL EQUITY POOL	7,291	0	7,291
**D THE GREAT-WEST LIFE ASSURANCE COMPANY	41,850	0	41,850
**D BMO GLOBAL BANKS HEDGED TO CADINDEX ETF 100	833	0	833
**D MCGILL UNIVERSITY PENSION FUND	12,957	0	12,957
**D THE GLENORE CANADIAN PENSION FUNDS TRUST-FOREIGN EQUITY FUND	20,379	0	20,379
**D ONTARIO PENSION BOARD ,	330,050	0	330,050
**D EPOCH GLOBAL EQUITY FUND	292,095	0	292,095
**D IMPERIAL INTERNATIONAL EQUITY POOL	350,727	0	350,727
**D IMPERIAL OVERSEAS EQUITY POOL	17,476	0	17,476
**D CIBC INTERNATIONAL SMALL COMPANIES FUND	26,021	0	26,021
**D ALLEGHENY COLLEGE	9,400	0	9,400
**D ERIE COUMMINTY FOUNDATION	10,600	0	10,600
**D CF DV ACWI EX-U,S, IMI FUND	1,477	0	1,477

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **2018 Remuneration Policy****IN FAVOUR**

Surname	Tot. Votes	On own behalf	Proxy
**D TIMESQUARE FOCUS FUND LP	3,500	0	3,500
**D LOF EUROZONE SMALL AND MID CAPS98453 51	1,400,000	0	1,400,000
**D FCP EDMOND DE ROTHSCHILD EURO LEADERS	1,241,700	0	1,241,700
**D FCP EDMOND DE ROTHSCHILD EURO SRI	198,180	0	198,180
**D FCP EDMOND DE ROTHSCHILD EUROPEMIDCAPS	912,000	0	912,000
**D EDMOND DE ROTHSCHILD EUROPE MIDCAP	131,760	0	131,760
**D FCP RSI EURO P	71,651	0	71,651
**D FCP LCF PHARMA INTERNATIONAL	151,080	0	151,080
**D FCP GROUPAMA PHARMA DIVERSIFIE	69,000	0	69,000
**D UNIVERS CNP 1	122,145	0	122,145
**D FCP NATIXIS IONIS	45,498	0	45,498
**D CNP ASSUR SMALL CAP	379,980	0	379,980
**D EGEPARGNE 2	69,584	0	69,584
**D I,2,C, ACTIONS	517,000	0	517,000
**D FCP CONTI GESTION	43,834	0	43,834
**D EDMOND DE ROTHSCHILD ASSET MANAGEM,	314,330	0	314,330
**D FCP ECUREUIL RETRAITE EURO ACTIONS 4	320,000	0	320,000
**D NATIXIS ASSET MANAGEMENT FUNDS	15,142	0	15,142
**D G FUND	1,102,223	0	1,102,223
**D AMUNDI FUNDS SICAV	2,610,085	0	2,610,085
**D EDMOND DE ROTHSCHILD (EUROPE)	3,016,936	0	3,016,936
7103 MONDO GIUSEPPE	100	100	0
7250 MARTIRIGGIANO ANTONIO	3,361	3,361	0
7290 ZACCARDI ANTONELLA	1	1	0
7350 PRANDINI GIULIANO	5,000	5,000	0
7435 ROSSI MARCO	63,975	63,975	0
7559 CAGLIA MARIA	0	0	0
DE* UNICREDIT S,P,A,	215,066,403	0	215,066,403
Total votes	471,249,765		
Percentage of voters%	94.202219		
Percentage of share capital %	77.481699		

Ordinary Shareholders' Meeting of April 11, 2018RESULTS OF VOTINGSubject : **2018 Incentive System****Attendees:**n° **872** shareholders entitled to vote took part in the voting on own behalf or by proxyn° **500,253,359** ordinary shares**The counting of votes produced the following results:**

		%OF ORINARY SHARE CAPITAL PRESENT (Voting Quorum)	%OF ORDINARY SHARE ENTITLED TO VOTE	%SHARE CAPITAL
Favour	493,625,762	98.675152	98.675152	81.160704
Against	2,370,953	0.473950	0.473950	0.389826
SubTotal	495,996,715	99.149102	99.149102	81.550530
Abstention	520,012	0.103950	0.103950	0.085499
Not Voting	3,736,632	0.746948	0.746948	0.614368
SubTotale	4,256,644	0.850898	0.850898	0.699867
Total	500,253,359	100.000000	100.000000	82.250397

Shareholders:
Shareholders on own
behalf:872 People:
15 Shareholders by proxy:18
857

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **2018 Incentive System****AGAINST**

Surname	Tot. Votes	On own behalf	Proxy
6957 ESPOSITO MARCO	0	0	0
**D STICHTING PGGM DEPOSITARY	422,749	0	422,749
**D CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM	869,247	0	869,247
**D MERSEYSIDE PENSION FUND	209,168	0	209,168
6970 CLERICI CAMILLA	0	0	0
**D WEST MIDLANDS METROPOLITAN AUT PENS FD	97,000	0	97,000
**D TRUSTEAM ROC EUROPE C O TRUSTEAM FINANCE	331,269	0	331,269
**D FCP CM-CIC SILVER ECONOMIE	220,000	0	220,000
**D EIS-EURO EQUITY INSURANCE CAPITAL LIGHT 49	51,771	0	51,771
**D ISE - GLOBAL DYNAMIC MULTITRENDER 06/2015	6,071	0	6,071
**D ISE - MULTIASSET ABSOLUTE 3 ANNI 07/2016	29,072	0	29,072
**D EPF-ABSOLUTE Q-MULTISTRATEGY	5,670	0	5,670
**D ISE - MULTIASSET ABSOLUTE 3 ANNI - 04/2016	32,015	0	32,015
**D EUF-EQUITY ITALY	92,759	0	92,759
**D ISE - DYNAMIC INCOME MULTITRENDER 01/2016	4,162	0	4,162
Total votes	2,370,953		
Percentage of voters%	0.473950		
Percentage of share capital %	0.389826		

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **2018 Incentive System**

Surname	
6041	BONETTI EMANUELE
6122	FOGLI MAURIZIO
6304	CROCE MARIO
6970	CLERICI CAMILLA
**D	ARCA FONDI SGR - FONDO ARCA AZIONI ITALIA
**D	CHALLENGE FUNDS CHALLENGE ITALIAN EQUITY
Total votes	520,012
Percentage of voters%	0.103950
Percentage of share capital %	0.085499

ABSTENTIONS

Tot. Votes	On own behalf	Proxy
10	10	0
1	1	0
1	1	0
0	0	0
100,000	0	100,000
420,000	0	420,000

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **2018 Incentive System**

NON VOTING

Surname	Tot. Votes	On own behalf	Proxy
6970 CLERICI CAMILLA	0	0	0
**D GENERALI SMART FUNDS SICAV	70,632	0	70,632
**D GENERALI INVESTMENTS SICAV	1,500,000	0	1,500,000
**D INTERFUND SICAV INTERFUND EQUITY ITALY	64,000	0	64,000
**D FIDEURAM ASSET MANAGEMENT (IRELAND) FONDITALIA EQUITY ITALY	428,000	0	428,000
**D FIDEURAM ASSET MANAGEMENT (IRELAND) FIDEURAM FUND EQUITY ITALY	5,000	0	5,000
**D FIDEURAM INVESTIMENTI SGR - FIDEURAM ITALIA	9,000	0	9,000
**D FIDEURAM INVESTIMENTI SGR - PIANO AZIONI ITALIA	150,000	0	150,000
**D FIDEURAM INVESTIMENTI SGR - PIANO BILANCIATO ITALIA 50	10,000	0	10,000
**D MEDIOLANUM GESTIONE FONDI SGR - FLESSIBILE FUTURO ITALIA	1,500,000	0	1,500,000

Total votes 3,736,632
Percentage of voters% 0.746948
Percentage of share capital % 0.614368

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **2018 Incentive System**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
6058 DE TOMASI PAOLA	4,000	4,000	0
6102 CERASUOLO STEFANO	9,481	9,481	0
6474 ANGELINI ALESSANDRO	250	250	0
6504 TIMUS ANDREEA	5	5	0
6547 GHIBAUDI LEOPOLDO	9,000	9,000	0
6616 ROSSI GIULIA	8,000	8,000	0
6849 LOIZZI GERMANA	3	3	0
6957 ESPOSITO MARCO	0	0	0
**D CITI RETIREMENT SAVINGS PLAN	137,653	0	137,653
**D UWF TROW INTL DISCOVERY	45,589	0	45,589
**D STANDARD LIFE INVESTMENTS GLOBAL SICAV II	53,674	0	53,674
**D SUBSIDIZED SCHOOLS P FUND NORTHERN	4,211	0	4,211
**D WILLIS TOWERS WATSON GROUP TRUST	3,441	0	3,441
**D 55016 UP INTERNATIONALE AKTIER	236,395	0	236,395
**D 56053 IP GLOBAL EQUITIES I	29,217	0	29,217
**D AST TRP DIVERS REAL GWTH PORT PDMO	1,049	0	1,049
**D ADVANCED SERIES TRUST AST T ROWE PRICE GROWTH OPPORTUNITIES PORTFOLIO GATEWAY CENTER	36,297	0	36,297
**D BNYMTD CF MITON EUROPEAN OPPTS FUND	630,272	0	630,272
**D NATIONAL BANK TRUST	42,267	0	42,267
**D RVN WILLIAM BLAIR	6,037	0	6,037
**D POWERSHARES PUREBETA FTSE DEVELOPED EX NORTHAMERICA PORTFOLIO	62	0	62
**D CHI OPERATING INVESTMENT PROGRAM LP	117,380	0	117,380
**D CATHOLIC HEALTH INITIATIVES MASTER TRUST	57,179	0	57,179
**D FIRST INITIATIVES INSURANCE LIMITED	12,910	0	12,910
**D GLOBAL EQUITY WELLINGTON	138,921	0	138,921
**D GLOBAL INVESTMENT FUND	31,323	0	31,323
**D MFS INTL EQUITY FUND	28,677	0	28,677
**D USBK MOMENTUMSHARES INTL QUANT ETF	121,743	0	121,743
**D 1135 APG DME STCK SEL	94,081	0	94,081
**D 1216 APG DME FINANC	2,255,729	0	2,255,729
**D UNISYS MASTER TRUST	60,092	0	60,092
**D AMG CHICAGO EQUITY PARTNERS BALANCED FUND	900	0	900
**D SAN FRANCISCO CITY AND COUNTY EMPLOYEES RETIREMENT SYSTEM	116,549	0	116,549
**D STICHTING DEPOSITARY APG DEVELOPED MARKETS EQUITY POOL	743,008	0	743,008
**D ELEMENTS INTERNATIONAL SMALL CAP PORTFOLIO	8,111	0	8,111
**D MANNING AND NAPIER FUND INC RAINIER INTERNATIONAL DISCOVERY FUND	605,665	0	605,665
**D FIRST INVESTORS GLOBAL FUND	237,361	0	237,361
**D PS FTSE LO BT EQ WT PORT	12,210	0	12,210
**D NYKREDIT ENGROS GLOBAL OPPORTUNTIES	56,912	0	56,912
**D EIR EIE WELLINGTON INT	106,784	0	106,784
**D WILM MULTI MGR INTL FD OBERWEIS	216,903	0	216,903
**D AST PRU GRWTH ALL PTF QMA EAFE PDFF	59,020	0	59,020
**D PS FTSERAFI EUSM UCITS ETF BNYMTCIL	2,477	0	2,477
**D PS SP INTL DEVEL QUALITY PORTFOLIO	5,359	0	5,359
**D PS FR DEVEL MARK EX US SMALL PORT	17,503	0	17,503
**D AST FI PYRAMIS QUANT AA IE SC PDGJ	115,638	0	115,638

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**D AST RCM WORLD TRENDS PORT PDBF	205,800	0	205,800
**D PENSION RESERVES INVESTMENT TRUST FUND	499,450	0	499,450
**D LMIF LMGAMI EURO SMLL CP	110,589	0	110,589
**D WELLINGTON MGMT CY LLPQUALITY EDUC FD	82,675	0	82,675
**D BNYMTCIL LAZARD GBL MANAGED VOL FD	31,714	0	31,714
**D IQ 50 PERCENT HEDGED FTSE EURO ETF	6,718	0	6,718
**D DB LAZARD GLB MNGD	25,000	0	25,000
**D AXA MPS FINANCIAL DAC	170,000	0	170,000
**D DEUTSCHE XTRK MSCI EMU HDG EQ ETF	3,191	0	3,191
**D BLACKROCK GLOBAL FUNDS	6,826,006	0	6,826,006
**D FPXF WILLIAM BLAIR CO	68,864	0	68,864
**D BLL AQUILA LIFE EUROPEAN EQUITY	437,644	0	437,644
**D BLL AQUILA LIFE OSEAS EQUITY FUND	3,292	0	3,292
**D AARP INSURANCE PLAN	10,266	0	10,266
**D AARP FOUNDATION	4,977	0	4,977
**D BNYMTD FTF FRANKLIN EUROPEAN OPP FD	7,195	0	7,195
**D MI FONDS K12 SPK	91,583	0	91,583
**D BANK OF AMERICA PENSION PLAN OECHSLE	190,091	0	190,091
**D BOA FBO SKL INVESTMENT GRP LLC	13,860	0	13,860
**D WMP OPP INVESTMENT PRINS LP	30,869	0	30,869
**D AARP LAZARD LQE GLB	29,329	0	29,329
**D DEUTSCHE XTRK MSCI EAFE SC HDG ETF	466	0	466
**D DBX FTSE DEV EX US COMP FACTOR	557	0	557
**D THE CLEVELAND CLINIC FOUNDATION	32,555	0	32,555
**D EATON VANCE MGMT INTL SMALL CAP	1,317	0	1,317
**D SLI EUROPEAN SMALLER COMPANIES	2,375,761	0	2,375,761
**D PS SP INTL DEVEL MOMENTUM PORT	504	0	504
**D HP INC MASTER TRUST	54,785	0	54,785
**D ONFF WILLIAM BLAIR NONUS	24,516	0	24,516
**D CE8F WILLIAM BLAIR IACG	185,061	0	185,061
**D RAYTHEON MASTER PENSION TRUST	38,925	0	38,925
**D VANGUARD INTL HIGH DIV YLD INDEX FD	42,184	0	42,184
**D BSNF NTR WILLIAM BLAIR	18,975	0	18,975
**D BSPF PMT WILLIAM BLAIR	24,044	0	24,044
**D DEAM FONDS SPEZIAL 2 AEQ SPK	1,269,411	0	1,269,411
**D DEAM FOND SPEZIAL 18 AEQ SPK	285,507	0	285,507
**D BLL DC EUROPEAN GROWTH FD AG PF	120,522	0	120,522
**D BNYMTD BIEF CONT EUR INV	56,736	0	56,736
**D BNYMTD BLK CONT EURO FD	618,846	0	618,846
**D BGF EUROPEAN SPECIAL SITUATIONS FUND	2,200,058	0	2,200,058
**D BGF CONT EURO FLEXIBLE FD EURO EQFD	3,798,551	0	3,798,551
**D BNYMTD RAMAM WORLD RECOVERY FUND	109,740	0	109,740
**D LRPF WILLIAM BLAIR	65,726	0	65,726
**D DEUTSCHE XTRK MSCI STH EUR HDG ETF	199	0	199
**D ATFF AMERICAN CENTURY	44,194	0	44,194
**D RZSF3001 NON US GE W BLAIR	134,381	0	134,381

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**D MSV JP MORGAN	62,372	0	62,372
**D ALASKA PERMANENT FUND CORPORATION	359,406	0	359,406
**D SCA LAZARD	24,315	0	24,315
**D AON HEWITT COLLECTIVE INVESTMENT TRUST	41,778	0	41,778
**D MINISTERS AND MISSIONARIES BENEFIT BOARD OF AMERICAN BAPTIST CHURCH	16,459	0	16,459
**D MIN DEF PF OMAN AMUNDI EURSILV	77,256	0	77,256
**D BNYMTD BLK EURO DYNAMIC FD	3,063,616	0	3,063,616
**D PHC NT SMALL CAP	28,250	0	28,250
**D BNYMTD RM GLOBAL HIGH ALPHA FUND	28,810	0	28,810
**D AMG TIMESSQUARE INTL SM CAP	1,205,000	0	1,205,000
**D BNYMTD BLK CONTINENTAL EURO INC	5,765,726	0	5,765,726
**D BNYMTD BLK CONT EUR EQ TRCK FD INV	313,139	0	313,139
**D OPERATING ENGINEERS LOCAL 101 PENSION FUND	120,000	0	120,000
**D BELL ATLANTIC MASTER TRUST	41,418	0	41,418
**D VERIZON MASTER SAVINGS TRUST	62,887	0	62,887
**D VOYA MULTI MANAGER INTERNATIONAL EQUITY FUND	49,013	0	49,013
**D THE EDUCATIONAL EMPLOYEES SUPPLEMENTARY RETIREMENT SYSTEM OF FAIRFAX COUNTY	5,348	0	5,348
**D GENERAL MILLS INVESTMENT TRUST	53,503	0	53,503
**D INDIANA PUBLIC RETIREMENT SYSTEM	20,228	0	20,228
**D KENTUCKY RETIREMENT SYSTEMS	580,000	0	580,000
**D KENTUCKY RETIREMENT SYSTEMS INSURANCE TRUST FUND	250,000	0	250,000
**D PUBLIC EMPLOYEES RETIREMENT SYSTEM OF MISSISSIPPI	72,395	0	72,395
**D PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF NEW MEXICO	16,687	0	16,687
**D BOARD OF PENSIONS OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA	80,956	0	80,956
**D JOHN S AND JAMES L KNIGHT FOUNDATION	65,800	0	65,800
**D SOUTH CAROLINA RETIREMENT SYSTEMS GROUP TRUST	288	0	288
**D UMC BENEFIT BOARD, INC	22,892	0	22,892
**D PRUDENTIAL INVESTMENT PORTFOLIO 2 PRUDENTIAL QMA INTL DEVELOPED MRKTS INDEX FUND	845	0	845
**D AHL DESERTWOOD FUND LIMITED C/O CITCO TRUSTEES (CAYMAN) LIMITED	109,956	0	109,956
**D PANAGORA DIVERSIFIED ARBITRAGE MASTER FUND LTD	2,630	0	2,630
**D MAP 192 SEGREGATED PORTFOLIO, PANAGORA ASST MGMNT INC PM ACT	30,024	0	30,024
**D GOVERNMENT OF NORWAY	4,267,532	0	4,267,532
**D NORGES BANK	225,448	0	225,448
**D UBS (LUX) EQUITY SICAV	68,735	0	68,735
**D UBS FUND MGT (CH) AG CH0516/UBSCHIF2-EGSCPII	98,996	0	98,996
**D UBS FUND MANAGEMENT (SWITZERLAND) AG,	123,764	0	123,764
**D CH0526 - UBS (CH) INSTITUTIONAL FUND - EQUITIES GLOBAL SMALL CAP PASSIVE II	15,606	0	15,606
**D AHL ALPHA MASTER LIMITED C/O CITCO TRUSTEES (CAYMAN) LIMITED	32,434	0	32,434
**D AHL DIRECTIONAL EQUITIES MASTER LIMITED	32,040	0	32,040
**D AHL EVOLUTION LTD SHARMAINE BERKELEY ARGONAUT LTD	777,939	0	777,939
**D ALT BETA EQUITY SIZE STRATEGY LIMITED CO NUMERIC INVESTORS LLC	310,536	0	310,536
**D AVIVA INVESTORS INTERNATIONAL INDEX TRACKING FUND	10,830	0	10,830
**D BLUE MOUNTAIN CREDIT ALTERNATIVES MASTER FUND LP CO M AND C CORP SERVICES LTD	67,980	0	67,980
**D BLUEMOUNTAIN FURSAN FUND LP CO MAPLES CORP SERVICES LIMITED	8,817	0	8,817
**D BLUEMOUNTAIN GUADALUPE PEAK FUND L,P,CO CORPORATION SERVICE COMPANY	4,655	0	4,655
**D BLUEMOUNTAIN KICKING HORSE FUND L,P, C/O MAPLES CORPORATE SVCS LTD	11,285	0	11,285

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**D BLUEMOUNTAIN SYSTEMATIC MASTER FUND LP MAPLES CORP SERVICES LTD	40,285	0	40,285
**D CITITRUST LIMITED AS TRUSTEE OF BLACKROCK PREMIER FUNDS-BLACKROCK WORLD EQUITY INDEX FUND	326	0	326
**D IRISH LIFE ASSURANCE,	171,778	0	171,778
**D LAZARD ASSET MANAGEMENT LLC C/O LAZARD ASSET MANAGEMENT LLC - EUROPEAN LONG/SHORT	40,152	0	40,152
**D LEGAL AND GENERAL	116,862	0	116,862
**D LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	1,472,983	0	1,472,983
**D LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	15,847	0	15,847
**D LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	13,760	0	13,760
**D LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	52,838	0	52,838
**D LEGAL AND GENERAL COLLECTIVE INVESTMENT TRUST,	8,597	0	8,597
**D MCKINLEY NON US DEVELOPED 130 30 GROWTH ONSHORE FUND LP C O MCKINLEY C, MGMT, LLC	68,998	0	68,998
**D PANAGORA ASSET MANAGEMENT INC,	1,731	0	1,731
**D SLIC ER EX UK SM CM FD XESC	273,095	0	273,095
**D STANDARD LIFE INVESTMENT COMPANY GLOBAL SMALLER	2,573,190	0	2,573,190
**D STICHTING PENSIOENFONDS KPN STICHTING PENSIOENFONDS POSTNL STICHTING PENSIOENFONDS AVEBE	570,407	0	570,407
**D THREADNEEDLE (LUX	1,124,222	0	1,124,222
**D THREADNEEDLE INVESTMENT FUNDS ICVCA,	9,413,406	0	9,413,406
**D ZURICH LIFE ASSURANCE PLC	84,359	0	84,359
**D THREE CORNER MASTER L/SFUND LP	1,427,900	0	1,427,900
**D LUCERNE CAPITAL MASTER FUND LP	427,175	0	427,175
**D MANUFACTURERS AND TRADERS TRUST COMPANY	3,180	0	3,180
**D UNIVERSITY CLUB	630	0	630
**D FEDERATED KAUFMANN FUND	5,125,000	0	5,125,000
**D FEDERATED KAUFMANN FUND II	131,600	0	131,600
**D FEDERATED KAUFMANN SMALL CAP FUND	874,310	0	874,310
**D FIDELITY RUTLAND SQUARE TR II: STRAT ADV INT MULTI-MANAGER F	3,243	0	3,243
**D FIDELITY RUTLAND SQUARETRUST II: STRATEGIC ADVISERS INT F	312,995	0	312,995
**D LAUDUS INTERNATIONAL MARKETMASTERS FUND	464,055	0	464,055
**D SCHWAB INTERNATIONAL EQUITY ETF	313,517	0	313,517
**D LAZARD ASSET MANAGEMENT LLC	1,352	0	1,352
**D LAZARD RETIREMENT GLOBAL DYNAMIC MULTI ASSET PORTFOLIO	11,974	0	11,974
**D LAZARD MANAGED EQUITY VOLATILITY PORTFOLIO	3,051	0	3,051
**D LAZARD GLOBAL DYNAMIC MULTI ASSET PORTFOLIO	1,953	0	1,953
**D LAZARD REAL ASSETS AND PRICING OPPORTUNITIES PORTFOLIO	1,207	0	1,207
**D WELLINGTON GLOBAL OPPORTUNITIES FUND (CANADA)	100,206	0	100,206
**D WELLINGTON INTERNATIONAL OPPORTUNITIES FUND	16,577	0	16,577
**D MANNING AND NAPIER	902,020	0	902,020
**D MFS HERITAGE TRUST COMPANY COLLECTIVE INVESTMENT TRUST	135,594	0	135,594
**D INTERNATIONAL MONETARY FUND	15,994	0	15,994
**D ALLIANZ GLOBAL INVESTORS GMBH FOR ALLIANZGI-FONDS GHS	154,000	0	154,000
**D AMERICAN CENTURY STRATEGIC ASSET ALL, INC, STRAT ALL CONS F	1,280	0	1,280
**D AMERICAN CENTURY STRAT ASSET ALL, INC, STRAT ALL MODERATE F	4,430	0	4,430
**D AMERICAN CENTURY STRAT ASSET ALL, INC, STRATEGIC ALL AGGR F	4,680	0	4,680
**D AMERICAN CENTURY WORLD MUTUAL FUNDS, INC, INTL DISCOVERY F	141,830	0	141,830
**D AMERICAN CENTURY WORLD MUTUAL FUNDS, INC, INTL OPPORTUNITIES	170,088	0	170,088
**D AMERICAN CENTURY WORLD MUTUAL FUNDS INC - NT INT SM MID CAP F	61,980	0	61,980

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**D AMERICAN CENTURY WORLD MUTUAL FUNDS, INC, - GLO SMALL CAP FD	6,683	0	6,683
**D AMERICAN CENTURY RETIREMENT DATE TRUST	61,347	0	61,347
**D ANIMA FUNDS PLC	78,238	0	78,238
**D CAREFIRST, INC, RETIREMENT PLAN TRUST FOR GHMSI ASSETS	43,000	0	43,000
**D CAREFIRST, INC, RETIREMENT PLAN TRUST FOR CFMI ASSETS	39,000	0	39,000
**D UAW RETIREE MEDICAL BENEFITS TRUST	101,658	0	101,658
**D HENDERSON INTERNATIONAL SMALL CAP FUND	20,028	0	20,028
**D SCPMG KEOGH PLAN	10,104	0	10,104
**D CALVERT WORLD VALUES F INC - CALVERT INT OPPORTUNITIES FUND	265,955	0	265,955
**D CALVERT RESP INX SRS, INC,-CLVRT DVD MRKTS EX-U,S, RSP INX FD	2,736	0	2,736
**D CONCEPT FUND SOLUTIONS PLC	1,286	0	1,286
**D THE REGENTS OF THE UNIVERSITY OF CALIFORNIA	206,295	0	206,295
**D MICROSOFT CORPORATION SAVINGS PLUS 401(K) PLAN	257,045	0	257,045
**D VALIC COMPANY I - ASSET ALLOCATION FUND	5,958	0	5,958
**D ALLIANZGI INTERNATIONAL SMALL-CAP FUND	308,542	0	308,542
**D PARAMETRIC INTERNATIONAL EQUITY FUND	4,180	0	4,180
**D EATON VANCE INTERNATIONAL SMALL-CAP FUND	34,992	0	34,992
**D FRANKLIN TEMPLETON ETF TRUST - FRANKLIN FTSE EUROPE ETF	4,305	0	4,305
**D FRANKLIN TEMPLETON ETF TRUST - FRANKLIN FTSE ITALY ETF	2,946	0	2,946
**D FRANKLIN TEMPLETON ETF TRUST-FRANKL LIBERTY INT OPPORTUN ETF	9,212	0	9,212
**D FRANKLIN TEMPLETON ETF TRUST - FRANKLIN FTSE EUROPE HEDGED ETF	1,400	0	1,400
**D THE GABELLI GLOBAL SMALL AND MID CAP VALUE TRUST	53,000	0	53,000
**D THE GABELLI GLOBAL RISING INCOME AND DIVIDEND FUND	27,000	0	27,000
**D GUARDIAN INTERNATIONAL GROWTH VIP FUND	6,545	0	6,545
**D GAM STAR FUND P,L,C,	3,618,908	0	3,618,908
**D RUSSELL INVESTMENT COMPANY SELECT INTERNATIONAL EQUITY FUND	15,376	0	15,376
**D E,SUN COMM BANK LTD IN ITS CAP AMC OF NOM EUR MID SM CAP GR F	43,513	0	43,513
**D HARTFORD INTERNATIONAL OPPORTUNITIES HLS FUND	556,165	0	556,165
**D THE HARTFORD INTERNATIONAL GROWTH FUND	109,838	0	109,838
**D THE HARTFORD INTERNATIONAL OPPORTUNITIES FUND	1,168,591	0	1,168,591
**D HARTFORD INTERNATIONAL EQUITY FUND	29,877	0	29,877
**D THE HARTFORD GLOBAL ALL- ASSET FUND	38,263	0	38,263
**D ALLIANZGI GLOBAL SMALL-CAP FUND	145,266	0	145,266
**D TCW INTERNATIONAL SMALL CAP FUND	14,710	0	14,710
**D WILLIAM BLAIR COLLECTIVE INVESTMENT TRUST	320,539	0	320,539
**D WILLIAM BLAIR INTERNATIONAL GROWTH FUND	871,300	0	871,300
**D WILLIAM BLAIR INSTITUTIONAL INTERNATIONAL GROWTH FUND	667,695	0	667,695
**D LAZARD GLOBAL MANAGED VOLATILITY (CANADA) FUND	2,530	0	2,530
**D MAINSTAY EPOCH CAPITAL GROWTH FUND	64,534	0	64,534
**D MM SELECT EQUITY ASSET FUND	4,584	0	4,584
**D LAZARD WILMINGTON GLOBAL MANAGED VOLATILITY PORTFOLIO	27,779	0	27,779
**D ANCHOR SERIES TRUST STRATEGIC MULTI-ASSET PORTFOLIO	5,883	0	5,883
**D ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM	78,810	0	78,810
**D RUSSELL COMMON CONTRACTUAL FUND	16,027	0	16,027
**D KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM	138,639	0	138,639
**D KP INTERNATIONAL EQUITY FUND	20,205	0	20,205

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**D LAZARD GLOBAL INVESTMENT FUNDS PUBLIC LIMITED COMPANY	751,719	0	751,719
**D MARYLAND STATE RETIREMENT & PENSION SYSTEM	15,867	0	15,867
**D GTAA PANTHER FUND L,P	2,894	0	2,894
**D MERCER QIF CCF	2,080,743	0	2,080,743
**D STATE OF MONTANA BOARD OF INVESTMENTS	42,090	0	42,090
**D TEXAS MUNICIPAL RETIREMENT SYSTEM	272,348	0	272,348
**D STATE OF NEW JERSEY COMMON PENSION FUND D	161,132	0	161,132
**D NEW YORK STATE DEFERRED COMPENSATION PLAN	76,623	0	76,623
**D LAZARD GLOBAL BALANCED INCOME FUND	778	0	778
**D LAZARD GLOBAL LOW VOLATILITY FUND	3,151	0	3,151
**D CITY OF NEW YORK GROUP TRUST	180,406	0	180,406
**D CITY OF NEW YORK GROUP TRUST	438,768	0	438,768
**D PRINCIPAL EXCHANGE-TRADED FDS-PRINC INT MULTI-FACTOR INDEX ETF	1,239	0	1,239
**D WELLINGTON GLOBAL OPPORTUNITIES EX-JAPAN FUND	68,655	0	68,655
**D THRIVENT MODERATE ALLOCATION PORTFOLIO	12,777	0	12,777
**D THRIVENT MODERATELY AGGRESSIVE ALLOCATION PORTFOLIO	4,781	0	4,781
**D THRIVENT AGGRESSIVE ALLOCATION PORTFOLIO	1,415	0	1,415
**D THRIVENT MODERATE ALLOCATION FUND	2,306	0	2,306
**D THRIVENT MODERATELY AGGRESSIVE ALLOCATION FUND	2,077	0	2,077
**D THRIVENT AGGRESSIVE ALLOCATION FUND	1,282	0	1,282
**D THRIVENT GROWTH AND INCOME PLUS FUND	2,391	0	2,391
**D THRIVENT BALANCED INCOME PLUS FUND	6,696	0	6,696
**D THRIVENT GROWTH AND INCOME PLUS PORTFOLIO	2,616	0	2,616
**D THRIVENT BALANCED INCOME PLUS PORTFOLIO	7,564	0	7,564
**D THRIVENT LARGE CAP STOCK FUND	77,587	0	77,587
**D THRIVENT LARGE CAP STOCK PORTFOLIO	37,683	0	37,683
**D THRIVENT CORE INTERNATIONAL EQUITY FUND	105,132	0	105,132
**D THRIVENT DIVERSIFIED INCOME PLUS FUND	9,206	0	9,206
**D THRIVENT DIVERSIFIED INCOME PLUS PORTFOLIO	6,886	0	6,886
**D RUSSELL INVESTMENTS OVERSEAS EQUITY POOL	62,621	0	62,621
**D RUSSELL INVESTMENTS MULTI-FACTOR INTERNATIONAL EQUITY POOL	837	0	837
**D RUSSELL INSTITUTIONAL FUNDS,LLC-RUSSELL INTL EQUITY FUND	61,886	0	61,886
**D RUSSELL INVESTMENTS OVERSEAS EQUITY FUND	35,453	0	35,453
**D BANK OF KOREA	187,738	0	187,738
**D BIMCOR GLOBAL SMALL CAP POOLED FUND	43,678	0	43,678
**D CHANG HWA COMMERCIAL BANK, LTD,, IN ITS CAPACITY AS MASTER	288,800	0	288,800
**D STATE STREET IRELAND UNIT TRUST	2,399	0	2,399
**D SSGA SPDR ETFS EUROPE II PUBLIC LIMITED COMPANY	45,021	0	45,021
**D DELTASHARES S+P INTERNATIONAL MANAGED RISK ETF	6,109	0	6,109
**D CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM	517,835	0	517,835
**D TENNESSEE CONSOLIDATED RETIREMENT SYSTEM	190,600	0	190,600
**D TENNESSEE CONSOLIDATED RETIREMENT SYSTEM	348,095	0	348,095
**D PINEBRIDGE GLOBAL FUNDS	36,601	0	36,601
**D METZLER ASSET MANAGEMENT GMBH FOR MI-FONDS 415	97,000	0	97,000
**D ALLIANZ GLOBAL INVESTORS GMBH FOR ALLIANZGI-FONDS HPT	346,439	0	346,439
**D CAPITAL GROUP GLOBAL EQUITY FUND (CANADA)	2,865,000	0	2,865,000

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**D CAPITAL GROUP GLOBAL BALANCED FUND (CANADA)	230,000	0	230,000
**D SAINT-GOBAIN CORPORATION DEFINED BENEFIT MASTER TRUST	27,921	0	27,921
**D VANGUARD FTSE DEVELOPED EUROPE ALL CAP INDEX ETF	8,413	0	8,413
**D VANGUARD FTSE DEVELOPED ALL CAP EX NORTH AMERICA INDEX ETF	8,644	0	8,644
**D VANGUARD DEVEL ALL-CAP EX NORTH AMERICA EQT IND POOLED FUND	541	0	541
**D VANGUARD GLOBAL LIQUIDITY FACTOR ETF	1,061	0	1,061
**D VANGUARD GLOBAL MOMENTUM FACTOR ETF	1,558	0	1,558
**D VANGUARD INVESTMENTS II COMMON CONTRACTUAL FUND	32,024	0	32,024
**D VANGUARD INVESTMENTS COMMON CONTRACTUAL FUND	36,461	0	36,461
**D VANGUARD FTSE DEVELOPED EUROPE INDEX ETF	1,123	0	1,123
**D VALIC COMPANY II INTERNATIONAL OPPORTUNITIES FUND	125,203	0	125,203
**D THE WELLINGTON TR COM NATIONAL ASS MULT COLLECT INV F TRUST	343,065	0	343,065
**D THE WELLINGTON TR CO NAT ASS MULT C TR F TR, OPPORT EQ PTF	72,130	0	72,130
**D THE WELLINGTON TR CO NAT ASS MULT COM GLB OPPORT PTF	45,012	0	45,012
**D THE WELLINGTON TR CO NAT ASS MULT COLLECTIVE INV F TRUST II	222,999	0	222,999
**D WELLS FARGO BK DECL OF TR EST INV FUNDS FOR EMPLOYEE BEN TR	48,345	0	48,345
**D WELLS FARGO MASTER TRUST-WELLS FRGO FACTR ENHANCED INT PRTFLIO	32,119	0	32,119
**D WISDOMTREE ISSUER PUBLIC LIMITED COMPANY	4,015	0	4,015
**D WASHINGTON STATE INVESTMENT BOARD	165,288	0	165,288
**D WISDOMTREE DYNAMIC CURRENCY HEDGED EUROPE EQUITY FUND	1,905	0	1,905
**D WISDOMTREE DYNAMIC CURRENCY HEDGED INTRNL EQUITY FUND	21,885	0	21,885
**D WISDOMTREE INTERNATIONAL HIGH DIVIDEND FUND	18,621	0	18,621
**D WISDOMTREE INTERNATIONAL MIDCAP DIVIDEND FUND	61,943	0	61,943
**D WISDOMTREE EUROPE LOCAL RECOVERY FUND	10,772	0	10,772
**D WISDOMTREE EUROPE HEDGED SMALLCAP EQUITY FUND	201,403	0	201,403
**D NEW YORK STATE TEACHERS RETIREMENT SYSTEM	214,056	0	214,056
**D PRUDENTIAL BANK AND TRUST	97,233	0	97,233
**D PRUDENTIAL RETIREMENT INSURANCE & ANNUITY COMPANY	118,313	0	118,313
**D WELLINGTON MANAGEMENT FUNDS (IRELAND) PLC	2,363	0	2,363
**D SPDR EURO STOXX SMALL CAP ETF	49,165	0	49,165
**D SS FTSE DEV COMPREHENSIVE FACTOR IND NON-LENDING COMMON TRU FD	4,034	0	4,034
**D SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMENT PL	711,442	0	711,442
**D AXA WORLD FUNDS	13,211,990	0	13,211,990
**D ALLIANZ GLOBAL INVESTORS FUND	1,883,899	0	1,883,899
**D BLACKROCK STRATEGIC FUNDS	334,818	0	334,818
**D DB X-TRACKERS	487,536	0	487,536
**D DEUTSCHE INVEST I	2,175,336	0	2,175,336
**D MFS MERIDIAN FUNDS	1,306,568	0	1,306,568
**D KIEGER FUND I	23,718	0	23,718
**D UBS ETF	65,218	0	65,218
**D DEUTSCHE ASSET MNGM INV GMBH FOR DWS EUROPE DYNAMIC	135,000	0	135,000
**D DEUTSCHE ASSET MNGM INV GMBH FOR DWS TOP EUROPE	2,694,000	0	2,694,000
**D DEUTSCHE ASSET MNGM INV GMBH FOR DWS EUROPEAN OPPORTUNITIES	622,257	0	622,257
**D DEUTSCHE ASSET MNGM INV GMBH FOR OPPENHEIM DYNAMIC EUROPE BAL	43,715	0	43,715
**D DEUTSCHE AST MGMT INVEST GMBH FR DEUTSCH AM QUANT EQ EUROLAND	79,811	0	79,811
**D ISHARES MSCI EAFE SMALL CAP ETF	1,389,975	0	1,389,975

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **2018 Incentive System**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D ISHARES MSCI EUROPE SMALL-CAP ETF	69,326	0	69,326
**D ISHARES CORE MSCI EAFE ETF	1,437,247	0	1,437,247
**D ISHARES CORE MSCI TOTAL INTERNATIONAL STOCK ETF	189,056	0	189,056
**D ISHARES CORE MSCI INTERNATIONAL DEVELOPED MARKETS ETF	56,088	0	56,088
**D ISHARES CORE MSCI EAFE IMI INDEX ETF	27,938	0	27,938
**D ISHARES MSCI EUROPE IMI INDEX ETF	10,292	0	10,292
**D ISHARES CORE MSCI EUROPE ETF	117,297	0	117,297
**D CONNECTICUT GENERAL LIFE INSURANCE COMPANY	827	0	827
**D INTERNATIONAL PAPER CO COMMINGLED INVESTMENT GROUP TRUST	21,880	0	21,880
**D IBM 401K PLUS PLAN	86,186	0	86,186
**D OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM	127,113	0	127,113
**D RUSSELL TRUST CO COMMINGLED EMPLOYEE BENEFIT FUNDS TRUST	385,612	0	385,612
**D GENERAL CONFERENCE CORPORATION OF SEVENTH DAY ADVENTISTS	100,000	0	100,000
**D STATE OF ALASKA RETIREMENT AND BENEFITS PLANS	15,676	0	15,676
**D COLLEGE RETIREMENT EQUITIES FUND	1,055,755	0	1,055,755
**D RUSSELL INVESTMENT COMPANY - RUSSELL INTERN DEVELOPED MKT F	321,779	0	321,779
**D DELUXE CORPORATION MASTER TRUST	18,704	0	18,704
**D MERCY HEALTH	13,589	0	13,589
**D RUSSELL INVESTMENT FUNDS NON-U,S, FUND	52,453	0	52,453
**D RUSSELL INVESTMENT COMPANY II PLC	75,335	0	75,335
**D RUSSELL INVESTMENT COMPANY PLC	37,056	0	37,056
**D MULTI-STYLE, MULTI-MANAGER FUNDS PLC	98,841	0	98,841
**D THE WELLINGTON TR CO NAT ASS MULT COM ALPHA STRATEGIES PTF	36,829	0	36,829
**D MERCY HEALTH RETIREMENT TRUST	3,997	0	3,997
**D TRUTH INITIATIVE FOUNDATION	7,497	0	7,497
**D MSCI EAFE SMALL CAP PROV INDEX SEC COMMON TR F	118,386	0	118,386
**D ISHARES PUBLIC LIMITED COMPANY	1,498,441	0	1,498,441
**D ISHARES II PUBLIC LIMITED COMPANY	328,291	0	328,291
**D ISHARES VII PLC	968,051	0	968,051
**D ISHARES III PUBLIC LIMITED COMPANY	17,751	0	17,751
**D ISHARES I INVESTK MIT TGV F ISHS ST, EUROPE600 BS UCITS ETF DE	349,181	0	349,181
**D BLACKROCK AM DE FOR ISHS EURO STOXX BANKS 30-15 UCITS ETF (DE)	1,898,902	0	1,898,902
**D BLACKROCK AM DE FOR ISHARES EURO STOXX UCITS ETF (DE)	148,261	0	148,261
**D BLACKROCK AM DE FOR ISHS STOXX EUROPE SMALL 200 UCITS ETF (DE)	375,271	0	375,271
**D BLACKROCK AM DE FOR ISHARES STOXX EUROPE 600 UCITS ETF (DE)	350,587	0	350,587
**D BLACKROCK AM SCH AG OBO BIFS WORLD EX SW SMALL CAP EQ INDEX F	49,170	0	49,170
**D PINEBRIDGE GLOBAL DYNAMIC ASSET ALLOCATION FUND LLC	14,277	0	14,277
**D MANAGED PENSION FUNDS LIMITED	33,669	0	33,669
**D THE TRUSTEES OF CONOCOPHILLIPS PENSION PLAN	6,888	0	6,888
**D FAMILY INVESTMENTS CHILD TRUST FUND	11,150	0	11,150
**D FAMILY INVESTMENTS GLOBAL ICVC FAMILY BALANCED INT FUND	9,961	0	9,961
**D HSBC AS TRUSTEE FOR SSGA EUROPE EX UK EQUITY TRACKER FUND	284,213	0	284,213
**D FP RUSSELL INVESTMENTS ICVC-FP RUSSELL INV INT GROWTH ASSTS FD	8,584	0	8,584
**D ARAB AUTHORITY FOR AGRICULTURAL INVESTMENT AND DEVELOPMENT	7,541	0	7,541
**D STICHTING PHILIPS PENSIOENFONDS	56,707	0	56,707
**D MULTI-MANAGER ICVC - MULTI-MANGER INTERNATIONAL EQUITY FUND	91,914	0	91,914

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **2018 Incentive System**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D VANGUARD INV FDS ICVC-VANG FTSE DEV WOR LD EX - UK EQT IND FD	57,793	0	57,793
**D VANGUARD INV F ICVC-VANGUARD FTSE DEV EUROPE EX-UK EQ INDEX F	119,820	0	119,820
**D VANGUARD INV FUNDS ICVC-VANGUARD FTSE GLOB ALL CAP IND FUND	423	0	423
**D RUSSELL INVESTMENTS GLOBAL OPPORTUNITIES FUND	96,617	0	96,617
**D PINEBRIDGE GLOBAL DYNAMIC ASSET ALLOCATION FUND	30,175	0	30,175
**D SUNSUPER SUPERANNUATION FUND	13,451	0	13,451
**D CANADA PENSION PLAN INVESTMENT BOARD	1,086,400	0	1,086,400
**D THE TRUSTEES OF BP PENSION FUND	340,650	0	340,650
**D OMERS ADMINISTRATION CORPORATION FUND	380,331	0	380,331
**D CITADEL MULTI-STRATEGY EQUITIES FUND (ICAV)	14,644	0	14,644
**D AON SAVINGS PLAN TRUST	55,102	0	55,102
**D THE BOEING COMPANY EMPLOYEES SAVINGS PLANS MASTER TRUST	60,988	0	60,988
**D FORD MOTOR COMPANY DEFINED BENEFIT MASTER TRUST	13,955	0	13,955
**D HEWITT ASSOCIATES LLC 401K PLAN TRUST	19,737	0	19,737
**D BAPTIST FOUNDATION OF TEXAS DBA HIGHGROUND ADVISORS	26,952	0	26,952
**D MORGAN STANLEY DEFINED CONTRIBUTION MASTER TRUST	58,764	0	58,764
**D STATE OF UTAH, SCHOOL AND INSTITUTIONAL TRUST FUNDS	7,141	0	7,141
**D HRW TESTAMENTARY TRUST NO 3	40,800	0	40,800
**D HRW TESTAMENTARY TRUST NO, 8	39,100	0	39,100
**D HRW TESTAMENTARY TRUST NO, 12	40,500	0	40,500
**D EMPLOYEES RETIREMENT FUND OF THE CITY OF DALLAS	24,205	0	24,205
**D THE CURATORS OF THE UNIVERSITY OF MISSOURI	31,235	0	31,235
**D DFI LP EQUITY (PASSIVE)	1,693	0	1,693
**D NTGI-QM COMMON DAILY ALL COUNWD EX-US INV MKT INDEX F NONLEND	9,989	0	9,989
**D THE PUBLIC INSTITUTION FOR SOCIAL SECURITY	64,137	0	64,137
**D INTERNATIONAL MONETARY FUND STAFF RETIREMENT PLAN	442,591	0	442,591
**D NATIONAL COUNCIL FOR SOCIAL SECURITY FUND, P,R,C	34,430	0	34,430
**D MICROSOFT GLOBAL FINANCE	5,832	0	5,832
**D BLUE SKY GROUP	180,800	0	180,800
**D NEW ZEALAND SUPERANNUATION FUND	34,150	0	34,150
**D MERCER DS TRUST	143,860	0	143,860
**D BATTELLE MEMORIAL INSTITUTE	13,240	0	13,240
**D DUPONT AND RELATED COMP DEFINED CONTRIBUTION PLAN MASTER TR	61,137	0	61,137
**D PYRAMIS GROUP TRUST FOR EMPLOYEE BENEFIT PLANS	170,023	0	170,023
**D THE HEALTH FOUNDATION	25,840	0	25,840
**D NORTHERN TRUST GLOBAL INVESTMENTS COLLECTIVE FUNDS TRUST	334,975	0	334,975
**D NATIONAL RAILROAD RETIREMENT INVESTMENT TRUST	291,058	0	291,058
**D SUTTER HEALTH MASTER RETIREMENT TRUST	580,535	0	580,535
**D ADVOCATE HEALTH CARE NETWORK	28,762	0	28,762
**D CITY OF MILWAUKEE EMPLOYEES RETIREMENT SYSTEM	80,839	0	80,839
**D PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF COLORADO	468,968	0	468,968
**D FIREMEN`S ANNUITY & BENEFIT FUND OF CHICAGO	16,201	0	16,201
**D EMPLOYEES` RETIREMENT FUND OF THE CITY OF FORT WORTH	90,225	0	90,225
**D GENERAL PENSION AND SOCIAL SECURITY AUTHORITY	82,221	0	82,221
**D ILLINOIS MUNICIPAL RETIREMENT FUND	218,947	0	218,947
**D LOS ANGELES CITY EMPLOYEES RETIREMENT SYSTEM	41,051	0	41,051

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RESULTS OF VOTING

Subject: **2018 Incentive System**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D CITY OF LOS ANGELES FIRE AND POLICE PENSION PLAN	65,307	0	65,307
**D LOCKHEED MARTIN CORPORATION MASTER RETIREMENT TRUST	138,897	0	138,897
**D MIDWEST OPERATING ENGINEERS PENSION TRUST FUND	600,000	0	600,000
**D UNITED MINE WORKERS OF AMERICA 1974 PENSION TRUST	68,907	0	68,907
**D POLICEMEN'S ANNUITY AND BENEFIT FUND OF CHICAGO	39,567	0	39,567
**D SALT RIVER PIMA-MARICOPA INDIAN COMMUNITY	21,155	0	21,155
**D UTAH STATE RETIREMENT SYSTEMS	69,008	0	69,008
**D FORD MOTOR COMPANY OF CANADA, LIMITED PENSION TRUST	1,181	0	1,181
**D NATIONAL WESTMINSTER BANK PLC PLC AS TR OF BARING EUR SEL TR	3,198,899	0	3,198,899
**D WHEELS COMMON INVESTMENT FUND	14,359	0	14,359
**D THE TRUSTEES OF ZURICH FINANCIAL SERVICES UK PENSION SCHEME	475,624	0	475,624
**D STICHTING PENSOENFONDS APF	2,873	0	2,873
**D THE TRUSTEES OF CHEVRON UK PENSION PLAN	2,761	0	2,761
**D COLONIAL FIRST STATE INVESTMENT FUND 50	13,187	0	13,187
**D MUNICIPAL EMPLOYEES` ANNUITY AND BENEFIT FUND OF CHICAGO	9,452	0	9,452
**D LEGAL & GENERAL GLOBAL EQUITY INDEX FUND	1,487	0	1,487
**D NAT WEST BK AS TRUSTEE OF LEGAL & GENERAL EUROPEAN INDEX TR	230,275	0	230,275
**D NAT WEST BK PLC AS TRUSTEE OF THE LEGAL & GENERAL INT IND TR	26,634	0	26,634
**D BARING INVESTMENT FUNDS PLC	203,004	0	203,004
**D AMG FUNDS PLC	26,720	0	26,720
**D SSGA GROSS ROLL UP UNIT TRUST	13,909	0	13,909
**D LEGAL & GENERAL ICAV	2,648	0	2,648
**D LEGAL & GENERAL AUTHORISED CONTRACTUAL SCHEME	5,796	0	5,796
**D BLACKROCK AUTHORISED CONTRACTUAL SCHEME I	299,258	0	299,258
**D STATE TEACHERS RETIREMENT SYSTEM OF OHIO	173,208	0	173,208
**D ILLINOIS STATE BOARD OF INVESTMENT	78,822	0	78,822
**D VERDIPAPIRFONDET KLP AKSJEGLOBAL SMALL CAP INDEKS I	32,044	0	32,044
**D UNIVEST	276,604	0	276,604
6970 CLERICI CAMILLA	0	0	0
**D NORDEA 1 SICAV	1,411,219	0	1,411,219
**D MOMENTUM INVESTMENT FUNDS SICAV-SIF	125,735	0	125,735
**D JPMORGAN FUNDS	860,480	0	860,480
**D JPMORGAN INVESTMENT FUNDS	991,793	0	991,793
**D FRANKLIN TEMPLETON INVESTMENT FUNDS	2,792,340	0	2,792,340
**D T, ROWE PRICE FUNDS SICAV	192,210	0	192,210
**D CAPITAL INTERNATIONAL FUND	116,670	0	116,670
**D SCHRODER INTERNATIONAL SELECTION FUND	293,093	0	293,093
**D THE LUCERNE CAPITAL MASTER FUND LP C/O WALKERS CORPORATE LTD	28,406	0	28,406
**D NMM3 EUEQ MFS ACCOUNT	8,004	0	8,004
**D WELLINGTON MANAGEMENT PORTFOLIOS	222,312	0	222,312
**D FIDELITY FUNDS SICAV	795,854	0	795,854
**D ING DIRECT	33,717	0	33,717
**D NATIXIS INTERNT FUNDS LUX I	179,358	0	179,358
**D HUNTINGTON NATIONAL BANK TAXABLE ACC	8,290	0	8,290
**D WELLINGTON TRUST COMP COMM TRUST INT OPP	111,602	0	111,602
**D RAINIER INT SMALL CAP EQUITY COLLECTIVE	183,350	0	183,350

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **2018 Incentive System**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D FIDELITY SALEM STR T FID TOTAL INT IND F	20,446	0	20,446
**D WTC-CTF INTERNATIONAL HORIZONS	23,208	0	23,208
**D DEVELOPED INTERNATION EQUITY SELECT ETF	1,976	0	1,976
**D BBH B FOR TMTBJ RE: MUTB400037270	6,775	0	6,775
**D JAPAN TRUSTEE SERVICES BANK LTD	206,631	0	206,631
**D DEUTSCHE EUROPEAN EQUITY FUND	108,050	0	108,050
**D GLOBAL X SCIENTIFIC BETA EUROPE ETF	1,130	0	1,130
**D PINEBRIDGE DYNAMIC ASSET ALLOCATION FUND	6,235	0	6,235
**D HSBC GROUP HONG KONG LOCAL STAFF RETIREMENT BENEFIT SCHEME	3,732	0	3,732
**D ANIMA SGR SPA	2,666,601	0	2,666,601
**D ANIMA SGR SPA ANIMA CRESCITA ITALIA	699,858	0	699,858
**D DEKA MASTER HAEK I	67,605	0	67,605
**D ALLIANZGI FONDS APNIESA	8,497	0	8,497
**D ALLIANZGI FONDS BAT LS	82,500	0	82,500
**D ALLIANZGI FONDS AFE	57,604	0	57,604
**D ALLIANZGI FONDS PTV2	47,620	0	47,620
**D ALLIANZGI FONDS PF1	8,813	0	8,813
**D ALLIANZGI FONDS PF2	45,698	0	45,698
**D ALLIANZ GI FONDS QUONIAM SMC	112,661	0	112,661
**D AXA ASSICURAZIONI SPA	11,000	0	11,000
**D PARVEST	4,707,241	0	4,707,241
**D JANUS HENDERSON HORIZON FUND	947,335	0	947,335
**D JANUS HENDERSON FUND	197,410	0	197,410
**D BNP PARIBAS L1	349,829	0	349,829
**D BNP PARIBAS A FUND	72,069	0	72,069
**D BNP PARIBAS B PENSION GROWTH	167,945	0	167,945
**D BNP PARIBAS B PENSION STABILITY	81,283	0	81,283
**D METROPOLITAN RENTASTRO	313,328	0	313,328
**D BNP PARIBAS B PENSION BALANCED	1,088,502	0	1,088,502
**D JANUS HEND INSTIT EUROP INDEX OPP FUND	42,487	0	42,487
**D JANUS HENDERS EUROPEAN SMALLER COMP FD	430,018	0	430,018
**D RESPONSIBLE INVESTMENT LEADERS INT SHARE	37,745	0	37,745
**D SENTOSA DEVELOPMENT CORPORATION	10,402	0	10,402
**D BNP PARIBAS MIDCAP EUROPE	1,397,460	0	1,397,460
**D TOTAL GESTION FLEX PATRI	46,511	0	46,511
**D FCP BNPP ACTIONS ENTREPRENEURS	752,692	0	752,692
**D BNP PARIBAS ACTIONS PME	696,084	0	696,084
**D FCP SCANDIUM	97,262	0	97,262
**D FCP CARDIF BNPP IP SMID CAP EURO	1,127,139	0	1,127,139
**D FCP LBPAM ACTIONS EUROPE LARGE CAP	47,785	0	47,785
**D FCP CNP ASSUR SMID CAP EUROPE	212,396	0	212,396
**D BNP PARIBAS SMALL CAP EUROLAND	4,097,208	0	4,097,208
**D FCP BNP PARIBAS ACTIONS EUROLAND	46,482	0	46,482
**D COMPT EUROPE	95,000	0	95,000
**D AXIVA ACTION 1	25,749	0	25,749
**D ACTIONS SELECTIONNEES	5,480	0	5,480

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Subject: **2018 Incentive System****IN FAVOUR**

Surname	Tot. Votes	On own behalf	Proxy
**D AXA VALEURS EURO	1,400,000	0	1,400,000
**D FCPE TOTAL ACTIONS EUROPEENNES	750,000	0	750,000
**D FCP BNP PARIBAS MIDCAP FRANCE	1,087,878	0	1,087,878
**D FCP AVIVA INVESTORS SMALL & MID CAPS EUR	222,914	0	222,914
**D AXA OPTIMAL INCOME	2,068,464	0	2,068,464
**D SAKKARAH 7	8,716	0	8,716
**D STICHT BEDRIJ MEDIA PNO	213,800	0	213,800
**D AFER ACTION PME	778,661	0	778,661
**D SAINT MARTIN 4	877,000	0	877,000
**D IPA CORPORATE ACTIONS AND INCOME	48,331	0	48,331
**D FONDS RESERVE RETRAITES	1,126,854	0	1,126,854
**D RAVGDT DIVERSIFIE II LBPAM	41,870	0	41,870
**D CPR AM	113,850	0	113,850
**D ROBECO CAPITAL GROWTH FUNDS	450,000	0	450,000
**D CORONATION GLOBAL OPPORTUNITIES FUND	423,707	0	423,707
**D SHELL TRUST (BERMUDA) LIMITED AS TRUSTEE	7,183	0	7,183
**D SHELL TRUST (BERMUDA) LTD AS TRUSTEE OF THE SHELL OVERSEAS C,P, FUND	34,987	0	34,987
**D DEKA INVESTMENT GMBH RE ARIDEKA	900,000	0	900,000
**D DEKA INVEST, RE DEKA-DIVIDENDENDISCOUNT	3,900	0	3,900
**D DEKA INVEST DIVIDENDENSTRATEGIE	838,900	0	838,900
**D DEKA BASISSTRATEGIE FLEXIBEL	18,500	0	18,500
**D DEKA INVESTMENT GMBH RE DEKA-DIVIDEND VA	68,000	0	68,000
**D DEKA INVESTMENT GMBH RE DEKA-MULTIASSET INCOME	100,000	0	100,000
**D THE MASTER TRUST BANK OF JAPAN LTD AS TRUSTEE FOR MTBJ400045842	1,720,886	0	1,720,886
**D TEACHERS` RETIREMENT SYSTEM OF THE CITY OF NEW YORK	47,864	0	47,864
**D UBS GLOBAL ASSET MANAGEMENT LIFE LTD	151,024	0	151,024
**D MERIFIN CAPITAL B,V,	39,575	0	39,575
**D WESTPAC WHOLESALE UNHEDGED INTERNATIONAL	43,815	0	43,815
**D ENTERGY CORP,RETIREMENT PLANS MASTER TR,	150,830	0	150,830
**D JEFFREY LLC	58,552	0	58,552
**D CHINA LIFE INSURANCE COMPANY LIMITED	36,007	0	36,007
**D FONDO CONSOLIDADO DE RESERVAS PREVISIONA	65,942	0	65,942
**D JPMORGAN CHASE BANK	2,000	0	2,000
**D UBS (US) GROUP TRUST	7,469	0	7,469
**D BT WHOLESALE MULTI MANAG INTL SHARE FUND	24,626	0	24,626
**D WSSP INTERNATIONAL EQUITIES TRUST	68,156	0	68,156
**D EUROPACIFIC GROWTH FUND	5,235,000	0	5,235,000
**D T, ROWE PRICE INTERNATIONAL SMALL CAP	497,948	0	497,948
**D THE BOEING COMPANY EMPLOYEE RETIREMENT PLANS MASTER TRUST	83,856	0	83,856
**D BLACKROCK FISSION INDEXED INTL EQUITY FD	12,748	0	12,748
**D ISHARES ALLCOUNTRY EQUITY INDEX FUND	1,214	0	1,214
**D INTERNATIONAL GROWTH AND INCOME FUND	6,475,000	0	6,475,000
**D ALTRIA CLIENT SERVICES MASTER RETIREM,T,	81,690	0	81,690
**D SUPER FUNDS MANAG CORP SOUTH AUSTRALIA	60,952	0	60,952
**D STICHTING PENSIOENFONDS VOOR DE WONINGCO	58,078	0	58,078
**D UBS ASSET MANAGEMENT LIFE LTD	283	0	283

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Shareholders:	845	People:	15	DE* proxy to the natural person above mentioned with the badge number
Shareholders on own behalf:	12	Shareholders by proxy:	833	**D proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations)
				RL* legal representation to the natural person above mentioned with the badge number

Ordinary Shareholders' Meeting of April 11, 2018

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Subject: **2018 Incentive System**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D MINISTRY OF STRATEGY AND FINANCE	40,968	0	40,968
**D T, ROWE PRICE INTERNATIONAL DISCOVERY FU	4,575,580	0	4,575,580
**D NVIT MULTI MANAGER INTERNATIONAL GROWTH	59,600	0	59,600
**D FLEXSHARES MORNINGSTAR DEVELOPED MARKETS	4,895	0	4,895
**D MFS INTERNATIONAL NEW DISCOVERY FUND	2,267,886	0	2,267,886
**D T ROWE PRICE INTERNATIONAL EQUITY INDEX	14,257	0	14,257
**D T ROWE PRICE GLOBAL ALLOCATION FUND INC	8,817	0	8,817
**D GOLDMAN SACHS TRUST-G,S,INTL,TAX MANAGED	32,601	0	32,601
**D PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OHIO	122,288	0	122,288
**D JPMORGAN LIFE LIMITED	81,039	0	81,039
**D JPM EUROPE DYNAMIC (EX UK) FUND	593,932	0	593,932
**D SANLAM LIFE AND PENSIONS UK LIMITED	49,930	0	49,930
**D AVIVA LIFE & PENSIONS UK LIMITED	135,750	0	135,750
**D STICHTING SHELL PENSIOENFONDS	117,749	0	117,749
**D SHELL PENSIONS TRUST LIMITED AS TRUSTEE OF SHELL CONTRIBUTORY PENSION FUND	75,058	0	75,058
**D STICHTING PENSIOENFONDS MEDISCH SPECIALI	283,660	0	283,660
**D STATE OF CALIFORNIA MASTER TRUST	158,670	0	158,670
**D NATIONAL PROVIDENT FUND AS TRUSTEE OF TH	16,166	0	16,166
**D DEKA INVEST RE DEKA-ZMV-FONDS	20,000	0	20,000
**D DEKA INVESTMENT GMBH RE PRODEKA	65,200	0	65,200
**D DEKA A-DOR-FONDS	6,503	0	6,503
**D DEKA INVESTMENT GMBH RE LANDSBERG-FONDS	5,900	0	5,900
**D DEKA INVESTMENT GMBH RE DEKA VALUE PLUS	10,813	0	10,813
**D ALLIANZGI-FONDS DSPT	11,872	0	11,872
**D BUMA-UNIVERSAL-FONDS-II	602,592	0	602,592
**D BUMA-UNIVERSAL-FONDS I	13,990	0	13,990
**D MI-FONDS 392	462,000	0	462,000
**D JPMORGAN EUROPEAN INVESTMENT TRUST PLC	98,990	0	98,990
**D KAPITALFORENINGEN ISTITUTIONEL INVESTOR EUROPAELSKE AKTIER	1,011,641	0	1,011,641
**D NEW MEXICO STATE INVESTMENT COUNCIL	80,036	0	80,036
**D DEKA INTERNATIONAL S,A, RE DEKA-EUROSTOC	546,850	0	546,850
**D STICHTING PENSIOENFONDS VOOR HUISARTSEN	36,912	0	36,912
**D BUREAU OF LABOR FUNDS - LABOR RETIREMENT FUND	6,015	0	6,015
**D BUREAU OF LABOR FUNDS-LABOR INSURANCE FUND	217,051	0	217,051
**D BUREAU OF LABOR FUNDS- LABOR PENSION FUND	19,873	0	19,873
**D NORDEA PRO EUROPEAN FUND	377,784	0	377,784
**D NORDEA EUROPE FUND	1,612,784	0	1,612,784
**D INVESTERINGSFORENINGEN NORDEA INV AKTIER	586,767	0	586,767
**D ARTEMIS EUROPEAN OPPORTUNITIES FUND	844,653	0	844,653
**D BLACKROCK MULTI-ASSET INC,PORTF,OF BLACK	754,307	0	754,307
**D BLACKROCK INSTITUTIONAL TRUST COMPANY N,A, INVESTMENT FUNDS FOR EMPLOYEE BENEFIT TRUSTS	354,859	0	354,859
**D JP MORGAN CHASE RETIREMENT PLAN	119,470	0	119,470
**D PENSION TRUST FUND FOR OPERATING ENGINEE	400,000	0	400,000
**D LONDON LIFE INSURANCE COMPANY	69,200	0	69,200
**D CANADA POST CORPORATION REGISTERED PENSI	106,197	0	106,197
**D THE NOVA SCOTIA HEALTH EMPLOYEES PENS PL	83,637	0	83,637

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **2018 Incentive System**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D THE BOMBARDIER TRUST (UK)	61,392	0	61,392
**D FTSE ALL WORLD INDEX FUND	20,987	0	20,987
**D FLF STRATEGIC GLOBAL EQUITY FUND	119,463	0	119,463
**D REASSURE LIMITED	123,245	0	123,245
**D FLF GLOBAL EQUITY FUND	60,413	0	60,413
**D CITADEL ADVISORS LLC	86,066	0	86,066
**D FRIENDS LIFE AND PENSIONS LIMITED	51,154	0	51,154
**D FRIENDS LIFE FUNDS LIMITED	59,324	0	59,324
**D HSBC EUROPEAN INDEX FUND	97,246	0	97,246
**D AXA FRAMLINGTON FINANCIAL FUND	101,283	0	101,283
**D FRIENDS LIFE AND PENSIONS LIMITED	3,317	0	3,317
**D TR EUROPEN GROWTH TRUST PLC	691,650	0	691,650
**D ARC I - FONDS SEGMENT 1 -AKTIEN EUROPA	26,458	0	26,458
**D SONDERVERMOGEN INKA OPRA FONDS	16,181	0	16,181
**D INTERNATIONALE KAPITALANLAGEGESELLSCHAFT MBH	48,500	0	48,500
**D VANGUARD EUROPEAN STOCK INDEX FUND	945,197	0	945,197
**D VANGUARD DEVELOPED MARKETS INDEX FUND	2,155,375	0	2,155,375
**D VANGUARD TOTAL WORLD STOCK INDEX FUND	113,470	0	113,470
**D VANGUARD FTSE ALL-WORLD EX US INDEX FUND	663,474	0	663,474
**D PIONEER FLEXIBLE OPPORTUNITIES FUND	480,295	0	480,295
**D VANGUARD FUNDS PLC	187,648	0	187,648
**D VANGUARD INVESTMENT SERIES PLC	39,953	0	39,953
**D VANGUARD INVESTMENT SERIES PLC	7,356	0	7,356
**D VANGUARD INVESTMENT SERIES PLC	93,449	0	93,449
**D KVV AKTIEN FONDS 1	1,844	0	1,844
**D FCP VILLIERS ACTIONS EDRAM	720,800	0	720,800
**D FIDUCIARY TRUST COMPANY INTERNATIONAL AS	67,000	0	67,000
**D MANAGEMENT BOARD PUBLIC SERVICE PENSION	3,513	0	3,513
**D SCHRODER PENSION MANAGEMENT LTD	66,373	0	66,373
**D VANGUARD INTERNATIONAL SMALL COMPANIES INDEX FUND	32,076	0	32,076
**D ONEPATH GLOBAL SHARES - SMALL CAP UNHEDGED) INDEXPOOL	26,862	0	26,862
**D VANGUARD TOTAL INTERNATIONAL STOCK INDEX	5,243,100	0	5,243,100
**D VANGUARD INTERNATIONAL EXPLORER FUND	815,900	0	815,900
**D HSBC AVB	8,841	0	8,841
**D SUZUKA INKA	131,022	0	131,022
**D SCHRODER ADVANCED BETA GLOBAL EQUITY SMA	65,536	0	65,536
**D SCHRODER GLOBAL MULTI-FACTOR EQUITY FUND	132,300	0	132,300
**D LOMBARD ODIER FUNDS (SWITZERLAND) SA	25,266	0	25,266
**D REALDANIA	192,400	0	192,400
**D MERRILL LYNCH INTERNATIONAL	322,064	0	322,064
**D SCHUBEL FAM TR-MANNING AND NAPIER A DV	990	0	990
**D POND 2007 FAMILY TRUST MANNING SUB	1,320	0	1,320
**D HUNTER FAMILY FDN MANNING	1,865	0	1,865
**D MANNING AND NAPIER ADVISOR INC	110,730	0	110,730
**D IRON WORKERS LOCALS 40361 AND 417 ANNUITY FUND	18,440	0	18,440
**D BURTON X ROSENBERG INSUR TR MAN SUB	1,375	0	1,375

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **2018 Incentive System**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D THE MALUTH FAMILY TRUST MANNING SUB	1,360	0	1,360
**D C E COMPALL REV TR 10-23-09 MAN D N	990	0	990
**D GRAHAM C BROCK MANNING INTL	770	0	770
**D MANNING AND NAPIER FUND INC PRO BLEND MODERATE TERM SERIES	28,940	0	28,940
**D THE BAKERY AND CONFECTIONERY UNION AND INDUSTRY INTERNATIONAL PENSION FUND	120,215	0	120,215
**D IRON WORKERS LOCALS 40 361 AND 41 7 PENSION FUND	13,505	0	13,505
**D ALMEIDA FAMILY LEGACY TR MANNING	855	0	855
**D THE HORWARD TRUST MANNING AND NAPIER	580	0	580
**D CJB CRUT II 11-27-06 MANNING	795	0	795
**D MANNING AND NAPIER FUND INC,OVE RS EAS SERIES	339,195	0	339,195
**D TANGLIN CLAYMORE LLC MANNING	1,590	0	1,590
**D CJB FAMILY TR 06-15-00 MANNING	1,825	0	1,825
**D IRON WORKERS LOCAL 11 PENSION FUND	14,780	0	14,780
**D QUIGG VENTURES LLC MANNING AND NAPIER	2,005	0	2,005
**D FLIGHT ATTENDANT MEDICAL RESEARCH INSTITUTE	6,850	0	6,850
**D JURGENSEN INVSTMNTS LLC MANNING SUB	835	0	835
**D MANNING AND NAPIER ADVISORS INC	265,770	0	265,770
**D MICHIGAN CATHOLIC CONFERENCE MASTER PENSION TRUST	41,760	0	41,760
**D OPUS FINANCIAL LLC-MANNING AND NAPIER	5,160	0	5,160
**D GRUSECKI NEXGEN LLC-MANNING AND NAPIER	1,605	0	1,605
**D R C DELL TRUST-MANNING AND NAPIER R A DV	810	0	810
**D FLEISCHHACKER 09 TR MANNING AND NAPIER	795	0	795
**D ANTHONY K, KESMAN TRUSTEE	945	0	945
**D BRIDGE BUILDER INTERNATIONAL EQUITY FUND	581,660	0	581,660
**D FLK (TE) LLC MANNING AND NAPIER	2,590	0	2,590
**D CHURCH OF THE HOLYCONFORTER-SUB	565	0	565
**D PNC BANK NA	17,025	0	17,025
**D GST EX MRTL TR C-U CONSTANCE-MA ND N	1,290	0	1,290
**D RELIABLE PARTNERS MANNING INTL	845	0	845
**D FIRST STATE TRUST COMPANY FOR MULTIPLE BENEFICIARIES	685	0	685
**D GOLDER FAMILY FOUNDATION-MANDN	1,115	0	1,115
**D ROOSEVELT UNIVERSITY	15,295	0	15,295
**D IRA FBO JAMES KING BNY MELLON	575	0	575
**D MELISSA S, WIDEN-MANNING ANDAP IER	890	0	890
**D J HANSEN REV TR 4-29-81 MANNING	2,495	0	2,495
**D ROBERT A ROSHOLT IRAR-OMANNING - SU B	890	0	890
**D JAMES J, BAKKE 1987 TRUST MANN ING 6001 N	3,190	0	3,190
**D LARRY D CONTOS REV TR MANNING SUB 755	870	0	870
**D JOHN M, MC DONOUGH IRAR-MAN AND NAP	865	0	865
**D DORIS K, CHRISTOPHER 1996 TR-MA ND	20,970	0	20,970
**D OLIVE MC CARTHY 2009 TRUST-MANNING	1,255	0	1,255
**D CATHERINE SLARK TR-MANNING ANDN API	1,840	0	1,840
**D GEOFFREY C FENNER MANNING INTL1	580	0	580
**D ELIZABETH E, RIORDAN 1997 TRMANNING	1,405	0	1,405
**D STANLEY H MEADOWS 90 TR-MANNING NAP	5,855	0	5,855
**D J MCCARTNEY12-30-97 MANNING-NAP IER	1,610	0	1,610

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **2018 Incentive System**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D DEBRA K MAYER-MANNING ANDNAPIER - SU B	650	0	650
**D CAROL GOLDER REVTR MANNING AND NAP	950	0	950
**D R MORRIS ILLINOIS QTIP MARTR M AND N	735	0	735
**D LOMBARDI JTWROS MANNING AND NAPIER	1,370	0	1,370
**D JAMES E WICKS TRMANNING NAPIER	920	0	920
**D CHRISTOPHER ENOCK LVG TRMANNING	980	0	980
**D MARY KATHERINE LAUDERBACK	775	0	775
**D BARBARA S, BLUHM REV TR-MANNING INTL	1,135	0	1,135
**D JOSEPH L, BOZICH 2005TR-MANNING	885	0	885
**D THOMAS C GAPUTIS REV TR-MANNING	995	0	995
**D J G FENCIK TR-MANNING AND NAPIER	2,065	0	2,065
**D BRUCE BARRON REVOCABLE TRUST	1,635	0	1,635
**D L, S, BUONANNO-MANNING AND NAPIER	1,550	0	1,550
**D BUNRATTY HOLDINGS LLC-MANNING INTL	1,280	0	1,280
**D MANNING AND NAPIER FUND INC -PR O BLEND-MAXIMUM TERM SERIES	291,450	0	291,450
**D MORRIS 1992 GIFT TR FORELLEN-M AND N	2,495	0	2,495
**D FANCELLI FDN INC, (SPECIAL)-MANNING	2,165	0	2,165
**D MIAMI DADE COMMUNITY COLLEGE FOUNDATION 300 NE	6,110	0	6,110
**D REGIONAL TRANSPORTATIONDISCTRIC T	10,555	0	10,555
**D HAGEN FAMILY TR U-ADTD7-7-1989 MA AND N	1,500	0	1,500
**D MANNING AND NAPIER FUNDINC, -BLE ND ED ASSET MODERATE SEREIS	3,810	0	3,810
**D JEFFREY S, ARONIN REV TRUST	7,180	0	7,180
**D MELVYN FISHER IRREV TR US BANK TRUSTEE	995	0	995
**D MANNING AND NAPIER FUND INC INT	541,920	0	541,920
**D MANNING AND NAPIER FUND INC	46,880	0	46,880
**D KIRBY ROSPLOCK DECLOFTR MANNING	835	0	835
**D FEINBERG FAMILY LTD PART2-MANNING	615	0	615
**D EVERGREEN PARTNERS GENPRT-MAND	895	0	895
**D CJB CRUT 5-1-01-MANNING	1,855	0	1,855
**D GOLDER 2007 FAM TR-MANNING AND NAPIER	1,620	0	1,620
**D JESSICA S SUPERA MANNING INTL	590	0	590
**D THOMAS R SMITH REVRE-MANN AND NAPIER	700	0	700
**D JAY W CHRISTOPHER 1996TR-MANNING ING	14,670	0	14,670
**D R, AND L, BRADLEY JT REVTR-MANNING	1,110	0	1,110
**D LEONARD X ROSEMBERG 2007TR-MANNING	775	0	775
**D A,BERGDOLL REV TR-MANNING ANDN API ER	1,415	0	1,415
**D WILLIAM G JUEGENSEN REV TRMANNING	2,755	0	2,755
**D TERRENCE P, DIAMOND-MANNINGINTL 8706	655	0	655
**D L BUONANNO TR T SMITH SR-MANDN	2,375	0	2,375
**D WILLIAM FOOTE 95 TR-MANNING AND NAPIER	1,070	0	1,070
**D DEBORAH A, SCHMIDT REVTR-MANNING	960	0	960
**D CAIRD ARNOLD HARBECK REVTR-MANNING	985	0	985
**D ROBERT KLEINERT JR DECLTR- MANNING	690	0	690
**D JULES M, LASER MANNING AND NAPERIR	760	0	760
**D G MCLACHLAN DECLTR-MANNING-NAPIER	1,830	0	1,830
**D ELIZABETH DRUCKER-MANNING AND NAPIER	510	0	510

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **2018 Incentive System****IN FAVOUR**

Surname	Tot. Votes	On own behalf	Proxy
**D BGF EURO MKTS FD EURO EQUITY PF	10,669,505	0	10,669,505
**D GLOBAL DIVERSIFIED SUB TRUST	5,116	0	5,116
**D ELEVA UCITS FD EUROLAND SELECT	128,300	0	128,300
**D METZLER INT INV PUBLIC LTD	866,000	0	866,000
**D UBS EUR SMALL CAP EQUITY FD MY	84,125	0	84,125
**D THE NORTHWESTERN MUTUAL LIFE I	400,000	0	400,000
**D ARRCO LONG TERME B	212,530	0	212,530
**D ARRCO QUANT 1	129,208	0	129,208
**D CIPAV ALOIS	173,484	0	173,484
**D SOGECAP ACTIONS SMALL CAP	813,805	0	813,805
**D COLISEE IFC 1	530,000	0	530,000
**D SG ACTIONS EUROPE MID CAP	174,380	0	174,380
**D MUF-LYXOR EURO STOXX BANKS	825,693	0	825,693
**D ALLIANZ ACTIONS EURO PME-ETI	140,200	0	140,200
**D LYXOR EURO STOXX 300	31,765	0	31,765
**D LYXOR INDEX FD-LYXOR STOXX EUR	56,768	0	56,768
**D MUL-LYXOR ITALIA EQUITY PIR	25,973	0	25,973
**D AMUNDI FUNDS II-PIIONEER FLEX O	91,490	0	91,490
**D AMUNDI SGR SPA AZIONARIO EUROPA	196,518	0	196,518
**D AMUNDI SF EURO EQ MARKET PLUS	7,244	0	7,244
**D AMUNDI FUNDS II-GLOB MULTI ASS	39,463	0	39,463
**D AMUNDI FUNDS II-EURO POTENTIAL	2,806,988	0	2,806,988
**D AMUNDI FUNDS II-EURO RESEARCH	294,285	0	294,285
**D AMUNDI FUNDS II-EUROP EQ OPTIM	82,021	0	82,021
**D PIONEER INV TOT RETURN	28,211	0	28,211
**D AMUNDI SOLUZ IT-PR CED 12 2019	38,160	0	38,160
**D AMUNDI SOL IT-PR CED 22 2020	47,716	0	47,716
**D AMUNDI SOL IT-PR CED 03 2020	45,423	0	45,423
**D AMUNDI SOL IT-PR CED 05 2020	80,229	0	80,229
**D AMUNDI SOL IT-PR CED 06 2020	54,059	0	54,059
**D AMUNDI SOL IT-PR CED 08 2020	63,584	0	63,584
**D AMUNDI SOL IT-PR CED 09 2020	52,520	0	52,520
**D AMUNDI SOL IT-PR CED 12 2020	22,990	0	22,990
**D AMUNDI SOL IT-PR CED 11 2020	39,870	0	39,870
**D AMUNDI SOL IT-PR CED 02 2021	20,160	0	20,160
**D AMUNDI SD-EQ PLAN 60	14,077	0	14,077
**D EURIZON CAPITAL SGR-GLOBAL MULTIASSET SELECTION 09/22	17,700	0	17,700
**D EURIZON CAPITAL SGR - EURIZON PROGETTO ITALIA 70	110,849	0	110,849
**D EURIZON CAPITAL SGR - EURIZON AZIONI ITALIA	282,955	0	282,955
**D EURIZON CAPITAL SGR - EURIZON PIR ITALIA AZIONI	11,498	0	11,498
**D EURIZON CAPITAL SGR - EURIZON PROGETTO ITALIA 40	124,092	0	124,092
**D EPSILON SGR - EPSILON FLESSIBILE AZIONI EURO APRILE 2021	1,240	0	1,240
**D EPSILON SGR - EPSILON FLESSIBILE AZIONI EURO FEBBRAIO 2021	3,013	0	3,013
**D EPSILON SGR - EPSILON FLESSIBILE AZIONI EURO GIUGNO 2021	882	0	882
**D EPSILON SGR - EPSILON FLESSIBILE AZIONI EURO NOVEMBRE 2020	10,351	0	10,351
**D EPSILON SGR - EPSILON FLESSIBILE AZIONI EURO SETTEMBRE 2020	13,945	0	13,945

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Shareholders: 845 People: 15 DE* proxy to the natural person above mentioned with the badge number
 Shareholders on own behalf: 12 Shareholders by proxy: 833 **D proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations")
 RL* legal representation to the natural person above mentioned with the badge number

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **2018 Incentive System**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D EPSILON SGR - EPSILON MULTIASET 3 ANNI DICEMBRE 2019	13,355	0	13,355
**D EPSILON SGR - EPSILON MULTIASET 3 ANNI LUGLIO 2020	3,959	0	3,959
**D EPSILON SGR - EPSILON MULTIASET 3 ANNI MAGGIO 2020	8,055	0	8,055
**D EPSILON SGR - EPSILON MULTIASET 3 ANNI MARZO 2020	6,326	0	6,326
**D PRIVILEGE	35,454	0	35,454
**D ASSURDIX	49,978	0	49,978
**D CPR EUROLAND	395,972	0	395,972
**D CPR SILVER AGE	4,427,663	0	4,427,663
**D FCP CPR EUROLAND PREMIUM	89,275	0	89,275
**D AMUNDI ETF FTSE ITALIA PIR UCITS ETF DR	29,428	0	29,428
**D FCP NATIXIS ACTIONS SMALL MID CAP EURO	348,000	0	348,000
**D NATIXIS ACTIONS EUROPE SECTEURS	100,573	0	100,573
**D FCP GROUPAMA AVENIR EURO	4,739,300	0	4,739,300
**D FCP GROUPAMA EURO STOCK	100,000	0	100,000
**D FCP GROUPAMA EUROPE STOCK	2,400	0	2,400
**D OPCVM SEEYOND EQUITY FACTOR INVESTING EURO	20,993	0	20,993
**D FCP BEST BUSINESS MODELS	1,310,000	0	1,310,000
**D MULTISMART ACTIONS EURO	704	0	704
**D CROISSANCE PME M	495,933	0	495,933
**D BNY MELLON EMPLOYEE BENEFIT COLLECTIVE INVESTMENT FUND PLAN	15,536	0	15,536
**D THE ROYAL INST FOR THE ADVANCEMENT OF LEARNING MCGILL UNIVERSITY	25,056	0	25,056
**D FRONTIERS INTERNATIONAL EQUITY POOL	7,291	0	7,291
**D THE GREAT-WEST LIFE ASSURANCE COMPANY	41,850	0	41,850
**D BMO GLOBAL BANKS HEDGED TO CADINDEX ETF 100	833	0	833
**D MCGILL UNIVERSITY PENSION FUND	12,957	0	12,957
**D THE GLENORE CANADIAN PENSION FUNDS TRUST-FOREIGN EQUITY FUND	20,379	0	20,379
**D ONTARIO PENSION BOARD ,	330,050	0	330,050
**D EPOCH GLOBAL EQUITY FUND	292,095	0	292,095
**D IMPERIAL INTERNATIONAL EQUITY POOL	350,727	0	350,727
**D IMPERIAL OVERSEAS EQUITY POOL	17,476	0	17,476
**D CIBC INTERNATIONAL SMALL COMPANIES FUND	26,021	0	26,021
**D ALLEGHENY COLLEGE	9,400	0	9,400
**D ERIE COUMMINTY FOUNDATION	10,600	0	10,600
**D CF DV ACWI EX-U,S, IMI FUND	1,477	0	1,477
**D TIMESQUARE FOCUS FUND LP	3,500	0	3,500
**D LOF EUROZONE SMALL AND MID CAPS98453 51	1,400,000	0	1,400,000
**D FCP EDMOND DE ROTHSCHILD EURO LEADERS	1,241,700	0	1,241,700
**D FCP EDMOND DE ROTHSCHILD EURO SRI	198,180	0	198,180
**D FCP EDMOND DE ROTHSCHILD EUROPEMIDCAPS	912,000	0	912,000
**D EDMOND DE ROTHSCHILD EUROPE MIDCAP	131,760	0	131,760
**D AA FORTIS ACTIONS PETIT CAP EUROPE	348,520	0	348,520
**D FCP RSI EURO P	71,651	0	71,651
**D FCP LCF PHARMA INTERNATIONAL	151,080	0	151,080
**D FCP GROUPAMA PHARMA DIVERSIFIE	69,000	0	69,000
**D UNIVERS CNP 1	122,145	0	122,145
**D FCP NATIXIS IONIS	45,498	0	45,498

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **2018 Incentive System****IN FAVOUR**

Surname	Tot. Votes	On own behalf	Proxy
**D CNP ASSUR SMALL CAP	379,980	0	379,980
**D EGEPARGNE 2	69,584	0	69,584
**D I,2,C, ACTIONS	517,000	0	517,000
**D FCP CONTI GESTION	43,834	0	43,834
**D EDMOND DE ROTHSCHILD ASSET MANAGEM,	314,330	0	314,330
**D FCP ECUREUIL RETRAITE EURO ACTIONS 4	320,000	0	320,000
**D FCP LBPAM ACTIONS FINANCE	27,349	0	27,349
**D FCP TUTELAIRE ACTIONS	18,800	0	18,800
**D SICAV LBPAM ACTIONS EURO	340,000	0	340,000
**D NATIXIS ASSET MANAGEMENT FUNDS	15,142	0	15,142
**D G FUND	1,102,223	0	1,102,223
**D AMUNDI FUNDS SICAV	2,610,085	0	2,610,085
**D EDMOND DE ROTHSCHILD (EUROPE)	3,016,936	0	3,016,936
7103 MONDO GIUSEPPE	100	100	0
7250 MARTIRIGGIANO ANTONIO	3,361	3,361	0
7290 ZACCARDI ANTONELLA	1	1	0
7350 PRANDINI GIULIANO	5,000	5,000	0
7435 ROSSI MARCO	63,975	63,975	0
7559 CAGLIA MARIA	0	0	0
DE* UNICREDIT S,P,A,	215,066,403	0	215,066,403

Total votes 493,625,762
Percentage of voters% 98.675152
Percentage of share capital % 81.160704

Ordinary Shareholders' Meeting of April 11, 2018RESULTS OF VOTINGSubject : **Long-Term Bonus Plan****Attendees:**n° **872** shareholders entitled to vote took part in the voting on own behalf or by proxyn° **500,253,359** ordinary shares**The counting of votes produced the following results:**

		%OF ORINARY SHARE CAPITAL PRESENT (Voting Quorum)	%OF ORDINARY SHARE ENTITLED TO VOTE	%SHARE CAPITAL
Favour	491,452,552	98.240730	98.240730	80.803390
Against	4,544,163	0.908372	0.908372	0.747140
SubTotal	495,996,715	99.149102	99.149102	81.550530
Abstention	520,012	0.103950	0.103950	0.085499
Not Voting	3,736,632	0.746948	0.746948	0.614368
SubTotale	4,256,644	0.850898	0.850898	0.699867
Total	500,253,359	100.000000	100.000000	82.250397

Shareholders:
Shareholders on own
behalf:872 People:
15 Shareholders by proxy:18
857

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject : **Long-Term Bonus Plan**

AGAINST

Surname	Tot. Votes	On own behalf	Proxy
6957 ESPOSITO MARCO	0	0	0
**D AST RCM WORLD TRENDS PORT PDBF	205,800	0	205,800
**D ALLIANZ GLOBAL INVESTORS GMBH FOR ALLIANZGI-FONDS GHS	154,000	0	154,000
**D ALLIANZGI INTERNATIONAL SMALL-CAP FUND	308,542	0	308,542
**D ALLIANZGI GLOBAL SMALL-CAP FUND	145,266	0	145,266
**D BIMCOR GLOBAL SMALL CAP POOLED FUND	43,678	0	43,678
**D ALLIANZ GLOBAL INVESTORS GMBH FOR ALLIANZGI-FONDS HPT	346,439	0	346,439
**D ALLIANZ GLOBAL INVESTORS FUND	1,883,899	0	1,883,899
**D MERSEYSIDE PENSION FUND	209,168	0	209,168
6970 CLERICI CAMILLA	0	0	0
**D ALLIANZGI FONDS APNIESA	8,497	0	8,497
**D ALLIANZGI FONDS BAT LS	82,500	0	82,500
**D ALLIANZGI FONDS AFE	57,604	0	57,604
**D ALLIANZGI FONDS PTV2	47,620	0	47,620
**D ALLIANZGI FONDS PF1	8,813	0	8,813
**D ALLIANZGI FONDS PF2	45,698	0	45,698
**D ALLIANZ GI FONDS QUONIAM SMC	112,661	0	112,661
**D ALLIANZGI-FONDS DSPT	11,872	0	11,872
**D THE NOVA SCOTIA HEALTH EMPLOYEES PENS PL	83,637	0	83,637
**D WEST MIDLANDS METROPOLITAN AUT PENS FD	97,000	0	97,000
**D TRUSTEAM ROC EUROPE C O TRUSTEAM FINANCE	331,269	0	331,269
**D FCP CM-CIC SILVER ECONOMIE	220,000	0	220,000
**D ALLIANZ ACTIONS EURO PME-ETI	140,200	0	140,200

Total votes 4,544,163
Percentage of voters% 0.908372
Percentage of share capital % 0.747140

Shareholders: 21 People: 2 DE* proxy to the natural person above mentioned with the badge number
 Shareholders on own behalf: 0 Shareholders by proxy: 21 **D proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations)
 RL* legal representation to the natural person above mentioned with the badge number

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **Long-Term Bonus Plan**

ABSTENTIONS

Surname	Tot. Votes	On own behalf	Proxy
6041 BONETTI EMANUELE	10	10	0
6122 FOGLI MAURIZIO	1	1	0
6304 CROCE MARIO	1	1	0
6970 CLERICI CAMILLA	0	0	0
**D ARCA FONDI SGR - FONDO ARCA AZIONI ITALIA	100,000	0	100,000
**D CHALLENGE FUNDS CHALLENGE ITALIAN EQUITY	420,000	0	420,000
Total votes	520,012		
Percentage of voters%	0.103950		
Percentage of share capital %	0.085499		

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **Long-Term Bonus Plan****NON VOTING**

Surname	Tot. Votes	On own behalf	Proxy
6970 CLERICI CAMILLA	0	0	0
**D GENERALI SMART FUNDS SICAV	70,632	0	70,632
**D GENERALI INVESTMENTS SICAV	1,500,000	0	1,500,000
**D INTERFUND SICAV INTERFUND EQUITY ITALY	64,000	0	64,000
**D FIDEURAM ASSET MANAGEMENT (IRELAND) FONDITALIA EQUITY ITALY	428,000	0	428,000
**D FIDEURAM ASSET MANAGEMENT (IRELAND) FIDEURAM FUND EQUITY ITALY	5,000	0	5,000
**D FIDEURAM INVESTIMENTI SGR - FIDEURAM ITALIA	9,000	0	9,000
**D FIDEURAM INVESTIMENTI SGR - PIANO AZIONI ITALIA	150,000	0	150,000
**D FIDEURAM INVESTIMENTI SGR - PIANO BILANCIATO ITALIA 50	10,000	0	10,000
**D MEDIOLANUM GESTIONE FONDI SGR - FLESSIBILE FUTURO ITALIA	1,500,000	0	1,500,000

Total votes 3,736,632
Percentage of voters% 0.746948
Percentage of share capital % 0.614368

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **Long-Term Bonus Plan**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
6058 DE TOMASI PAOLA	4,000	4,000	0
6102 CERASUOLO STEFANO	9,481	9,481	0
6474 ANGELINI ALESSANDRO	250	250	0
6504 TIMUS ANDREEA	5	5	0
6547 GHIBAUDI LEOPOLDO	9,000	9,000	0
6616 ROSSI GIULIA	8,000	8,000	0
6849 LOIZZI GERMANA	3	3	0
6957 ESPOSITO MARCO	0	0	0
**D CITI RETIREMENT SAVINGS PLAN	137,653	0	137,653
**D UWF TROW INTL DISCOVERY	45,589	0	45,589
**D STANDARD LIFE INVESTMENTS GLOBAL SICAV II	53,674	0	53,674
**D SUBSIDIZED SCHOOLS P FUND NORTHERN	4,211	0	4,211
**D WILLIS TOWERS WATSON GROUP TRUST	3,441	0	3,441
**D 55016 UP INTERNATIONALE AKTIER	236,395	0	236,395
**D 56053 IP GLOBAL EQUITIES I	29,217	0	29,217
**D AST TRP DIVERS REAL GWTH PORT PDMO	1,049	0	1,049
**D ADVANCED SERIES TRUST AST T ROWE PRICE GROWTH OPPORTUNITIES PORTFOLIO GATEWAY CENTER	36,297	0	36,297
**D BNYMTD CF MITON EUROPEAN OPPTS FUND	630,272	0	630,272
**D NATIONAL BANK TRUST	42,267	0	42,267
**D RVN WILLIAM BLAIR	6,037	0	6,037
**D POWERSHARES PUREBETA FTSE DEVELOPED EX NORTHAMERICA PORTFOLIO	62	0	62
**D CHI OPERATING INVESTMENT PROGRAM LP	117,380	0	117,380
**D CATHOLIC HEALTH INITIATIVES MASTER TRUST	57,179	0	57,179
**D FIRST INITIATIVES INSURANCE LIMITED	12,910	0	12,910
**D GLOBAL EQUITY WELLINGTON	138,921	0	138,921
**D GLOBAL INVESTMENT FUND	31,323	0	31,323
**D MFS INTL EQUITY FUND	28,677	0	28,677
**D USBK MOMENTUMSHARES INTL QUANT ETF	121,743	0	121,743
**D 1135 APG DME STCK SEL	94,081	0	94,081
**D 1216 APG DME FINANC	2,255,729	0	2,255,729
**D UNISYS MASTER TRUST	60,092	0	60,092
**D AMG CHICAGO EQUITY PARTNERS BALANCED FUND	900	0	900
**D SAN FRANCISCO CITY AND COUNTY EMPLOYEES RETIREMENT SYSTEM	116,549	0	116,549
**D STICHTING DEPOSITARY APG DEVELOPED MARKETS EQUITY POOL	743,008	0	743,008
**D ELEMENTS INTERNATIONAL SMALL CAP PORTFOLIO	8,111	0	8,111
**D MANNING AND NAPIER FUND INC RAINIER INTERNATIONAL DISCOVERY FUND	605,665	0	605,665
**D FIRST INVESTORS GLOBAL FUND	237,361	0	237,361
**D PS FTSE LO BT EQ WT PORT	12,210	0	12,210
**D NYKREDIT ENGROS GLOBAL OPPORTUNITIES	56,912	0	56,912
**D EIR EIE WELLINGTON INT	106,784	0	106,784
**D WILM MULTI MGR INTL FD OBERWEIS	216,903	0	216,903
**D AST PRU GRWTH ALL PTF QMA EAFE PDFF	59,020	0	59,020
**D PS FTSERAFI EUSM UCITS ETF BNYMTCIL	2,477	0	2,477
**D PS SP INTL DEVEL QUALITY PORTFOLIO	5,359	0	5,359
**D PS FR DEVEL MARK EX US SMALL PORT	17,503	0	17,503
**D AST FI PYRAMIS QUANT AA IE SC PDGJ	115,638	0	115,638

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **Long-Term Bonus Plan**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D PENSION RESERVES INVESTMENT TRUST FUND	499,450	0	499,450
**D LMIF LMGAMI EURO SMLL CP	110,589	0	110,589
**D WELLINGTON MGMT CY LLPQUALITY EDUC FD	82,675	0	82,675
**D BNYMTCIL LAZARD GBL MANAGED VOL FD	31,714	0	31,714
**D IQ 50 PERCENT HEDGED FTSE EURO ETF	6,718	0	6,718
**D DB LAZARD GLB MNGD	25,000	0	25,000
**D AXA MPS FINANCIAL DAC	170,000	0	170,000
**D DEUTSCHE XTRK MSCI EMU HDG EQ ETF	3,191	0	3,191
**D BLACKROCK GLOBAL FUNDS	6,826,006	0	6,826,006
**D FPXF WILLIAM BLAIR CO	68,864	0	68,864
**D BLL AQUILA LIFE EUROPEAN EQUITY	437,644	0	437,644
**D BLL AQUILA LIFE OSEAS EQUITY FUND	3,292	0	3,292
**D AARP INSURANCE PLAN	10,266	0	10,266
**D AARP FOUNDATION	4,977	0	4,977
**D BNYMTD FTF FRANKLIN EUROPEAN OPP FD	7,195	0	7,195
**D MI FONDS K12 SPK	91,583	0	91,583
**D BANK OF AMERICA PENSION PLAN OECHSLE	190,091	0	190,091
**D BOA FBO SKL INVESTMENT GRP LLC	13,860	0	13,860
**D WMP OPP INVESTMENT PRINS LP	30,869	0	30,869
**D AARP LAZARD LQE GLB	29,329	0	29,329
**D DEUTSCHE XTRK MSCI EAFE SC HDG ETF	466	0	466
**D DBX FTSE DEV EX US COMP FACTOR	557	0	557
**D THE CLEVELAND CLINIC FOUNDATION	32,555	0	32,555
**D EATON VANCE MGMT INTL SMALL CAP	1,317	0	1,317
**D SLI EUROPEAN SMALLER COMPANIES	2,375,761	0	2,375,761
**D PS SP INTL DEVEL MOMENTUM PORT	504	0	504
**D HP INC MASTER TRUST	54,785	0	54,785
**D ONFF WILLIAM BLAIR NONUS	24,516	0	24,516
**D CE8F WILLIAM BLAIR IACG	185,061	0	185,061
**D RAYTHEON MASTER PENSION TRUST	38,925	0	38,925
**D VANGUARD INTL HIGH DIV YLD INDEX FD	42,184	0	42,184
**D BSNF NTR WILLIAM BLAIR	18,975	0	18,975
**D BSPF PMT WILLIAM BLAIR	24,044	0	24,044
**D DEAM FONDS SPEZIAL 2 AEQ SPK	1,269,411	0	1,269,411
**D DEAM FOND SPEZIAL 18 AEQ SPK	285,507	0	285,507
**D BLL DC EUROPEAN GROWTH FD AG PF	120,522	0	120,522
**D BNYMTD BIEF CONT EUR INV	56,736	0	56,736
**D BNYMTD BLK CONT EURO FD	618,846	0	618,846
**D BGF EUROPEAN SPECIAL SITUATIONS FUND	2,200,058	0	2,200,058
**D BGF CONT EURO FLEXIBLE FD EURO EQFD	3,798,551	0	3,798,551
**D BNYMTD RAMAM WORLD RECOVERY FUND	109,740	0	109,740
**D LRPf WILLIAM BLAIR	65,726	0	65,726
**D DEUTSCHE XTRK MSCI STH EUR HDG ETF	199	0	199
**D ATFF AMERICAN CENTURY	44,194	0	44,194
**D RZSF3001 NON US GE W BLAIR	134,381	0	134,381
**D MSV JP MORGAN	62,372	0	62,372

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **Long-Term Bonus Plan**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D ALASKA PERMANENT FUND CORPORATION	359,406	0	359,406
**D SCA LAZARD	24,315	0	24,315
**D AON HEWITT COLLECTIVE INVESTMENT TRUST	41,778	0	41,778
**D MINISTERS AND MISSIONARIES BENEFIT BOARD OF AMERICAN BAPTIST CHURCH	16,459	0	16,459
**D MIN DEF PF OMAN AMUNDI EURSILV	77,256	0	77,256
**D BNYMTD BLK EURO DYNAMIC FD	3,063,616	0	3,063,616
**D PHC NT SMALL CAP	28,250	0	28,250
**D BNYMTD RM GLOBAL HIGH ALPHA FUND	28,810	0	28,810
**D AMG TIMESSQUARE INTL SM CAP	1,205,000	0	1,205,000
**D BNYMTD BLK CONTINENTAL EURO INC	5,765,726	0	5,765,726
**D BNYMTD BLK CONT EUR EQ TRCK FD INV	313,139	0	313,139
**D OPERATING ENGINEERS LOCAL 101 PENSION FUND	120,000	0	120,000
**D BELL ATLANTIC MASTER TRUST	41,418	0	41,418
**D VERIZON MASTER SAVINGS TRUST	62,887	0	62,887
**D VOYA MULTI MANAGER INTERNATIONAL EQUITY FUND	49,013	0	49,013
**D THE EDUCATIONAL EMPLOYEES SUPPLEMENTARY RETIREMENT SYSTEM OF FAIRFAX COUNTY	5,348	0	5,348
**D GENERAL MILLS INVESTMENT TRUST	53,503	0	53,503
**D INDIANA PUBLIC RETIREMENT SYSTEM	20,228	0	20,228
**D KENTUCKY RETIREMENT SYSTEMS	580,000	0	580,000
**D KENTUCKY RETIREMENT SYSTEMS INSURANCE TRUST FUND	250,000	0	250,000
**D PUBLIC EMPLOYEES RETIREMENT SYSTEM OF MISSISSIPPI	72,395	0	72,395
**D PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF NEW MEXICO	16,687	0	16,687
**D BOARD OF PENSIONS OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA	80,956	0	80,956
**D JOHN S AND JAMES L KNIGHT FOUNDATION	65,800	0	65,800
**D SOUTH CAROLINA RETIREMENT SYSTEMS GROUP TRUST	288	0	288
**D UMC BENEFIT BOARD, INC	22,892	0	22,892
**D PRUDENTIAL INVESTMENT PORTFOLIO 2 PRUDENTIAL QMA INTL DEVELOPED MRKTS INDEX FUND	845	0	845
**D AHL DESERTWOOD FUND LIMITED C/O CITCO TRUSTEES (CAYMAN) LIMITED	109,956	0	109,956
**D PANAGORA DIVERSIFIED ARBITRAGE MASTER FUND LTD	2,630	0	2,630
**D MAP 192 SEGREGATED PORTFOLIO, PANAGORA ASST MGMNT INC PM ACT	30,024	0	30,024
**D GOVERNMENT OF NORWAY	4,267,532	0	4,267,532
**D NORGES BANK	225,448	0	225,448
**D UBS (LUX) EQUITY SICAV	68,735	0	68,735
**D UBS FUND MGT (CH) AG CH0516/UBSCHIF2-EGSCPII	98,996	0	98,996
**D UBS FUND MANAGEMENT (SWITZERLAND) AG,	123,764	0	123,764
**D CH0526 - UBS (CH) INSTITUTIONAL FUND - EQUITIES GLOBAL SMALL CAP PASSIVE II	15,606	0	15,606
**D AHL ALPHA MASTER LIMITED C/O CITCO TRUSTEES (CAYMAN) LIMITED	32,434	0	32,434
**D AHL DIRECTIONAL EQUITIES MASTER LIMITED	32,040	0	32,040
**D AHL EVOLUTION LTD SHARMAINE BERKELEY ARGONAUT LTD	777,939	0	777,939
**D ALT BETA EQUITY SIZE STRATEGY LIMITED CO NUMERIC INVESTORS LLC	310,536	0	310,536
**D AVIVA INVESTORS INTERNATIONAL INDEX TRACKING FUND	10,830	0	10,830
**D BLUE MOUNTAIN CREDIT ALTERNATIVES MASTER FUND LP CO M AND C CORP SERVICES LTD	67,980	0	67,980
**D BLUEMOUNTAIN FURSAN FUND LP CO MAPLES CORP SERVICES LIMITED	8,817	0	8,817
**D BLUEMOUNTAIN GUADALUPE PEAK FUND L,P,CO CORPORATION SERVICE COMPANY	4,655	0	4,655
**D BLUEMOUNTAIN KICKING HORSE FUND L,P, C/O MAPLES CORPORATE SVCS LTD	11,285	0	11,285
**D BLUEMOUNTAIN SYSTEMATIC MASTER FUND LP MAPLES CORP SERVICES LTD	40,285	0	40,285

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **Long-Term Bonus Plan**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D CITITRUST LIMITED AS TRUSTEE OF BLACKROCK PREMIER FUNDS-BLACKROCK WORLD EQUITY INDEX FUND	326	0	326
**D IRISH LIFE ASSURANCE,	171,778	0	171,778
**D LAZARD ASSET MANAGEMENT LLC C/O LAZARD ASSET MANAGEMENT LLC - EUROPEAN LONG/SHORT	40,152	0	40,152
**D LEGAL AND GENERAL	116,862	0	116,862
**D LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	1,472,983	0	1,472,983
**D LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	15,847	0	15,847
**D LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	13,760	0	13,760
**D LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	52,838	0	52,838
**D LEGAL AND GENERAL COLLECTIVE INVESTMENT TRUST,	8,597	0	8,597
**D MCKINLEY NON US DEVELOPED 130 30 GROWTH ONSHORE FUND LP C O MCKINLEY C,MGMT,LLC	68,998	0	68,998
**D PANAGORA ASSET MANAGEMENT INC,	1,731	0	1,731
**D SLIC ER EX UK SM CM FD XESC	273,095	0	273,095
**D STANDARD LIFE INVESTMENT COMPANY GLOBAL SMALLER	2,573,190	0	2,573,190
**D STICHTING PENSIOENFONDS KPN STICHTING PENSIOENFONDS POSTNL STICHTING PENSIOENFONDS AVEBE	570,407	0	570,407
**D STICHTING PGGM DEPOSITARY	422,749	0	422,749
**D THREADNEEDLE (LUX)	1,124,222	0	1,124,222
**D THREADNEEDLE INVESTMENT FUNDS ICVCA,	9,413,406	0	9,413,406
**D ZURICH LIFE ASSURANCE PLC	84,359	0	84,359
**D THREE CORNER MASTER L/SFUND LP	1,427,900	0	1,427,900
**D LUCERNE CAPITAL MASTER FUND LP	427,175	0	427,175
**D MANUFACTURERS AND TRADERS TRUST COMPANY	3,180	0	3,180
**D UNIVERSITY CLUB	630	0	630
**D FEDERATED KAUFMANN FUND	5,125,000	0	5,125,000
**D FEDERATED KAUFMANN FUND II	131,600	0	131,600
**D FEDERATED KAUFMANN SMALL CAP FUND	874,310	0	874,310
**D FIDELITY RUTLAND SQUARE TR II: STRAT ADV INT MULTI-MANAGER F	3,243	0	3,243
**D FIDELITY RUTLAND SQUARETRUST II: STRATEGIC ADVISERS INT F	312,995	0	312,995
**D LAUDUS INTERNATIONAL MARKETMASTERS FUND	464,055	0	464,055
**D SCHWAB INTERNATIONAL EQUITY ETF	313,517	0	313,517
**D LAZARD ASSET MANAGEMENT LLC	1,352	0	1,352
**D LAZARD RETIREMENT GLOBAL DYNAMIC MULTI ASSET PORTFOLIO	11,974	0	11,974
**D LAZARD MANAGED EQUITY VOLATILITY PORTFOLIO	3,051	0	3,051
**D LAZARD GLOBAL DYNAMIC MULTI ASSET PORTFOLIO	1,953	0	1,953
**D LAZARD REAL ASSETS AND PRICING OPPORTUNITIES PORTFOLIO	1,207	0	1,207
**D WELLINGTON GLOBAL OPPORTUNITIES FUND (CANADA)	100,206	0	100,206
**D WELLINGTON INTERNATIONAL OPPORTUNITIES FUND	16,577	0	16,577
**D MANNING AND NAPIER	902,020	0	902,020
**D MFS HERITAGE TRUST COMPANY COLLECTIVE INVESTMENT TRUST	135,594	0	135,594
**D INTERNATIONAL MONETARY FUND	15,994	0	15,994
**D AMERICAN CENTURY STRATEGIC ASSET ALL, INC, STRAT ALL CONS F	1,280	0	1,280
**D AMERICAN CENTURY STRAT ASSET ALL, INC, STRAT ALL MODERATE F	4,430	0	4,430
**D AMERICAN CENTURY STRAT ASSET ALL, INC, STRATEGIC ALL AGGR F	4,680	0	4,680
**D AMERICAN CENTURY WORLD MUTUAL FUNDS, INC, INTL DISCOVERY F	141,830	0	141,830
**D AMERICAN CENTURY WORLD MUTUAL FUNDS, INC, INTL OPPORTUNITIES	170,088	0	170,088
**D AMERICAN CENTURY WORLD MUTUAL FUNDS INC - NT INT SM MID CAP F	61,980	0	61,980
**D AMERICAN CENTURY WORLD MUTUAL FUNDS, INC, - GLO SMALL CAP FD	6,683	0	6,683

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **Long-Term Bonus Plan**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D AMERICAN CENTURY RETIREMENT DATE TRUST	61,347	0	61,347
**D ANIMA FUNDS PLC	78,238	0	78,238
**D CAREFIRST, INC, RETIREMENT PLAN TRUST FOR GHMSI ASSETS	43,000	0	43,000
**D CAREFIRST, INC, RETIREMENT PLAN TRUST FOR CFMI ASSETS	39,000	0	39,000
**D UAW RETIREE MEDICAL BENEFITS TRUST	101,658	0	101,658
**D HENDERSON INTERNATIONAL SMALL CAP FUND	20,028	0	20,028
**D SCPMG KEOGH PLAN	10,104	0	10,104
**D CALVERT WORLD VALUES F INC - CALVERT INT OPPORTUNITIES FUND	265,955	0	265,955
**D CALVERT RESP INX SRS, INC,-CLVRT DVD MRKTS EX-U,S, RSP INX FD	2,736	0	2,736
**D CONCEPT FUND SOLUTIONS PLC	1,286	0	1,286
**D THE REGENTS OF THE UNIVERSITY OF CALIFORNIA	206,295	0	206,295
**D MICROSOFT CORPORATION SAVINGS PLUS 401(K) PLAN	257,045	0	257,045
**D VALIC COMPANY I - ASSET ALLOCATION FUND	5,958	0	5,958
**D PARAMETRIC INTERNATIONAL EQUITY FUND	4,180	0	4,180
**D EATON VANCE INTERNATIONAL SMALL-CAP FUND	34,992	0	34,992
**D FRANKLIN TEMPLETON ETF TRUST - FRANKLIN FTSE EUROPE ETF	4,305	0	4,305
**D FRANKLIN TEMPLETON ETF TRUST - FRANKLIN FTSE ITALY ETF	2,946	0	2,946
**D FRANKLIN TEMPLETON ETF TRUST-FRANKL LIBERTY INT OPPORTUN ETF	9,212	0	9,212
**D FRANKLIN TEMPLETON ETF TRUST - FRANKLIN FTSE EUROPE HEDGED ETF	1,400	0	1,400
**D THE GABELLI GLOBAL SMALL AND MID CAP VALUE TRUST	53,000	0	53,000
**D THE GABELLI GLOBAL RISING INCOME AND DIVIDEND FUND	27,000	0	27,000
**D GUARDIAN INTERNATIONAL GROWTH VIP FUND	6,545	0	6,545
**D GAM STAR FUND P,L,C,	3,618,908	0	3,618,908
**D RUSSELL INVESTMENT COMPANY SELECT INTERNATIONAL EQUITY FUND	15,376	0	15,376
**D E,SUN COMM BANK LTD IN ITS CAP AMC OF NOM EUR MID SM CAP GR F	43,513	0	43,513
**D HARTFORD INTERNATIONAL OPPORTUNITIES HLS FUND	556,165	0	556,165
**D THE HARTFORD INTERNATIONAL GROWTH FUND	109,838	0	109,838
**D THE HARTFORD INTERNATIONAL OPPORTUNITIES FUND	1,168,591	0	1,168,591
**D HARTFORD INTERNATIONAL EQUITY FUND	29,877	0	29,877
**D THE HARTFORD GLOBAL ALL- ASSET FUND	38,263	0	38,263
**D TCW INTERNATIONAL SMALL CAP FUND	14,710	0	14,710
**D WILLIAM BLAIR COLLECTIVE INVESTMENT TRUST	320,539	0	320,539
**D WILLIAM BLAIR INTERNATIONAL GROWTH FUND	871,300	0	871,300
**D WILLIAM BLAIR INSTITUTIONAL INTERNATIONAL GROWTH FUND	667,695	0	667,695
**D LAZARD GLOBAL MANAGED VOLATILITY (CANADA) FUND	2,530	0	2,530
**D MAINSTAY EPOCH CAPITAL GROWTH FUND	64,534	0	64,534
**D MM SELECT EQUITY ASSET FUND	4,584	0	4,584
**D LAZARD WILMINGTON GLOBAL MANAGED VOLATILITY PORTFOLIO	27,779	0	27,779
**D ANCHOR SERIES TRUST STRATEGIC MULTI-ASSET PORTFOLIO	5,883	0	5,883
**D ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM	78,810	0	78,810
**D RUSSELL COMMON CONTRACTUAL FUND	16,027	0	16,027
**D KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM	138,639	0	138,639
**D KP INTERNATIONAL EQUITY FUND	20,205	0	20,205
**D LAZARD GLOBAL INVESTMENT FUNDS PUBLIC LIMITED COMPANY	751,719	0	751,719
**D MARYLAND STATE RETIREMENT & PENSION SYSTEM	15,867	0	15,867
**D GTAA PANTHER FUND L,P	2,894	0	2,894

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Subject: **Long-Term Bonus Plan**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D MERCER QIF CCF	2,080,743	0	2,080,743
**D STATE OF MONTANA BOARD OF INVESTMENTS	42,090	0	42,090
**D TEXAS MUNICIPAL RETIREMENT SYSTEM	272,348	0	272,348
**D STATE OF NEW JERSEY COMMON PENSION FUND D	161,132	0	161,132
**D NEW YORK STATE DEFERRED COMPENSATION PLAN	76,623	0	76,623
**D LAZARD GLOBAL BALANCED INCOME FUND	778	0	778
**D LAZARD GLOBAL LOW VOLATILITY FUND	3,151	0	3,151
**D CITY OF NEW YORK GROUP TRUST	180,406	0	180,406
**D CITY OF NEW YORK GROUP TRUST	438,768	0	438,768
**D PRINCIPAL EXCHANGE-TRADED FDS-PRINC INT MULTI-FACTOR INDEX ETF	1,239	0	1,239
**D WELLINGTON GLOBAL OPPORTUNITIES EX-JAPAN FUND	68,655	0	68,655
**D THRIVENT MODERATE ALLOCATION PORTFOLIO	12,777	0	12,777
**D THRIVENT MODERATELY AGGRESSIVE ALLOCATION PORTFOLIO	4,781	0	4,781
**D THRIVENT AGGRESSIVE ALLOCATION PORTFOLIO	1,415	0	1,415
**D THRIVENT MODERATE ALLOCATION FUND	2,306	0	2,306
**D THRIVENT MODERATELY AGGRESSIVE ALLOCATION FUND	2,077	0	2,077
**D THRIVENT AGGRESSIVE ALLOCATION FUND	1,282	0	1,282
**D THRIVENT GROWTH AND INCOME PLUS FUND	2,391	0	2,391
**D THRIVENT BALANCED INCOME PLUS FUND	6,696	0	6,696
**D THRIVENT GROWTH AND INCOME PLUS PORTFOLIO	2,616	0	2,616
**D THRIVENT BALANCED INCOME PLUS PORTFOLIO	7,564	0	7,564
**D THRIVENT LARGE CAP STOCK FUND	77,587	0	77,587
**D THRIVENT LARGE CAP STOCK PORTFOLIO	37,683	0	37,683
**D THRIVENT CORE INTERNATIONAL EQUITY FUND	105,132	0	105,132
**D THRIVENT DIVERSIFIED INCOME PLUS FUND	9,206	0	9,206
**D THRIVENT DIVERSIFIED INCOME PLUS PORTFOLIO	6,886	0	6,886
**D RUSSELL INVESTMENTS OVERSEAS EQUITY POOL	62,621	0	62,621
**D RUSSELL INVESTMENTS MULTI-FACTOR INTERNATIONAL EQUITY POOL	837	0	837
**D RUSSELL INSTITUTIONAL FUNDS,LLC-RUSSELL INTL EQUITY FUND	61,886	0	61,886
**D RUSSELL INVESTMENTS OVERSEAS EQUITY FUND	35,453	0	35,453
**D BANK OF KOREA	187,738	0	187,738
**D CHANG HWA COMMERCIAL BANK, LTD,, IN ITS CAPACITY AS MASTER	288,800	0	288,800
**D STATE STREET IRELAND UNIT TRUST	2,399	0	2,399
**D SSGA SPDR ETFs EUROPE II PUBLIC LIMITED COMPANY	45,021	0	45,021
**D CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM	869,247	0	869,247
**D DELTASHARES S+P INTERNATIONAL MANAGED RISK ETF	6,109	0	6,109
**D CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM	517,835	0	517,835
**D TENNESSEE CONSOLIDATED RETIREMENT SYSTEM	190,600	0	190,600
**D TENNESSEE CONSOLIDATED RETIREMENT SYSTEM	348,095	0	348,095
**D PINEBRIDGE GLOBAL FUNDS	36,601	0	36,601
**D METZLER ASSET MANAGEMENT GMBH FOR MI-FONDS 415	97,000	0	97,000
**D CAPITAL GROUP GLOBAL EQUITY FUND (CANADA)	2,865,000	0	2,865,000
**D CAPITAL GROUP GLOBAL BALANCED FUND (CANADA)	230,000	0	230,000
**D SAINT-GOBAIN CORPORATION DEFINED BENEFIT MASTER TRUST	27,921	0	27,921
**D VANGUARD FTSE DEVELOPED EUROPE ALL CAP INDEX ETF	8,413	0	8,413
**D VANGUARD FTSE DEVELOPED ALL CAP EX NORTH AMERICA INDEX ETF	8,644	0	8,644

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**D VANGUARD DEVEL ALL-CAP EX NORTH AMERICA EQT IND POOLED FUND	541	0	541
**D VANGUARD GLOBAL LIQUIDITY FACTOR ETF	1,061	0	1,061
**D VANGUARD GLOBAL MOMENTUM FACTOR ETF	1,558	0	1,558
**D VANGUARD INVESTMENTS II COMMON CONTRACTUAL FUND	32,024	0	32,024
**D VANGUARD INVESTMENTS COMMON CONTRACTUAL FUND	36,461	0	36,461
**D VANGUARD FTSE DEVELOPED EUROPE INDEX ETF	1,123	0	1,123
**D VALIC COMPANY II INTERNATIONAL OPPORTUNITIES FUND	125,203	0	125,203
**D THE WELLINGTON TR COM NATIONAL ASS MULT COLLECT INV F TRUST	343,065	0	343,065
**D THE WELLINGTON TR CO NAT ASS MULT C TR F TR, OPPORT EQ PTF	72,130	0	72,130
**D THE WELLINGTON TR CO NAT ASS MULT COM GLB OPPORT PTF	45,012	0	45,012
**D THE WELLINGTON TR CO NAT ASS MULT COLLECTIVE INV F TRUST II	222,999	0	222,999
**D WELLS FARGO BK DECL OF TR EST INV FUNDS FOR EMPLOYEE BEN TR	48,345	0	48,345
**D WELLS FARGO MASTER TRUST-WELLS FRGO FACTR ENHANCED INT PRTFLIO	32,119	0	32,119
**D WISDOMTREE ISSUER PUBLIC LIMITED COMPANY	4,015	0	4,015
**D WASHINGTON STATE INVESTMENT BOARD	165,288	0	165,288
**D WISDOMTREE DYNAMIC CURRENCY HEDGED EUROPE EQUITY FUND	1,905	0	1,905
**D WISDOMTREE DYNAMIC CURRENCY HEDGED INTRNL EQUITY FUND	21,885	0	21,885
**D WISDOMTREE INTERNATIONAL HIGH DIVIDEND FUND	18,621	0	18,621
**D WISDOMTREE INTERNATIONAL MIDCAP DIVIDEND FUND	61,943	0	61,943
**D WISDOMTREE EUROPE LOCAL RECOVERY FUND	10,772	0	10,772
**D WISDOMTREE EUROPE HEDGED SMALLCAP EQUITY FUND	201,403	0	201,403
**D NEW YORK STATE TEACHERS RETIREMENT SYSTEM	214,056	0	214,056
**D PRUDENTIAL BANK AND TRUST	97,233	0	97,233
**D PRUDENTIAL RETIREMENT INSURANCE & ANNUITY COMPANY	118,313	0	118,313
**D WELLINGTON MANAGEMENT FUNDS (IRELAND) PLC	2,363	0	2,363
**D SPDR EURO STOXX SMALL CAP ETF	49,165	0	49,165
**D SS FTSE DEV COMPREHENSIVE FACTOR IND NON-LENDING COMMON TRU FD	4,034	0	4,034
**D SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMENT PL	711,442	0	711,442
**D AXA WORLD FUNDS	13,211,990	0	13,211,990
**D BLACKROCK STRATEGIC FUNDS	334,818	0	334,818
**D DB X-TRACKERS	487,536	0	487,536
**D DEUTSCHE INVEST I	2,175,336	0	2,175,336
**D MFS MERIDIAN FUNDS	1,306,568	0	1,306,568
**D KIEGER FUND I	23,718	0	23,718
**D UBS ETF	65,218	0	65,218
**D DEUTSCHE ASSET MNGM INV GMBH FOR DWS EUROPE DYNAMIC	135,000	0	135,000
**D DEUTSCHE ASSET MNGM INV GMBH FOR DWS TOP EUROPE	2,694,000	0	2,694,000
**D DEUTSCHE ASSET MNGM INV GMBH FOR DWS EUROPEAN OPPORTUNITIES	622,257	0	622,257
**D DEUTSCHE ASSET MNGM INV GMBH FOR OPPENHEIM DYNAMIC EUROPE BAL	43,715	0	43,715
**D DEUTSCHE AST MGMT INVEST GMBH FR DEUTSCH AM QUANT EQ EUROLAND	79,811	0	79,811
**D ISHARES MSCI EAFE SMALL CAP ETF	1,389,975	0	1,389,975
**D ISHARES MSCI EUROPE SMALL-CAP ETF	69,326	0	69,326
**D ISHARES CORE MSCI EAFE ETF	1,437,247	0	1,437,247
**D ISHARES CORE MSCI TOTAL INTERNATIONAL STOCK ETF	189,056	0	189,056
**D ISHARES CORE MSCI INTERNATIONAL DEVELOPED MARKETS ETF	56,088	0	56,088
**D ISHARES CORE MSCI EAFE IMI INDEX ETF	27,938	0	27,938

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**D ISHARES MSCI EUROPE IMI INDEX ETF	10,292	0	10,292
**D ISHARES CORE MSCI EUROPE ETF	117,297	0	117,297
**D CONNECTICUT GENERAL LIFE INSURANCE COMPANY	827	0	827
**D INTERNATIONAL PAPER CO COMMINGLED INVESTMENT GROUP TRUST	21,880	0	21,880
**D IBM 401K PLUS PLAN	86,186	0	86,186
**D OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM	127,113	0	127,113
**D RUSSELL TRUST CO COMMINGLED EMPLOYEE BENEFIT FUNDS TRUST	385,612	0	385,612
**D GENERAL CONFERENCE CORPORATION OF SEVENTH DAY ADVENTISTS	100,000	0	100,000
**D STATE OF ALASKA RETIREMENT AND BENEFITS PLANS	15,676	0	15,676
**D COLLEGE RETIREMENT EQUITIES FUND	1,055,755	0	1,055,755
**D RUSSELL INVESTMENT COMPANY - RUSSELL INTERN DEVELOPED MKT F	321,779	0	321,779
**D DELUXE CORPORATION MASTER TRUST	18,704	0	18,704
**D MERCY HEALTH	13,589	0	13,589
**D RUSSELL INVESTMENT FUNDS NON-U,S, FUND	52,453	0	52,453
**D RUSSELL INVESTMENT COMPANY II PLC	75,335	0	75,335
**D RUSSELL INVESTMENT COMPANY PLC	37,056	0	37,056
**D MULTI-STYLE, MULTI-MANAGER FUNDS PLC	98,841	0	98,841
**D THE WELLINGTON TR CO NAT ASS MULT COM ALPHA STRATEGIES PTF	36,829	0	36,829
**D MERCY HEALTH RETIREMENT TRUST	3,997	0	3,997
**D TRUTH INITIATIVE FOUNDATION	7,497	0	7,497
**D MSCI EAFE SMALL CAP PROV INDEX SEC COMMON TR F	118,386	0	118,386
**D ISHARES PUBLIC LIMITED COMPANY	1,498,441	0	1,498,441
**D ISHARES II PUBLIC LIMITED COMPANY	328,291	0	328,291
**D ISHARES VII PLC	968,051	0	968,051
**D ISHARES III PUBLIC LIMITED COMPANY	17,751	0	17,751
**D ISHARES I INVESTK MIT TGV F ISHS ST, EUROPE600 BS UCITS ETF DE	349,181	0	349,181
**D BLACKROCK AM DE FOR ISHS EURO STOXX BANKS 30-15 UCITS ETF (DE)	1,898,902	0	1,898,902
**D BLACKROCK AM DE FOR ISHARES EURO STOXX UCITS ETF (DE)	148,261	0	148,261
**D BLACKROCK AM DE FOR ISHS STOXX EUROPE SMALL 200 UCITS ETF (DE)	375,271	0	375,271
**D BLACKROCK AM DE FOR ISHARES STOXX EUROPE 600 UCITS ETF (DE)	350,587	0	350,587
**D BLACKROCK AM SCH AG OBO BIFS WORLD EX SW SMALL CAP EQ INDEX F	49,170	0	49,170
**D PINEBRIDGE GLOBAL DYNAMIC ASSET ALLOCATION FUND LLC	14,277	0	14,277
**D MANAGED PENSION FUNDS LIMITED	33,669	0	33,669
**D THE TRUSTEES OF CONOCOPHILLIPS PENSION PLAN	6,888	0	6,888
**D FAMILY INVESTMENTS CHILD TRUST FUND	11,150	0	11,150
**D FAMILY INVESTMENTS GLOBAL ICVC FAMILY BALANCED INT FUND	9,961	0	9,961
**D HSBC AS TRUSTEE FOR SSGA EUROPE EX UK EQUITY TRACKER FUND	284,213	0	284,213
**D FP RUSSELL INVESTMENTS ICVC-FP RUSSELL INV INT GROWTH ASSTS FD	8,584	0	8,584
**D ARAB AUTHORITY FOR AGRICULTURAL INVESTMENT AND DEVELOPMENT	7,541	0	7,541
**D STICHTING PHILIPS PENSIOENFONDS	56,707	0	56,707
**D MULTI-MANAGER ICVC - MULTI-MANGER INTERNATIONAL EQUITY FUND	91,914	0	91,914
**D VANGUARD INV FDS ICVC-VANG FTSE DEV WOR LD EX - UK EQT IND FD	57,793	0	57,793
**D VANGUARD INV F ICVC-VANGUARD FTSE DEV EUROPE EX-UK EQ INDEX F	119,820	0	119,820
**D VANGUARD INV FUNDS ICVC-VANGUARD FTSE GLOB ALL CAP IND FUND	423	0	423
**D RUSSELL INVESTMENTS GLOBAL OPPORTUNITIES FUND	96,617	0	96,617
**D PINEBRIDGE GLOBAL DYNAMIC ASSET ALLOCATION FUND	30,175	0	30,175

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Surname	Tot. Votes	On own behalf	Proxy
**D SUNSUPER SUPERANNUATION FUND	13,451	0	13,451
**D CANADA PENSION PLAN INVESTMENT BOARD	1,086,400	0	1,086,400
**D THE TRUSTEES OF BP PENSION FUND	340,650	0	340,650
**D OMERS ADMINISTRATION CORPORATION FUND	380,331	0	380,331
**D CITADEL MULTI-STRATEGY EQUITIES FUND (ICAV)	14,644	0	14,644
**D AON SAVINGS PLAN TRUST	55,102	0	55,102
**D THE BOEING COMPANY EMPLOYEES SAVINGS PLANS MASTER TRUST	60,988	0	60,988
**D FORD MOTOR COMPANY DEFINED BENEFIT MASTER TRUST	13,955	0	13,955
**D HEWITT ASSOCIATES LLC 401K PLAN TRUST	19,737	0	19,737
**D BAPTIST FOUNDATION OF TEXAS DBA HIGHGROUND ADVISORS	26,952	0	26,952
**D MORGAN STANLEY DEFINED CONTRIBUTION MASTER TRUST	58,764	0	58,764
**D STATE OF UTAH, SCHOOL AND INSTITUTIONAL TRUST FUNDS	7,141	0	7,141
**D HRW TESTAMENTARY TRUST NO 3	40,800	0	40,800
**D HRW TESTAMENTARY TRUST NO, 8	39,100	0	39,100
**D HRW TESTAMENTARY TRUST NO, 12	40,500	0	40,500
**D EMPLOYEES RETIREMENT FUND OF THE CITY OF DALLAS	24,205	0	24,205
**D THE CURATORS OF THE UNIVERSITY OF MISSOURI	31,235	0	31,235
**D DFI LP EQUITY (PASSIVE)	1,693	0	1,693
**D NTGI-QM COMMON DAILY ALL COUNWD EX-US INV MKT INDEX F NONLEND	9,989	0	9,989
**D THE PUBLIC INSTITUTION FOR SOCIAL SECURITY	64,137	0	64,137
**D INTERNATIONAL MONETARY FUND STAFF RETIREMENT PLAN	442,591	0	442,591
**D NATIONAL COUNCIL FOR SOCIAL SECURITY FUND, P,R,C	34,430	0	34,430
**D MICROSOFT GLOBAL FINANCE	5,832	0	5,832
**D BLUE SKY GROUP	180,800	0	180,800
**D NEW ZEALAND SUPERANNUATION FUND	34,150	0	34,150
**D MERCER DS TRUST	143,860	0	143,860
**D BATTELLE MEMORIAL INSTITUTE	13,240	0	13,240
**D DUPONT AND RELATED COMP DEFINED CONTRIBUTION PLAN MASTER TR	61,137	0	61,137
**D PYRAMIS GROUP TRUST FOR EMPLOYEE BENEFIT PLANS	170,023	0	170,023
**D THE HEALTH FOUNDATION	25,840	0	25,840
**D NORTHERN TRUST GLOBAL INVESTMENTS COLLECTIVE FUNDS TRUST	334,975	0	334,975
**D NATIONAL RAILROAD RETIREMENT INVESTMENT TRUST	291,058	0	291,058
**D SUTTER HEALTH MASTER RETIREMENT TRUST	580,535	0	580,535
**D ADVOCATE HEALTH CARE NETWORK	28,762	0	28,762
**D CITY OF MILWAUKEE EMPLOYEES RETIREMENT SYSTEM	80,839	0	80,839
**D PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF COLORADO	468,968	0	468,968
**D FIREMEN`S ANNUITY & BENEFIT FUND OF CHICAGO	16,201	0	16,201
**D EMPLOYEES` RETIREMENT FUND OF THE CITY OF FORT WORTH	90,225	0	90,225
**D GENERAL PENSION AND SOCIAL SECURITY AUTHORITY	82,221	0	82,221
**D ILLINOIS MUNICIPAL RETIREMENT FUND	218,947	0	218,947
**D LOS ANGELES CITY EMPLOYEES RETIREMENT SYSTEM	41,051	0	41,051
**D CITY OF LOS ANGELES FIRE AND POLICE PENSION PLAN	65,307	0	65,307
**D LOCKHEED MARTIN CORPORATION MASTER RETIREMENT TRUST	138,897	0	138,897
**D MIDWEST OPERATING ENGINEERS PENSION TRUST FUND	600,000	0	600,000
**D UNITED MINE WORKERS OF AMERICA 1974 PENSION TRUST	68,907	0	68,907
**D POLICEMEN`S ANNUITY AND BENEFIT FUND OF CHICAGO	39,567	0	39,567

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Surname	Tot. Votes	On own behalf	Proxy
**D SALT RIVER PIMA-MARICOPA INDIAN COMMUNITY	21,155	0	21,155
**D UTAH STATE RETIREMENT SYSTEMS	69,008	0	69,008
**D FORD MOTOR COMPANY OF CANADA, LIMITED PENSION TRUST	1,181	0	1,181
**D NATIONAL WESTMINSTER BANK PLC PLC AS TR OF BARING EUR SEL TR	3,198,899	0	3,198,899
**D WHEELS COMMON INVESTMENT FUND	14,359	0	14,359
**D THE TRUSTEES OF ZURICH FINANCIAL SERVICES UK PENSION SCHEME	475,624	0	475,624
**D STICHTING PENSIENFONDS APF	2,873	0	2,873
**D THE TRUSTEES OF CHEVRON UK PENSION PLAN	2,761	0	2,761
**D COLONIAL FIRST STATE INVESTMENT FUND 50	13,187	0	13,187
**D MUNICIPAL EMPLOYEES` ANNUITY AND BENEFIT FUND OF CHICAGO	9,452	0	9,452
**D LEGAL & GENERAL GLOBAL EQUITY INDEX FUND	1,487	0	1,487
**D NAT WEST BK AS TRUSTEE OF LEGAL & GENERAL EUROPEAN INDEX TR	230,275	0	230,275
**D NAT WEST BK PLC AS TRUSTEE OF THE LEGAL & GENERAL INT IND TR	26,634	0	26,634
**D BARING INVESTMENT FUNDS PLC	203,004	0	203,004
**D AMG FUNDS PLC	26,720	0	26,720
**D SSGA GROSS ROLL UP UNIT TRUST	13,909	0	13,909
**D LEGAL & GENERAL ICAV	2,648	0	2,648
**D LEGAL & GENERAL AUTHORISED CONTRACTUAL SCHEME	5,796	0	5,796
**D BLACKROCK AUTHORISED CONTRACTUAL SCHEME I	299,258	0	299,258
**D STATE TEACHERS RETIREMENT SYSTEM OF OHIO	173,208	0	173,208
**D ILLINOIS STATE BOARD OF INVESTMENT	78,822	0	78,822
**D VERDIPAPIRFONDET KLP AKSJEGLOBAL SMALL CAP INDEKS I	32,044	0	32,044
**D UNIVEST	276,604	0	276,604
6970 CLERICI CAMILLA	0	0	0
**D NORDEA 1 SICAV	1,411,219	0	1,411,219
**D MOMENTUM INVESTMENT FUNDS SICAV-SIF	125,735	0	125,735
**D JPMORGAN FUNDS	860,480	0	860,480
**D JPMORGAN INVESTMENT FUNDS	991,793	0	991,793
**D FRANKLIN TEMPLETON INVESTMENT FUNDS	2,792,340	0	2,792,340
**D T, ROWE PRICE FUNDS SICAV	192,210	0	192,210
**D CAPITAL INTERNATIONAL FUND	116,670	0	116,670
**D SCHRODER INTERNATIONAL SELECTION FUND	293,093	0	293,093
**D THE LUCERNE CAPITAL MASTER FUND LP C/O WALKERS CORPORATE LTD	28,406	0	28,406
**D NMM3 EUEQ MFS ACCOUNT	8,004	0	8,004
**D WELLINGTON MANAGEMENT PORTFOLIOS	222,312	0	222,312
**D FIDELITY FUNDS SICAV	795,854	0	795,854
**D ING DIRECT	33,717	0	33,717
**D NATIXIS INTERNT FUNDS LUX I	179,358	0	179,358
**D HUNTINGTON NATIONAL BANK TAXABLE ACC	8,290	0	8,290
**D WELLINGTON TRUST COMP COMM TRUST INT OPP	111,602	0	111,602
**D RAINIER INT SMALL CAP EQUITY COLLECTIVE	183,350	0	183,350
**D FIDELITY SALEM STR T FID TOTAL INT IND F	20,446	0	20,446
**D WTC-CTF INTERNATIONAL HORIZONS	23,208	0	23,208
**D DEVELOPED INTERNATIONAL EQUITY SELECT ETF	1,976	0	1,976
**D BBH B FOR TMTBJ RE: MUTB400037270	6,775	0	6,775
**D JAPAN TRUSTEE SERVICES BANK LTD	206,631	0	206,631

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**D DEUTSCHE EUROPEAN EQUITY FUND	108,050	0	108,050
**D GLOBAL X SCIENTIFIC BETA EUROPE ETF	1,130	0	1,130
**D PINEBRIDGE DYNAMIC ASSET ALLOCATION FUND	6,235	0	6,235
**D HSBC GROUP HONG KONG LOCAL STAFF RETIREMENT BENEFIT SCHEME	3,732	0	3,732
**D ANIMA SGR SPA	2,666,601	0	2,666,601
**D ANIMA SGR SPA ANIMA CRESCITA ITALIA	699,858	0	699,858
**D DEKA MASTER HAEC I	67,605	0	67,605
**D AXA ASSICURAZIONI SPA	11,000	0	11,000
**D PARVEST	4,707,241	0	4,707,241
**D JANUS HENDERSON HORIZON FUND	947,335	0	947,335
**D JANUS HENDERSON FUND	197,410	0	197,410
**D BNP PARIBAS L1	349,829	0	349,829
**D BNP PARIBAS A FUND	72,069	0	72,069
**D BNP PARIBAS B PENSION GROWTH	167,945	0	167,945
**D BNP PARIBAS B PENSION STABILITY	81,283	0	81,283
**D METROPOLITAN RENTASTRO	313,328	0	313,328
**D BNP PARIBAS B PENSION BALANCED	1,088,502	0	1,088,502
**D JANUS HEND INSTIT EUROP INDEX OPP FUND	42,487	0	42,487
**D JANUS HENDERS EUROPEAN SMALLER COMP FD	430,018	0	430,018
**D RESPONSIBLE INVESTMENT LEADERS INT SHARE	37,745	0	37,745
**D SENTOSA DEVELOPMENT CORPORATION	10,402	0	10,402
**D BNP PARIBAS MIDCAP EUROPE	1,397,460	0	1,397,460
**D TOTAL GESTION FLEX PATRI	46,511	0	46,511
**D FCP BNPP ACTIONS ENTREPRENEURS	752,692	0	752,692
**D BNP PARIBAS ACTIONS PME	696,084	0	696,084
**D FCP SCANDIUM	97,262	0	97,262
**D FCP CARDIF BNPP IP SMID CAP EURO	1,127,139	0	1,127,139
**D FCP LBPAM ACTIONS EUROPE LARGE CAP	47,785	0	47,785
**D FCP CNP ASSUR SMID CAP EUROPE	212,396	0	212,396
**D BNP PARIBAS SMALL CAP EUROLAND	4,097,208	0	4,097,208
**D FCP BNP PARIBAS ACTIONS EUROLAND	46,482	0	46,482
**D COMPT EUROPE	95,000	0	95,000
**D AXIVA ACTION 1	25,749	0	25,749
**D ACTIONS SELECTIONNEES	5,480	0	5,480
**D AXA VALEURS EURO	1,400,000	0	1,400,000
**D FCPE TOTAL ACTIONS EUROPEENNES	750,000	0	750,000
**D FCP BNP PARIBAS MIDCAP FRANCE	1,087,878	0	1,087,878
**D FCP AVIVA INVESTORS SMALL & MID CAPS EUR	222,914	0	222,914
**D AXA OPTIMAL INCOME	2,068,464	0	2,068,464
**D SAKKARAH 7	8,716	0	8,716
**D STICHT BEDRIJ MEDIA PNO	213,800	0	213,800
**D AFER ACTION PME	778,661	0	778,661
**D SAINT MARTIN 4	877,000	0	877,000
**D IPA CORPORATE ACTIONS AND INCOME	48,331	0	48,331
**D FONDS RESERVE RETRAITES	1,126,854	0	1,126,854
**D RAVGDT DIVERSIFIE II LBPAM	41,870	0	41,870

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Subject: **Long-Term Bonus Plan**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D CPR AM	113,850	0	113,850
**D ROBECO CAPITAL GROWTH FUNDS	450,000	0	450,000
**D CORONATION GLOBAL OPPORTUNITIES FUND	423,707	0	423,707
**D SHELL TRUST (BERMUDA) LIMITED AS TRUSTEE	7,183	0	7,183
**D SHELL TRUST (BERMUDA) LTD AS TRUSTEE OF THE SHELL OVERSEAS C,P, FUND	34,987	0	34,987
**D DEKA INVESTMENT GMBH RE ARIDEKA	900,000	0	900,000
**D DEKA INVEST, RE DEKA-DIVIDENDENDISCOUNT	3,900	0	3,900
**D DEKA INVEST DIVIDENDENSTRATEGIE	838,900	0	838,900
**D DEKA BASISSTRATEGIE FLEXIBEL	18,500	0	18,500
**D DEKA INVESTMENT GMBH RE DEKA-DIVIDEND VA	68,000	0	68,000
**D DEKA INVESTMENT GMBH RE DEKA-MULTIASSET INCOME	100,000	0	100,000
**D THE MASTER TRUST BANK OF JAPAN LTD AS TRUSTEE FOR MTBJ400045842	1,720,886	0	1,720,886
**D TEACHERS` RETIREMENT SYSTEM OF THE CITY OF NEW YORK	47,864	0	47,864
**D UBS GLOBAL ASSET MANAGEMENT LIFE LTD	151,024	0	151,024
**D MERIFIN CAPITAL B,V,	39,575	0	39,575
**D WESTPAC WHOLESALE UNHEDGED INTERNATIONAL	43,815	0	43,815
**D ENTERGY CORP,RETIREMENT PLANS MASTER TR,	150,830	0	150,830
**D JEFFREY LLC	58,552	0	58,552
**D CHINA LIFE INSURANCE COMPANY LIMITED	36,007	0	36,007
**D FONDO CONSOLIDADO DE RESERVAS PREVISIONA	65,942	0	65,942
**D JPMORGAN CHASE BANK	2,000	0	2,000
**D UBS (US) GROUP TRUST	7,469	0	7,469
**D BT WHOLESALE MULTI MANAG INTL SHARE FUND	24,626	0	24,626
**D WSSP INTERNATIONAL EQUITIES TRUST	68,156	0	68,156
**D EUROPACIFIC GROWTH FUND	5,235,000	0	5,235,000
**D T, ROWE PRICE INTERNATIONAL SMALL CAP	497,948	0	497,948
**D THE BOEING COMPANY EMPLOYEE RETIREMENT PLANS MASTER TRUST	83,856	0	83,856
**D BLACKROCK FISSION INDEXED INTL EQUITY FD	12,748	0	12,748
**D ISHARES ALLCOUNTRY EQUITY INDEX FUND	1,214	0	1,214
**D INTERNATIONAL GROWTH AND INCOME FUND	6,475,000	0	6,475,000
**D ALTRIA CLIENT SERVICES MASTER RETIREM,T,	81,690	0	81,690
**D SUPER FUNDS MANAG CORP SOUTH AUSTRALIA	60,952	0	60,952
**D STICHTING PENSIOENFONDS VOOR DE WONINGCO	58,078	0	58,078
**D UBS ASSET MANAGEMENT LIFE LTD	283	0	283
**D MINISTRY OF STRATEGY AND FINANCE	40,968	0	40,968
**D T, ROWE PRICE INTERNATIONAL DISCOVERY FU	4,575,580	0	4,575,580
**D NVIT MULTI MANAGER INTERNATIONAL GROWTH	59,600	0	59,600
**D FLEXSHARES MORNINGSTAR DEVELOPED MARKETS	4,895	0	4,895
**D MFS INTERNATIONAL NEW DISCOVERY FUND	2,267,886	0	2,267,886
**D T ROWE PRICE INTERNATIONAL EQUITY INDEX	14,257	0	14,257
**D T ROWE PRICE GLOBAL ALLOCATION FUND INC	8,817	0	8,817
**D GOLDMAN SACHS TRUST-G,S,INTL,TAX MANAGED	32,601	0	32,601
**D PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OHIO	122,288	0	122,288
**D JPMORGAN LIFE LIMITED	81,039	0	81,039
**D JPM EUROPE DYNAMIC (EX UK) FUND	593,932	0	593,932
**D SANLAM LIFE AND PENSIONS UK LIMITED	49,930	0	49,930

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Surname	Tot. Votes	On own behalf	Proxy
**D AVIVA LIFE & PENSIONS UK LIMITED	135,750	0	135,750
**D STICHTING SHELL PENSIOENFONDS	117,749	0	117,749
**D SHELL PENSIONS TRUST LIMITED AS TRUSTEE OF SHELL CONTRIBUTORY PENSION FUND	75,058	0	75,058
**D STICHTING PENSIOENFONDS MEDISCH SPECIALI	283,660	0	283,660
**D STATE OF CALIFORNIA MASTER TRUST	158,670	0	158,670
**D NATIONAL PROVIDENT FUND AS TRUSTEE OF TH	16,166	0	16,166
**D DEKA INVEST RE DEKA-ZMV-FONDS	20,000	0	20,000
**D DEKA INVESTMENT GMBH RE PRODEKA	65,200	0	65,200
**D DEKA A-DOR-FONDS	6,503	0	6,503
**D DEKA INVESTMENT GMBH RE LANDSBERG-FONDS	5,900	0	5,900
**D DEKA INVESTMENT GMBH RE DEKA VALUE PLUS	10,813	0	10,813
**D BUMA-UNIVERSAL-FONDS-II	602,592	0	602,592
**D BUMA-UNIVERSAL-FONDS I	13,990	0	13,990
**D MI-FONDS 392	462,000	0	462,000
**D JPMORGAN EUROPEAN INVESTMENT TRUST PLC	98,990	0	98,990
**D KAPITALFORENINGEN ISTITUTIONEL INVESTOR EUROPAELSKA AKTIER	1,011,641	0	1,011,641
**D NEW MEXICO STATE INVESTMENT COUNCIL	80,036	0	80,036
**D DEKA INTERNATIONAL S,A, RE DEKA-EUROSTOC	546,850	0	546,850
**D STICHTING PENSIOENFONDS VOOR HUISARTSEN	36,912	0	36,912
**D BUREAU OF LABOR FUNDS - LABOR RETIREMENT FUND	6,015	0	6,015
**D BUREAU OF LABOR FUNDS-LABOR INSURANCE FUND	217,051	0	217,051
**D BUREAU OF LABOR FUNDS- LABOR PENSION FUND	19,873	0	19,873
**D NORDEA PRO EUROPEAN FUND	377,784	0	377,784
**D NORDEA EUROPE FUND	1,612,784	0	1,612,784
**D INVESTERINGSFORENINGEN NORDEA INV AKTIER	586,767	0	586,767
**D ARTEMIS EUROPEAN OPPORTUNITIES FUND	844,653	0	844,653
**D BLACKROCK MULTI-ASSET INC,PORTF,OF BLACK	754,307	0	754,307
**D BLACKROCK INSTITUTIONAL TRUST COMPANY N,A, INVESTMENT FUNDS FOR EMPLOYEE BENEFIT TRUSTS	354,859	0	354,859
**D JP MORGAN CHASE RETIREMENT PLAN	119,470	0	119,470
**D PENSION TRUST FUND FOR OPERATING ENGINEE	400,000	0	400,000
**D LONDON LIFE INSURANCE COMPANY	69,200	0	69,200
**D CANADA POST CORPORATION REGISTERED PENSI	106,197	0	106,197
**D THE BOMBARDIER TRUST (UK)	61,392	0	61,392
**D FTSE ALL WORLD INDEX FUND	20,987	0	20,987
**D FLF STRATEGIC GLOBAL EQUITY FUND	119,463	0	119,463
**D REASSURE LIMITED	123,245	0	123,245
**D FLF GLOBAL EQUITY FUND	60,413	0	60,413
**D CITADEL ADVISORS LLC	86,066	0	86,066
**D FRIENDS LIFE AND PENSIONS LIMITED	51,154	0	51,154
**D FRIENDS LIFE FUNDS LIMITED	59,324	0	59,324
**D HSBC EUROPEAN INDEX FUND	97,246	0	97,246
**D AXA FRAMLINGTON FINANCIAL FUND	101,283	0	101,283
**D FRIENDS LIFE AND PENSIONS LIMITED	3,317	0	3,317
**D TR EUROPEN GROWTH TRUST PLC	691,650	0	691,650
**D ARC I - FONDS SEGMENT 1 -AKTIEN EUROPA	26,458	0	26,458
**D SONDERVERMOGEN INKA OPRA FONDS	16,181	0	16,181

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**D INTERNATIONALE KAPITALANLAGEGESELLSCHAFT MBH	48,500	0	48,500
**D VANGUARD EUROPEAN STOCK INDEX FUND	945,197	0	945,197
**D VANGUARD DEVELOPED MARKETS INDEX FUND	2,155,375	0	2,155,375
**D VANGUARD TOTAL WORLD STOCK INDEX FUND	113,470	0	113,470
**D VANGUARD FTSE ALL-WORLD EX US INDEX FUND	663,474	0	663,474
**D PIONEER FLEXIBLE OPPORTUNITIES FUND	480,295	0	480,295
**D VANGUARD FUNDS PLC	187,648	0	187,648
**D VANGUARD INVESTMENT SERIES PLC	39,953	0	39,953
**D VANGUARD INVESTMENT SERIES PLC	7,356	0	7,356
**D VANGUARD INVESTMENT SERIES PLC	93,449	0	93,449
**D KVV AKTIEN FONDS 1	1,844	0	1,844
**D FCP VILLIERS ACTIONS EDRAM	720,800	0	720,800
**D FIDUCIARY TRUST COMPANY INTERNATIONAL AS	67,000	0	67,000
**D MANAGEMENT BOARD PUBLIC SERVICE PENSION	3,513	0	3,513
**D SCHRODER PENSION MANAGEMENT LTD	66,373	0	66,373
**D VANGUARD INTERNATIONAL SMALL COMPANIES INDEX FUND	32,076	0	32,076
**D ONEPATH GLOBAL SHARES - SMALL CAP UNHEDGED) INDEXPOOL	26,862	0	26,862
**D VANGUARD TOTAL INTERNATIONAL STOCK INDEX	5,243,100	0	5,243,100
**D VANGUARD INTERNATIONAL EXPLORER FUND	815,900	0	815,900
**D HSBC AVB	8,841	0	8,841
**D SUZUKA INKA	131,022	0	131,022
**D SCHRODER ADVANCED BETA GLOBAL EQUITY SMA	65,536	0	65,536
**D SCHRODER GLOBAL MULTI-FACTOR EQUITY FUND	132,300	0	132,300
**D LOMBARD ODIER FUNDS (SWITZERLAND) SA	25,266	0	25,266
**D REALDANIA	192,400	0	192,400
**D MERRILL LYNCH INTERNATIONAL	322,064	0	322,064
**D SCHUBEL FAM TR-MANNING AND NAPIER A DV	990	0	990
**D POND 2007 FAMILY TRUST MANNING SUB	1,320	0	1,320
**D HUNTER FAMILY FDN MANNING	1,865	0	1,865
**D MANNING AND NAPIER ADVISOR INC	110,730	0	110,730
**D IRON WORKERS LOCALS 40361 AND 417 ANNUITY FUND	18,440	0	18,440
**D BURTON X ROSENBERG INSUR TR MAN SUB	1,375	0	1,375
**D THE MALUTH FAMILY TRUST MANNING SUB	1,360	0	1,360
**D C E COMPALL REV TR 10-23-09 MAN D N	990	0	990
**D GRAHAM C BROCK MANNING INTL	770	0	770
**D MANNING AND NAPIER FUND INC PRO BLEND MODERATE TERM SERIES	28,940	0	28,940
**D THE BAKERY AND CONFECTIONERY UNION AND INDUSTRY INTERNATIONAL PENSION FUND	120,215	0	120,215
**D IRON WORKERS LOCALS 40 361 AND 41 7 PENSION FUND	13,505	0	13,505
**D ALMEIDA FAMILY LEGACY TR MANNING	855	0	855
**D THE HORWARD TRUST MANNING AND NAPIER	580	0	580
**D CJB CRUT II 11-27-06 MANNING	795	0	795
**D MANNING AND NAPIER FUND INC,OVERS EAS SERIES	339,195	0	339,195
**D TANGLIN CLAYMORE LLC MANNING	1,590	0	1,590
**D CJB FAMILY TR 06-15-00 MANNING	1,825	0	1,825
**D IRON WORKERS LOCAL 11 PENSION FUND	14,780	0	14,780
**D QUIGG VENTURES LLC MANNING AND NAPIER	2,005	0	2,005

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Surname	Tot. Votes	On own behalf	Proxy
**D FLIGHT ATTENDANT MEDICAL RESEARCH INSTITUTE	6,850	0	6,850
**D JURGENSEN INVSTMNTS LLC MANNING SUB	835	0	835
**D MANNING AND NAPIER ADVISORS INC	265,770	0	265,770
**D MICHIGAN CATHOLIC CONFERENCE MASTER PENSION TRUST	41,760	0	41,760
**D OPUS FINANCIAL LLC-MANNING AND NAPIER	5,160	0	5,160
**D GRUSECKI NEXGEN LLC-MANNING AND NAPIER	1,605	0	1,605
**D R C DELL TRUST-MANNING AND NAPIER R A DV	810	0	810
**D FLEISCHHACKER 09 TR MANNING AND NAPIER	795	0	795
**D ANTHONY K, KESMAN TRUSTEE	945	0	945
**D BRIDGE BUILDER INTERNATIONAL EQUITY FUND	581,660	0	581,660
**D FLK (TE) LLC MANNING AND NAPIER	2,590	0	2,590
**D CHURCH OF THE HOLYCONFORTER-SUB	565	0	565
**D PNC BANK NA	17,025	0	17,025
**D GST EX MRTL TR C-U CONSTANCE-MA ND N	1,290	0	1,290
**D RELIABLE PARTNERS MANNING INTL	845	0	845
**D FIRST STATE TRUST COMPANY FOR MULTIPLE BENEFICIARIES	685	0	685
**D GOLDER FAMILY FOUNDATION-MANDN	1,115	0	1,115
**D ROOSEVELT UNIVERSITY	15,295	0	15,295
**D IRA FBO JAMES KING BNY MELLON	575	0	575
**D MELISSA S, WIDEN-MANNING ANDAPI IER	890	0	890
**D J HANSEN REV TR 4-29-81 MANNING	2,495	0	2,495
**D ROBERT A ROSHOLT IRAR-OMANNING - SU B	890	0	890
**D JAMES J, BAKKE 1987 TRUST MANN ING 6001 N	3,190	0	3,190
**D LARRY D CONTOS REV TR MANNING SUB 755	870	0	870
**D JOHN M, MC DONOUGH IRAR-MAN AND NAP	865	0	865
**D DORIS K, CHRISTOPHER 1996 TR-MA ND	20,970	0	20,970
**D OLIVE MC CARTHY 2009 TRUST-MANNING	1,255	0	1,255
**D CATHERINE SLARK TR-MANNING ANDN API	1,840	0	1,840
**D GEOFFREY C FENNER MANNING INTL1	580	0	580
**D ELIZABETH E, RIORDAN 1997 TRMANNING	1,405	0	1,405
**D STANLEY H MEADOWS 90 TR-MANNING NAP	5,855	0	5,855
**D J MCCARTNEY12-30-97 MANNING-NAP IER	1,610	0	1,610
**D DEBRA K MAYER-MANNING ANDNAPIER - SU B	650	0	650
**D CAROL GOLDER REVTR MANNING AND NAP	950	0	950
**D R MORRIS ILLINOIS QTIP MARTR M AND N	735	0	735
**D LOMBARDI JTWROS MANNING AND NAPIER	1,370	0	1,370
**D JAMES E WICKS TRMANNING NAPIER	920	0	920
**D CHRISTOPHER ENOCK LVG TRMANNING	980	0	980
**D MARY KATHERINE LAUDERBACK	775	0	775
**D BARBARA S, BLUHM REV TR-MANNING INTL	1,135	0	1,135
**D JOSEPH L, BOZICH 2005TR-MANNING	885	0	885
**D THOMAS C GAPUTIS REV TR-MANNING	995	0	995
**D J G FENCIK TR-MANNING AND NAPIER	2,065	0	2,065
**D BRUCE BARRON REVOCABLE TRUST	1,635	0	1,635
**D L, S, BUONANNO-MANNING AND NAPIER	1,550	0	1,550
**D BUNRATTY HOLDINGS LLC-MANNING INTL	1,280	0	1,280

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**D MANNING AND NAPIER FUND INC -PR O BLEND-MAXIMUM TERM SERIES	291,450	0	291,450
**D MORRIS 1992 GIFT TR FORELLEN-M AND N	2,495	0	2,495
**D FANCELLI FDN INC, (SPECIAL)-MANNING	2,165	0	2,165
**D MIAMI DADE COMMUNITY COLLEGE FOUNDATION 300 NE	6,110	0	6,110
**D REGIONAL TRANSPORTATIONDISCTRIC T	10,555	0	10,555
**D HAGEN FAMILY TR U-ADTD7-7-1989 MA AND N	1,500	0	1,500
**D MANNING AND NAPIER FUNDINC, -BLE ND ED ASSET MODERATE SEREIS	3,810	0	3,810
**D JEFFREY S, ARONIN REV TRUST	7,180	0	7,180
**D MELVYN FISHER IRREV TR US BANK TRUSTEE	995	0	995
**D MANNING AND NAPIER FUND INC INT	541,920	0	541,920
**D MANNING AND NAPIER FUND INC	46,880	0	46,880
**D KIRBY ROSPLOCK DECLOFTR MANNING	835	0	835
**D FEINBERG FAMILY LTD PART2-MANNING	615	0	615
**D EVERGREEN PARTNERS GENPRT-MAND	895	0	895
**D CJB CRUT 5-1-01-MANNING	1,855	0	1,855
**D GOLDER 2007 FAM TR-MANNING AND NAPIER	1,620	0	1,620
**D JESSICA S SUPERA MANNING INTL	590	0	590
**D THOMAS R SMITH REVRE-MANN AND NAPIER	700	0	700
**D JAY W CHRISTOPHER 1996TR-MANNING ING	14,670	0	14,670
**D R, AND L, BRADLEY JT REVTR-MANNING	1,110	0	1,110
**D LEONARD X ROSEMBERG 2007TR-MANNING	775	0	775
**D A,BERGDOLL REV TR-MANNING ANDN API ER	1,415	0	1,415
**D WILLIAM G JUEGENSEN REV TRMANNING	2,755	0	2,755
**D TERRENCE P, DIAMOND-MANNINGINTL 8706	655	0	655
**D L BUONANNO TR T SMITH SR-MANDN	2,375	0	2,375
**D WILLIAM FOOTE 95 TR-MANNING AND NAPIER	1,070	0	1,070
**D DEBORAH A, SCHMIDT REVTR-MANNING	960	0	960
**D CAIRD ARNOLD HARBECK REVTR-MANNING	985	0	985
**D ROBERT KLEINERT JR DECLTR- MANNING	690	0	690
**D JULES M, LASER MANNING AND NAPERIR	760	0	760
**D G MCLACHLAN DECLTR-MANNING-NAPIER	1,830	0	1,830
**D ELIZABETH DRUCKER-MANNING AND NAPIER	510	0	510
**D BGF EURO MKTS FD EURO EQUITY PF	10,669,505	0	10,669,505
**D GLOBAL DIVERSIFIED SUB TRUST	5,116	0	5,116
**D ELEVA UCITS FD EUROLAND SELECT	128,300	0	128,300
**D METZLER INT INV PUBLIC LTD	866,000	0	866,000
**D UBS EUR SMALL CAP EQUITY FD MY	84,125	0	84,125
**D THE NORTHWESTERN MUTUAL LIFE I	400,000	0	400,000
**D ARRCO LONG TERME B	212,530	0	212,530
**D ARRCO QUANT 1	129,208	0	129,208
**D CIPAV ALOIS	173,484	0	173,484
**D SOGECAP ACTIONS SMALL CAP	813,805	0	813,805
**D COLISEE IFC 1	530,000	0	530,000
**D SG ACTIONS EUROPE MID CAP	174,380	0	174,380
**D MUF-LYXOR EURO STOXX BANKS	825,693	0	825,693
**D LYXOR EURO STOXX 300	31,765	0	31,765

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**D LYXOR INDEX FD-LYXOR STOXX EUR	56,768	0	56,768
**D MUL-LYXOR ITALIA EQUITY PIR	25,973	0	25,973
**D AMUNDI FUNDS II-PIONEER FLEX O	91,490	0	91,490
**D AMUNDI SGR SPA AZIONARIO EUROPA	196,518	0	196,518
**D AMUNDI SF EURO EQ MARKET PLUS	7,244	0	7,244
**D AMUNDI FUNDS II-GLOB MULTI ASS	39,463	0	39,463
**D AMUNDI FUNDS II-EURO POTENTIAL	2,806,988	0	2,806,988
**D AMUNDI FUNDS II-EURO RESEARCH	294,285	0	294,285
**D AMUNDI FUNDS II-EUROP EQ OPTIM	82,021	0	82,021
**D PIONEER INV TOT RETURN	28,211	0	28,211
**D AMUNDI SOLUZ IT-PR CED 12 2019	38,160	0	38,160
**D AMUNDI SOL IT-PR CED 22 2020	47,716	0	47,716
**D AMUNDI SOL IT-PR CED 03 2020	45,423	0	45,423
**D AMUNDI SOL IT-PR CED 05 2020	80,229	0	80,229
**D AMUNDI SOL IT-PR CED 06 2020	54,059	0	54,059
**D AMUNDI SOL IT-PR CED 08 2020	63,584	0	63,584
**D AMUNDI SOL IT-PR CED 09 2020	52,520	0	52,520
**D AMUNDI SOL IT-PR CED 12 2020	22,990	0	22,990
**D AMUNDI SOL IT-PR CED 11 2020	39,870	0	39,870
**D AMUNDI SOL IT-PR CED 02 2021	20,160	0	20,160
**D AMUNDI SD-EQ PLAN 60	14,077	0	14,077
**D EURIZON CAPITAL SGR-GLOBAL MULTIASSET SELECTION 09/22	17,700	0	17,700
**D EURIZON CAPITAL SGR - EURIZON PROGETTO ITALIA 70	110,849	0	110,849
**D EURIZON CAPITAL SGR - EURIZON AZIONI ITALIA	282,955	0	282,955
**D EURIZON CAPITAL SGR - EURIZON PIR ITALIA AZIONI	11,498	0	11,498
**D EURIZON CAPITAL SGR - EURIZON PROGETTO ITALIA 40	124,092	0	124,092
**D EPSILON SGR - EPSILON FLESSIBILE AZIONI EURO APRILE 2021	1,240	0	1,240
**D EPSILON SGR - EPSILON FLESSIBILE AZIONI EURO FEBBRAIO 2021	3,013	0	3,013
**D EPSILON SGR - EPSILON FLESSIBILE AZIONI EURO GIUGNO 2021	882	0	882
**D EPSILON SGR - EPSILON FLESSIBILE AZIONI EURO NOVEMBRE 2020	10,351	0	10,351
**D EPSILON SGR - EPSILON FLESSIBILE AZIONI EURO SETTEMBRE 2020	13,945	0	13,945
**D EPSILON SGR - EPSILON MULTIASSET 3 ANNI DICEMBRE 2019	13,355	0	13,355
**D EPSILON SGR - EPSILON MULTIASSET 3 ANNI LUGLIO 2020	3,959	0	3,959
**D EPSILON SGR - EPSILON MULTIASSET 3 ANNI MAGGIO 2020	8,055	0	8,055
**D EPSILON SGR - EPSILON MULTIASSET 3 ANNI MARZO 2020	6,326	0	6,326
**D EIS-EURO EQUITY INSURANCE CAPITAL LIGHT 49	51,771	0	51,771
**D ISE - GLOBAL DYNAMIC MULTITRENDER 06/2015	6,071	0	6,071
**D ISE - MULTIASSET ABSOLUTE 3 ANNI 07/2016	29,072	0	29,072
**D EPF-ABSOLUTE Q-MULTISTRATEGY	5,670	0	5,670
**D ISE - MULTIASSET ABSOLUTE 3 ANNI - 04/2016	32,015	0	32,015
**D EUF-EQUITY ITALY	92,759	0	92,759
**D ISE - DYNAMIC INCOME MULTITRENDER 01/2016	4,162	0	4,162
**D PRIVILEGE	35,454	0	35,454
**D ASSURDIX	49,978	0	49,978
**D CPR EUROLAND	395,972	0	395,972
**D CPR SILVER AGE	4,427,663	0	4,427,663

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **Long-Term Bonus Plan**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D FCP CPR EUROLAND PREMIUM	89,275	0	89,275
**D AMUNDI ETF FTSE ITALIA PIR UCITS ETF DR	29,428	0	29,428
**D FCP NATIXIS ACTIONS SMALL MID CAP EURO	348,000	0	348,000
**D NATIXIS ACTIONS EUROPE SECTEURS	100,573	0	100,573
**D FCP GROUPAMA AVENIR EURO	4,739,300	0	4,739,300
**D FCP GROUPAMA EURO STOCK	100,000	0	100,000
**D FCP GROUPAMA EUROPE STOCK	2,400	0	2,400
**D OPCVM SEEYOND EQUITY FACTOR INVESTING EURO	20,993	0	20,993
**D FCP BEST BUSINESS MODELS	1,310,000	0	1,310,000
**D MULTISMART ACTIONS EURO	704	0	704
**D CROISSANCE PME M	495,933	0	495,933
**D BNY MELLON EMPLOYEE BENEFIT COLLECTIVE INVESTMENT FUND PLAN	15,536	0	15,536
**D THE ROYAL INST FOR THE ADVANCEMENT OF LEARNING MCGILL UNIVERSITY	25,056	0	25,056
**D FRONTIERS INTERNATIONAL EQUITY POOL	7,291	0	7,291
**D THE GREAT-WEST LIFE ASSURANCE COMPANY	41,850	0	41,850
**D BMO GLOBAL BANKS HEDGED TO CADINDEX ETF 100	833	0	833
**D MCGILL UNIVERSITY PENSION FUND	12,957	0	12,957
**D THE GLENCORE CANADIAN PENSION FUNDS TRUST-FOREIGN EQUITY FUND	20,379	0	20,379
**D ONTARIO PENSION BOARD ,	330,050	0	330,050
**D EPOCH GLOBAL EQUITY FUND	292,095	0	292,095
**D IMPERIAL INTERNATIONAL EQUITY POOL	350,727	0	350,727
**D IMPERIAL OVERSEAS EQUITY POOL	17,476	0	17,476
**D CIBC INTERNATIONAL SMALL COMPANIES FUND	26,021	0	26,021
**D ALLEGHENY COLLEGE	9,400	0	9,400
**D ERIE COUMMINTY FOUNDATION	10,600	0	10,600
**D CF DV ACWI EX-U,S, IMI FUND	1,477	0	1,477
**D TIMESQUARE FOCUS FUND LP	3,500	0	3,500
**D LOF EUROZONE SMALL AND MID CAPS98453 51	1,400,000	0	1,400,000
**D FCP EDMOND DE ROTHSCHILD EURO LEADERS	1,241,700	0	1,241,700
**D FCP EDMOND DE ROTHSCHILD EURO SRI	198,180	0	198,180
**D FCP EDMOND DE ROTHSCHILD EUROPEMIDCAPS	912,000	0	912,000
**D EDMOND DE ROTHSCHILD EUROPE MIDCAP	131,760	0	131,760
**D AA FORTIS ACTIONS PETIT CAP EUROPE	348,520	0	348,520
**D FCP RSI EURO P	71,651	0	71,651
**D FCP LCF PHARMA INTERNATIONAL	151,080	0	151,080
**D FCP GROUPAMA PHARMA DIVERSIFIE	69,000	0	69,000
**D UNIVERS CNP 1	122,145	0	122,145
**D FCP NATIXIS IONIS	45,498	0	45,498
**D CNP ASSUR SMALL CAP	379,980	0	379,980
**D EGEARGNE 2	69,584	0	69,584
**D I,2,C, ACTIONS	517,000	0	517,000
**D FCP CONTI GESTION	43,834	0	43,834
**D EDMOND DE ROTHSCHILD ASSET MANAGEM,	314,330	0	314,330
**D FCP ECUREUIL RETRAITE EURO ACTIONS 4	320,000	0	320,000
**D FCP LBPAM ACTIONS FINANCE	27,349	0	27,349
**D FCP TUTELAIRE ACTIONS	18,800	0	18,800

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **Long-Term Bonus Plan****IN FAVOUR**

Surname	Tot. Votes	On own behalf	Proxy
**D SICAV LBPAM ACTIONS EURO	340,000	0	340,000
**D NATIXIS ASSET MANAGEMENT FUNDS	15,142	0	15,142
**D G FUND	1,102,223	0	1,102,223
**D AMUNDI FUNDS SICAV	2,610,085	0	2,610,085
**D EDMOND DE ROTHSCHILD (EUROPE)	3,016,936	0	3,016,936
7103 MONDO GIUSEPPE	100	100	0
7250 MARTIRIGGIANO ANTONIO	3,361	3,361	0
7290 ZACCARDI ANTONELLA	1	1	0
7350 PRANDINI GIULIANO	5,000	5,000	0
7435 ROSSI MARCO	63,975	63,975	0
7559 CAGLIA MARIA	0	0	0
DE* UNICREDIT S,P,A,	215,066,403	0	215,066,403
Total votes	491,452,552		
Percentage of voters%	98.240730		
Percentage of share capital %	80.803390		

Ordinary Shareholders' Meeting of April 11, 2018RESULTS OF VOTINGSubject : **2018 Incentive System for Personal Financial Advisors****Attendees:**n° **872** shareholders entitled to vote took part in the voting on own behalf or by proxyn° **500,253,359** ordinary shares**The counting of votes produced the following results:**

		%OF ORINARY SHARE CAPITAL PRESENT (Voting Quorum)	%OF ORDINARY SHARE ENTITLED TO VOTE	%SHARE CAPITAL
Favour	494,495,009	98.848913	98.848913	81.303623
Against	1,501,717	0.300191	0.300191	0.246909
SubTotal	495,996,726	99.149105	99.149105	81.550532
Abstention	520,001	0.103948	0.103948	0.085497
Not Voting	3,736,632	0.746948	0.746948	0.614368
SubTotale	4,256,633	0.850895	0.850895	0.699865
Total	500,253,359	100.000000	100.000000	82.250397

Shareholders:
Shareholders on own
behalf:872 People:
15 Shareholders by proxy:18
857

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **2018 Incentive System for Personal Financial Advisors****AGAINST**

Surname	Tot. Votes	On own behalf	Proxy
6041 BONETTI EMANUELE	10	10	0
6122 FOGLI MAURIZIO	1	1	0
6957 ESPOSITO MARCO	0	0	0
**D STICHTING PGGM DEPOSITARY	422,749	0	422,749
**D MERSEYSIDE PENSION FUND	209,168	0	209,168
6970 CLERICI CAMILLA	0	0	0
**D WEST MIDLANDS METROPOLITAN AUT PENS FD	97,000	0	97,000
**D TRUSTEAM ROC EUROPE C O TRUSTEAM FINANCE	331,269	0	331,269
**D FCP CM-CIC SILVER ECONOMIE	220,000	0	220,000
**D EIS-EURO EQUITY INSURANCE CAPITAL LIGHT 49	51,771	0	51,771
**D ISE - GLOBAL DYNAMIC MULTITRENDER 06/2015	6,071	0	6,071
**D ISE - MULTIASSET ABSOLUTE 3 ANNI 07/2016	29,072	0	29,072
**D EPF-ABSOLUTE Q-MULTISTRATEGY	5,670	0	5,670
**D ISE - MULTIASSET ABSOLUTE 3 ANNI - 04/2016	32,015	0	32,015
**D EUF-EQUITY ITALY	92,759	0	92,759
**D ISE - DYNAMIC INCOME MULTITRENDER 01/2016	4,162	0	4,162

Total votes 1,501,717
Percentage of voters% 0.300191
Percentage of share capital % 0.246909

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **2018 Incentive System for Personal Financial Advisors**

ABSTENTIONS

Surname
6304 CROCE MARIO
6970 CLERICI CAMILLA
**D ARCA FONDI SGR - FONDO ARCA AZIONI ITALIA
**D CHALLENGE FUNDS CHALLENGE ITALIAN EQUITY

Tot. Votes	On own behalf	Proxy
1	1	0
0	0	0
100,000	0	100,000
420,000	0	420,000

Total votes 520,001
Percentage of voters% 0.103948
Percentage of share capital % 0.085497

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **2018 Incentive System for Personal Financial Advisors****NON VOTING**

Surname	Tot. Votes	On own behalf	Proxy
6970 CLERICI CAMILLA	0	0	0
**D GENERALI SMART FUNDS SICAV	70,632	0	70,632
**D GENERALI INVESTMENTS SICAV	1,500,000	0	1,500,000
**D INTERFUND SICAV INTERFUND EQUITY ITALY	64,000	0	64,000
**D FIDEURAM ASSET MANAGEMENT (IRELAND) FONDITALIA EQUITY ITALY	428,000	0	428,000
**D FIDEURAM ASSET MANAGEMENT (IRELAND) FIDEURAM FUND EQUITY ITALY	5,000	0	5,000
**D FIDEURAM INVESTIMENTI SGR - FIDEURAM ITALIA	9,000	0	9,000
**D FIDEURAM INVESTIMENTI SGR - PIANO AZIONI ITALIA	150,000	0	150,000
**D FIDEURAM INVESTIMENTI SGR - PIANO BILANCIATO ITALIA 50	10,000	0	10,000
**D MEDIOLANUM GESTIONE FONDI SGR - FLESSIBILE FUTURO ITALIA	1,500,000	0	1,500,000

Total votes 3,736,632
Percentage of voters% 0.746948
Percentage of share capital % 0.614368

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **2018 Incentive System for Personal Financial Advisors**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
6058 DE TOMASI PAOLA	4,000	4,000	0
6102 CERASUOLO STEFANO	9,481	9,481	0
6474 ANGELINI ALESSANDRO	250	250	0
6504 TIMUS ANDREEA	5	5	0
6547 GHIBAUDI LEOPOLDO	9,000	9,000	0
6616 ROSSI GIULIA	8,000	8,000	0
6849 LOIZZI GERMANA	3	3	0
6957 ESPOSITO MARCO	0	0	0
**D CITI RETIREMENT SAVINGS PLAN	137,653	0	137,653
**D UWF TROW INTL DISCOVERY	45,589	0	45,589
**D STANDARD LIFE INVESTMENTS GLOBAL SICAV II	53,674	0	53,674
**D SUBSIDIZED SCHOOLS P FUND NORTHERN	4,211	0	4,211
**D WILLIS TOWERS WATSON GROUP TRUST	3,441	0	3,441
**D 55016 UP INTERNATIONALE AKTIER	236,395	0	236,395
**D 56053 IP GLOBAL EQUITIES I	29,217	0	29,217
**D AST TRP DIVERS REAL GWTH PORT PDMO	1,049	0	1,049
**D ADVANCED SERIES TRUST AST T ROWE PRICE GROWTH OPPORTUNITIES PORTFOLIO GATEWAY CENTER	36,297	0	36,297
**D BNYMTD CF MITON EUROPEAN OPPTS FUND	630,272	0	630,272
**D NATIONAL BANK TRUST	42,267	0	42,267
**D RVN WILLIAM BLAIR	6,037	0	6,037
**D POWERSHARES PUREBETA FTSE DEVELOPED EX NORTHAMERICA PORTFOLIO	62	0	62
**D CHI OPERATING INVESTMENT PROGRAM LP	117,380	0	117,380
**D CATHOLIC HEALTH INITIATIVES MASTER TRUST	57,179	0	57,179
**D FIRST INITIATIVES INSURANCE LIMITED	12,910	0	12,910
**D GLOBAL EQUITY WELLINGTON	138,921	0	138,921
**D GLOBAL INVESTMENT FUND	31,323	0	31,323
**D MFS INTL EQUITY FUND	28,677	0	28,677
**D USBK MOMENTUMSHARES INTL QUANT ETF	121,743	0	121,743
**D 1135 APG DME STCK SEL	94,081	0	94,081
**D 1216 APG DME FINANC	2,255,729	0	2,255,729
**D UNISYS MASTER TRUST	60,092	0	60,092
**D AMG CHICAGO EQUITY PARTNERS BALANCED FUND	900	0	900
**D SAN FRANCISCO CITY AND COUNTY EMPLOYEES RETIREMENT SYSTEM	116,549	0	116,549
**D STICHTING DEPOSITARY APG DEVELOPED MARKETS EQUITY POOL	743,008	0	743,008
**D ELEMENTS INTERNATIONAL SMALL CAP PORTFOLIO	8,111	0	8,111
**D MANNING AND NAPIER FUND INC RAINIER INTERNATIONAL DISCOVERY FUND	605,665	0	605,665
**D FIRST INVESTORS GLOBAL FUND	237,361	0	237,361
**D PS FTSE LO BT EQ WT PORT	12,210	0	12,210
**D NYKREDIT ENGROS GLOBAL OPPORTUNITIES	56,912	0	56,912
**D EIR EIE WELLINGTON INT	106,784	0	106,784
**D WILM MULTI MGR INTL FD OBERWEIS	216,903	0	216,903
**D AST PRU GRWTH ALL PTF QMA EAFE PDFF	59,020	0	59,020
**D PS FTSERAFI EUSM UCITS ETF BNYMTCIL	2,477	0	2,477
**D PS SP INTL DEVEL QUALITY PORTFOLIO	5,359	0	5,359
**D PS FR DEVEL MARK EX US SMALL PORT	17,503	0	17,503
**D AST FI PYRAMIS QUANT AA IE SC PDGJ	115,638	0	115,638

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **2018 Incentive System for Personal Financial Advisors**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D AST RCM WORLD TRENDS PORT PDBF	205,800	0	205,800
**D PENSION RESERVES INVESTMENT TRUST FUND	499,450	0	499,450
**D LMIF LMGAMI EURO SMLL CP	110,589	0	110,589
**D WELLINGTON MGMT CY LLPQUALITY EDUC FD	82,675	0	82,675
**D BNYMTCIL LAZARD GBL MANAGED VOL FD	31,714	0	31,714
**D IQ 50 PERCENT HEDGED FTSE EURO ETF	6,718	0	6,718
**D DB LAZARD GLB MNGD	25,000	0	25,000
**D AXA MPS FINANCIAL DAC	170,000	0	170,000
**D DEUTSCHE XTRK MSCI EMU HDG EQ ETF	3,191	0	3,191
**D BLACKROCK GLOBAL FUNDS	6,826,006	0	6,826,006
**D FPXF WILLIAM BLAIR CO	68,864	0	68,864
**D BLL AQUILA LIFE EUROPEAN EQUITY	437,644	0	437,644
**D BLL AQUILA LIFE OSEAS EQUITY FUND	3,292	0	3,292
**D AARP INSURANCE PLAN	10,266	0	10,266
**D AARP FOUNDATION	4,977	0	4,977
**D BNYMTD FTF FRANKLIN EUROPEAN OPP FD	7,195	0	7,195
**D MI FONDS K12 SPK	91,583	0	91,583
**D BANK OF AMERICA PENSION PLAN OECHSLE	190,091	0	190,091
**D BOA FBO SKL INVESTMENT GRP LLC	13,860	0	13,860
**D WMP OPP INVESTMENT PRINS LP	30,869	0	30,869
**D AARP LAZARD LQE GLB	29,329	0	29,329
**D DEUTSCHE XTRK MSCI EAFE SC HDG ETF	466	0	466
**D DBX FTSE DEV EX US COMP FACTOR	557	0	557
**D THE CLEVELAND CLINIC FOUNDATION	32,555	0	32,555
**D EATON VANCE MGMT INTL SMALL CAP	1,317	0	1,317
**D SLI EUROPEAN SMALLER COMPANIES	2,375,761	0	2,375,761
**D PS SP INTL DEVEL MOMENTUM PORT	504	0	504
**D HP INC MASTER TRUST	54,785	0	54,785
**D ONFF WILLIAM BLAIR NONUS	24,516	0	24,516
**D CE8F WILLIAM BLAIR IACG	185,061	0	185,061
**D RAYTHEON MASTER PENSION TRUST	38,925	0	38,925
**D VANGUARD INTL HIGH DIV YLD INDEX FD	42,184	0	42,184
**D BSNF NTR WILLIAM BLAIR	18,975	0	18,975
**D BSPF PMT WILLIAM BLAIR	24,044	0	24,044
**D DEAM FONDS SPEZIAL 2 AEQ SPK	1,269,411	0	1,269,411
**D DEAM FOND SPEZIAL 18 AEQ SPK	285,507	0	285,507
**D BLL DC EUROPEAN GROWTH FD AG PF	120,522	0	120,522
**D BNYMTD BIEF CONT EUR INV	56,736	0	56,736
**D BNYMTD BLK CONT EURO FD	618,846	0	618,846
**D BGF EUROPEAN SPECIAL SITUATIONS FUND	2,200,058	0	2,200,058
**D BGF CONT EURO FLEXIBLE FD EURO EQFD	3,798,551	0	3,798,551
**D BNYMTD RAMAM WORLD RECOVERY FUND	109,740	0	109,740
**D LRPF WILLIAM BLAIR	65,726	0	65,726
**D DEUTSCHE XTRK MSCI STH EUR HDG ETF	199	0	199
**D ATFF AMERICAN CENTURY	44,194	0	44,194
**D RZSF3001 NON US GE W BLAIR	134,381	0	134,381

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **2018 Incentive System for Personal Financial Advisors**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D MSV JP MORGAN	62,372	0	62,372
**D ALASKA PERMANENT FUND CORPORATION	359,406	0	359,406
**D SCA LAZARD	24,315	0	24,315
**D AON HEWITT COLLECTIVE INVESTMENT TRUST	41,778	0	41,778
**D MINISTERS AND MISSIONARIES BENEFIT BOARD OF AMERICAN BAPTIST CHURCH	16,459	0	16,459
**D MIN DEF PF OMAN AMUNDI EURSILV	77,256	0	77,256
**D BNYMTD BLK EURO DYNAMIC FD	3,063,616	0	3,063,616
**D PHC NT SMALL CAP	28,250	0	28,250
**D BNYMTD RM GLOBAL HIGH ALPHA FUND	28,810	0	28,810
**D AMG TIMESSQUARE INTL SM CAP	1,205,000	0	1,205,000
**D BNYMTD BLK CONTINENTAL EURO INC	5,765,726	0	5,765,726
**D BNYMTD BLK CONT EUR EQ TRCK FD INV	313,139	0	313,139
**D OPERATING ENGINEERS LOCAL 101 PENSION FUND	120,000	0	120,000
**D BELL ATLANTIC MASTER TRUST	41,418	0	41,418
**D VERIZON MASTER SAVINGS TRUST	62,887	0	62,887
**D VOYA MULTI MANAGER INTERNATIONAL EQUITY FUND	49,013	0	49,013
**D THE EDUCATIONAL EMPLOYEES SUPPLEMENTARY RETIREMENT SYSTEM OF FAIRFAX COUNTY	5,348	0	5,348
**D GENERAL MILLS INVESTMENT TRUST	53,503	0	53,503
**D INDIANA PUBLIC RETIREMENT SYSTEM	20,228	0	20,228
**D KENTUCKY RETIREMENT SYSTEMS	580,000	0	580,000
**D KENTUCKY RETIREMENT SYSTEMS INSURANCE TRUST FUND	250,000	0	250,000
**D PUBLIC EMPLOYEES RETIREMENT SYSTEM OF MISSISSIPPI	72,395	0	72,395
**D PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF NEW MEXICO	16,687	0	16,687
**D BOARD OF PENSIONS OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA	80,956	0	80,956
**D JOHN S AND JAMES L KNIGHT FOUNDATION	65,800	0	65,800
**D SOUTH CAROLINA RETIREMENT SYSTEMS GROUP TRUST	288	0	288
**D UMC BENEFIT BOARD, INC	22,892	0	22,892
**D PRUDENTIAL INVESTMENT PORTFOLIO 2 PRUDENTIAL QMA INTL DEVELOPED MRKTS INDEX FUND	845	0	845
**D AHL DESERTWOOD FUND LIMITED C/O CITCO TRUSTEES (CAYMAN) LIMITED	109,956	0	109,956
**D PANAGORA DIVERSIFIED ARBITRAGE MASTER FUND LTD	2,630	0	2,630
**D MAP 192 SEGREGATED PORTFOLIO, PANAGORA ASST MGMNT INC PM ACT	30,024	0	30,024
**D GOVERNMENT OF NORWAY	4,267,532	0	4,267,532
**D NORGES BANK	225,448	0	225,448
**D UBS (LUX) EQUITY SICAV	68,735	0	68,735
**D UBS FUND MGT (CH) AG CH0516/UBSCHIF2-EGSCPII	98,996	0	98,996
**D UBS FUND MANAGEMENT (SWITZERLAND) AG,	123,764	0	123,764
**D CH0526 - UBS (CH) INSTITUTIONAL FUND - EQUITIES GLOBAL SMALL CAP PASSIVE II	15,606	0	15,606
**D AHL ALPHA MASTER LIMITED C/O CITCO TRUSTEES (CAYMAN) LIMITED	32,434	0	32,434
**D AHL DIRECTIONAL EQUITIES MASTER LIMITED	32,040	0	32,040
**D AHL EVOLUTION LTD SHARMAINE BERKELEY ARGONAUT LTD	777,939	0	777,939
**D ALT BETA EQUITY SIZE STRATEGY LIMITED CO NUMERIC INVESTORS LLC	310,536	0	310,536
**D AVIVA INVESTORS INTERNATIONAL INDEX TRACKING FUND	10,830	0	10,830
**D BLUE MOUNTAIN CREDIT ALTERNATIVES MASTER FUND LP CO M AND C CORP SERVICES LTD	67,980	0	67,980
**D BLUEMOUNTAIN FURSAN FUND LP CO MAPLES CORP SERVICES LIMITED	8,817	0	8,817
**D BLUEMOUNTAIN GUADALUPE PEAK FUND L,P,CO CORPORATION SERVICE COMPANY	4,655	0	4,655
**D BLUEMOUNTAIN KICKING HORSE FUND L,P, C/O MAPLES CORPORATE SVCS LTD	11,285	0	11,285

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **2018 Incentive System for Personal Financial Advisors**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D BLUEMOUNTAIN SYSTEMATIC MASTER FUND LP MAPLES CORP SERVICES LTD	40,285	0	40,285
**D CITITRUST LIMITED AS TRUSTEE OF BLACKROCK PREMIER FUNDS-BLACKROCK WORLD EQUITY INDEX FUND	326	0	326
**D IRISH LIFE ASSURANCE,	171,778	0	171,778
**D LAZARD ASSET MANAGEMENT LLC C/O LAZARD ASSET MANAGEMENT LLC - EUROPEAN LONG/SHORT	40,152	0	40,152
**D LEGAL AND GENERAL	116,862	0	116,862
**D LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	1,472,983	0	1,472,983
**D LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	15,847	0	15,847
**D LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	13,760	0	13,760
**D LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	52,838	0	52,838
**D LEGAL AND GENERAL COLLECTIVE INVESTMENT TRUST,	8,597	0	8,597
**D MCKINLEY NON US DEVELOPED 130 30 GROWTH ONSHORE FUND LP C O MCKINLEY C, MGMT, LLC	68,998	0	68,998
**D PANAGORA ASSET MANAGEMENT INC,	1,731	0	1,731
**D SLIC ER EX UK SM CM FD XESC	273,095	0	273,095
**D STANDARD LIFE INVESTMENT COMPANY GLOBAL SMALLER	2,573,190	0	2,573,190
**D STICHTING PENSIOENFONDS KPN STICHTING PENSIOENFONDS POSTNL STICHTING PENSIOENFONDS AVEBE	570,407	0	570,407
**D THREADNEEDLE (LUX	1,124,222	0	1,124,222
**D THREADNEEDLE INVESTMENT FUNDS ICVCA,	9,413,406	0	9,413,406
**D ZURICH LIFE ASSURANCE PLC	84,359	0	84,359
**D THREE CORNER MASTER L/SFUND LP	1,427,900	0	1,427,900
**D LUCERNE CAPITAL MASTER FUND LP	427,175	0	427,175
**D MANUFACTURERS AND TRADERS TRUST COMPANY	3,180	0	3,180
**D UNIVERSITY CLUB	630	0	630
**D FEDERATED KAUFMANN FUND	5,125,000	0	5,125,000
**D FEDERATED KAUFMANN FUND II	131,600	0	131,600
**D FEDERATED KAUFMANN SMALL CAP FUND	874,310	0	874,310
**D FIDELITY RUTLAND SQUARE TR II: STRAT ADV INT MULTI-MANAGER F	3,243	0	3,243
**D FIDELITY RUTLAND SQUARETRUST II: STRATEGIC ADVISERS INT F	312,995	0	312,995
**D LAUDUS INTERNATIONAL MARKETMASTERS FUND	464,055	0	464,055
**D SCHWAB INTERNATIONAL EQUITY ETF	313,517	0	313,517
**D LAZARD ASSET MANAGEMENT LLC	1,352	0	1,352
**D LAZARD RETIREMENT GLOBAL DYNAMIC MULTI ASSET PORTFOLIO	11,974	0	11,974
**D LAZARD MANAGED EQUITY VOLATILITY PORTFOLIO	3,051	0	3,051
**D LAZARD GLOBAL DYNAMIC MULTI ASSET PORTFOLIO	1,953	0	1,953
**D LAZARD REAL ASSETS AND PRICING OPPORTUNITIES PORTFOLIO	1,207	0	1,207
**D WELLINGTON GLOBAL OPPORTUNITIES FUND (CANADA)	100,206	0	100,206
**D WELLINGTON INTERNATIONAL OPPORTUNITIES FUND	16,577	0	16,577
**D MANNING AND NAPIER	902,020	0	902,020
**D MFS HERITAGE TRUST COMPANY COLLECTIVE INVESTMENT TRUST	135,594	0	135,594
**D INTERNATIONAL MONETARY FUND	15,994	0	15,994
**D ALLIANZ GLOBAL INVESTORS GMBH FOR ALLIANZGI-FONDS GHS	154,000	0	154,000
**D AMERICAN CENTURY STRATEGIC ASSET ALL, INC, STRAT ALL CONS F	1,280	0	1,280
**D AMERICAN CENTURY STRAT ASSET ALL, INC, STRAT ALL MODERATE F	4,430	0	4,430
**D AMERICAN CENTURY STRAT ASSET ALL, INC, STRATEGIC ALL AGGR F	4,680	0	4,680
**D AMERICAN CENTURY WORLD MUTUAL FUNDS, INC, INTL DISCOVERY F	141,830	0	141,830
**D AMERICAN CENTURY WORLD MUTUAL FUNDS, INC, INTL OPPORTUNITIES	170,088	0	170,088
**D AMERICAN CENTURY WORLD MUTUAL FUNDS INC - NT INT SM MID CAP F	61,980	0	61,980

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Subject: **2018 Incentive System for Personal Financial Advisors**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D AMERICAN CENTURY WORLD MUTUAL FUNDS, INC, - GLO SMALL CAP FD	6,683	0	6,683
**D AMERICAN CENTURY RETIREMENT DATE TRUST	61,347	0	61,347
**D ANIMA FUNDS PLC	78,238	0	78,238
**D CAREFIRST, INC, RETIREMENT PLAN TRUST FOR GHMSI ASSETS	43,000	0	43,000
**D CAREFIRST, INC, RETIREMENT PLAN TRUST FOR CFMI ASSETS	39,000	0	39,000
**D UAW RETIREE MEDICAL BENEFITS TRUST	101,658	0	101,658
**D HENDERSON INTERNATIONAL SMALL CAP FUND	20,028	0	20,028
**D SCPMG KEOGH PLAN	10,104	0	10,104
**D CALVERT WORLD VALUES F INC - CALVERT INT OPPORTUNITIES FUND	265,955	0	265,955
**D CALVERT RESP INX SRS, INC,-CLVRT DVD MRKTS EX-U,S, RSP INX FD	2,736	0	2,736
**D CONCEPT FUND SOLUTIONS PLC	1,286	0	1,286
**D THE REGENTS OF THE UNIVERSITY OF CALIFORNIA	206,295	0	206,295
**D MICROSOFT CORPORATION SAVINGS PLUS 401(K) PLAN	257,045	0	257,045
**D VALIC COMPANY I - ASSET ALLOCATION FUND	5,958	0	5,958
**D ALLIANZGI INTERNATIONAL SMALL-CAP FUND	308,542	0	308,542
**D PARAMETRIC INTERNATIONAL EQUITY FUND	4,180	0	4,180
**D EATON VANCE INTERNATIONAL SMALL-CAP FUND	34,992	0	34,992
**D FRANKLIN TEMPLETON ETF TRUST - FRANKLIN FTSE EUROPE ETF	4,305	0	4,305
**D FRANKLIN TEMPLETON ETF TRUST - FRANKLIN FTSE ITALY ETF	2,946	0	2,946
**D FRANKLIN TEMPLETON ETF TRUST-FRANKL LIBERTY INT OPPORTUN ETF	9,212	0	9,212
**D FRANKLIN TEMPLETON ETF TRUST - FRANKLIN FTSE EUROPE HEDGED ETF	1,400	0	1,400
**D THE GABELLI GLOBAL SMALL AND MID CAP VALUE TRUST	53,000	0	53,000
**D THE GABELLI GLOBAL RISING INCOME AND DIVIDEND FUND	27,000	0	27,000
**D GUARDIAN INTERNATIONAL GROWTH VIP FUND	6,545	0	6,545
**D GAM STAR FUND P,L,C,	3,618,908	0	3,618,908
**D RUSSELL INVESTMENT COMPANY SELECT INTERNATIONAL EQUITY FUND	15,376	0	15,376
**D E,SUN COMM BANK LTD IN ITS CAP AMC OF NOM EUR MID SM CAP GR F	43,513	0	43,513
**D HARTFORD INTERNATIONAL OPPORTUNITIES HLS FUND	556,165	0	556,165
**D THE HARTFORD INTERNATIONAL GROWTH FUND	109,838	0	109,838
**D THE HARTFORD INTERNATIONAL OPPORTUNITIES FUND	1,168,591	0	1,168,591
**D HARTFORD INTERNATIONAL EQUITY FUND	29,877	0	29,877
**D THE HARTFORD GLOBAL ALL- ASSET FUND	38,263	0	38,263
**D ALLIANZGI GLOBAL SMALL-CAP FUND	145,266	0	145,266
**D TCW INTERNATIONAL SMALL CAP FUND	14,710	0	14,710
**D WILLIAM BLAIR COLLECTIVE INVESTMENT TRUST	320,539	0	320,539
**D WILLIAM BLAIR INTERNATIONAL GROWTH FUND	871,300	0	871,300
**D WILLIAM BLAIR INSTITUTIONAL INTERNATIONAL GROWTH FUND	667,695	0	667,695
**D LAZARD GLOBAL MANAGED VOLATILITY (CANADA) FUND	2,530	0	2,530
**D MAINSTAY EPOCH CAPITAL GROWTH FUND	64,534	0	64,534
**D MM SELECT EQUITY ASSET FUND	4,584	0	4,584
**D LAZARD WILMINGTON GLOBAL MANAGED VOLATILITY PORTFOLIO	27,779	0	27,779
**D ANCHOR SERIES TRUST STRATEGIC MULTI-ASSET PORTFOLIO	5,883	0	5,883
**D ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM	78,810	0	78,810
**D RUSSELL COMMON CONTRACTUAL FUND	16,027	0	16,027
**D KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM	138,639	0	138,639
**D KP INTERNATIONAL EQUITY FUND	20,205	0	20,205

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Surname	Tot. Votes	On own behalf	Proxy
**D LAZARD GLOBAL INVESTMENT FUNDS PUBLIC LIMITED COMPANY	751,719	0	751,719
**D MARYLAND STATE RETIREMENT & PENSION SYSTEM	15,867	0	15,867
**D GTAA PANTHER FUND L,P	2,894	0	2,894
**D MERCER QIF CCF	2,080,743	0	2,080,743
**D STATE OF MONTANA BOARD OF INVESTMENTS	42,090	0	42,090
**D TEXAS MUNICIPAL RETIREMENT SYSTEM	272,348	0	272,348
**D STATE OF NEW JERSEY COMMON PENSION FUND D	161,132	0	161,132
**D NEW YORK STATE DEFERRED COMPENSATION PLAN	76,623	0	76,623
**D LAZARD GLOBAL BALANCED INCOME FUND	778	0	778
**D LAZARD GLOBAL LOW VOLATILITY FUND	3,151	0	3,151
**D CITY OF NEW YORK GROUP TRUST	180,406	0	180,406
**D CITY OF NEW YORK GROUP TRUST	438,768	0	438,768
**D PRINCIPAL EXCHANGE-TRADED FDS-PRINC INT MULTI-FACTOR INDEX ETF	1,239	0	1,239
**D WELLINGTON GLOBAL OPPORTUNITIES EX-JAPAN FUND	68,655	0	68,655
**D THRIVENT MODERATE ALLOCATION PORTFOLIO	12,777	0	12,777
**D THRIVENT MODERATELY AGGRESSIVE ALLOCATION PORTFOLIO	4,781	0	4,781
**D THRIVENT AGGRESSIVE ALLOCATION PORTFOLIO	1,415	0	1,415
**D THRIVENT MODERATE ALLOCATION FUND	2,306	0	2,306
**D THRIVENT MODERATELY AGGRESSIVE ALLOCATION FUND	2,077	0	2,077
**D THRIVENT AGGRESSIVE ALLOCATION FUND	1,282	0	1,282
**D THRIVENT GROWTH AND INCOME PLUS FUND	2,391	0	2,391
**D THRIVENT BALANCED INCOME PLUS FUND	6,696	0	6,696
**D THRIVENT GROWTH AND INCOME PLUS PORTFOLIO	2,616	0	2,616
**D THRIVENT BALANCED INCOME PLUS PORTFOLIO	7,564	0	7,564
**D THRIVENT LARGE CAP STOCK FUND	77,587	0	77,587
**D THRIVENT LARGE CAP STOCK PORTFOLIO	37,683	0	37,683
**D THRIVENT CORE INTERNATIONAL EQUITY FUND	105,132	0	105,132
**D THRIVENT DIVERSIFIED INCOME PLUS FUND	9,206	0	9,206
**D THRIVENT DIVERSIFIED INCOME PLUS PORTFOLIO	6,886	0	6,886
**D RUSSELL INVESTMENTS OVERSEAS EQUITY POOL	62,621	0	62,621
**D RUSSELL INVESTMENTS MULTI-FACTOR INTERNATIONAL EQUITY POOL	837	0	837
**D RUSSELL INSTITUTIONAL FUNDS,LLC-RUSSELL INTL EQUITY FUND	61,886	0	61,886
**D RUSSELL INVESTMENTS OVERSEAS EQUITY FUND	35,453	0	35,453
**D BANK OF KOREA	187,738	0	187,738
**D BIMCOR GLOBAL SMALL CAP POOLED FUND	43,678	0	43,678
**D CHANG HWA COMMERCIAL BANK, LTD,, IN ITS CAPACITY AS MASTER	288,800	0	288,800
**D STATE STREET IRELAND UNIT TRUST	2,399	0	2,399
**D SSGA SPDR ETFS EUROPE II PUBLIC LIMITED COMPANY	45,021	0	45,021
**D CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM	869,247	0	869,247
**D DELTASHARES S+P INTERNATIONAL MANAGED RISK ETF	6,109	0	6,109
**D CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM	517,835	0	517,835
**D TENNESSEE CONSOLIDATED RETIREMENT SYSTEM	190,600	0	190,600
**D TENNESSEE CONSOLIDATED RETIREMENT SYSTEM	348,095	0	348,095
**D PINEBRIDGE GLOBAL FUNDS	36,601	0	36,601
**D METZLER ASSET MANAGEMENT GMBH FOR MI-FONDS 415	97,000	0	97,000
**D ALLIANZ GLOBAL INVESTORS GMBH FOR ALLIANZGI-FONDS HPT	346,439	0	346,439

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Surname	Tot. Votes	On own behalf	Proxy
**D CAPITAL GROUP GLOBAL EQUITY FUND (CANADA)	2,865,000	0	2,865,000
**D CAPITAL GROUP GLOBAL BALANCED FUND (CANADA)	230,000	0	230,000
**D SAINT-GOBAIN CORPORATION DEFINED BENEFIT MASTER TRUST	27,921	0	27,921
**D VANGUARD FTSE DEVELOPED EUROPE ALL CAP INDEX ETF	8,413	0	8,413
**D VANGUARD FTSE DEVELOPED ALL CAP EX NORTH AMERICA INDEX ETF	8,644	0	8,644
**D VANGUARD DEVEL ALL-CAP EX NORTH AMERICA EQT IND POOLED FUND	541	0	541
**D VANGUARD GLOBAL LIQUIDITY FACTOR ETF	1,061	0	1,061
**D VANGUARD GLOBAL MOMENTUM FACTOR ETF	1,558	0	1,558
**D VANGUARD INVESTMENTS II COMMON CONTRACTUAL FUND	32,024	0	32,024
**D VANGUARD INVESTMENTS COMMON CONTRACTUAL FUND	36,461	0	36,461
**D VANGUARD FTSE DEVELOPED EUROPE INDEX ETF	1,123	0	1,123
**D VALIC COMPANY II INTERNATIONAL OPPORTUNITIES FUND	125,203	0	125,203
**D THE WELLINGTON TR COM NATIONAL ASS MULT COLLECT INV F TRUST	343,065	0	343,065
**D THE WELLINGTON TR CO NAT ASS MULT C TR F TR, OPPORT EQ PTF	72,130	0	72,130
**D THE WELLINGTON TR CO NAT ASS MULT COM GLB OPPORT PTF	45,012	0	45,012
**D THE WELLINGTON TR CO NAT ASS MULT COLLECTIVE INV F TRUST II	222,999	0	222,999
**D WELLS FARGO BK DECL OF TR EST INV FUNDS FOR EMPLOYEE BEN TR	48,345	0	48,345
**D WELLS FARGO MASTER TRUST-WELLS FRGO FACTR ENHANCED INT PRTFLIO	32,119	0	32,119
**D WISDOMTREE ISSUER PUBLIC LIMITED COMPANY	4,015	0	4,015
**D WASHINGTON STATE INVESTMENT BOARD	165,288	0	165,288
**D WISDOMTREE DYNAMIC CURRENCY HEDGED EUROPE EQUITY FUND	1,905	0	1,905
**D WISDOMTREE DYNAMIC CURRENCY HEDGED INTRNL EQUITY FUND	21,885	0	21,885
**D WISDOMTREE INTERNATIONAL HIGH DIVIDEND FUND	18,621	0	18,621
**D WISDOMTREE INTERNATIONAL MIDCAP DIVIDEND FUND	61,943	0	61,943
**D WISDOMTREE EUROPE LOCAL RECOVERY FUND	10,772	0	10,772
**D WISDOMTREE EUROPE HEDGED SMALLCAP EQUITY FUND	201,403	0	201,403
**D NEW YORK STATE TEACHERS RETIREMENT SYSTEM	214,056	0	214,056
**D PRUDENTIAL BANK AND TRUST	97,233	0	97,233
**D PRUDENTIAL RETIREMENT INSURANCE & ANNUITY COMPANY	118,313	0	118,313
**D WELLINGTON MANAGEMENT FUNDS (IRELAND) PLC	2,363	0	2,363
**D SPDR EURO STOXX SMALL CAP ETF	49,165	0	49,165
**D SS FTSE DEV COMPREHENSIVE FACTOR IND NON-LENDING COMMON TRU FD	4,034	0	4,034
**D SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMENT PL	711,442	0	711,442
**D AXA WORLD FUNDS	13,211,990	0	13,211,990
**D ALLIANZ GLOBAL INVESTORS FUND	1,883,899	0	1,883,899
**D BLACKROCK STRATEGIC FUNDS	334,818	0	334,818
**D DB X-TRACKERS	487,536	0	487,536
**D DEUTSCHE INVEST I	2,175,336	0	2,175,336
**D MFS MERIDIAN FUNDS	1,306,568	0	1,306,568
**D KIEGER FUND I	23,718	0	23,718
**D UBS ETF	65,218	0	65,218
**D DEUTSCHE ASSET MNGM INV GMBH FOR DWS EUROPE DYNAMIC	135,000	0	135,000
**D DEUTSCHE ASSET MNGM INV GMBH FOR DWS TOP EUROPE	2,694,000	0	2,694,000
**D DEUTSCHE ASSET MNGM INV GMBH FOR DWS EUROPEAN OPPORTUNITIES	622,257	0	622,257
**D DEUTSCHE ASSET MNGM INV GMBH FOR OPPENHEIM DYNAMIC EUROPE BAL	43,715	0	43,715
**D DEUTSCHE AST MGMNT INVEST GMBH FR DEUTSCH AM QUANT EQ EUROLAND	79,811	0	79,811

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Subject: **2018 Incentive System for Personal Financial Advisors****IN FAVOUR**

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**D ISHARES MSCI EAFE SMALL CAP ETF	1,389,975	0	1,389,975
**D ISHARES MSCI EUROPE SMALL-CAP ETF	69,326	0	69,326
**D ISHARES CORE MSCI EAFE ETF	1,437,247	0	1,437,247
**D ISHARES CORE MSCI TOTAL INTERNATIONAL STOCK ETF	189,056	0	189,056
**D ISHARES CORE MSCI INTERNATIONAL DEVELOPED MARKETS ETF	56,088	0	56,088
**D ISHARES CORE MSCI EAFE IMI INDEX ETF	27,938	0	27,938
**D ISHARES MSCI EUROPE IMI INDEX ETF	10,292	0	10,292
**D ISHARES CORE MSCI EUROPE ETF	117,297	0	117,297
**D CONNECTICUT GENERAL LIFE INSURANCE COMPANY	827	0	827
**D INTERNATIONAL PAPER CO COMMINGLED INVESTMENT GROUP TRUST	21,880	0	21,880
**D IBM 401K PLUS PLAN	86,186	0	86,186
**D OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM	127,113	0	127,113
**D RUSSELL TRUST CO COMMINGLED EMPLOYEE BENEFIT FUNDS TRUST	385,612	0	385,612
**D GENERAL CONFERENCE CORPORATION OF SEVENTH DAY ADVENTISTS	100,000	0	100,000
**D STATE OF ALASKA RETIREMENT AND BENEFITS PLANS	15,676	0	15,676
**D COLLEGE RETIREMENT EQUITIES FUND	1,055,755	0	1,055,755
**D RUSSELL INVESTMENT COMPANY - RUSSELL INTERN DEVELOPED MKT F	321,779	0	321,779
**D DELUXE CORPORATION MASTER TRUST	18,704	0	18,704
**D MERCY HEALTH	13,589	0	13,589
**D RUSSELL INVESTMENT FUNDS NON-U,S, FUND	52,453	0	52,453
**D RUSSELL INVESTMENT COMPANY II PLC	75,335	0	75,335
**D RUSSELL INVESTMENT COMPANY PLC	37,056	0	37,056
**D MULTI-STYLE, MULTI-MANAGER FUNDS PLC	98,841	0	98,841
**D THE WELLINGTON TR CO NAT ASS MULT COM ALPHA STRATEGIES PTF	36,829	0	36,829
**D MERCY HEALTH RETIREMENT TRUST	3,997	0	3,997
**D TRUTH INITIATIVE FOUNDATION	7,497	0	7,497
**D MSCI EAFE SMALL CAP PROV INDEX SEC COMMON TR F	118,386	0	118,386
**D ISHARES PUBLIC LIMITED COMPANY	1,498,441	0	1,498,441
**D ISHARES II PUBLIC LIMITED COMPANY	328,291	0	328,291
**D ISHARES VII PLC	968,051	0	968,051
**D ISHARES III PUBLIC LIMITED COMPANY	17,751	0	17,751
**D ISHARES I INVESTK MIT TGV F ISHS ST, EUROPE600 BS UCITS ETF DE	349,181	0	349,181
**D BLACKROCK AM DE FOR ISHS EURO STOXX BANKS 30-15 UCITS ETF (DE)	1,898,902	0	1,898,902
**D BLACKROCK AM DE FOR ISHARES EURO STOXX UCITS ETF (DE)	148,261	0	148,261
**D BLACKROCK AM DE FOR ISHS STOXX EUROPE SMALL 200 UCITS ETF (DE)	375,271	0	375,271
**D BLACKROCK AM DE FOR ISHARES STOXX EUROPE 600 UCITS ETF (DE)	350,587	0	350,587
**D BLACKROCK AM SCH AG OBO BIFS WORLD EX SW SMALL CAP EQ INDEX F	49,170	0	49,170
**D PINEBRIDGE GLOBAL DYNAMIC ASSET ALLOCATION FUND LLC	14,277	0	14,277
**D MANAGED PENSION FUNDS LIMITED	33,669	0	33,669
**D THE TRUSTEES OF CONOCOPHILLIPS PENSION PLAN	6,888	0	6,888
**D FAMILY INVESTMENTS CHILD TRUST FUND	11,150	0	11,150
**D FAMILY INVESTMENTS GLOBAL ICVC FAMILY BALANCED INT FUND	9,961	0	9,961
**D HSBC AS TRUSTEE FOR SSGA EUROPE EX UK EQUITY TRACKER FUND	284,213	0	284,213
**D FP RUSSELL INVESTMENTS ICVC-FP RUSSELL INV INT GROWTH ASSTS FD	8,584	0	8,584
**D ARAB AUTHORITY FOR AGRICULTURAL INVESTMENT AND DEVELOPMENT	7,541	0	7,541
**D STICHTING PHILIPS PENSOENFONDS	56,707	0	56,707

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**D MULTI-MANAGER ICVC - MULTI-MANGER INTERNATIONAL EQUITY FUND	91,914	0	91,914
**D VANGUARD INV FDS ICVC-VANG FTSE DEV WOR LD EX - UK EQT IND FD	57,793	0	57,793
**D VANGUARD INV F ICVC-VANGUARD FTSE DEV EUROPE EX-UK EQ INDEX F	119,820	0	119,820
**D VANGUARD INV FUNDS ICVC-VANGUARD FTSE GLOB ALL CAP IND FUND	423	0	423
**D RUSSELL INVESTMENTS GLOBAL OPPORTUNITIES FUND	96,617	0	96,617
**D PINEBRIDGE GLOBAL DYNAMIC ASSET ALLOCATION FUND	30,175	0	30,175
**D SUNSUPER SUPERANNUATION FUND	13,451	0	13,451
**D CANADA PENSION PLAN INVESTMENT BOARD	1,086,400	0	1,086,400
**D THE TRUSTEES OF BP PENSION FUND	340,650	0	340,650
**D OMERS ADMINISTRATION CORPORATION FUND	380,331	0	380,331
**D CITADEL MULTI-STRATEGY EQUITIES FUND (ICAV)	14,644	0	14,644
**D AON SAVINGS PLAN TRUST	55,102	0	55,102
**D THE BOEING COMPANY EMPLOYEES SAVINGS PLANS MASTER TRUST	60,988	0	60,988
**D FORD MOTOR COMPANY DEFINED BENEFIT MASTER TRUST	13,955	0	13,955
**D HEWITT ASSOCIATES LLC 401K PLAN TRUST	19,737	0	19,737
**D BAPTIST FOUNDATION OF TEXAS DBA HIGHGROUND ADVISORS	26,952	0	26,952
**D MORGAN STANLEY DEFINED CONTRIBUTION MASTER TRUST	58,764	0	58,764
**D STATE OF UTAH, SCHOOL AND INSTITUTIONAL TRUST FUNDS	7,141	0	7,141
**D HRW TESTAMENTARY TRUST NO 3	40,800	0	40,800
**D HRW TESTAMENTARY TRUST NO, 8	39,100	0	39,100
**D HRW TESTAMENTARY TRUST NO, 12	40,500	0	40,500
**D EMPLOYEES RETIREMENT FUND OF THE CITY OF DALLAS	24,205	0	24,205
**D THE CURATORS OF THE UNIVERSITY OF MISSOURI	31,235	0	31,235
**D DFI LP EQUITY (PASSIVE)	1,693	0	1,693
**D NTGI-QM COMMON DAILY ALL COUNWD EX-US INV MKT INDEX F NONLEND	9,989	0	9,989
**D THE PUBLIC INSTITUTION FOR SOCIAL SECURITY	64,137	0	64,137
**D INTERNATIONAL MONETARY FUND STAFF RETIREMENT PLAN	442,591	0	442,591
**D NATIONAL COUNCIL FOR SOCIAL SECURITY FUND, P,R,C	34,430	0	34,430
**D MICROSOFT GLOBAL FINANCE	5,832	0	5,832
**D BLUE SKY GROUP	180,800	0	180,800
**D NEW ZEALAND SUPERANNUATION FUND	34,150	0	34,150
**D MERCER DS TRUST	143,860	0	143,860
**D BATTELLE MEMORIAL INSTITUTE	13,240	0	13,240
**D DUPONT AND RELATED COMP DEFINED CONTRIBUTION PLAN MASTER TR	61,137	0	61,137
**D PYRAMIS GROUP TRUST FOR EMPLOYEE BENEFIT PLANS	170,023	0	170,023
**D THE HEALTH FOUNDATION	25,840	0	25,840
**D NORTHERN TRUST GLOBAL INVESTMENTS COLLECTIVE FUNDS TRUST	334,975	0	334,975
**D NATIONAL RAILROAD RETIREMENT INVESTMENT TRUST	291,058	0	291,058
**D SUTTER HEALTH MASTER RETIREMENT TRUST	580,535	0	580,535
**D ADVOCATE HEALTH CARE NETWORK	28,762	0	28,762
**D CITY OF MILWAUKEE EMPLOYEES RETIREMENT SYSTEM	80,839	0	80,839
**D PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF COLORADO	468,968	0	468,968
**D FIREMEN`S ANNUITY & BENEFIT FUND OF CHICAGO	16,201	0	16,201
**D EMPLOYEES` RETIREMENT FUND OF THE CITY OF FORT WORTH	90,225	0	90,225
**D GENERAL PENSION AND SOCIAL SECURITY AUTHORITY	82,221	0	82,221
**D ILLINOIS MUNICIPAL RETIREMENT FUND	218,947	0	218,947

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**D LOS ANGELES CITY EMPLOYEES RETIREMENT SYSTEM	41,051	0	41,051
**D CITY OF LOS ANGELES FIRE AND POLICE PENSION PLAN	65,307	0	65,307
**D LOCKHEED MARTIN CORPORATION MASTER RETIREMENT TRUST	138,897	0	138,897
**D MIDWEST OPERATING ENGINEERS PENSION TRUST FUND	600,000	0	600,000
**D UNITED MINE WORKERS OF AMERICA 1974 PENSION TRUST	68,907	0	68,907
**D POLICEMEN`S ANNUITY AND BENEFIT FUND OF CHICAGO	39,567	0	39,567
**D SALT RIVER PIMA-MARICOPA INDIAN COMMUNITY	21,155	0	21,155
**D UTAH STATE RETIREMENT SYSTEMS	69,008	0	69,008
**D FORD MOTOR COMPANY OF CANADA, LIMITED PENSION TRUST	1,181	0	1,181
**D NATIONAL WESTMINSTER BANK PLC PLC AS TR OF BARING EUR SEL TR	3,198,899	0	3,198,899
**D WHEELS COMMON INVESTMENT FUND	14,359	0	14,359
**D THE TRUSTEES OF ZURICH FINANCIAL SERVICES UK PENSION SCHEME	475,624	0	475,624
**D STICHTING PENSIOENFONDS APF	2,873	0	2,873
**D THE TRUSTEES OF CHEVRON UK PENSION PLAN	2,761	0	2,761
**D COLONIAL FIRST STATE INVESTMENT FUND 50	13,187	0	13,187
**D MUNICIPAL EMPLOYEES` ANNUITY AND BENEFIT FUND OF CHICAGO	9,452	0	9,452
**D LEGAL & GENERAL GLOBAL EQUITY INDEX FUND	1,487	0	1,487
**D NAT WEST BK AS TRUSTEE OF LEGAL & GENERAL EUROPEAN INDEX TR	230,275	0	230,275
**D NAT WEST BK PLC AS TRUSTEE OF THE LEGAL & GENERAL INT IND TR	26,634	0	26,634
**D BARING INVESTMENT FUNDS PLC	203,004	0	203,004
**D AMG FUNDS PLC	26,720	0	26,720
**D SSGA GROSS ROLL UP UNIT TRUST	13,909	0	13,909
**D LEGAL & GENERAL ICAV	2,648	0	2,648
**D LEGAL & GENERAL AUTHORISED CONTRACTUAL SCHEME	5,796	0	5,796
**D BLACKROCK AUTHORISED CONTRACTUAL SCHEME I	299,258	0	299,258
**D STATE TEACHERS RETIREMENT SYSTEM OF OHIO	173,208	0	173,208
**D ILLINOIS STATE BOARD OF INVESTMENT	78,822	0	78,822
**D VERDIPAPIRFONDET KLP AKSJEGLOBAL SMALL CAP INDEKS I	32,044	0	32,044
**D UNIVEST	276,604	0	276,604
6970 CLERICI CAMILLA	0	0	0
**D NORDEA 1 SICAV	1,411,219	0	1,411,219
**D MOMENTUM INVESTMENT FUNDS SICAV-SIF	125,735	0	125,735
**D JPMORGAN FUNDS	860,480	0	860,480
**D JPMORGAN INVESTMENT FUNDS	991,793	0	991,793
**D FRANKLIN TEMPLETON INVESTMENT FUNDS	2,792,340	0	2,792,340
**D T, ROWE PRICE FUNDS SICAV	192,210	0	192,210
**D CAPITAL INTERNATIONAL FUND	116,670	0	116,670
**D SCHRODER INTERNATIONAL SELECTION FUND	293,093	0	293,093
**D THE LUCERNE CAPITAL MASTER FUND LP C/O WALKERS CORPORATE LTD	28,406	0	28,406
**D NMM3 EUEQ MFS ACCOUNT	8,004	0	8,004
**D WELLINGTON MANAGEMENT PORTFOLIOS	222,312	0	222,312
**D FIDELITY FUNDS SICAV	795,854	0	795,854
**D ING DIRECT	33,717	0	33,717
**D NATIXIS INTERNT FUNDS LUX I	179,358	0	179,358
**D HUNTINGTON NATIONAL BANK TAXABLE ACC	8,290	0	8,290
**D WELLINGTON TRUST COMP COMM TRUST INT OPP	111,602	0	111,602

Ordinary Shareholders' Meeting of April 11, 2018

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Subject: **2018 Incentive System for Personal Financial Advisors****IN FAVOUR**

Surname	Tot. Votes	On own behalf	Proxy
**D RAINIER INT SMALL CAP EQUITY COLLECTIVE	183,350	0	183,350
**D FIDELITY SALEM STR T FID TOTAL INT IND F	20,446	0	20,446
**D WTC-CTF INTERNATIONAL HORIZONS	23,208	0	23,208
**D DEVELOPED INTERNATION EQUITY SELECT ETF	1,976	0	1,976
**D BBH B FOR TMTBJ RE: MUTB400037270	6,775	0	6,775
**D JAPAN TRUSTEE SERVICES BANK LTD	206,631	0	206,631
**D DEUTSCHE EUROPEAN EQUITY FUND	108,050	0	108,050
**D GLOBAL X SCIENTIFIC BETA EUROPE ETF	1,130	0	1,130
**D PINEBRIDGE DYNAMIC ASSET ALLOCATION FUND	6,235	0	6,235
**D HSBC GROUP HONG KONG LOCAL STAFF RETIREMENT BENEFIT SCHEME	3,732	0	3,732
**D ANIMA SGR SPA	2,666,601	0	2,666,601
**D ANIMA SGR SPA ANIMA CRESCITA ITALIA	699,858	0	699,858
**D DEKA MASTER HAEK I	67,605	0	67,605
**D ALLIANZGI FONDS APNIESA	8,497	0	8,497
**D ALLIANZGI FONDS BAT LS	82,500	0	82,500
**D ALLIANZGI FONDS AFE	57,604	0	57,604
**D ALLIANZGI FONDS PTV2	47,620	0	47,620
**D ALLIANZGI FONDS PF1	8,813	0	8,813
**D ALLIANZGI FONDS PF2	45,698	0	45,698
**D ALLIANZ GI FONDS QUONIAM SMC	112,661	0	112,661
**D AXA ASSICURAZIONI SPA	11,000	0	11,000
**D PARVEST	4,707,241	0	4,707,241
**D JANUS HENDERSON HORIZON FUND	947,335	0	947,335
**D JANUS HENDERSON FUND	197,410	0	197,410
**D BNP PARIBAS L1	349,829	0	349,829
**D BNP PARIBAS A FUND	72,069	0	72,069
**D BNP PARIBAS B PENSION GROWTH	167,945	0	167,945
**D BNP PARIBAS B PENSION STABILITY	81,283	0	81,283
**D METROPOLITAN RENTASTRO	313,328	0	313,328
**D BNP PARIBAS B PENSION BALANCED	1,088,502	0	1,088,502
**D JANUS HEND INSTIT EUROP INDEX OPP FUND	42,487	0	42,487
**D JANUS HENDERS EUROPEAN SMALLER COMP FD	430,018	0	430,018
**D RESPONSIBLE INVESTMENT LEADERS INT SHARE	37,745	0	37,745
**D SENTOSA DEVELOPMENT CORPORATION	10,402	0	10,402
**D BNP PARIBAS MIDCAP EUROPE	1,397,460	0	1,397,460
**D TOTAL GESTION FLEX PATRI	46,511	0	46,511
**D FCP BNPP ACTIONS ENTREPRENEURS	752,692	0	752,692
**D BNP PARIBAS ACTIONS PME	696,084	0	696,084
**D FCP SCANDIUM	97,262	0	97,262
**D FCP CARDIF BNPP IP SMID CAP EURO	1,127,139	0	1,127,139
**D FCP LBPAM ACTIONS EUROPE LARGE CAP	47,785	0	47,785
**D FCP CNP ASSUR SMID CAP EUROPE	212,396	0	212,396
**D BNP PARIBAS SMALL CAP EUROLAND	4,097,208	0	4,097,208
**D FCP BNP PARIBAS ACTIONS EUROLAND	46,482	0	46,482
**D COMPT EUROPE	95,000	0	95,000
**D AXIVA ACTION 1	25,749	0	25,749

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Subject: **2018 Incentive System for Personal Financial Advisors****IN FAVOUR**

Surname	Tot. Votes	On own behalf	Proxy
**D ACTIONS SELECTIONNEES	5,480	0	5,480
**D AXA VALEURS EURO	1,400,000	0	1,400,000
**D FCPE TOTAL ACTIONS EUROPEENNES	750,000	0	750,000
**D FCP BNP PARIBAS MIDCAP FRANCE	1,087,878	0	1,087,878
**D FCP AVIVA INVESTORS SMALL & MID CAPS EUR	222,914	0	222,914
**D AXA OPTIMAL INCOME	2,068,464	0	2,068,464
**D SAKKARAH 7	8,716	0	8,716
**D STICHT BEDRIJ MEDIA PNO	213,800	0	213,800
**D AFER ACTION PME	778,661	0	778,661
**D SAINT MARTIN 4	877,000	0	877,000
**D IPA CORPORATE ACTIONS AND INCOME	48,331	0	48,331
**D FONDS RESERVE RETRAITES	1,126,854	0	1,126,854
**D RAVGDT DIVERSIFIE II LBPAM	41,870	0	41,870
**D CPR AM	113,850	0	113,850
**D ROBECO CAPITAL GROWTH FUNDS	450,000	0	450,000
**D CORONATION GLOBAL OPPORTUNITIES FUND	423,707	0	423,707
**D SHELL TRUST (BERMUDA) LIMITED AS TRUSTEE	7,183	0	7,183
**D SHELL TRUST (BERMUDA) LTD AS TRUSTEE OF THE SHELL OVERSEAS C,P, FUND	34,987	0	34,987
**D DEKA INVESTMENT GMBH RE ARIDEKA	900,000	0	900,000
**D DEKA INVEST, RE DEKA-DIVIDENDENDISCOUNT	3,900	0	3,900
**D DEKA INVEST DIVIDENDENSTRATEGIE	838,900	0	838,900
**D DEKA BASISSTRATEGIE FLEXIBEL	18,500	0	18,500
**D DEKA INVESTMENT GMBH RE DEKA-DIVIDEND VA	68,000	0	68,000
**D DEKA INVESTMENT GMBH RE DEKA-MULTIASSET INCOME	100,000	0	100,000
**D THE MASTER TRUST BANK OF JAPAN LTD AS TRUSTEE FOR MTBJ400045842	1,720,886	0	1,720,886
**D TEACHERS` RETIREMENT SYSTEM OF THE CITY OF NEW YORK	47,864	0	47,864
**D UBS GLOBAL ASSET MANAGEMENT LIFE LTD	151,024	0	151,024
**D MERIFIN CAPITAL B,V,	39,575	0	39,575
**D WESTPAC WHOLESALE UNHEDGED INTERNATIONAL	43,815	0	43,815
**D ENTERGY CORP,RETIREMENT PLANS MASTER TR,	150,830	0	150,830
**D JEFFREY LLC	58,552	0	58,552
**D CHINA LIFE INSURANCE COMPANY LIMITED	36,007	0	36,007
**D FONDO CONSOLIDADO DE RESERVAS PREVISIONA	65,942	0	65,942
**D JPMORGAN CHASE BANK	2,000	0	2,000
**D UBS (US) GROUP TRUST	7,469	0	7,469
**D BT WHOLESALE MULTI MANAG INTL SHARE FUND	24,626	0	24,626
**D WSSP INTERNATIONAL EQUITIES TRUST	68,156	0	68,156
**D EUROPACIFIC GROWTH FUND	5,235,000	0	5,235,000
**D T, ROWE PRICE INTERNATIONAL SMALL CAP	497,948	0	497,948
**D THE BOEING COMPANY EMPLOYEE RETIREMENT PLANS MASTER TRUST	83,856	0	83,856
**D BLACKROCK FISSION INDEXED INTL EQUITY FD	12,748	0	12,748
**D ISHARES ALLCOUNTRY EQUITY INDEX FUND	1,214	0	1,214
**D INTERNATIONAL GROWTH AND INCOME FUND	6,475,000	0	6,475,000
**D ALTRIA CLIENT SERVICES MASTER RETIREM,T,	81,690	0	81,690
**D SUPER FUNDS MANAG CORP SOUTH AUSTRALIA	60,952	0	60,952
**D STICHTING PENSIOENFONDS VOOR DE WONINGCO	58,078	0	58,078

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Subject: **2018 Incentive System for Personal Financial Advisors**

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Surname	Tot. Votes	On own behalf	Proxy
**D UBS ASSET MANAGEMENT LIFE LTD	283	0	283
**D MINISTRY OF STRATEGY AND FINANCE	40,968	0	40,968
**D T, ROWE PRICE INTERNATIONAL DISCOVERY FU	4,575,580	0	4,575,580
**D NVIT MULTI MANAGER INTERNATIONAL GROWTH	59,600	0	59,600
**D FLEXSHARES MORNINGSTAR DEVELOPED MARKETS	4,895	0	4,895
**D MFS INTERNATIONAL NEW DISCOVERY FUND	2,267,886	0	2,267,886
**D T ROWE PRICE INTERNATIONAL EQUITY INDEX	14,257	0	14,257
**D T ROWE PRICE GLOBAL ALLOCATION FUND INC	8,817	0	8,817
**D GOLDMAN SACHS TRUST-G,S,INTL,TAX MANAGED	32,601	0	32,601
**D PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OHIO	122,288	0	122,288
**D JPMORGAN LIFE LIMITED	81,039	0	81,039
**D JPM EUROPE DYNAMIC (EX UK) FUND	593,932	0	593,932
**D SANLAM LIFE AND PENSIONS UK LIMITED	49,930	0	49,930
**D AVIVA LIFE & PENSIONS UK LIMITED	135,750	0	135,750
**D STICHTING SHELL PENSIOENFONDS	117,749	0	117,749
**D SHELL PENSIONS TRUST LIMITED AS TRUSTEE OF SHELL CONTRIBUTORY PENSION FUND	75,058	0	75,058
**D STICHTING PENSIOENFONDS MEDISCH SPECIALI	283,660	0	283,660
**D STATE OF CALIFORNIA MASTER TRUST	158,670	0	158,670
**D NATIONAL PROVIDENT FUND AS TRUSTEE OF TH	16,166	0	16,166
**D DEKA INVEST RE DEKA-ZMV-FONDS	20,000	0	20,000
**D DEKA INVESTMENT GMBH RE PRODEKA	65,200	0	65,200
**D DEKA A-DOR-FONDS	6,503	0	6,503
**D DEKA INVESTMENT GMBH RE LANDSBERG-FONDS	5,900	0	5,900
**D DEKA INVESTMENT GMBH RE DEKA VALUE PLUS	10,813	0	10,813
**D ALLIANZGI-FONDS DSPT	11,872	0	11,872
**D BUMA-UNIVERSAL-FONDS-II	602,592	0	602,592
**D BUMA-UNIVERSAL-FONDS I	13,990	0	13,990
**D MI-FONDS 392	462,000	0	462,000
**D JPMORGAN EUROPEAN INVESTMENT TRUST PLC	98,990	0	98,990
**D KAPITALFORENINGEN ISTITUTIONEL INVESTOR EUROPAELSKE AKTIER	1,011,641	0	1,011,641
**D NEW MEXICO STATE INVESTMENT COUNCIL	80,036	0	80,036
**D DEKA INTERNATIONAL S,A, RE DEKA-EUROSTOC	546,850	0	546,850
**D STICHTING PENSIOENFONDS VOOR HUISARTSEN	36,912	0	36,912
**D BUREAU OF LABOR FUNDS - LABOR RETIREMENT FUND	6,015	0	6,015
**D BUREAU OF LABOR FUNDS-LABOR INSURANCE FUND	217,051	0	217,051
**D BUREAU OF LABOR FUNDS- LABOR PENSION FUND	19,873	0	19,873
**D NORDEA PRO EUROPEAN FUND	377,784	0	377,784
**D NORDEA EUROPE FUND	1,612,784	0	1,612,784
**D INVESTERINGSFORENINGEN NORDEA INV AKTIER	586,767	0	586,767
**D ARTEMIS EUROPEAN OPPORTUNITIES FUND	844,653	0	844,653
**D BLACKROCK MULTI-ASSET INC,PORTF,OF BLACK	754,307	0	754,307
**D BLACKROCK INSTITUTIONAL TRUST COMPANY N,A, INVESTMENT FUNDS FOR EMPLOYEE BENEFIT TRUSTS	354,859	0	354,859
**D JP MORGAN CHASE RETIREMENT PLAN	119,470	0	119,470
**D PENSION TRUST FUND FOR OPERATING ENGINEE	400,000	0	400,000
**D LONDON LIFE INSURANCE COMPANY	69,200	0	69,200
**D CANADA POST CORPORATION REGISTERED PENSI	106,197	0	106,197

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Subject: **2018 Incentive System for Personal Financial Advisors****IN FAVOUR**

Surname	Tot. Votes	On own behalf	Proxy
**D THE NOVA SCOTIA HEALTH EMPLOYEES PENS PL	83,637	0	83,637
**D THE BOMBARDIER TRUST (UK)	61,392	0	61,392
**D FTSE ALL WORLD INDEX FUND	20,987	0	20,987
**D FLF STRATEGIC GLOBAL EQUITY FUND	119,463	0	119,463
**D REASSURE LIMITED	123,245	0	123,245
**D FLF GLOBAL EQUITY FUND	60,413	0	60,413
**D CITADEL ADVISORS LLC	86,066	0	86,066
**D FRIENDS LIFE AND PENSIONS LIMITED	51,154	0	51,154
**D FRIENDS LIFE FUNDS LIMITED	59,324	0	59,324
**D HSBC EUROPEAN INDEX FUND	97,246	0	97,246
**D AXA FRAMLINGTON FINANCIAL FUND	101,283	0	101,283
**D FRIENDS LIFE AND PENSIONS LIMITED	3,317	0	3,317
**D TR EUROPEN GROWTH TRUST PLC	691,650	0	691,650
**D ARC I - FONDS SEGMENT 1 -AKTIEN EUROPA	26,458	0	26,458
**D SONDERVERMOGEN INKA OPRA FONDS	16,181	0	16,181
**D INTERNATIONALE KAPITALANLAGEGESELLSCHAFT MBH	48,500	0	48,500
**D VANGUARD EUROPEAN STOCK INDEX FUND	945,197	0	945,197
**D VANGUARD DEVELOPED MARKETS INDEX FUND	2,155,375	0	2,155,375
**D VANGUARD TOTAL WORLD STOCK INDEX FUND	113,470	0	113,470
**D VANGUARD FTSE ALL-WORLD EX US INDEX FUND	663,474	0	663,474
**D PIONEER FLEXIBLE OPPORTUNITIES FUND	480,295	0	480,295
**D VANGUARD FUNDS PLC	187,648	0	187,648
**D VANGUARD INVESTMENT SERIES PLC	39,953	0	39,953
**D VANGUARD INVESTMENT SERIES PLC	7,356	0	7,356
**D VANGUARD INVESTMENT SERIES PLC	93,449	0	93,449
**D KVV AKTIEN FONDS 1	1,844	0	1,844
**D FCP VILLIERS ACTIONS EDRA	720,800	0	720,800
**D FIDUCIARY TRUST COMPANY INTERNATIONAL AS	67,000	0	67,000
**D MANAGEMENT BOARD PUBLIC SERVICE PENSION	3,513	0	3,513
**D SCHRODER PENSION MANAGEMENT LTD	66,373	0	66,373
**D VANGUARD INTERNATIONAL SMALL COMPANIES INDEX FUND	32,076	0	32,076
**D ONEPATH GLOBAL SHARES - SMALL CAP UNHEDGED) INDEXPOOL	26,862	0	26,862
**D VANGUARD TOTAL INTERNATIONAL STOCK INDEX	5,243,100	0	5,243,100
**D VANGUARD INTERNATIONAL EXPLORER FUND	815,900	0	815,900
**D HSBC AVB	8,841	0	8,841
**D SUZUKA INKA	131,022	0	131,022
**D SCHRODER ADVANCED BETA GLOBAL EQUITY SMA	65,536	0	65,536
**D SCHRODER GLOBAL MULTI-FACTOR EQUITY FUND	132,300	0	132,300
**D LOMBARD ODIER FUNDS (SWITZERLAND) SA	25,266	0	25,266
**D REALDANIA	192,400	0	192,400
**D MERRILL LYNCH INTERNATIONAL	322,064	0	322,064
**D SCHUBEL FAM TR-MANNING AND NAPIER A DV	990	0	990
**D POND 2007 FAMILY TRUST MANNING SUB	1,320	0	1,320
**D HUNTER FAMILY FDN MANNING	1,865	0	1,865
**D MANNING AND NAPIER ADVISOR INC	110,730	0	110,730
**D IRON WORKERS LOCALS 40361 AND 417 ANNUITY FUND	18,440	0	18,440

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Shareholders: 846 People: 15
 Shareholders on own behalf: 12 Shareholders by proxy: 834

DE* proxy to the natural person above mentioned with the badge number

**D proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations")

RL* legal representation to the natural person above mentioned with the badge number

Ordinary Shareholders' Meeting of April 11, 2018

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Subject: **2018 Incentive System for Personal Financial Advisors**

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Surname	Tot. Votes	On own behalf	Proxy
**D BURTON X ROSENBERG INSUR TR MAN SUB	1,375	0	1,375
**D THE MALUTH FAMILY TRUST MANNING SUB	1,360	0	1,360
**D C E COMPALL REV TR 10-23-09 MAN D N	990	0	990
**D GRAHAM C BROCK MANNING INTL	770	0	770
**D MANNING AND NAPIER FUND INC PRO BLEND MODERATE TERM SERIES	28,940	0	28,940
**D THE BAKERY AND CONFECTIONERY UNION AND INDUSTRY INTERNATIONAL PENSION FUND	120,215	0	120,215
**D IRON WORKERS LOCALS 40 361 AND 41 7 PENSION FUND	13,505	0	13,505
**D ALMEIDA FAMILY LEGACY TR MANNING	855	0	855
**D THE HORWARD TRUST MANNING AND NAPIER	580	0	580
**D CJB CRUT II 11-27-06 MANNING	795	0	795
**D MANNING AND NAPIER FUND INC,OVE RS EAS SERIES	339,195	0	339,195
**D TANGLIN CLAYMORE LLC MANNING	1,590	0	1,590
**D CJB FAMILY TR 06-15-00 MANNING	1,825	0	1,825
**D IRON WORKERS LOCAL 11 PENSION FUND	14,780	0	14,780
**D QUIGG VENTURES LLC MANNING AND NAPIER	2,005	0	2,005
**D FLIGHT ATTENDANT MEDICAL RESEARCH INSTITUTE	6,850	0	6,850
**D JURGENSEN INVSTMNTS LLC MANNING SUB	835	0	835
**D MANNING AND NAPIER ADVISORS INC	265,770	0	265,770
**D MICHIGAN CATHOLIC CONFERENCE MASTER PENSION TRUST	41,760	0	41,760
**D OPUS FINANCIAL LLC-MANNING AND NAPIER	5,160	0	5,160
**D GRUSECKI NEXGEN LLC-MANNING AND NAPIER	1,605	0	1,605
**D R C DELL TRUST-MANNING AND NAPIER R A DV	810	0	810
**D FLEISCHHACKER 09 TR MANNING AND NAPIER	795	0	795
**D ANTHONY K, KESMAN TRUSTEE	945	0	945
**D BRIDGE BUILDER INTERNATIONAL EQUITY FUND	581,660	0	581,660
**D FLK (TE) LLC MANNING AND NAPIER	2,590	0	2,590
**D CHURCH OF THE HOLYCONFORTER-SUB	565	0	565
**D PNC BANK NA	17,025	0	17,025
**D GST EX MRTL TR C-U CONSTANCE-MA ND N	1,290	0	1,290
**D RELIABLE PARTNERS MANNING INTL	845	0	845
**D FIRST STATE TRUST COMPANY FOR MULTIPLE BENEFICIARIES	685	0	685
**D GOLDER FAMILY FOUNDATION-MANDN	1,115	0	1,115
**D ROOSEVELT UNIVERSITY	15,295	0	15,295
**D IRA FBO JAMES KING BNY MELLON	575	0	575
**D MELISSA S, WIDEN-MANNING ANDAP IER	890	0	890
**D J HANSEN REV TR 4-29-81 MANNING	2,495	0	2,495
**D ROBERT A ROSHOLT IRAR-OMANNING - SU B	890	0	890
**D JAMES J, BAKKE 1987 TRUST MANN ING 6001 N	3,190	0	3,190
**D LARRY D CONTOS REV TR MANNING SUB 755	870	0	870
**D JOHN M, MC DONOUGH IRAR-MAN AND NAP	865	0	865
**D DORIS K, CHRISTOPHER 1996 TR-MA ND	20,970	0	20,970
**D OLIVE MC CARTHY 2009 TRUST-MANNING	1,255	0	1,255
**D CATHERINE SLARK TR-MANNING ANDN API	1,840	0	1,840
**D GEOFFREY C FENNER MANNING INTL1	580	0	580
**D ELIZABETH E, RIORDAN 1997 TRMANNING	1,405	0	1,405
**D STANLEY H MEADOWS 90 TR-MANNING NAP	5,855	0	5,855

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**D J MCCARTNEY12-30-97 MANNING-NAP IER	1,610	0	1,610
**D DEBRA K MAYER-MANNING ANDNAPIER - SU B	650	0	650
**D CAROL GOLDER REVTR MANNING AND NAP	950	0	950
**D R MORRIS ILLINOIS QTIP MARTR M AND N	735	0	735
**D LOMBARDI JTWROS MANNING AND NAPIER	1,370	0	1,370
**D JAMES E WICKS TRMANNING NAPIER	920	0	920
**D CHRISTOPHER ENOCK LVG TRMANNING	980	0	980
**D MARY KATHERINE LAUDERBACK	775	0	775
**D BARBARA S, BLUHM REV TR-MANNING INTL	1,135	0	1,135
**D JOSEPH L, BOZICH 2005TR-MANNING	885	0	885
**D THOMAS C GAPUTIS REV TR-MANNING	995	0	995
**D J G FENCIK TR-MANNING AND NAPIER	2,065	0	2,065
**D BRUCE BARRON REVOCABLE TRUST	1,635	0	1,635
**D L, S, BUONANNO-MANNING AND NAPIER	1,550	0	1,550
**D BUNRATTY HOLDINGS LLC-MANNING INTL	1,280	0	1,280
**D MANNING AND NAPIER FUND INC -PR O BLEND-MAXIMUM TERM SERIES	291,450	0	291,450
**D MORRIS 1992 GIFT TR FORELLEN-M AND N	2,495	0	2,495
**D FANCELLI FDN INC, (SPECIAL)-MANNING	2,165	0	2,165
**D MIAMI DADE COMMUNITY COLLEGE FOUNDATION 300 NE	6,110	0	6,110
**D REGIONAL TRANSPORTATIONDISCTRIC T	10,555	0	10,555
**D HAGEN FAMILY TR U-ADTD7-7-1989 MA AND N	1,500	0	1,500
**D MANNING AND NAPIER FUNDINC, -BLE ND ED ASSET MODERATE SEREIS	3,810	0	3,810
**D JEFFREY S, ARONIN REV TRUST	7,180	0	7,180
**D MELVYN FISHER IRREV TR US BANK TRUSTEE	995	0	995
**D MANNING AND NAPIER FUND INC INT	541,920	0	541,920
**D MANNING AND NAPIER FUND INC	46,880	0	46,880
**D KIRBY ROSPLOCK DECLOFTR MANNING	835	0	835
**D FEINBERG FAMILY LTD PART2-MANNING	615	0	615
**D EVERGREEN PARTNERS GENPRT-MAND	895	0	895
**D CJB CRUT 5-1-01-MANNING	1,855	0	1,855
**D GOLDER 2007 FAM TR-MANNING AND NAPIER	1,620	0	1,620
**D JESSICA S SUPERA MANNING INTL	590	0	590
**D THOMAS R SMITH REVRE-MANN AND NAPIER	700	0	700
**D JAY W CHRISTOPHER 1996TR-MANNING ING	14,670	0	14,670
**D R, AND L, BRADLEY JT REVTR-MANNING	1,110	0	1,110
**D LEONARD X ROSEMBERG 2007TR-MANNING	775	0	775
**D A,BERGDOLL REV TR-MANNING ANDN API ER	1,415	0	1,415
**D WILLIAM G JUEGENSEN REV TRMANNING	2,755	0	2,755
**D TERRENCE P, DIAMOND-MANNINGINTL 8706	655	0	655
**D L BUONANNO TR T SMITH SR-MANDN	2,375	0	2,375
**D WILLIAM FOOTE 95 TR-MANNING AND NAPIER	1,070	0	1,070
**D DEBORAH A, SCHMIDT REVTR-MANNING	960	0	960
**D CAIRD ARNOLD HARBECK REVTR-MANNING	985	0	985
**D ROBERT KLEINERT JR DECLTR- MANNING	690	0	690
**D JULES M, LASER MANNING AND NAPERIR	760	0	760
**D G MCLACHLAN DECLTR-MANNING-NAPIER	1,830	0	1,830

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **2018 Incentive System for Personal Financial Advisors****IN FAVOUR**

Surname	Tot. Votes	On own behalf	Proxy
**D ELIZABETH DRUCKER-MANNING AND NAPIER	510	0	510
**D BGF EURO MKTS FD EURO EQUITY PF	10,669,505	0	10,669,505
**D GLOBAL DIVERSIFIED SUB TRUST	5,116	0	5,116
**D ELEVA UCITS FD EUROLAND SELECT	128,300	0	128,300
**D METZLER INT INV PUBLIC LTD	866,000	0	866,000
**D UBS EUR SMALL CAP EQUITY FD MY	84,125	0	84,125
**D THE NORTHWESTERN MUTUAL LIFE I	400,000	0	400,000
**D ARRCO LONG TERME B	212,530	0	212,530
**D ARRCO QUANT 1	129,208	0	129,208
**D CIPAV ALOIS	173,484	0	173,484
**D SOGECAP ACTIONS SMALL CAP	813,805	0	813,805
**D COLISEE IFC 1	530,000	0	530,000
**D SG ACTIONS EUROPE MID CAP	174,380	0	174,380
**D MUF-LYXOR EURO STOXX BANKS	825,693	0	825,693
**D ALLIANZ ACTIONS EURO PME-ETI	140,200	0	140,200
**D LYXOR EURO STOXX 300	31,765	0	31,765
**D LYXOR INDEX FD-LYXOR STOXX EUR	56,768	0	56,768
**D MUL-LYXOR ITALIA EQUITY PIR	25,973	0	25,973
**D AMUNDI FUNDS II-PIONEER FLEX O	91,490	0	91,490
**D AMUNDI SGR SPA AZIONARIO EUROPA	196,518	0	196,518
**D AMUNDI SF EURO EQ MARKET PLUS	7,244	0	7,244
**D AMUNDI FUNDS II-GLOB MULTI ASS	39,463	0	39,463
**D AMUNDI FUNDS II-EURO POTENTIAL	2,806,988	0	2,806,988
**D AMUNDI FUNDS II-EURO RESEARCH	294,285	0	294,285
**D AMUNDI FUNDS II-EUROP EQ OPTIM	82,021	0	82,021
**D PIONEER INV TOT RETURN	28,211	0	28,211
**D AMUNDI SOLUZ IT-PR CED 12 2019	38,160	0	38,160
**D AMUNDI SOL IT-PR CED 22 2020	47,716	0	47,716
**D AMUNDI SOL IT-PR CED 03 2020	45,423	0	45,423
**D AMUNDI SOL IT-PR CED 05 2020	80,229	0	80,229
**D AMUNDI SOL IT-PR CED 06 2020	54,059	0	54,059
**D AMUNDI SOL IT-PR CED 08 2020	63,584	0	63,584
**D AMUNDI SOL IT-PR CED 09 2020	52,520	0	52,520
**D AMUNDI SOL IT-PR CED 12 2020	22,990	0	22,990
**D AMUNDI SOL IT-PR CED 11 2020	39,870	0	39,870
**D AMUNDI SOL IT-PR CED 02 2021	20,160	0	20,160
**D AMUNDI SD-EQ PLAN 60	14,077	0	14,077
**D EURIZON CAPITAL SGR-GLOBAL MULTIASSET SELECTION 09/22	17,700	0	17,700
**D EURIZON CAPITAL SGR - EURIZON PROGETTO ITALIA 70	110,849	0	110,849
**D EURIZON CAPITAL SGR - EURIZON AZIONI ITALIA	282,955	0	282,955
**D EURIZON CAPITAL SGR - EURIZON PIR ITALIA AZIONI	11,498	0	11,498
**D EURIZON CAPITAL SGR - EURIZON PROGETTO ITALIA 40	124,092	0	124,092
**D EPSILON SGR - EPSILON FLESSIBILE AZIONI EURO APRILE 2021	1,240	0	1,240
**D EPSILON SGR - EPSILON FLESSIBILE AZIONI EURO FEBBRAIO 2021	3,013	0	3,013
**D EPSILON SGR - EPSILON FLESSIBILE AZIONI EURO GIUGNO 2021	882	0	882
**D EPSILON SGR - EPSILON FLESSIBILE AZIONI EURO NOVEMBRE 2020	10,351	0	10,351

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **2018 Incentive System for Personal Financial Advisors****IN FAVOUR**

Surname	Tot. Votes	On own behalf	Proxy
**D EPSILON SGR - EPSILON FLESSIBILE AZIONI EURO SETTEMBRE 2020	13,945	0	13,945
**D EPSILON SGR - EPSILON MULTIASSET 3 ANNI DICEMBRE 2019	13,355	0	13,355
**D EPSILON SGR - EPSILON MULTIASSET 3 ANNI LUGLIO 2020	3,959	0	3,959
**D EPSILON SGR - EPSILON MULTIASSET 3 ANNI MAGGIO 2020	8,055	0	8,055
**D EPSILON SGR - EPSILON MULTIASSET 3 ANNI MARZO 2020	6,326	0	6,326
**D PRIVILEGE	35,454	0	35,454
**D ASSURDIX	49,978	0	49,978
**D CPR EUROLAND	395,972	0	395,972
**D CPR SILVER AGE	4,427,663	0	4,427,663
**D FCP CPR EUROLAND PREMIUM	89,275	0	89,275
**D AMUNDI ETF FTSE ITALIA PIR UCITS ETF DR	29,428	0	29,428
**D FCP NATIXIS ACTIONS SMALL MID CAP EURO	348,000	0	348,000
**D NATIXIS ACTIONS EUROPE SECTEURS	100,573	0	100,573
**D FCP GROUPAMA AVENIR EURO	4,739,300	0	4,739,300
**D FCP GROUPAMA EURO STOCK	100,000	0	100,000
**D FCP GROUPAMA EUROPE STOCK	2,400	0	2,400
**D OPCVM SEEYOND EQUITY FACTOR INVESTING EURO	20,993	0	20,993
**D FCP BEST BUSINESS MODELS	1,310,000	0	1,310,000
**D MULTISMART ACTIONS EURO	704	0	704
**D CROISSANCE PME M	495,933	0	495,933
**D BNY MELLON EMPLOYEE BENEFIT COLLECTIVE INVESTMENT FUND PLAN	15,536	0	15,536
**D THE ROYAL INST FOR THE ADVANCEMENT OF LEARNING MCGILL UNIVERSITY	25,056	0	25,056
**D FRONTIERS INTERNATIONAL EQUITY POOL	7,291	0	7,291
**D THE GREAT-WEST LIFE ASSURANCE COMPANY	41,850	0	41,850
**D BMO GLOBAL BANKS HEDGED TO CADINDEX ETF 100	833	0	833
**D MCGILL UNIVERSITY PENSION FUND	12,957	0	12,957
**D THE GLENORE CANADIAN PENSION FUNDS TRUST-FOREIGN EQUITY FUND	20,379	0	20,379
**D ONTARIO PENSION BOARD ,	330,050	0	330,050
**D EPOCH GLOBAL EQUITY FUND	292,095	0	292,095
**D IMPERIAL INTERNATIONAL EQUITY POOL	350,727	0	350,727
**D IMPERIAL OVERSEAS EQUITY POOL	17,476	0	17,476
**D CIBC INTERNATIONAL SMALL COMPANIES FUND	26,021	0	26,021
**D ALLEGHENY COLLEGE	9,400	0	9,400
**D ERIE COUMMINTY FOUNDATION	10,600	0	10,600
**D CF DV ACWI EX-U,S, IMI FUND	1,477	0	1,477
**D TIMESQUARE FOCUS FUND LP	3,500	0	3,500
**D LOF EUROZONE SMALL AND MID CAPS98453 51	1,400,000	0	1,400,000
**D FCP EDMOND DE ROTHSCHILD EURO LEADERS	1,241,700	0	1,241,700
**D FCP EDMOND DE ROTHSCHILD EURO SRI	198,180	0	198,180
**D FCP EDMOND DE ROTHSCHILD EUROPEMIDCAPS	912,000	0	912,000
**D EDMOND DE ROTHSCHILD EUROPE MIDCAP	131,760	0	131,760
**D AA FORTIS ACTIONS PETIT CAP EUROPE	348,520	0	348,520
**D FCP RSI EURO P	71,651	0	71,651
**D FCP LCF PHARMA INTERNATIONAL	151,080	0	151,080
**D FCP GROUPAMA PHARMA DIVERSIFIE	69,000	0	69,000
**D UNIVERS CNP 1	122,145	0	122,145

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **2018 Incentive System for Personal Financial Advisors****IN FAVOUR**

Surname	Tot. Votes	On own behalf	Proxy
**D FCP NATIXIS IONIS	45,498	0	45,498
**D CNP ASSUR SMALL CAP	379,980	0	379,980
**D EGEPARGNE 2	69,584	0	69,584
**D I,2,C, ACTIONS	517,000	0	517,000
**D FCP CONTI GESTION	43,834	0	43,834
**D EDMOND DE ROTHSCHILD ASSET MANAGEM,	314,330	0	314,330
**D FCP ECUREULL RETRAITE EURO ACTIONS 4	320,000	0	320,000
**D FCP LBPAM ACTIONS FINANCE	27,349	0	27,349
**D FCP TUTELAIRE ACTIONS	18,800	0	18,800
**D SICAV LBPAM ACTIONS EURO	340,000	0	340,000
**D NATIXIS ASSET MANAGEMENT FUNDS	15,142	0	15,142
**D G FUND	1,102,223	0	1,102,223
**D AMUNDI FUNDS SICAV	2,610,085	0	2,610,085
**D EDMOND DE ROTHSCHILD (EUROPE)	3,016,936	0	3,016,936
7103 MONDO GIUSEPPE	100	100	0
7250 MARTIRIGGIANO ANTONIO	3,361	3,361	0
7290 ZACCARDI ANTONELLA	1	1	0
7350 PRANDINI GIULIANO	5,000	5,000	0
7435 ROSSI MARCO	63,975	63,975	0
7559 CAGLIA MARIA	0	0	0
DE* UNICREDIT S,P,A,	215,066,403	0	215,066,403

Total votes 494,495,009
Percentage of voters% 98.848913
Percentage of share capital % 81.303623

Ordinary Shareholders' Meeting of April 11, 2018RESULTS OF VOTINGSubject : **Long-Term Incentive Plan for Personal Financial Advisors****Attendees:**n° **872** shareholders entitled to vote took part in the voting on own behalf or by proxyn° **500,253,359** ordinary shares**The counting of votes produced the following results:**

		%OF ORINARY SHARE CAPITAL PRESENT (Voting Quorum)	%OF ORDINARY SHARE ENTITLED TO VOTE	%SHARE CAPITAL
Favour	491,291,420	98.208520	98.208520	80.776897
Against	4,705,306	0.940585	0.940585	0.773635
SubTotal	495,996,726	99.149105	99.149105	81.550532
Abstention	520,001	0.103948	0.103948	0.085497
Not Voting	3,736,632	0.746948	0.746948	0.614368
SubTotale	4,256,633	0.850895	0.850895	0.699865
Total	500,253,359	100.000000	100.000000	82.250397

Shareholders:
Shareholders on own
behalf:872 People:
15 Shareholders by proxy:18
857

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **Long-Term Incentive Plan for Personal Financial Advisors****AGAINST**

Surname	Tot. Votes	On own behalf	Prox
6041 BONETTI EMANUELE	10	10	0
6122 FOGLI MAURIZIO	1	1	0
6957 ESPOSITO MARCO	0	0	0
**D AST RCM WORLD TRENDS PORT PDBF	205,800	0	205,800
**D ALLIANZ GLOBAL INVESTORS GMBH FOR ALLIANZGI-FONDS GHS	154,000	0	154,000
**D ALLIANZGI INTERNATIONAL SMALL-CAP FUND	308,542	0	308,542
**D ALLIANZGI GLOBAL SMALL-CAP FUND	145,266	0	145,266
**D STATE OF NEW JERSEY COMMON PENSION FUND D	161,132	0	161,132
**D BIMCOR GLOBAL SMALL CAP POOLED FUND	43,678	0	43,678
**D ALLIANZ GLOBAL INVESTORS GMBH FOR ALLIANZGI-FONDS HPT	346,439	0	346,439
**D ALLIANZ GLOBAL INVESTORS FUND	1,883,899	0	1,883,899
**D MERSEYSIDE PENSION FUND	209,168	0	209,168
6970 CLERICI CAMILLA	0	0	0
**D ALLIANZGI FONDS APNIESA	8,497	0	8,497
**D ALLIANZGI FONDS BAT LS	82,500	0	82,500
**D ALLIANZGI FONDS AFE	57,604	0	57,604
**D ALLIANZGI FONDS PTV2	47,620	0	47,620
**D ALLIANZGI FONDS PF1	8,813	0	8,813
**D ALLIANZGI FONDS PF2	45,698	0	45,698
**D ALLIANZ GI FONDS QUONIAM SMC	112,661	0	112,661
**D ALLIANZGI-FONDS DSPT	11,872	0	11,872
**D THE NOVA SCOTIA HEALTH EMPLOYEES PENS PL	83,637	0	83,637
**D WEST MIDLANDS METROPOLITAN AUT PENS FD	97,000	0	97,000
**D TRUSTEAM ROC EUROPE C O TRUSTEAM FINANCE	331,269	0	331,269
**D FCP CM-CIC SILVER ECONOMIE	220,000	0	220,000
**D ALLIANZ ACTIONS EURO PME-ETI	140,200	0	140,200
Total votes	4,705,306		
Percentage of voters%	0.940585		
Percentage of share capital %	0.773635		

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **Long-Term Incentive Plan for Personal Financial Advisors**

ABSTENTIONS

Surname		Tot. Votes	On own behalf	Proxy
6304	CROCE MARIO	1	1	0
6970	CLERICI CAMILLA	0	0	0
**D	ARCA FONDI SGR - FONDO ARCA AZIONI ITALIA	100,000	0	100,000
**D	CHALLENGE FUNDS CHALLENGE ITALIAN EQUITY	420,000	0	420,000
Total votes		520,001		
Percentage of voters%		0.103948		
Percentage of share capital %		0.085497		

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **Long-Term Incentive Plan for Personal Financial Advisors****NON VOTING**

Surname	Tot. Votes	On own behalf	Proxy
6970 CLERICI CAMILLA	0	0	0
**D GENERALI SMART FUNDS SICAV	70,632	0	70,632
**D GENERALI INVESTMENTS SICAV	1,500,000	0	1,500,000
**D INTERFUND SICAV INTERFUND EQUITY ITALY	64,000	0	64,000
**D FIDEURAM ASSET MANAGEMENT (IRELAND) FONDITALIA EQUITY ITALY	428,000	0	428,000
**D FIDEURAM ASSET MANAGEMENT (IRELAND) FIDEURAM FUND EQUITY ITALY	5,000	0	5,000
**D FIDEURAM INVESTIMENTI SGR - FIDEURAM ITALIA	9,000	0	9,000
**D FIDEURAM INVESTIMENTI SGR - PIANO AZIONI ITALIA	150,000	0	150,000
**D FIDEURAM INVESTIMENTI SGR - PIANO BILANCIATO ITALIA 50	10,000	0	10,000
**D MEDIOLANUM GESTIONE FONDI SGR - FLESSIBILE FUTURO ITALIA	1,500,000	0	1,500,000
Total votes	3,736,632		
Percentage of voters%	0.746948		
Percentage of share capital %	0.614368		

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **Long-Term Incentive Plan for Personal Financial Advisors**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
6058 DE TOMASI PAOLA	4,000	4,000	0
6102 CERASUOLO STEFANO	9,481	9,481	0
6474 ANGELINI ALESSANDRO	250	250	0
6504 TIMUS ANDREEA	5	5	0
6547 GHIBAUDI LEOPOLDO	9,000	9,000	0
6616 ROSSI GIULIA	8,000	8,000	0
6849 LOIZZI GERMANA	3	3	0
6957 ESPOSITO MARCO	0	0	0
**D CITI RETIREMENT SAVINGS PLAN	137,653	0	137,653
**D UWF TROW INTL DISCOVERY	45,589	0	45,589
**D STANDARD LIFE INVESTMENTS GLOBAL SICAV II	53,674	0	53,674
**D SUBSIDIZED SCHOOLS P FUND NORTHERN	4,211	0	4,211
**D WILLIS TOWERS WATSON GROUP TRUST	3,441	0	3,441
**D 55016 UP INTERNATIONALE AKTIER	236,395	0	236,395
**D 56053 IP GLOBAL EQUITIES I	29,217	0	29,217
**D AST TRP DIVERS REAL GWTH PORT PDMO	1,049	0	1,049
**D ADVANCED SERIES TRUST AST T ROWE PRICE GROWTH OPPORTUNITIES PORTFOLIO GATEWAY CENTER	36,297	0	36,297
**D BNYMTD CF MITON EUROPEAN OPPTS FUND	630,272	0	630,272
**D NATIONAL BANK TRUST	42,267	0	42,267
**D RVN WILLIAM BLAIR	6,037	0	6,037
**D POWERSHARES PUREBETA FTSE DEVELOPED EX NORTHAMERICA PORTFOLIO	62	0	62
**D CHI OPERATING INVESTMENT PROGRAM LP	117,380	0	117,380
**D CATHOLIC HEALTH INITIATIVES MASTER TRUST	57,179	0	57,179
**D FIRST INITIATIVES INSURANCE LIMITED	12,910	0	12,910
**D GLOBAL EQUITY WELLINGTON	138,921	0	138,921
**D GLOBAL INVESTMENT FUND	31,323	0	31,323
**D MFS INTL EQUITY FUND	28,677	0	28,677
**D USBK MOMENTUMSHARES INTL QUANT ETF	121,743	0	121,743
**D 1135 APG DME STCK SEL	94,081	0	94,081
**D 1216 APG DME FINANC	2,255,729	0	2,255,729
**D UNISYS MASTER TRUST	60,092	0	60,092
**D AMG CHICAGO EQUITY PARTNERS BALANCED FUND	900	0	900
**D SAN FRANCISCO CITY AND COUNTY EMPLOYEES RETIREMENT SYSTEM	116,549	0	116,549
**D STICHTING DEPOSITARY APG DEVELOPED MARKETS EQUITY POOL	743,008	0	743,008
**D ELEMENTS INTERNATIONAL SMALL CAP PORTFOLIO	8,111	0	8,111
**D MANNING AND NAPIER FUND INC RAINIER INTERNATIONAL DISCOVERY FUND	605,665	0	605,665
**D FIRST INVESTORS GLOBAL FUND	237,361	0	237,361
**D PS FTSE LO BT EQ WT PORT	12,210	0	12,210
**D NYKREDIT ENGROS GLOBAL OPPORTUNITIES	56,912	0	56,912
**D EIR EIE WELLINGTON INT	106,784	0	106,784
**D WILM MULTI MGR INTL FD OBERWEIS	216,903	0	216,903
**D AST PRU GRWTH ALL PTF QMA EAFE PDFF	59,020	0	59,020
**D PS FTSERAFI EUSM UCITS ETF BNYMTCIL	2,477	0	2,477
**D PS SP INTL DEVEL QUALITY PORTFOLIO	5,359	0	5,359
**D PS FR DEVEL MARK EX US SMALL PORT	17,503	0	17,503
**D AST FI PYRAMIS QUANT AA IE SC PDGJ	115,638	0	115,638

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **Long-Term Incentive Plan for Personal Financial Advisors**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D PENSION RESERVES INVESTMENT TRUST FUND	499,450	0	499,450
**D LMIF LMGAMI EURO SMLL CP	110,589	0	110,589
**D WELLINGTON MGMT CY LLPQUALITY EDUC FD	82,675	0	82,675
**D BNYMTCIL LAZARD GBL MANAGED VOL FD	31,714	0	31,714
**D IQ 50 PERCENT HEDGED FTSE EURO ETF	6,718	0	6,718
**D DB LAZARD GLB MNGD	25,000	0	25,000
**D AXA MPS FINANCIAL DAC	170,000	0	170,000
**D DEUTSCHE XTRK MSCI EMU HDG EQ ETF	3,191	0	3,191
**D BLACKROCK GLOBAL FUNDS	6,826,006	0	6,826,006
**D FPXF WILLIAM BLAIR CO	68,864	0	68,864
**D BLL AQUILA LIFE EUROPEAN EQUITY	437,644	0	437,644
**D BLL AQUILA LIFE OSEAS EQUITY FUND	3,292	0	3,292
**D AARP INSURANCE PLAN	10,266	0	10,266
**D AARP FOUNDATION	4,977	0	4,977
**D BNYMTD FTF FRANKLIN EUROPEAN OPP FD	7,195	0	7,195
**D MI FONDS K12 SPK	91,583	0	91,583
**D BANK OF AMERICA PENSION PLAN OECHSLE	190,091	0	190,091
**D BOA FBO SKL INVESTMENT GRP LLC	13,860	0	13,860
**D WMP OPP INVESTMENT PRINS LP	30,869	0	30,869
**D AARP LAZARD LQE GLB	29,329	0	29,329
**D DEUTSCHE XTRK MSCI EAFE SC HDG ETF	466	0	466
**D DBX FTSE DEV EX US COMP FACTOR	557	0	557
**D THE CLEVELAND CLINIC FOUNDATION	32,555	0	32,555
**D EATON VANCE MGMT INTL SMALL CAP	1,317	0	1,317
**D SLI EUROPEAN SMALLER COMPANIES	2,375,761	0	2,375,761
**D PS SP INTL DEVEL MOMENTUM PORT	504	0	504
**D HP INC MASTER TRUST	54,785	0	54,785
**D ONFF WILLIAM BLAIR NONUS	24,516	0	24,516
**D CE8F WILLIAM BLAIR IACG	185,061	0	185,061
**D RAYTHEON MASTER PENSION TRUST	38,925	0	38,925
**D VANGUARD INTL HIGH DIV YLD INDEX FD	42,184	0	42,184
**D BSNF NTR WILLIAM BLAIR	18,975	0	18,975
**D BSPF PMT WILLIAM BLAIR	24,044	0	24,044
**D DEAM FONDS SPEZIAL 2 AEQ SPK	1,269,411	0	1,269,411
**D DEAM FOND SPEZIAL 18 AEQ SPK	285,507	0	285,507
**D BLL DC EUROPEAN GROWTH FD AG PF	120,522	0	120,522
**D BNYMTD BIEF CONT EUR INV	56,736	0	56,736
**D BNYMTD BLK CONT EURO FD	618,846	0	618,846
**D BGF EUROPEAN SPECIAL SITUATIONS FUND	2,200,058	0	2,200,058
**D BGF CONT EURO FLEXIBLE FD EURO EQFD	3,798,551	0	3,798,551
**D BNYMTD RAMAM WORLD RECOVERY FUND	109,740	0	109,740
**D LRPf WILLIAM BLAIR	65,726	0	65,726
**D DEUTSCHE XTRK MSCI STH EUR HDG ETF	199	0	199
**D ATFF AMERICAN CENTURY	44,194	0	44,194
**D RZSF3001 NON US GE W BLAIR	134,381	0	134,381
**D MSV JP MORGAN	62,372	0	62,372

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **Long-Term Incentive Plan for Personal Financial Advisors**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D ALASKA PERMANENT FUND CORPORATION	359,406	0	359,406
**D SCA LAZARD	24,315	0	24,315
**D AON HEWITT COLLECTIVE INVESTMENT TRUST	41,778	0	41,778
**D MINISTERS AND MISSIONARIES BENEFIT BOARD OF AMERICAN BAPTIST CHURCH	16,459	0	16,459
**D MIN DEF PF OMAN AMUNDI EURSILV	77,256	0	77,256
**D BNYMTD BLK EURO DYNAMIC FD	3,063,616	0	3,063,616
**D PHC NT SMALL CAP	28,250	0	28,250
**D BNYMTD RM GLOBAL HIGH ALPHA FUND	28,810	0	28,810
**D AMG TIMESSQUARE INTL SM CAP	1,205,000	0	1,205,000
**D BNYMTD BLK CONTINENTAL EURO INC	5,765,726	0	5,765,726
**D BNYMTD BLK CONT EUR EQ TRCK FD INV	313,139	0	313,139
**D OPERATING ENGINEERS LOCAL 101 PENSION FUND	120,000	0	120,000
**D BELL ATLANTIC MASTER TRUST	41,418	0	41,418
**D VERIZON MASTER SAVINGS TRUST	62,887	0	62,887
**D VOYA MULTI MANAGER INTERNATIONAL EQUITY FUND	49,013	0	49,013
**D THE EDUCATIONAL EMPLOYEES SUPPLEMENTARY RETIREMENT SYSTEM OF FAIRFAX COUNTY	5,348	0	5,348
**D GENERAL MILLS INVESTMENT TRUST	53,503	0	53,503
**D INDIANA PUBLIC RETIREMENT SYSTEM	20,228	0	20,228
**D KENTUCKY RETIREMENT SYSTEMS	580,000	0	580,000
**D KENTUCKY RETIREMENT SYSTEMS INSURANCE TRUST FUND	250,000	0	250,000
**D PUBLIC EMPLOYEES RETIREMENT SYSTEM OF MISSISSIPPI	72,395	0	72,395
**D PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF NEW MEXICO	16,687	0	16,687
**D BOARD OF PENSIONS OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA	80,956	0	80,956
**D JOHN S AND JAMES L KNIGHT FOUNDATION	65,800	0	65,800
**D SOUTH CAROLINA RETIREMENT SYSTEMS GROUP TRUST	288	0	288
**D UMC BENEFIT BOARD, INC	22,892	0	22,892
**D PRUDENTIAL INVESTMENT PORTFOLIO 2 PRUDENTIAL QMA INTL DEVELOPED MRKTS INDEX FUND	845	0	845
**D AHL DESERTWOOD FUND LIMITED C/O CITCO TRUSTEES (CAYMAN) LIMITED	109,956	0	109,956
**D PANAGORA DIVERSIFIED ARBITRAGE MASTER FUND LTD	2,630	0	2,630
**D MAP 192 SEGREGATED PORTFOLIO, PANAGORA ASST MGMNT INC PM ACT	30,024	0	30,024
**D GOVERNMENT OF NORWAY	4,267,532	0	4,267,532
**D NORGES BANK	225,448	0	225,448
**D UBS (LUX) EQUITY SICAV	68,735	0	68,735
**D UBS FUND MGT (CH) AG CH0516/UBSCHIF2-EGSCPII	98,996	0	98,996
**D UBS FUND MANAGEMENT (SWITZERLAND) AG,	123,764	0	123,764
**D CH0526 - UBS (CH) INSTITUTIONAL FUND - EQUITIES GLOBAL SMALL CAP PASSIVE II	15,606	0	15,606
**D AHL ALPHA MASTER LIMITED C/O CITCO TRUSTEES (CAYMAN) LIMITED	32,434	0	32,434
**D AHL DIRECTIONAL EQUITIES MASTER LIMITED	32,040	0	32,040
**D AHL EVOLUTION LTD SHARMAINE BERKELEY ARGONAUT LTD	777,939	0	777,939
**D ALT BETA EQUITY SIZE STRATEGY LIMITED CO NUMERIC INVESTORS LLC	310,536	0	310,536
**D AVIVA INVESTORS INTERNATIONAL INDEX TRACKING FUND	10,830	0	10,830
**D BLUE MOUNTAIN CREDIT ALTERNATIVES MASTER FUND LP CO M AND C CORP SERVICES LTD	67,980	0	67,980
**D BLUEMOUNTAIN FURSAN FUND LP CO MAPLES CORP SERVICES LIMITED	8,817	0	8,817
**D BLUEMOUNTAIN GUADALUPE PEAK FUND L,P,CO CORPORATION SERVICE COMPANY	4,655	0	4,655
**D BLUEMOUNTAIN KICKING HORSE FUND L,P, C/O MAPLES CORPORATE SVCS LTD	11,285	0	11,285
**D BLUEMOUNTAIN SYSTEMATIC MASTER FUND LP MAPLES CORP SERVICES LTD	40,285	0	40,285

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RESULTS OF VOTING

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IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D CITITRUST LIMITED AS TRUSTEE OF BLACKROCK PREMIER FUNDS-BLACKROCK WORLD EQUITY INDEX FUND	326	0	326
**D IRISH LIFE ASSURANCE,	171,778	0	171,778
**D LAZARD ASSET MANAGEMENT LLC C/O LAZARD ASSET MANAGEMENT LLC - EUROPEAN LONG/SHORT	40,152	0	40,152
**D LEGAL AND GENERAL	116,862	0	116,862
**D LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	1,472,983	0	1,472,983
**D LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	15,847	0	15,847
**D LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	13,760	0	13,760
**D LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	52,838	0	52,838
**D LEGAL AND GENERAL COLLECTIVE INVESTMENT TRUST,	8,597	0	8,597
**D MCKINLEY NON US DEVELOPED 130 30 GROWTH ONSHORE FUND LP C O MCKINLEY C, MGMT, LLC	68,998	0	68,998
**D PANAGORA ASSET MANAGEMENT INC,	1,731	0	1,731
**D SLIC ER EX UK SM CM FD XESC	273,095	0	273,095
**D STANDARD LIFE INVESTMENT COMPANY GLOBAL SMALLER	2,573,190	0	2,573,190
**D STICHTING PENSIOENFONDS KPN STICHTING PENSIOENFONDS POSTNL STICHTING PENSIOENFONDS AVEBE	570,407	0	570,407
**D STICHTING PGGM DEPOSITARY	422,749	0	422,749
**D THREADNEEDLE (LUX	1,124,222	0	1,124,222
**D THREADNEEDLE INVESTMENT FUNDS ICVCA,	9,413,406	0	9,413,406
**D ZURICH LIFE ASSURANCE PLC	84,359	0	84,359
**D THREE CORNER MASTER L/SFUND LP	1,427,900	0	1,427,900
**D LUCERNE CAPITAL MASTER FUND LP	427,175	0	427,175
**D MANUFACTURERS AND TRADERS TRUST COMPANY	3,180	0	3,180
**D UNIVERSITY CLUB	630	0	630
**D FEDERATED KAUFMANN FUND	5,125,000	0	5,125,000
**D FEDERATED KAUFMANN FUND II	131,600	0	131,600
**D FEDERATED KAUFMANN SMALL CAP FUND	874,310	0	874,310
**D FIDELITY RUTLAND SQUARE TR II: STRAT ADV INT MULTI-MANAGER F	3,243	0	3,243
**D FIDELITY RUTLAND SQUARETRUST II: STRATEGIC ADVISERS INT F	312,995	0	312,995
**D LAUDUS INTERNATIONAL MARKETMASTERS FUND	464,055	0	464,055
**D SCHWAB INTERNATIONAL EQUITY ETF	313,517	0	313,517
**D LAZARD ASSET MANAGEMENT LLC	1,352	0	1,352
**D LAZARD RETIREMENT GLOBAL DYNAMIC MULTI ASSET PORTFOLIO	11,974	0	11,974
**D LAZARD MANAGED EQUITY VOLATILITY PORTFOLIO	3,051	0	3,051
**D LAZARD GLOBAL DYNAMIC MULTI ASSET PORTFOLIO	1,953	0	1,953
**D LAZARD REAL ASSETS AND PRICING OPPORTUNITIES PORTFOLIO	1,207	0	1,207
**D WELLINGTON GLOBAL OPPORTUNITIES FUND (CANADA)	100,206	0	100,206
**D WELLINGTON INTERNATIONAL OPPORTUNITIES FUND	16,577	0	16,577
**D MANNING AND NAPIER	902,020	0	902,020
**D MFS HERITAGE TRUST COMPANY COLLECTIVE INVESTMENT TRUST	135,594	0	135,594
**D INTERNATIONAL MONETARY FUND	15,994	0	15,994
**D AMERICAN CENTURY STRATEGIC ASSET ALL, INC, STRAT ALL CONS F	1,280	0	1,280
**D AMERICAN CENTURY STRAT ASSET ALL, INC, STRAT ALL MODERATE F	4,430	0	4,430
**D AMERICAN CENTURY STRAT ASSET ALL, INC, STRATEGIC ALL AGGR F	4,680	0	4,680
**D AMERICAN CENTURY WORLD MUTUAL FUNDS, INC, INTL DISCOVERY F	141,830	0	141,830
**D AMERICAN CENTURY WORLD MUTUAL FUNDS, INC, INTL OPPORTUNITIES	170,088	0	170,088
**D AMERICAN CENTURY WORLD MUTUAL FUNDS INC - NT INT SM MID CAP F	61,980	0	61,980
**D AMERICAN CENTURY WORLD MUTUAL FUNDS, INC, - GLO SMALL CAP FD	6,683	0	6,683

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Subject: **Long-Term Incentive Plan for Personal Financial Advisors**

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Surname	Tot. Votes	On own behalf	Proxy
**D AMERICAN CENTURY RETIREMENT DATE TRUST	61,347	0	61,347
**D ANIMA FUNDS PLC	78,238	0	78,238
**D CAREFIRST, INC, RETIREMENT PLAN TRUST FOR GHMSI ASSETS	43,000	0	43,000
**D CAREFIRST, INC, RETIREMENT PLAN TRUST FOR CFMI ASSETS	39,000	0	39,000
**D UAW RETIREE MEDICAL BENEFITS TRUST	101,658	0	101,658
**D HENDERSON INTERNATIONAL SMALL CAP FUND	20,028	0	20,028
**D SCPMG KEOGH PLAN	10,104	0	10,104
**D CALVERT WORLD VALUES F INC - CALVERT INT OPPORTUNITIES FUND	265,955	0	265,955
**D CALVERT RESP INX SRS, INC,-CLVRT DVD MRKTS EX-U,S, RSP INX FD	2,736	0	2,736
**D CONCEPT FUND SOLUTIONS PLC	1,286	0	1,286
**D THE REGENTS OF THE UNIVERSITY OF CALIFORNIA	206,295	0	206,295
**D MICROSOFT CORPORATION SAVINGS PLUS 401(K) PLAN	257,045	0	257,045
**D VALIC COMPANY I - ASSET ALLOCATION FUND	5,958	0	5,958
**D PARAMETRIC INTERNATIONAL EQUITY FUND	4,180	0	4,180
**D EATON VANCE INTERNATIONAL SMALL-CAP FUND	34,992	0	34,992
**D FRANKLIN TEMPLETON ETF TRUST - FRANKLIN FTSE EUROPE ETF	4,305	0	4,305
**D FRANKLIN TEMPLETON ETF TRUST - FRANKLIN FTSE ITALY ETF	2,946	0	2,946
**D FRANKLIN TEMPLETON ETF TRUST-FRANKL LIBERTY INT OPPORTUN ETF	9,212	0	9,212
**D FRANKLIN TEMPLETON ETF TRUST - FRANKLIN FTSE EUROPE HEDGED ETF	1,400	0	1,400
**D THE GABELLI GLOBAL SMALL AND MID CAP VALUE TRUST	53,000	0	53,000
**D THE GABELLI GLOBAL RISING INCOME AND DIVIDEND FUND	27,000	0	27,000
**D GUARDIAN INTERNATIONAL GROWTH VIP FUND	6,545	0	6,545
**D GAM STAR FUND P,L,C,	3,618,908	0	3,618,908
**D RUSSELL INVESTMENT COMPANY SELECT INTERNATIONAL EQUITY FUND	15,376	0	15,376
**D E,SUN COMM BANK LTD IN ITS CAP AMC OF NOM EUR MID SM CAP GR F	43,513	0	43,513
**D HARTFORD INTERNATIONAL OPPORTUNITIES HLS FUND	556,165	0	556,165
**D THE HARTFORD INTERNATIONAL GROWTH FUND	109,838	0	109,838
**D THE HARTFORD INTERNATIONAL OPPORTUNITIES FUND	1,168,591	0	1,168,591
**D HARTFORD INTERNATIONAL EQUITY FUND	29,877	0	29,877
**D THE HARTFORD GLOBAL ALL- ASSET FUND	38,263	0	38,263
**D TCW INTERNATIONAL SMALL CAP FUND	14,710	0	14,710
**D WILLIAM BLAIR COLLECTIVE INVESTMENT TRUST	320,539	0	320,539
**D WILLIAM BLAIR INTERNATIONAL GROWTH FUND	871,300	0	871,300
**D WILLIAM BLAIR INSTITUTIONAL INTERNATIONAL GROWTH FUND	667,695	0	667,695
**D LAZARD GLOBAL MANAGED VOLATILITY (CANADA) FUND	2,530	0	2,530
**D MAINSTAY EPOCH CAPITAL GROWTH FUND	64,534	0	64,534
**D MM SELECT EQUITY ASSET FUND	4,584	0	4,584
**D LAZARD WILMINGTON GLOBAL MANAGED VOLATILITY PORTFOLIO	27,779	0	27,779
**D ANCHOR SERIES TRUST STRATEGIC MULTI-ASSET PORTFOLIO	5,883	0	5,883
**D ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM	78,810	0	78,810
**D RUSSELL COMMON CONTRACTUAL FUND	16,027	0	16,027
**D KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM	138,639	0	138,639
**D KP INTERNATIONAL EQUITY FUND	20,205	0	20,205
**D LAZARD GLOBAL INVESTMENT FUNDS PUBLIC LIMITED COMPANY	751,719	0	751,719
**D MARYLAND STATE RETIREMENT & PENSION SYSTEM	15,867	0	15,867
**D GTAA PANTHER FUND L,P	2,894	0	2,894

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Subject: **Long-Term Incentive Plan for Personal Financial Advisors**

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Surname	Tot. Votes	On own behalf	Proxy
**D MERCER QIF CCF	2,080,743	0	2,080,743
**D STATE OF MONTANA BOARD OF INVESTMENTS	42,090	0	42,090
**D TEXAS MUNICIPAL RETIREMENT SYSTEM	272,348	0	272,348
**D NEW YORK STATE DEFERRED COMPENSATION PLAN	76,623	0	76,623
**D LAZARD GLOBAL BALANCED INCOME FUND	778	0	778
**D LAZARD GLOBAL LOW VOLATILITY FUND	3,151	0	3,151
**D CITY OF NEW YORK GROUP TRUST	180,406	0	180,406
**D CITY OF NEW YORK GROUP TRUST	438,768	0	438,768
**D PRINCIPAL EXCHANGE-TRADED FDS-PRINC INT MULTI-FACTOR INDEX ETF	1,239	0	1,239
**D WELLINGTON GLOBAL OPPORTUNITIES EX-JAPAN FUND	68,655	0	68,655
**D THRIVENT MODERATE ALLOCATION PORTFOLIO	12,777	0	12,777
**D THRIVENT MODERATELY AGGRESSIVE ALLOCATION PORTFOLIO	4,781	0	4,781
**D THRIVENT AGGRESSIVE ALLOCATION PORTFOLIO	1,415	0	1,415
**D THRIVENT MODERATE ALLOCATION FUND	2,306	0	2,306
**D THRIVENT MODERATELY AGGRESSIVE ALLOCATION FUND	2,077	0	2,077
**D THRIVENT AGGRESSIVE ALLOCATION FUND	1,282	0	1,282
**D THRIVENT GROWTH AND INCOME PLUS FUND	2,391	0	2,391
**D THRIVENT BALANCED INCOME PLUS FUND	6,696	0	6,696
**D THRIVENT GROWTH AND INCOME PLUS PORTFOLIO	2,616	0	2,616
**D THRIVENT BALANCED INCOME PLUS PORTFOLIO	7,564	0	7,564
**D THRIVENT LARGE CAP STOCK FUND	77,587	0	77,587
**D THRIVENT LARGE CAP STOCK PORTFOLIO	37,683	0	37,683
**D THRIVENT CORE INTERNATIONAL EQUITY FUND	105,132	0	105,132
**D THRIVENT DIVERSIFIED INCOME PLUS FUND	9,206	0	9,206
**D THRIVENT DIVERSIFIED INCOME PLUS PORTFOLIO	6,886	0	6,886
**D RUSSELL INVESTMENTS OVERSEAS EQUITY POOL	62,621	0	62,621
**D RUSSELL INVESTMENTS MULTI-FACTOR INTERNATIONAL EQUITY POOL	837	0	837
**D RUSSELL INSTITUTIONAL FUNDS,LLC-RUSSELL INTL EQUITY FUND	61,886	0	61,886
**D RUSSELL INVESTMENTS OVERSEAS EQUITY FUND	35,453	0	35,453
**D BANK OF KOREA	187,738	0	187,738
**D CHANG HWA COMMERCIAL BANK, LTD,, IN ITS CAPACITY AS MASTER	288,800	0	288,800
**D STATE STREET IRELAND UNIT TRUST	2,399	0	2,399
**D SSGA SPDR ETFs EUROPE II PUBLIC LIMITED COMPANY	45,021	0	45,021
**D CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM	869,247	0	869,247
**D DELTASHARES S+P INTERNATIONAL MANAGED RISK ETF	6,109	0	6,109
**D CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM	517,835	0	517,835
**D TENNESSEE CONSOLIDATED RETIREMENT SYSTEM	190,600	0	190,600
**D TENNESSEE CONSOLIDATED RETIREMENT SYSTEM	348,095	0	348,095
**D PINEBRIDGE GLOBAL FUNDS	36,601	0	36,601
**D METZLER ASSET MANAGEMENT GMBH FOR MI-FONDS 415	97,000	0	97,000
**D CAPITAL GROUP GLOBAL EQUITY FUND (CANADA)	2,865,000	0	2,865,000
**D CAPITAL GROUP GLOBAL BALANCED FUND (CANADA)	230,000	0	230,000
**D SAINT-GOBAIN CORPORATION DEFINED BENEFIT MASTER TRUST	27,921	0	27,921
**D VANGUARD FTSE DEVELOPED EUROPE ALL CAP INDEX ETF	8,413	0	8,413
**D VANGUARD FTSE DEVELOPED ALL CAP EX NORTH AMERICA INDEX ETF	8,644	0	8,644
**D VANGUARD DEVEL ALL-CAP EX NORTH AMERICA EQT IND POOLED FUND	541	0	541

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**D VANGUARD GLOBAL LIQUIDITY FACTOR ETF	1,061	0	1,061
**D VANGUARD GLOBAL MOMENTUM FACTOR ETF	1,558	0	1,558
**D VANGUARD INVESTMENTS II COMMON CONTRACTUAL FUND	32,024	0	32,024
**D VANGUARD INVESTMENTS COMMON CONTRACTUAL FUND	36,461	0	36,461
**D VANGUARD FTSE DEVELOPED EUROPE INDEX ETF	1,123	0	1,123
**D VALIC COMPANY II INTERNATIONAL OPPORTUNITIES FUND	125,203	0	125,203
**D THE WELLINGTON TR COM NATIONAL ASS MULT COLLECT INV F TRUST	343,065	0	343,065
**D THE WELLINGTON TR CO NAT ASS MULT C TR F TR, OPPORT EQ PTF	72,130	0	72,130
**D THE WELLINGTON TR CO NAT ASS MULT COM GLB OPPORT PTF	45,012	0	45,012
**D THE WELLINGTON TR CO NAT ASS MULT COLLECTIVE INV F TRUST II	222,999	0	222,999
**D WELLS FARGO BK DECL OF TR EST INV FUNDS FOR EMPLOYEE BEN TR	48,345	0	48,345
**D WELLS FARGO MASTER TRUST-WELLS FRGO FACTR ENHANCED INT PRTFLO	32,119	0	32,119
**D WISDOMTREE ISSUER PUBLIC LIMITED COMPANY	4,015	0	4,015
**D WASHINGTON STATE INVESTMENT BOARD	165,288	0	165,288
**D WISDOMTREE DYNAMIC CURRENCY HEDGED EUROPE EQUITY FUND	1,905	0	1,905
**D WISDOMTREE DYNAMIC CURRENCY HEDGED INTRNL EQUITY FUND	21,885	0	21,885
**D WISDOMTREE INTERNATIONAL HIGH DIVIDEND FUND	18,621	0	18,621
**D WISDOMTREE INTERNATIONAL MIDCAP DIVIDEND FUND	61,943	0	61,943
**D WISDOMTREE EUROPE LOCAL RECOVERY FUND	10,772	0	10,772
**D WISDOMTREE EUROPE HEDGED SMALLCAP EQUITY FUND	201,403	0	201,403
**D NEW YORK STATE TEACHERS RETIREMENT SYSTEM	214,056	0	214,056
**D PRUDENTIAL BANK AND TRUST	97,233	0	97,233
**D PRUDENTIAL RETIREMENT INSURANCE & ANNUITY COMPANY	118,313	0	118,313
**D WELLINGTON MANAGEMENT FUNDS (IRELAND) PLC	2,363	0	2,363
**D SPDR EURO STOXX SMALL CAP ETF	49,165	0	49,165
**D SS FTSE DEV COMPREHENSIVE FACTOR IND NON-LENDING COMMON TRU FD	4,034	0	4,034
**D SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMENT PL	711,442	0	711,442
**D AXA WORLD FUNDS	13,211,990	0	13,211,990
**D BLACKROCK STRATEGIC FUNDS	334,818	0	334,818
**D DB X-TRACKERS	487,536	0	487,536
**D DEUTSCHE INVEST I	2,175,336	0	2,175,336
**D MFS MERIDIAN FUNDS	1,306,568	0	1,306,568
**D KIEGER FUND I	23,718	0	23,718
**D UBS ETF	65,218	0	65,218
**D DEUTSCHE ASSET MNGM INV GMBH FOR DWS EUROPE DYNAMIC	135,000	0	135,000
**D DEUTSCHE ASSET MNGM INV GMBH FOR DWS TOP EUROPE	2,694,000	0	2,694,000
**D DEUTSCHE ASSET MNGM INV GMBH FOR DWS EUROPEAN OPPORTUNITIES	622,257	0	622,257
**D DEUTSCHE ASSET MNGM INV GMBH FOR OPPENHEIM DYNAMIC EUROPE BAL	43,715	0	43,715
**D DEUTSCHE AST MGMT INVEST GMBH FR DEUTSCH AM QUANT EQ EUROLAND	79,811	0	79,811
**D ISHARES MSCI EAFE SMALL CAP ETF	1,389,975	0	1,389,975
**D ISHARES MSCI EUROPE SMALL-CAP ETF	69,326	0	69,326
**D ISHARES CORE MSCI EAFE ETF	1,437,247	0	1,437,247
**D ISHARES CORE MSCI TOTAL INTERNATIONAL STOCK ETF	189,056	0	189,056
**D ISHARES CORE MSCI INTERNATIONAL DEVELOPED MARKETS ETF	56,088	0	56,088
**D ISHARES CORE MSCI EAFE IMI INDEX ETF	27,938	0	27,938
**D ISHARES MSCI EUROPE IMI INDEX ETF	10,292	0	10,292

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**D ISHARES CORE MSCI EUROPE ETF	117,297	0	117,297
**D CONNECTICUT GENERAL LIFE INSURANCE COMPANY	827	0	827
**D INTERNATIONAL PAPER CO COMMINGLED INVESTMENT GROUP TRUST	21,880	0	21,880
**D IBM 401K PLUS PLAN	86,186	0	86,186
**D OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM	127,113	0	127,113
**D RUSSELL TRUST CO COMMINGLED EMPLOYEE BENEFIT FUNDS TRUST	385,612	0	385,612
**D GENERAL CONFERENCE CORPORATION OF SEVENTH DAY ADVENTISTS	100,000	0	100,000
**D STATE OF ALASKA RETIREMENT AND BENEFITS PLANS	15,676	0	15,676
**D COLLEGE RETIREMENT EQUITIES FUND	1,055,755	0	1,055,755
**D RUSSELL INVESTMENT COMPANY - RUSSELL INTERN DEVELOPED MKT F	321,779	0	321,779
**D DELUXE CORPORATION MASTER TRUST	18,704	0	18,704
**D MERCY HEALTH	13,589	0	13,589
**D RUSSELL INVESTMENT FUNDS NON-U,S, FUND	52,453	0	52,453
**D RUSSELL INVESTMENT COMPANY II PLC	75,335	0	75,335
**D RUSSELL INVESTMENT COMPANY PLC	37,056	0	37,056
**D MULTI-STYLE, MULTI-MANAGER FUNDS PLC	98,841	0	98,841
**D THE WELLINGTON TR CO NAT ASS MULT COM ALPHA STRATEGIES PTF	36,829	0	36,829
**D MERCY HEALTH RETIREMENT TRUST	3,997	0	3,997
**D TRUTH INITIATIVE FOUNDATION	7,497	0	7,497
**D MSCI EAFE SMALL CAP PROV INDEX SEC COMMON TR F	118,386	0	118,386
**D ISHARES PUBLIC LIMITED COMPANY	1,498,441	0	1,498,441
**D ISHARES II PUBLIC LIMITED COMPANY	328,291	0	328,291
**D ISHARES VII PLC	968,051	0	968,051
**D ISHARES III PUBLIC LIMITED COMPANY	17,751	0	17,751
**D ISHARES I INVESTK MIT TGV F ISHS ST, EUROPE600 BS UCITS ETF DE	349,181	0	349,181
**D BLACKROCK AM DE FOR ISHS EURO STOXX BANKS 30-15 UCITS ETF (DE)	1,898,902	0	1,898,902
**D BLACKROCK AM DE FOR ISHARES EURO STOXX UCITS ETF (DE)	148,261	0	148,261
**D BLACKROCK AM DE FOR ISHS STOXX EUROPE SMALL 200 UCITS ETF (DE)	375,271	0	375,271
**D BLACKROCK AM DE FOR ISHARES STOXX EUROPE 600 UCITS ETF (DE)	350,587	0	350,587
**D BLACKROCK AM SCH AG OBO BIFS WORLD EX SW SMALL CAP EQ INDEX F	49,170	0	49,170
**D PINEBRIDGE GLOBAL DYNAMIC ASSET ALLOCATION FUND LLC	14,277	0	14,277
**D MANAGED PENSION FUNDS LIMITED	33,669	0	33,669
**D THE TRUSTEES OF CONOCOPHILLIPS PENSION PLAN	6,888	0	6,888
**D FAMILY INVESTMENTS CHILD TRUST FUND	11,150	0	11,150
**D FAMILY INVESTMENTS GLOBAL ICVC FAMILY BALANCED INT FUND	9,961	0	9,961
**D HSBC AS TRUSTEE FOR SSGA EUROPE EX UK EQUITY TRACKER FUND	284,213	0	284,213
**D FP RUSSELL INVESTMENTS ICVC-FP RUSSELL INV INT GROWTH ASSTS FD	8,584	0	8,584
**D ARAB AUTHORITY FOR AGRICULTURAL INVESTMENT AND DEVELOPMENT	7,541	0	7,541
**D STICHTING PHILIPS PENSIOENFONDS	56,707	0	56,707
**D MULTI-MANAGER ICVC - MULTI-MANGER INTERNATIONAL EQUITY FUND	91,914	0	91,914
**D VANGUARD INV FDS ICVC-VANG FTSE DEV WOR LD EX - UK EQT IND FD	57,793	0	57,793
**D VANGUARD INV F ICVC-VANGUARD FTSE DEV EUROPE EX-UK EQ INDEX F	119,820	0	119,820
**D VANGUARD INV FUNDS ICVC-VANGUARD FTSE GLOB ALL CAP IND FUND	423	0	423
**D RUSSELL INVESTMENTS GLOBAL OPPORTUNITIES FUND	96,617	0	96,617
**D PINEBRIDGE GLOBAL DYNAMIC ASSET ALLOCATION FUND	30,175	0	30,175
**D SUNSUPER SUPERANNUATION FUND	13,451	0	13,451

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **Long-Term Incentive Plan for Personal Financial Advisors**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D CANADA PENSION PLAN INVESTMENT BOARD	1,086,400	0	1,086,400
**D THE TRUSTEES OF BP PENSION FUND	340,650	0	340,650
**D OMERS ADMINISTRATION CORPORATION FUND	380,331	0	380,331
**D CITADEL MULTI-STRATEGY EQUITIES FUND (ICAV)	14,644	0	14,644
**D AON SAVINGS PLAN TRUST	55,102	0	55,102
**D THE BOEING COMPANY EMPLOYEES SAVINGS PLANS MASTER TRUST	60,988	0	60,988
**D FORD MOTOR COMPANY DEFINED BENEFIT MASTER TRUST	13,955	0	13,955
**D HEWITT ASSOCIATES LLC 401K PLAN TRUST	19,737	0	19,737
**D BAPTIST FOUNDATION OF TEXAS DBA HIGHGROUND ADVISORS	26,952	0	26,952
**D MORGAN STANLEY DEFINED CONTRIBUTION MASTER TRUST	58,764	0	58,764
**D STATE OF UTAH, SCHOOL AND INSTITUTIONAL TRUST FUNDS	7,141	0	7,141
**D HRW TESTAMENTARY TRUST NO 3	40,800	0	40,800
**D HRW TESTAMENTARY TRUST NO, 8	39,100	0	39,100
**D HRW TESTAMENTARY TRUST NO, 12	40,500	0	40,500
**D EMPLOYEES RETIREMENT FUND OF THE CITY OF DALLAS	24,205	0	24,205
**D THE CURATORS OF THE UNIVERSITY OF MISSOURI	31,235	0	31,235
**D DFI LP EQUITY (PASSIVE)	1,693	0	1,693
**D NTGI-QM COMMON DAILY ALL COUNWD EX-US INV MKT INDEX F NONLEND	9,989	0	9,989
**D THE PUBLIC INSTITUTION FOR SOCIAL SECURITY	64,137	0	64,137
**D INTERNATIONAL MONETARY FUND STAFF RETIREMENT PLAN	442,591	0	442,591
**D NATIONAL COUNCIL FOR SOCIAL SECURITY FUND, P,R,C	34,430	0	34,430
**D MICROSOFT GLOBAL FINANCE	5,832	0	5,832
**D BLUE SKY GROUP	180,800	0	180,800
**D NEW ZEALAND SUPERANNUATION FUND	34,150	0	34,150
**D MERCER DS TRUST	143,860	0	143,860
**D BATTELLE MEMORIAL INSTITUTE	13,240	0	13,240
**D DUPONT AND RELATED COMP DEFINED CONTRIBUTION PLAN MASTER TR	61,137	0	61,137
**D PYRAMIS GROUP TRUST FOR EMPLOYEE BENEFIT PLANS	170,023	0	170,023
**D THE HEALTH FOUNDATION	25,840	0	25,840
**D NORTHERN TRUST GLOBAL INVESTMENTS COLLECTIVE FUNDS TRUST	334,975	0	334,975
**D NATIONAL RAILROAD RETIREMENT INVESTMENT TRUST	291,058	0	291,058
**D SUTTER HEALTH MASTER RETIREMENT TRUST	580,535	0	580,535
**D ADVOCATE HEALTH CARE NETWORK	28,762	0	28,762
**D CITY OF MILWAUKEE EMPLOYEES RETIREMENT SYSTEM	80,839	0	80,839
**D PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF COLORADO	468,968	0	468,968
**D FIREMEN`S ANNUITY & BENEFIT FUND OF CHICAGO	16,201	0	16,201
**D EMPLOYEES` RETIREMENT FUND OF THE CITY OF FORT WORTH	90,225	0	90,225
**D GENERAL PENSION AND SOCIAL SECURITY AUTHORITY	82,221	0	82,221
**D ILLINOIS MUNICIPAL RETIREMENT FUND	218,947	0	218,947
**D LOS ANGELES CITY EMPLOYEES RETIREMENT SYSTEM	41,051	0	41,051
**D CITY OF LOS ANGELES FIRE AND POLICE PENSION PLAN	65,307	0	65,307
**D LOCKHEED MARTIN CORPORATION MASTER RETIREMENT TRUST	138,897	0	138,897
**D MIDWEST OPERATING ENGINEERS PENSION TRUST FUND	600,000	0	600,000
**D UNITED MINE WORKERS OF AMERICA 1974 PENSION TRUST	68,907	0	68,907
**D POLICEMEN`S ANNUITY AND BENEFIT FUND OF CHICAGO	39,567	0	39,567
**D SALT RIVER PIMA-MARICOPA INDIAN COMMUNITY	21,155	0	21,155

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Subject: **Long-Term Incentive Plan for Personal Financial Advisors**

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Surname	Tot. Votes	On own behalf	Proxy
**D UTAH STATE RETIREMENT SYSTEMS	69,008	0	69,008
**D FORD MOTOR COMPANY OF CANADA, LIMITED PENSION TRUST	1,181	0	1,181
**D NATIONAL WESTMINSTER BANK PLC PLC AS TR OF BARING EUR SEL TR	3,198,899	0	3,198,899
**D WHEELS COMMON INVESTMENT FUND	14,359	0	14,359
**D THE TRUSTEES OF ZURICH FINANCIAL SERVICES UK PENSION SCHEME	475,624	0	475,624
**D STICHTING PENSIOENFONDS APF	2,873	0	2,873
**D THE TRUSTEES OF CHEVRON UK PENSION PLAN	2,761	0	2,761
**D COLONIAL FIRST STATE INVESTMENT FUND 50	13,187	0	13,187
**D MUNICIPAL EMPLOYEES` ANNUITY AND BENEFIT FUND OF CHICAGO	9,452	0	9,452
**D LEGAL & GENERAL GLOBAL EQUITY INDEX FUND	1,487	0	1,487
**D NAT WEST BK AS TRUSTEE OF LEGAL & GENERAL EUROPEAN INDEX TR	230,275	0	230,275
**D NAT WEST BK PLC AS TRUSTEE OF THE LEGAL & GENERAL INT IND TR	26,634	0	26,634
**D BARING INVESTMENT FUNDS PLC	203,004	0	203,004
**D AMG FUNDS PLC	26,720	0	26,720
**D SSGA GROSS ROLL UP UNIT TRUST	13,909	0	13,909
**D LEGAL & GENERAL ICAV	2,648	0	2,648
**D LEGAL & GENERAL AUTHORISED CONTRACTUAL SCHEME	5,796	0	5,796
**D BLACKROCK AUTHORISED CONTRACTUAL SCHEME I	299,258	0	299,258
**D STATE TEACHERS RETIREMENT SYSTEM OF OHIO	173,208	0	173,208
**D ILLINOIS STATE BOARD OF INVESTMENT	78,822	0	78,822
**D VERDIPAPIRFONDET KLP AKSJEGLOBAL SMALL CAP INDEKS I	32,044	0	32,044
**D UNIVEST	276,604	0	276,604
6970 CLERICI CAMILLA	0	0	0
**D NORDEA 1 SICAV	1,411,219	0	1,411,219
**D MOMENTUM INVESTMENT FUNDS SICAV-SIF	125,735	0	125,735
**D JPMORGAN FUNDS	860,480	0	860,480
**D JPMORGAN INVESTMENT FUNDS	991,793	0	991,793
**D FRANKLIN TEMPLETON INVESTMENT FUNDS	2,792,340	0	2,792,340
**D T, ROWE PRICE FUNDS SICAV	192,210	0	192,210
**D CAPITAL INTERNATIONAL FUND	116,670	0	116,670
**D SCHRODER INTERNATIONAL SELECTION FUND	293,093	0	293,093
**D THE LUCERNE CAPITAL MASTER FUND LP C/O WALKERS CORPORATE LTD	28,406	0	28,406
**D NMM3 EUEQ MFS ACCOUNT	8,004	0	8,004
**D WELLINGTON MANAGEMENT PORTFOLIOS	222,312	0	222,312
**D FIDELITY FUNDS SICAV	795,854	0	795,854
**D ING DIRECT	33,717	0	33,717
**D NATIXIS INTERNT FUNDS LUX I	179,358	0	179,358
**D HUNTINGTON NATIONAL BANK TAXABLE ACC	8,290	0	8,290
**D WELLINGTON TRUST COMP COMM TRUST INT OPP	111,602	0	111,602
**D RAINIER INT SMALL CAP EQUITY COLLECTIVE	183,350	0	183,350
**D FIDELITY SALEM STR T FID TOTAL INT IND F	20,446	0	20,446
**D WTC-CTF INTERNATIONAL HORIZONS	23,208	0	23,208
**D DEVELOPED INTERNATIONAL EQUITY SELECT ETF	1,976	0	1,976
**D BBH B FOR TMTBJ RE: MUTB400037270	6,775	0	6,775
**D JAPAN TRUSTEE SERVICES BANK LTD	206,631	0	206,631
**D DEUTSCHE EUROPEAN EQUITY FUND	108,050	0	108,050

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**D GLOBAL X SCIENTIFIC BETA EUROPE ETF	1,130	0	1,130
**D PINEBRIDGE DYNAMIC ASSET ALLOCATION FUND	6,235	0	6,235
**D HSBC GROUP HONG KONG LOCAL STAFF RETIREMENT BENEFIT SCHEME	3,732	0	3,732
**D ANIMA SGR SPA	2,666,601	0	2,666,601
**D ANIMA SGR SPA ANIMA CRESCITA ITALIA	699,858	0	699,858
**D DEKA MASTER HAEK I	67,605	0	67,605
**D AXA ASSICURAZIONI SPA	11,000	0	11,000
**D PARVEST	4,707,241	0	4,707,241
**D JANUS HENDERSON HORIZON FUND	947,335	0	947,335
**D JANUS HENDERSON FUND	197,410	0	197,410
**D BNP PARIBAS L1	349,829	0	349,829
**D BNP PARIBAS A FUND	72,069	0	72,069
**D BNP PARIBAS B PENSION GROWTH	167,945	0	167,945
**D BNP PARIBAS B PENSION STABILITY	81,283	0	81,283
**D METROPOLITAN RENTASTRO	313,328	0	313,328
**D BNP PARIBAS B PENSION BALANCED	1,088,502	0	1,088,502
**D JANUS HEND INSTIT EUROP INDEX OPP FUND	42,487	0	42,487
**D JANUS HENDERS EUROPEAN SMALLER COMP FD	430,018	0	430,018
**D RESPONSIBLE INVESTMENT LEADERS INT SHARE	37,745	0	37,745
**D SENTOSA DEVELOPMENT CORPORATION	10,402	0	10,402
**D BNP PARIBAS MIDCAP EUROPE	1,397,460	0	1,397,460
**D TOTAL GESTION FLEX PATRI	46,511	0	46,511
**D FCP BNPP ACTIONS ENTREPRENEURS	752,692	0	752,692
**D BNP PARIBAS ACTIONS PME	696,084	0	696,084
**D FCP SCANDIUM	97,262	0	97,262
**D FCP CARDIF BNPP IP SMID CAP EURO	1,127,139	0	1,127,139
**D FCP LBPAM ACTIONS EUROPE LARGE CAP	47,785	0	47,785
**D FCP CNP ASSUR SMID CAP EUROPE	212,396	0	212,396
**D BNP PARIBAS SMALL CAP EUROLAND	4,097,208	0	4,097,208
**D FCP BNP PARIBAS ACTIONS EUROLAND	46,482	0	46,482
**D COMPT EUROPE	95,000	0	95,000
**D AXIVA ACTION 1	25,749	0	25,749
**D ACTIONS SELECTIONNEES	5,480	0	5,480
**D AXA VALEURS EURO	1,400,000	0	1,400,000
**D FCPE TOTAL ACTIONS EUROPEENNES	750,000	0	750,000
**D FCP BNP PARIBAS MIDCAP FRANCE	1,087,878	0	1,087,878
**D FCP AVIVA INVESTORS SMALL & MID CAPS EUR	222,914	0	222,914
**D AXA OPTIMAL INCOME	2,068,464	0	2,068,464
**D SAKKARAH 7	8,716	0	8,716
**D STICHT BEDRIJ MEDIA PNO	213,800	0	213,800
**D AFER ACTION PME	778,661	0	778,661
**D SAINT MARTIN 4	877,000	0	877,000
**D IPA CORPORATE ACTIONS AND INCOME	48,331	0	48,331
**D FONDS RESERVE RETRAITES	1,126,854	0	1,126,854
**D RAVGDT DIVERSIFIE II LBPAM	41,870	0	41,870
**D CPR AM	113,850	0	113,850

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**D ROBECO CAPITAL GROWTH FUNDS	450,000	0	450,000
**D CORONATION GLOBAL OPPORTUNITIES FUND	423,707	0	423,707
**D SHELL TRUST (BERMUDA) LIMITED AS TRUSTEE	7,183	0	7,183
**D SHELL TRUST (BERMUDA) LTD AS TRUSTEE OF THE SHELL OVERSEAS C,P, FUND	34,987	0	34,987
**D DEKA INVESTMENT GMBH RE ARIDEKA	900,000	0	900,000
**D DEKA INVEST, RE DEKA-DIVIDENDENDISCOUNT	3,900	0	3,900
**D DEKA INVEST DIVIDENDENSTRATEGIE	838,900	0	838,900
**D DEKA BASISSTRATEGIE FLEXIBEL	18,500	0	18,500
**D DEKA INVESTMENT GMBH RE DEKA-DIVIDEND VA	68,000	0	68,000
**D DEKA INVESTMENT GMBH RE DEKA-MULTIASSET INCOME	100,000	0	100,000
**D THE MASTER TRUST BANK OF JAPAN LTD AS TRUSTEE FOR MTBJ400045842	1,720,886	0	1,720,886
**D TEACHERS` RETIREMENT SYSTEM OF THE CITY OF NEW YORK	47,864	0	47,864
**D UBS GLOBAL ASSET MANAGEMENT LIFE LTD	151,024	0	151,024
**D MERIFIN CAPITAL B,V,	39,575	0	39,575
**D WESTPAC WHOLESALE UNHEDGED INTERNATIONAL	43,815	0	43,815
**D ENTERGY CORP,RETIREMENT PLANS MASTER TR,	150,830	0	150,830
**D JEFFREY LLC	58,552	0	58,552
**D CHINA LIFE INSURANCE COMPANY LIMITED	36,007	0	36,007
**D FONDO CONSOLIDADO DE RESERVAS PREVISIONA	65,942	0	65,942
**D JPMORGAN CHASE BANK	2,000	0	2,000
**D UBS (US) GROUP TRUST	7,469	0	7,469
**D BT WHOLESALE MULTI MANAG INTL SHARE FUND	24,626	0	24,626
**D WSSP INTERNATIONAL EQUITIES TRUST	68,156	0	68,156
**D EUROPACIFIC GROWTH FUND	5,235,000	0	5,235,000
**D T, ROWE PRICE INTERNATIONAL SMALL CAP	497,948	0	497,948
**D THE BOEING COMPANY EMPLOYEE RETIREMENT PLANS MASTER TRUST	83,856	0	83,856
**D BLACKROCK FISSION INDEXED INTL EQUITY FD	12,748	0	12,748
**D ISHARES ALLCOUNTRY EQUITY INDEX FUND	1,214	0	1,214
**D INTERNATIONAL GROWTH AND INCOME FUND	6,475,000	0	6,475,000
**D ALTRIA CLIENT SERVICES MASTER RETIREM,T,	81,690	0	81,690
**D SUPER FUNDS MANAG CORP SOUTH AUSTRALIA	60,952	0	60,952
**D STICHTING PENSIOENFONDS VOOR DE WONINGCO	58,078	0	58,078
**D UBS ASSET MANAGEMENT LIFE LTD	283	0	283
**D MINISTRY OF STRATEGY AND FINANCE	40,968	0	40,968
**D T, ROWE PRICE INTERNATIONAL DISCOVERY FU	4,575,580	0	4,575,580
**D NVIT MULTI MANAGER INTERNATIONAL GROWTH	59,600	0	59,600
**D FLEXSHARES MORNINGSTAR DEVELOPED MARKETS	4,895	0	4,895
**D MFS INTERNATIONAL NEW DISCOVERY FUND	2,267,886	0	2,267,886
**D T ROWE PRICE INTERNATIONAL EQUITY INDEX	14,257	0	14,257
**D T ROWE PRICE GLOBAL ALLOCATION FUND INC	8,817	0	8,817
**D GOLDMAN SACHS TRUST-G,S,INTL,TAX MANAGED	32,601	0	32,601
**D PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OHIO	122,288	0	122,288
**D JPMORGAN LIFE LIMITED	81,039	0	81,039
**D JPM EUROPE DYNAMIC (EX UK) FUND	593,932	0	593,932
**D SANLAM LIFE AND PENSIONS UK LIMITED	49,930	0	49,930
**D AVIVA LIFE & PENSIONS UK LIMITED	135,750	0	135,750

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**D STICHTING SHELL PENSIOENFONDS	117,749	0	117,749
**D SHELL PENSIONS TRUST LIMITED AS TRUSTEE OF SHELL CONTRIBUTORY PENSION FUND	75,058	0	75,058
**D STICHTING PENSIOENFONDS MEDISCH SPECIALI	283,660	0	283,660
**D STATE OF CALIFORNIA MASTER TRUST	158,670	0	158,670
**D NATIONAL PROVIDENT FUND AS TRUSTEE OF TH	16,166	0	16,166
**D DEKA INVEST RE DEKA-ZMV-FONDS	20,000	0	20,000
**D DEKA INVESTMENT GMBH RE PRODEKA	65,200	0	65,200
**D DEKA A-DOR-FONDS	6,503	0	6,503
**D DEKA INVESTMENT GMBH RE LANDSBERG-FONDS	5,900	0	5,900
**D DEKA INVESTMENT GMBH RE DEKA VALUE PLUS	10,813	0	10,813
**D BUMA-UNIVERSAL-FONDS-II	602,592	0	602,592
**D BUMA-UNIVERSAL-FONDS I	13,990	0	13,990
**D MI-FONDS 392	462,000	0	462,000
**D JPMORGAN EUROPEAN INVESTMENT TRUST PLC	98,990	0	98,990
**D KAPITALFORENINGEN INSTITUTIONEL INVESTOR EUROPAELSE AKTIER	1,011,641	0	1,011,641
**D NEW MEXICO STATE INVESTMENT COUNCIL	80,036	0	80,036
**D DEKA INTERNATIONAL S,A, RE DEKA-EUROSTOC	546,850	0	546,850
**D STICHTING PENSIOENFONDS VOOR HUISARTSEN	36,912	0	36,912
**D BUREAU OF LABOR FUNDS - LABOR RETIREMENT FUND	6,015	0	6,015
**D BUREAU OF LABOR FUNDS-LABOR INSURANCE FUND	217,051	0	217,051
**D BUREAU OF LABOR FUNDS- LABOR PENSION FUND	19,873	0	19,873
**D NORDEA PRO EUROPEAN FUND	377,784	0	377,784
**D NORDEA EUROPE FUND	1,612,784	0	1,612,784
**D INVESTERINGSFORENINGEN NORDEA INV AKTIER	586,767	0	586,767
**D ARTEMIS EUROPEAN OPPORTUNITIES FUND	844,653	0	844,653
**D BLACKROCK MULTI-ASSET INC,PORTF,OF BLACK	754,307	0	754,307
**D BLACKROCK INSTITUTIONAL TRUST COMPANY N,A, INVESTMENT FUNDS FOR EMPLOYEE BENEFIT TRUSTS	354,859	0	354,859
**D JP MORGAN CHASE RETIREMENT PLAN	119,470	0	119,470
**D PENSION TRUST FUND FOR OPERATING ENGINEE	400,000	0	400,000
**D LONDON LIFE INSURANCE COMPANY	69,200	0	69,200
**D CANADA POST CORPORATION REGISTERED PENSI	106,197	0	106,197
**D THE BOMBARDIER TRUST (UK)	61,392	0	61,392
**D FTSE ALL WORLD INDEX FUND	20,987	0	20,987
**D FLF STRATEGIC GLOBAL EQUITY FUND	119,463	0	119,463
**D REASSURE LIMITED	123,245	0	123,245
**D FLF GLOBAL EQUITY FUND	60,413	0	60,413
**D CITADEL ADVISORS LLC	86,066	0	86,066
**D FRIENDS LIFE AND PENSIONS LIMITED	51,154	0	51,154
**D FRIENDS LIFE FUNDS LIMITED	59,324	0	59,324
**D HSBC EUROPEAN INDEX FUND	97,246	0	97,246
**D AXA FRAMLINGTON FINANCIAL FUND	101,283	0	101,283
**D FRIENDS LIFE AND PENSIONS LIMITED	3,317	0	3,317
**D TR EUROPEN GROWTH TRUST PLC	691,650	0	691,650
**D ARC I - FONDS SEGMENT 1 -AKTIEN EUROPA	26,458	0	26,458
**D SONDERVERMOGEN INKA OPRA FONDS	16,181	0	16,181
**D INTERNATIONALE KAPITALANLAGEGESELLSCHAFT MBH	48,500	0	48,500

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**D VANGUARD EUROPEAN STOCK INDEX FUND	945,197	0	945,197
**D VANGUARD DEVELOPED MARKETS INDEX FUND	2,155,375	0	2,155,375
**D VANGUARD TOTAL WORLD STOCK INDEX FUND	113,470	0	113,470
**D VANGUARD FTSE ALL-WORLD EX US INDEX FUND	663,474	0	663,474
**D PIONEER FLEXIBLE OPPORTUNITIES FUND	480,295	0	480,295
**D VANGUARD FUNDS PLC	187,648	0	187,648
**D VANGUARD INVESTMENT SERIES PLC	39,953	0	39,953
**D VANGUARD INVESTMENT SERIES PLC	7,356	0	7,356
**D VANGUARD INVESTMENT SERIES PLC	93,449	0	93,449
**D KVV AKTIEN FONDS 1	1,844	0	1,844
**D FCP VILLIERS ACTIONS EDRAM	720,800	0	720,800
**D FIDUCIARY TRUST COMPANY INTERNATIONAL AS	67,000	0	67,000
**D MANAGEMENT BOARD PUBLIC SERVICE PENSION	3,513	0	3,513
**D SCHRODER PENSION MANAGEMENT LTD	66,373	0	66,373
**D VANGUARD INTERNATIONAL SMALL COMPANIES INDEX FUND	32,076	0	32,076
**D ONEPATH GLOBAL SHARES - SMALL CAP UNHEDGED) INDEXPOOL	26,862	0	26,862
**D VANGUARD TOTAL INTERNATIONAL STOCK INDEX	5,243,100	0	5,243,100
**D VANGUARD INTERNATIONAL EXPLORER FUND	815,900	0	815,900
**D HSBC AVB	8,841	0	8,841
**D SUZUKA INKA	131,022	0	131,022
**D SCHRODER ADVANCED BETA GLOBAL EQUITY SMA	65,536	0	65,536
**D SCHRODER GLOBAL MULTI-FACTOR EQUITY FUND	132,300	0	132,300
**D LOMBARD ODIER FUNDS (SWITZERLAND) SA	25,266	0	25,266
**D REALDANIA	192,400	0	192,400
**D MERRILL LYNCH INTERNATIONAL	322,064	0	322,064
**D SCHUBEL FAM TR-MANNING AND NAPIER A DV	990	0	990
**D POND 2007 FAMILY TRUST MANNING SUB	1,320	0	1,320
**D HUNTER FAMILY FDN MANNING	1,865	0	1,865
**D MANNING AND NAPIER ADVISOR INC	110,730	0	110,730
**D IRON WORKERS LOCALS 40361 AND 417 ANNUITY FUND	18,440	0	18,440
**D BURTON X ROSENBERG INSUR TR MAN SUB	1,375	0	1,375
**D THE MALUTH FAMILY TRUST MANNING SUB	1,360	0	1,360
**D C E COMPALL REV TR 10-23-09 MAN D N	990	0	990
**D GRAHAM C BROCK MANNING INTL	770	0	770
**D MANNING AND NAPIER FUND INC PRO BLEND MODERATE TERM SERIES	28,940	0	28,940
**D THE BAKERY AND CONFECTIONERY UNION AND INDUSTRY INTERNATIONAL PENSION FUND	120,215	0	120,215
**D IRON WORKERS LOCALS 40 361 AND 41 7 PENSION FUND	13,505	0	13,505
**D ALMEIDA FAMILY LEGACY TR MANNING	855	0	855
**D THE HORWARD TRUST MANNING AND NAPIER	580	0	580
**D CJB CRUT II 11-27-06 MANNING	795	0	795
**D MANNING AND NAPIER FUND INC,OVE RS EAS SERIES	339,195	0	339,195
**D TANGLIN CLAYMORE LLC MANNING	1,590	0	1,590
**D CJB FAMILY TR 06-15-00 MANNING	1,825	0	1,825
**D IRON WORKERS LOCAL 11 PENSION FUND	14,780	0	14,780
**D QUIGG VENTURES LLC MANNING AND NAPIER	2,005	0	2,005
**D FLIGHT ATTENDANT MEDICAL RESEARCH INSTITUTE	6,850	0	6,850

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **Long-Term Incentive Plan for Personal Financial Advisors**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D JURGENSEN INVSTMNTS LLC MANNING SUB	835	0	835
**D MANNING AND NAPIER ADVISORS INC	265,770	0	265,770
**D MICHIGAN CATHOLIC CONFERENCE MASTER PENSION TRUST	41,760	0	41,760
**D OPUS FINANCIAL LLC-MANNING AND NAPIER	5,160	0	5,160
**D GRUSECKI NEXGEN LLC-MANNING AND NAPIER	1,605	0	1,605
**D R C DELL TRUST-MANNING AND NAPIER R A DV	810	0	810
**D FLEISCHHACKER 09 TR MANNING AND NAPIER	795	0	795
**D ANTHONY K, KESMAN TRUSTEE	945	0	945
**D BRIDGE BUILDER INTERNATIONAL EQUITY FUND	581,660	0	581,660
**D FLK (TE) LLC MANNING AND NAPIER	2,590	0	2,590
**D CHURCH OF THE HOLYCONFORTER-SUB	565	0	565
**D PNC BANK NA	17,025	0	17,025
**D GST EX MRTL TR C-U CONSTANCE-MA ND N	1,290	0	1,290
**D RELIABLE PARTNERS MANNING INTL	845	0	845
**D FIRST STATE TRUST COMPANY FOR MULTIPLE BENEFICIARIES	685	0	685
**D GOLDER FAMILY FOUNDATION-MANDN	1,115	0	1,115
**D ROOSEVELT UNIVERSITY	15,295	0	15,295
**D IRA FBO JAMES KING BNY MELLON	575	0	575
**D MELISSA S, WIDEN-MANNING ANDAP IER	890	0	890
**D J HANSEN REV TR 4-29-81 MANNING	2,495	0	2,495
**D ROBERT A ROSHOLT IRAR-OMANNING - SU B	890	0	890
**D JAMES J, BAKKE 1987 TRUST MANN ING 6001 N	3,190	0	3,190
**D LARRY D CONTOS REV TR MANNING SUB 755	870	0	870
**D JOHN M, MC DONOUGH IRAR-MAN AND NAP	865	0	865
**D DORIS K, CHRISTOPHER 1996 TR-MA ND	20,970	0	20,970
**D OLIVE MC CARTHY 2009 TRUST-MANNING	1,255	0	1,255
**D CATHERINE SLARK TR-MANNING ANDN API	1,840	0	1,840
**D GEOFFREY C FENNER MANNING INTL1	580	0	580
**D ELIZABETH E, RIORDAN 1997 TRMANNING	1,405	0	1,405
**D STANLEY H MEADOWS 90 TR-MANNING NAP	5,855	0	5,855
**D J MCCARTNEY12-30-97 MANNING-NAP IER	1,610	0	1,610
**D DEBRA K MAYER-MANNING ANDNAPIER - SU B	650	0	650
**D CAROL GOLDER REVTR MANNING AND NAP	950	0	950
**D R MORRIS ILLINOIS QTIP MARTR M AND N	735	0	735
**D LOMBARDI JTWROS MANNING AND NAPIER	1,370	0	1,370
**D JAMES E WICKS TRMANNING NAPIER	920	0	920
**D CHRISTOPHER ENOCK LVG TRMANNING	980	0	980
**D MARY KATHERINE LAUDERBACK	775	0	775
**D BARBARA S, BLUHM REV TR-MANNING INTL	1,135	0	1,135
**D JOSEPH L, BOZICH 2005TR-MANNING	885	0	885
**D THOMAS C GAPUTIS REV TR-MANNING	995	0	995
**D J G FENCIK TR-MANNING AND NAPIER	2,065	0	2,065
**D BRUCE BARRON REVOCABLE TRUST	1,635	0	1,635
**D L, S, BUONANNO-MANNING AND NAPIER	1,550	0	1,550
**D BUNRATTY HOLDINGS LLC-MANNING INTL	1,280	0	1,280
**D MANNING AND NAPIER FUND INC -PR O BLEND-MAXIMUM TERM SERIES	291,450	0	291,450

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **Long-Term Incentive Plan for Personal Financial Advisors**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D MORRIS 1992 GIFT TR FORELLEN-M AND N	2,495	0	2,495
**D FANCELLI FDN INC, (SPECIAL)-MANNING	2,165	0	2,165
**D MIAMI DADE COMMUNITY COLLEGE FOUNDATION 300 NE	6,110	0	6,110
**D REGIONAL TRANSPORTATIONDISCTRIC T	10,555	0	10,555
**D HAGEN FAMILY TR U-ADTD7-7-1989 MA AND N	1,500	0	1,500
**D MANNING AND NAPIER FUNDINC, -BLE ND ED ASSET MODERATE SEREIS	3,810	0	3,810
**D JEFFREY S, ARONIN REV TRUST	7,180	0	7,180
**D MELVYN FISHER IRREV TR US BANK TRUSTEE	995	0	995
**D MANNING AND NAPIER FUND INC INT	541,920	0	541,920
**D MANNING AND NAPIER FUND INC	46,880	0	46,880
**D KIRBY ROSPLOCK DECLOFTR MANNING	835	0	835
**D FEINBERG FAMILY LTD PART2-MANNING	615	0	615
**D EVERGREEN PARTNERS GENPRT-MAND	895	0	895
**D CJB CRUT 5-1-01-MANNING	1,855	0	1,855
**D GOLDER 2007 FAM TR-MANNING AND NAPIER	1,620	0	1,620
**D JESSICA S SUPERA MANNING INTL	590	0	590
**D THOMAS R SMITH REVRE-MANN AND NAPIER	700	0	700
**D JAY W CHRISTOPHER 1996TR-MANNING ING	14,670	0	14,670
**D R, AND L, BRADLEY JT REVTR-MANNING	1,110	0	1,110
**D LEONARD X ROSEMBERG 2007TR-MANNING	775	0	775
**D A,BERGDOLL REV TR-MANNING ANDN API ER	1,415	0	1,415
**D WILLIAM G JUEGENSEN REV TRMANNING	2,755	0	2,755
**D TERRENCE P, DIAMOND-MANNINGINTL 8706	655	0	655
**D L BUONANNO TR T SMITH SR-MANDN	2,375	0	2,375
**D WILLIAM FOOTE 95 TR-MANNING AND NAPIER	1,070	0	1,070
**D DEBORAH A, SCHMIDT REVTR-MANNING	960	0	960
**D CAIRD ARNOLD HARBECK REVTR-MANNING	985	0	985
**D ROBERT KLEINERT JR DECLTR- MANNING	690	0	690
**D JULES M, LASER MANNING AND NAPERIR	760	0	760
**D G MCLACHLAN DECLTR-MANNING-NAPIER	1,830	0	1,830
**D ELIZABETH DRUCKER-MANNING AND NAPIER	510	0	510
**D BGF EURO MKTS FD EURO EQUITY PF	10,669,505	0	10,669,505
**D GLOBAL DIVERSIFIED SUB TRUST	5,116	0	5,116
**D ELEVA UCITS FD EUROLAND SELECT	128,300	0	128,300
**D METZLER INT INV PUBLIC LTD	866,000	0	866,000
**D UBS EUR SMALL CAP EQUITY FD MY	84,125	0	84,125
**D THE NORTHWESTERN MUTUAL LIFE I	400,000	0	400,000
**D ARRCO LONG TERME B	212,530	0	212,530
**D ARRCO QUANT 1	129,208	0	129,208
**D CIPAV ALOIS	173,484	0	173,484
**D SOGECAP ACTIONS SMALL CAP	813,805	0	813,805
**D COLISEE IFC 1	530,000	0	530,000
**D SG ACTIONS EUROPE MID CAP	174,380	0	174,380
**D MUF-LYXOR EURO STOXX BANKS	825,693	0	825,693
**D LYXOR EURO STOXX 300	31,765	0	31,765
**D LYXOR INDEX FD-LYXOR STOXX EUR	56,768	0	56,768

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **Long-Term Incentive Plan for Personal Financial Advisors****IN FAVOUR**

Surname	Tot. Votes	On own behalf	Proxy
**D MUL-LYXOR ITALIA EQUITY PIR	25,973	0	25,973
**D AMUNDI FUNDS II-PIONEER FLEX O	91,490	0	91,490
**D AMUNDI SGR SPA AZIONARIO EUROPA	196,518	0	196,518
**D AMUNDI SF EURO EQ MARKET PLUS	7,244	0	7,244
**D AMUNDI FUNDS II-GLOB MULTI ASS	39,463	0	39,463
**D AMUNDI FUNDS II-EURO POTENTIAL	2,806,988	0	2,806,988
**D AMUNDI FUNDS II-EURO RESEARCH	294,285	0	294,285
**D AMUNDI FUNDS II-EUROP EQ OPTIM	82,021	0	82,021
**D PIONEER INV TOT RETURN	28,211	0	28,211
**D AMUNDI SOLUZ IT-PR CED 12 2019	38,160	0	38,160
**D AMUNDI SOL IT-PR CED 22 2020	47,716	0	47,716
**D AMUNDI SOL IT-PR CED 03 2020	45,423	0	45,423
**D AMUNDI SOL IT-PR CED 05 2020	80,229	0	80,229
**D AMUNDI SOL IT-PR CED 06 2020	54,059	0	54,059
**D AMUNDI SOL IT-PR CED 08 2020	63,584	0	63,584
**D AMUNDI SOL IT-PR CED 09 2020	52,520	0	52,520
**D AMUNDI SOL IT-PR CED 12 2020	22,990	0	22,990
**D AMUNDI SOL IT-PR CED 11 2020	39,870	0	39,870
**D AMUNDI SOL IT-PR CED 02 2021	20,160	0	20,160
**D AMUNDI SD-EQ PLAN 60	14,077	0	14,077
**D EURIZON CAPITAL SGR-GLOBAL MULTIASSET SELECTION 09/22	17,700	0	17,700
**D EURIZON CAPITAL SGR - EURIZON PROGETTO ITALIA 70	110,849	0	110,849
**D EURIZON CAPITAL SGR - EURIZON AZIONI ITALIA	282,955	0	282,955
**D EURIZON CAPITAL SGR - EURIZON PIR ITALIA AZIONI	11,498	0	11,498
**D EURIZON CAPITAL SGR - EURIZON PROGETTO ITALIA 40	124,092	0	124,092
**D EPSILON SGR - EPSILON FLESSIBILE AZIONI EURO APRILE 2021	1,240	0	1,240
**D EPSILON SGR - EPSILON FLESSIBILE AZIONI EURO FEBBRAIO 2021	3,013	0	3,013
**D EPSILON SGR - EPSILON FLESSIBILE AZIONI EURO GIUGNO 2021	882	0	882
**D EPSILON SGR - EPSILON FLESSIBILE AZIONI EURO NOVEMBRE 2020	10,351	0	10,351
**D EPSILON SGR - EPSILON FLESSIBILE AZIONI EURO SETTEMBRE 2020	13,945	0	13,945
**D EPSILON SGR - EPSILON MULTIASSET 3 ANNI DICEMBRE 2019	13,355	0	13,355
**D EPSILON SGR - EPSILON MULTIASSET 3 ANNI LUGLIO 2020	3,959	0	3,959
**D EPSILON SGR - EPSILON MULTIASSET 3 ANNI MAGGIO 2020	8,055	0	8,055
**D EPSILON SGR - EPSILON MULTIASSET 3 ANNI MARZO 2020	6,326	0	6,326
**D EIS-EURO EQUITY INSURANCE CAPITAL LIGHT 49	51,771	0	51,771
**D ISE - GLOBAL DYNAMIC MULTITRENDER 06/2015	6,071	0	6,071
**D ISE - MULTIASSET ABSOLUTE 3 ANNI 07/2016	29,072	0	29,072
**D EPF-ABSOLUTE Q-MULTISTRATEGY	5,670	0	5,670
**D ISE - MULTIASSET ABSOLUTE 3 ANNI - 04/2016	32,015	0	32,015
**D EUF-EQUITY ITALY	92,759	0	92,759
**D ISE - DYNAMIC INCOME MULTITRENDER 01/2016	4,162	0	4,162
**D PRIVILEGE	35,454	0	35,454
**D ASSURDIX	49,978	0	49,978
**D CPR EUROLAND	395,972	0	395,972
**D CPR SILVER AGE	4,427,663	0	4,427,663
**D FCP CPR EUROLAND PREMIUM	89,275	0	89,275

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **Long-Term Incentive Plan for Personal Financial Advisors****IN FAVOUR**

Surname	Tot. Votes	On own behalf	Proxy
**D AMUNDI ETF FTSE ITALIA PIR UCITS ETF DR	29,428	0	29,428
**D FCP NATIXIS ACTIONS SMALL MID CAP EURO	348,000	0	348,000
**D NATIXIS ACTIONS EUROPE SECTEURS	100,573	0	100,573
**D FCP GROUPAMA AVENIR EURO	4,739,300	0	4,739,300
**D FCP GROUPAMA EURO STOCK	100,000	0	100,000
**D FCP GROUPAMA EUROPE STOCK	2,400	0	2,400
**D OPCVM SEEYOND EQUITY FACTOR INVESTING EURO	20,993	0	20,993
**D FCP BEST BUSINESS MODELS	1,310,000	0	1,310,000
**D MULTISMART ACTIONS EURO	704	0	704
**D CROISSANCE PME M	495,933	0	495,933
**D BNY MELLON EMPLOYEE BENEFIT COLLECTIVE INVESTMENT FUND PLAN	15,536	0	15,536
**D THE ROYAL INST FOR THE ADVANCEMENT OF LEARNING MCGILL UNIVERSITY	25,056	0	25,056
**D FRONTIERS INTERNATIONAL EQUITY POOL	7,291	0	7,291
**D THE GREAT-WEST LIFE ASSURANCE COMPANY	41,850	0	41,850
**D BMO GLOBAL BANKS HEDGED TO CADINDEX ETF 100	833	0	833
**D MCGILL UNIVERSITY PENSION FUND	12,957	0	12,957
**D THE GLENCORE CANADIAN PENSION FUNDS TRUST-FOREIGN EQUITY FUND	20,379	0	20,379
**D ONTARIO PENSION BOARD ,	330,050	0	330,050
**D EPOCH GLOBAL EQUITY FUND	292,095	0	292,095
**D IMPERIAL INTERNATIONAL EQUITY POOL	350,727	0	350,727
**D IMPERIAL OVERSEAS EQUITY POOL	17,476	0	17,476
**D CIBC INTERNATIONAL SMALL COMPANIES FUND	26,021	0	26,021
**D ALLEGHENY COLLEGE	9,400	0	9,400
**D ERIE COUMMINTY FOUNDATION	10,600	0	10,600
**D CF DV ACWI EX-U,S, IMI FUND	1,477	0	1,477
**D TIMESQUARE FOCUS FUND LP	3,500	0	3,500
**D LOF EUROZONE SMALL AND MID CAPS98453 51	1,400,000	0	1,400,000
**D FCP EDMOND DE ROTHSCHILD EURO LEADERS	1,241,700	0	1,241,700
**D FCP EDMOND DE ROTHSCHILD EURO SRI	198,180	0	198,180
**D FCP EDMOND DE ROTHSCHILD EUROPEMIDCAPS	912,000	0	912,000
**D EDMOND DE ROTHSCHILD EUROPE MIDCAP	131,760	0	131,760
**D AA FORTIS ACTIONS PETIT CAP EUROPE	348,520	0	348,520
**D FCP RSI EURO P	71,651	0	71,651
**D FCP LCF PHARMA INTERNATIONAL	151,080	0	151,080
**D FCP GROUPAMA PHARMA DIVERSIFIE	69,000	0	69,000
**D UNIVERS CNP 1	122,145	0	122,145
**D FCP NATIXIS IONIS	45,498	0	45,498
**D CNP ASSUR SMALL CAP	379,980	0	379,980
**D EGEARGNE 2	69,584	0	69,584
**D I,2,C, ACTIONS	517,000	0	517,000
**D FCP CONTI GESTION	43,834	0	43,834
**D EDMOND DE ROTHSCHILD ASSET MANAGEM,	314,330	0	314,330
**D FCP ECUREUIL RETRAITE EURO ACTIONS 4	320,000	0	320,000
**D FCP LBPAM ACTIONS FINANCE	27,349	0	27,349
**D FCP TUTELAIRE ACTIONS	18,800	0	18,800
**D SICAV LBPAM ACTIONS EURO	340,000	0	340,000

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Shareholders:

836 People:

15

DE* proxy to the natural person above mentioned with the badge number

Shareholders on own behalf:

12

Shareholders by proxy:

824

**D proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations)

RL* legal representation to the natural person above mentioned with the badge number

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **Long-Term Incentive Plan for Personal Financial Advisors****IN FAVOUR**

Surname	Tot. Votes	On own behalf	Proxy
**D NATIXIS ASSET MANAGEMENT FUNDS	15,142	0	15,142
**D G FUND	1,102,223	0	1,102,223
**D AMUNDI FUNDS SICAV	2,610,085	0	2,610,085
**D EDMOND DE ROTHSCHILD (EUROPE)	3,016,936	0	3,016,936
7103 MONDO GIUSEPPE	100	100	0
7250 MARTIRIGGIANO ANTONIO	3,361	3,361	0
7290 ZACCARDI ANTONELLA	1	1	0
7350 PRANDINI GIULIANO	5,000	5,000	0
7435 ROSSI MARCO	63,975	63,975	0
7559 CAGLIA MARIA	0	0	0
DE* UNICREDIT S,P,A,	215,066,403	0	215,066,403
Total votes	491,291,420		
Percentage of voters%	98.208520		
Percentage of share capital %	80.776897		

Ordinary Shareholders' Meeting of April 11, 2018RESULTS OF VOTING

Subject : **Authorisation for the purchase and disposal of own shares**

Attendees:

n° **872** shareholders entitled to vote took part in the voting on own behalf or by proxy

n° **500,253,359** ordinary shares

The counting of votes produced the following results:

		%OF ORINARY SHARE CAPITAL PRESENT (Voting Quorum)	%OF ORDINARY SHARE ENTITLED TO VOTE	%SHARE CAPITAL
Favour	494,495,009	98.848913	98.848913	81.303623
Against	1,501,716	0.300191	0.300191	0.246908
SubTotal	495,996,725	99.149104	99.149104	81.550532
Abstention	520,002	0.103948	0.103948	0.085497
Not Voting	3,736,632	0.746948	0.746948	0.614368
SubTotale	4,256,634	0.850896	0.850896	0.699865
Total	500,253,359	100.000000	100.000000	82.250397

Shareholders:
Shareholders on own
behalf:

872 People:
15 Shareholders by proxy:

18
857

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **Authorisation for the purchase and disposal of own shares****AGAINST**

Surname	Tot. Votes	On own behalf	Proxy
6041 BONETTI EMANUELE	10	10	0
6957 ESPOSITO MARCO	0	0	0
**D STICHTING PGGM DEPOSITARY	422,749	0	422,749
**D MERSEYSIDE PENSION FUND	209,168	0	209,168
6970 CLERICI CAMILLA	0	0	0
**D WEST MIDLANDS METROPOLITAN AUT PENS FD	97,000	0	97,000
**D TRUSTEAM ROC EUROPE C O TRUSTEAM FINANCE	331,269	0	331,269
**D FCP CM-CIC SILVER ECONOMIE	220,000	0	220,000
**D EIS-EURO EQUITY INSURANCE CAPITAL LIGHT 49	51,771	0	51,771
**D ISE - GLOBAL DYNAMIC MULTITRENDER 06/2015	6,071	0	6,071
**D ISE - MULTIASET ABSOLUTE 3 ANNI 07/2016	29,072	0	29,072
**D EPF-ABSOLUTE Q-MULTISTRATEGY	5,670	0	5,670
**D ISE - MULTIASET ABSOLUTE 3 ANNI - 04/2016	32,015	0	32,015
**D EUF-EQUITY ITALY	92,759	0	92,759
**D ISE - DYNAMIC INCOME MULTITRENDER 01/2016	4,162	0	4,162
Total votes	1,501,716		
Percentage of voters%	0.300191		
Percentage of share capital %	0.246908		

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **Authorisation for the purchase and disposal of own shares**

ABSTENTIONS

Surname	Tot. Votes	On own behalf	Proxy
6122 FOGLI MAURIZIO	1	1	0
6304 CROCE MARIO	1	1	0
6970 CLERICI CAMILLA	0	0	0
**D ARCA FONDI SGR - FONDO ARCA AZIONI ITALIA	100,000	0	100,000
**D CHALLENGE FUNDS CHALLENGE ITALIAN EQUITY	420,000	0	420,000

Total votes 520,002
Percentage of voters% 0.103948
Percentage of share capital % 0.085497

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **Authorisation for the purchase and disposal of own shares****NON VOTING**

Surname	Tot. Votes	On own behalf	Proxy
6970 CLERICI CAMILLA	0	0	0
**D GENERALI SMART FUNDS SICAV	70,632	0	70,632
**D GENERALI INVESTMENTS SICAV	1,500,000	0	1,500,000
**D INTERFUND SICAV INTERFUND EQUITY ITALY	64,000	0	64,000
**D FIDEURAM ASSET MANAGEMENT (IRELAND) FONDITALIA EQUITY ITALY	428,000	0	428,000
**D FIDEURAM ASSET MANAGEMENT (IRELAND) FIDEURAM FUND EQUITY ITALY	5,000	0	5,000
**D FIDEURAM INVESTIMENTI SGR - FIDEURAM ITALIA	9,000	0	9,000
**D FIDEURAM INVESTIMENTI SGR - PIANO AZIONI ITALIA	150,000	0	150,000
**D FIDEURAM INVESTIMENTI SGR - PIANO BILANCIATO ITALIA 50	10,000	0	10,000
**D MEDIOLANUM GESTIONE FONDI SGR - FLESSIBILE FUTURO ITALIA	1,500,000	0	1,500,000
Total votes	3,736,632		
Percentage of voters%	0.746948		
Percentage of share capital %	0.614368		

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: **Authorisation for the purchase and disposal of own shares**

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
6058 DE TOMASI PAOLA	4,000	4,000	0
6102 CERASUOLO STEFANO	9,481	9,481	0
6474 ANGELINI ALESSANDRO	250	250	0
6504 TIMUS ANDREEA	5	5	0
6547 GHIBAUDI LEOPOLDO	9,000	9,000	0
6616 ROSSI GIULIA	8,000	8,000	0
6849 LOIZZI GERMANA	3	3	0
6957 ESPOSITO MARCO	0	0	0
**D CITI RETIREMENT SAVINGS PLAN	137,653	0	137,653
**D UWF TROW INTL DISCOVERY	45,589	0	45,589
**D STANDARD LIFE INVESTMENTS GLOBAL SICAV II	53,674	0	53,674
**D SUBSIDIZED SCHOOLS P FUND NORTHERN	4,211	0	4,211
**D WILLIS TOWERS WATSON GROUP TRUST	3,441	0	3,441
**D 55016 UP INTERNATIONALE AKTIER	236,395	0	236,395
**D 56053 IP GLOBAL EQUITIES I	29,217	0	29,217
**D AST TRP DIVERS REAL GWTH PORT PDMO	1,049	0	1,049
**D ADVANCED SERIES TRUST AST T ROWE PRICE GROWTH OPPORTUNITIES PORTFOLIO GATEWAY CENTER	36,297	0	36,297
**D BNYMTD CF MITON EUROPEAN OPPTS FUND	630,272	0	630,272
**D NATIONAL BANK TRUST	42,267	0	42,267
**D RVN WILLIAM BLAIR	6,037	0	6,037
**D POWERSHARES PUREBETA FTSE DEVELOPED EX NORTHAMERICA PORTFOLIO	62	0	62
**D CHI OPERATING INVESTMENT PROGRAM LP	117,380	0	117,380
**D CATHOLIC HEALTH INITIATIVES MASTER TRUST	57,179	0	57,179
**D FIRST INITIATIVES INSURANCE LIMITED	12,910	0	12,910
**D GLOBAL EQUITY WELLINGTON	138,921	0	138,921
**D GLOBAL INVESTMENT FUND	31,323	0	31,323
**D MFS INTL EQUITY FUND	28,677	0	28,677
**D USBK MOMENTUMSHARES INTL QUANT ETF	121,743	0	121,743
**D 1135 APG DME STCK SEL	94,081	0	94,081
**D 1216 APG DME FINANC	2,255,729	0	2,255,729
**D UNISYS MASTER TRUST	60,092	0	60,092
**D AMG CHICAGO EQUITY PARTNERS BALANCED FUND	900	0	900
**D SAN FRANCISCO CITY AND COUNTY EMPLOYEES RETIREMENT SYSTEM	116,549	0	116,549
**D STICHTING DEPOSITARY APG DEVELOPED MARKETS EQUITY POOL	743,008	0	743,008
**D ELEMENTS INTERNATIONAL SMALL CAP PORTFOLIO	8,111	0	8,111
**D MANNING AND NAPIER FUND INC RAINIER INTERNATIONAL DISCOVERY FUND	605,665	0	605,665
**D FIRST INVESTORS GLOBAL FUND	237,361	0	237,361
**D PS FTSE LO BT EQ WT PORT	12,210	0	12,210
**D NYKREDIT ENGROS GLOBAL OPPORTUNTIES	56,912	0	56,912
**D EIR EIE WELLINGTON INT	106,784	0	106,784
**D WILM MULTI MGR INTL FD OBERWEIS	216,903	0	216,903
**D AST PRU GRWTH ALL PTF QMA EAFE PDFF	59,020	0	59,020
**D PS FTSERAFI EUSM UCITS ETF BNYMTCIL	2,477	0	2,477
**D PS SP INTL DEVEL QUALITY PORTFOLIO	5,359	0	5,359
**D PS FR DEVEL MARK EX US SMALL PORT	17,503	0	17,503
**D AST FI PYRAMIS QUANT AA IE SC PDGJ	115,638	0	115,638

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**D AST RCM WORLD TRENDS PORT PDBF	205,800	0	205,800
**D PENSION RESERVES INVESTMENT TRUST FUND	499,450	0	499,450
**D LMIF LMGAMI EURO SMLL CP	110,589	0	110,589
**D WELLINGTON MGMT CY LLPQUALITY EDUC FD	82,675	0	82,675
**D BNYMTCIL LAZARD GBL MANAGED VOL FD	31,714	0	31,714
**D IQ 50 PERCENT HEDGED FTSE EURO ETF	6,718	0	6,718
**D DB LAZARD GLB MNGD	25,000	0	25,000
**D AXA MPS FINANCIAL DAC	170,000	0	170,000
**D DEUTSCHE XTRK MSCI EMU HDG EQ ETF	3,191	0	3,191
**D BLACKROCK GLOBAL FUNDS	6,826,006	0	6,826,006
**D FPXF WILLIAM BLAIR CO	68,864	0	68,864
**D BLL AQUILA LIFE EUROPEAN EQUITY	437,644	0	437,644
**D BLL AQUILA LIFE OSEAS EQUITY FUND	3,292	0	3,292
**D AARP INSURANCE PLAN	10,266	0	10,266
**D AARP FOUNDATION	4,977	0	4,977
**D BNYMTD FTF FRANKLIN EUROPEAN OPP FD	7,195	0	7,195
**D MI FONDS K12 SPK	91,583	0	91,583
**D BANK OF AMERICA PENSION PLAN OECHSLE	190,091	0	190,091
**D BOA FBO SKL INVESTMENT GRP LLC	13,860	0	13,860
**D WMP OPP INVESTMENT PRINS LP	30,869	0	30,869
**D AARP LAZARD LQE GLB	29,329	0	29,329
**D DEUTSCHE XTRK MSCI EAFE SC HDG ETF	466	0	466
**D DBX FTSE DEV EX US COMP FACTOR	557	0	557
**D THE CLEVELAND CLINIC FOUNDATION	32,555	0	32,555
**D EATON VANCE MGMT INTL SMALL CAP	1,317	0	1,317
**D SLI EUROPEAN SMALLER COMPANIES	2,375,761	0	2,375,761
**D PS SP INTL DEVEL MOMENTUM PORT	504	0	504
**D HP INC MASTER TRUST	54,785	0	54,785
**D ONFF WILLIAM BLAIR NONUS	24,516	0	24,516
**D CE8F WILLIAM BLAIR IACG	185,061	0	185,061
**D RAYTHEON MASTER PENSION TRUST	38,925	0	38,925
**D VANGUARD INTL HIGH DIV YLD INDEX FD	42,184	0	42,184
**D BSNF NTR WILLIAM BLAIR	18,975	0	18,975
**D BSPF PMT WILLIAM BLAIR	24,044	0	24,044
**D DEAM FONDS SPEZIAL 2 AEQ SPK	1,269,411	0	1,269,411
**D DEAM FOND SPEZIAL 18 AEQ SPK	285,507	0	285,507
**D BLL DC EUROPEAN GROWTH FD AG PF	120,522	0	120,522
**D BNYMTD BIEF CONT EUR INV	56,736	0	56,736
**D BNYMTD BLK CONT EURO FD	618,846	0	618,846
**D BGF EUROPEAN SPECIAL SITUATIONS FUND	2,200,058	0	2,200,058
**D BGF CONT EURO FLEXIBLE FD EURO EQFD	3,798,551	0	3,798,551
**D BNYMTD RAMAM WORLD RECOVERY FUND	109,740	0	109,740
**D LRPf WILLIAM BLAIR	65,726	0	65,726
**D DEUTSCHE XTRK MSCI STH EUR HDG ETF	199	0	199
**D ATFF AMERICAN CENTURY	44,194	0	44,194
**D RZSF3001 NON US GE W BLAIR	134,381	0	134,381

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**D MSV JP MORGAN	62,372	0	62,372
**D ALASKA PERMANENT FUND CORPORATION	359,406	0	359,406
**D SCA LAZARD	24,315	0	24,315
**D AON HEWITT COLLECTIVE INVESTMENT TRUST	41,778	0	41,778
**D MINISTERS AND MISSIONARIES BENEFIT BOARD OF AMERICAN BAPTIST CHURCH	16,459	0	16,459
**D MIN DEF PF OMAN AMUNDI EURSILV	77,256	0	77,256
**D BNYMTD BLK EURO DYNAMIC FD	3,063,616	0	3,063,616
**D PHC NT SMALL CAP	28,250	0	28,250
**D BNYMTD RM GLOBAL HIGH ALPHA FUND	28,810	0	28,810
**D AMG TIMESSQUARE INTL SM CAP	1,205,000	0	1,205,000
**D BNYMTD BLK CONTINENTAL EURO INC	5,765,726	0	5,765,726
**D BNYMTD BLK CONT EUR EQ TRCK FD INV	313,139	0	313,139
**D OPERATING ENGINEERS LOCAL 101 PENSION FUND	120,000	0	120,000
**D BELL ATLANTIC MASTER TRUST	41,418	0	41,418
**D VERIZON MASTER SAVINGS TRUST	62,887	0	62,887
**D VOYA MULTI MANAGER INTERNATIONAL EQUITY FUND	49,013	0	49,013
**D THE EDUCATIONAL EMPLOYEES SUPPLEMENTARY RETIREMENT SYSTEM OF FAIRFAX COUNTY	5,348	0	5,348
**D GENERAL MILLS INVESTMENT TRUST	53,503	0	53,503
**D INDIANA PUBLIC RETIREMENT SYSTEM	20,228	0	20,228
**D KENTUCKY RETIREMENT SYSTEMS	580,000	0	580,000
**D KENTUCKY RETIREMENT SYSTEMS INSURANCE TRUST FUND	250,000	0	250,000
**D PUBLIC EMPLOYEES RETIREMENT SYSTEM OF MISSISSIPPI	72,395	0	72,395
**D PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF NEW MEXICO	16,687	0	16,687
**D BOARD OF PENSIONS OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA	80,956	0	80,956
**D JOHN S AND JAMES L KNIGHT FOUNDATION	65,800	0	65,800
**D SOUTH CAROLINA RETIREMENT SYSTEMS GROUP TRUST	288	0	288
**D UMC BENEFIT BOARD, INC	22,892	0	22,892
**D PRUDENTIAL INVESTMENT PORTFOLIO 2 PRUDENTIAL QMA INTL DEVELOPED MRKTS INDEX FUND	845	0	845
**D AHL DESERTWOOD FUND LIMITED C/O CITCO TRUSTEES (CAYMAN) LIMITED	109,956	0	109,956
**D PANAGORA DIVERSIFIED ARBITRAGE MASTER FUND LTD	2,630	0	2,630
**D MAP 192 SEGREGATED PORTFOLIO, PANAGORA ASST MGMNT INC PM ACT	30,024	0	30,024
**D GOVERNMENT OF NORWAY	4,267,532	0	4,267,532
**D NORGES BANK	225,448	0	225,448
**D UBS (LUX) EQUITY SICAV	68,735	0	68,735
**D UBS FUND MGT (CH) AG CH0516/UBSCHIF2-EGSCPII	98,996	0	98,996
**D UBS FUND MANAGEMENT (SWITZERLAND) AG,	123,764	0	123,764
**D CH0526 - UBS (CH) INSTITUTIONAL FUND - EQUITIES GLOBAL SMALL CAP PASSIVE II	15,606	0	15,606
**D AHL ALPHA MASTER LIMITED C/O CITCO TRUSTEES (CAYMAN) LIMITED	32,434	0	32,434
**D AHL DIRECTIONAL EQUITIES MASTER LIMITED	32,040	0	32,040
**D AHL EVOLUTION LTD SHARMAINE BERKELEY ARGONAUT LTD	777,939	0	777,939
**D ALT BETA EQUITY SIZE STRATEGY LIMITED CO NUMERIC INVESTORS LLC	310,536	0	310,536
**D AVIVA INVESTORS INTERNATIONAL INDEX TRACKING FUND	10,830	0	10,830
**D BLUE MOUNTAIN CREDIT ALTERNATIVES MASTER FUND LP CO M AND C CORP SERVICES LTD	67,980	0	67,980
**D BLUEMOUNTAIN FURSAN FUND LP CO MAPLES CORP SERVICES LIMITED	8,817	0	8,817
**D BLUEMOUNTAIN GUADALUPE PEAK FUND L,P,CO CORPORATION SERVICE COMPANY	4,655	0	4,655
**D BLUEMOUNTAIN KICKING HORSE FUND L,P, C/O MAPLES CORPORATE SVCS LTD	11,285	0	11,285

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**D BLUEMOUNTAIN SYSTEMATIC MASTER FUND LP MAPLES CORP SERVICES LTD	40,285	0	40,285
**D CITITRUST LIMITED AS TRUSTEE OF BLACKROCK PREMIER FUNDS-BLACKROCK WORLD EQUITY INDEX FUND	326	0	326
**D IRISH LIFE ASSURANCE,	171,778	0	171,778
**D LAZARD ASSET MANAGEMENT LLC C/O LAZARD ASSET MANAGEMENT LLC - EUROPEAN LONG/SHORT	40,152	0	40,152
**D LEGAL AND GENERAL	116,862	0	116,862
**D LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	1,472,983	0	1,472,983
**D LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	15,847	0	15,847
**D LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	13,760	0	13,760
**D LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	52,838	0	52,838
**D LEGAL AND GENERAL COLLECTIVE INVESTMENT TRUST,	8,597	0	8,597
**D MCKINLEY NON US DEVELOPED 130 30 GROWTH ONSHORE FUND LP C O MCKINLEY C, MGMT, LLC	68,998	0	68,998
**D PANAGORA ASSET MANAGEMENT INC,	1,731	0	1,731
**D SLIC ER EX UK SM CM FD XESC	273,095	0	273,095
**D STANDARD LIFE INVESTMENT COMPANY GLOBAL SMALLER	2,573,190	0	2,573,190
**D STICHTING PENSIOENFONDS KPN STICHTING PENSIOENFONDS POSTNL STICHTING PENSIOENFONDS AVEBE	570,407	0	570,407
**D THREADNEEDLE (LUX)	1,124,222	0	1,124,222
**D THREADNEEDLE INVESTMENT FUNDS ICVCA,	9,413,406	0	9,413,406
**D ZURICH LIFE ASSURANCE PLC	84,359	0	84,359
**D THREE CORNER MASTER L/SFUND LP	1,427,900	0	1,427,900
**D LUCERNE CAPITAL MASTER FUND LP	427,175	0	427,175
**D MANUFACTURERS AND TRADERS TRUST COMPANY	3,180	0	3,180
**D UNIVERSITY CLUB	630	0	630
**D FEDERATED KAUFMANN FUND	5,125,000	0	5,125,000
**D FEDERATED KAUFMANN FUND II	131,600	0	131,600
**D FEDERATED KAUFMANN SMALL CAP FUND	874,310	0	874,310
**D FIDELITY RUTLAND SQUARE TR II: STRAT ADV INT MULTI-MANAGER F	3,243	0	3,243
**D FIDELITY RUTLAND SQUARETRUST II: STRATEGIC ADVISERS INT F	312,995	0	312,995
**D LAUDUS INTERNATIONAL MARKETMASTERS FUND	464,055	0	464,055
**D SCHWAB INTERNATIONAL EQUITY ETF	313,517	0	313,517
**D LAZARD ASSET MANAGEMENT LLC	1,352	0	1,352
**D LAZARD RETIREMENT GLOBAL DYNAMIC MULTI ASSET PORTFOLIO	11,974	0	11,974
**D LAZARD MANAGED EQUITY VOLATILITY PORTFOLIO	3,051	0	3,051
**D LAZARD GLOBAL DYNAMIC MULTI ASSET PORTFOLIO	1,953	0	1,953
**D LAZARD REAL ASSETS AND PRICING OPPORTUNITIES PORTFOLIO	1,207	0	1,207
**D WELLINGTON GLOBAL OPPORTUNITIES FUND (CANADA)	100,206	0	100,206
**D WELLINGTON INTERNATIONAL OPPORTUNITIES FUND	16,577	0	16,577
**D MANNING AND NAPIER	902,020	0	902,020
**D MFS HERITAGE TRUST COMPANY COLLECTIVE INVESTMENT TRUST	135,594	0	135,594
**D INTERNATIONAL MONETARY FUND	15,994	0	15,994
**D ALLIANZ GLOBAL INVESTORS GMBH FOR ALLIANZGI-FONDS GHS	154,000	0	154,000
**D AMERICAN CENTURY STRATEGIC ASSET ALL, INC, STRAT ALL CONS F	1,280	0	1,280
**D AMERICAN CENTURY STRAT ASSET ALL, INC, STRAT ALL MODERATE F	4,430	0	4,430
**D AMERICAN CENTURY STRAT ASSET ALL, INC, STRATEGIC ALL AGGR F	4,680	0	4,680
**D AMERICAN CENTURY WORLD MUTUAL FUNDS, INC, INTL DISCOVERY F	141,830	0	141,830
**D AMERICAN CENTURY WORLD MUTUAL FUNDS, INC, INTL OPPORTUNITIES	170,088	0	170,088
**D AMERICAN CENTURY WORLD MUTUAL FUNDS INC - NT INT SM MID CAP F	61,980	0	61,980

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**D AMERICAN CENTURY WORLD MUTUAL FUNDS, INC, - GLO SMALL CAP FD	6,683	0	6,683
**D AMERICAN CENTURY RETIREMENT DATE TRUST	61,347	0	61,347
**D ANIMA FUNDS PLC	78,238	0	78,238
**D CAREFIRST, INC, RETIREMENT PLAN TRUST FOR GHMSI ASSETS	43,000	0	43,000
**D CAREFIRST, INC, RETIREMENT PLAN TRUST FOR CFMI ASSETS	39,000	0	39,000
**D UAW RETIREE MEDICAL BENEFITS TRUST	101,658	0	101,658
**D HENDERSON INTERNATIONAL SMALL CAP FUND	20,028	0	20,028
**D SCPMG KEOGH PLAN	10,104	0	10,104
**D CALVERT WORLD VALUES F INC - CALVERT INT OPPORTUNITIES FUND	265,955	0	265,955
**D CALVERT RESP INX SRS, INC,-CLVRT DVD MRKTS EX-U,S, RSP INX FD	2,736	0	2,736
**D CONCEPT FUND SOLUTIONS PLC	1,286	0	1,286
**D THE REGENTS OF THE UNIVERSITY OF CALIFORNIA	206,295	0	206,295
**D MICROSOFT CORPORATION SAVINGS PLUS 401(K) PLAN	257,045	0	257,045
**D VALIC COMPANY I - ASSET ALLOCATION FUND	5,958	0	5,958
**D ALLIANZGI INTERNATIONAL SMALL-CAP FUND	308,542	0	308,542
**D PARAMETRIC INTERNATIONAL EQUITY FUND	4,180	0	4,180
**D EATON VANCE INTERNATIONAL SMALL-CAP FUND	34,992	0	34,992
**D FRANKLIN TEMPLETON ETF TRUST - FRANKLIN FTSE EUROPE ETF	4,305	0	4,305
**D FRANKLIN TEMPLETON ETF TRUST - FRANKLIN FTSE ITALY ETF	2,946	0	2,946
**D FRANKLIN TEMPLETON ETF TRUST-FRANKL LIBERTY INT OPPORTUN ETF	9,212	0	9,212
**D FRANKLIN TEMPLETON ETF TRUST - FRANKLIN FTSE EUROPE HEDGED ETF	1,400	0	1,400
**D THE GABELLI GLOBAL SMALL AND MID CAP VALUE TRUST	53,000	0	53,000
**D THE GABELLI GLOBAL RISING INCOME AND DIVIDEND FUND	27,000	0	27,000
**D GUARDIAN INTERNATIONAL GROWTH VIP FUND	6,545	0	6,545
**D GAM STAR FUND P,L,C,	3,618,908	0	3,618,908
**D RUSSELL INVESTMENT COMPANY SELECT INTERNATIONAL EQUITY FUND	15,376	0	15,376
**D E,SUN COMM BANK LTD IN ITS CAP AMC OF NOM EUR MID SM CAP GR F	43,513	0	43,513
**D HARTFORD INTERNATIONAL OPPORTUNITIES HLS FUND	556,165	0	556,165
**D THE HARTFORD INTERNATIONAL GROWTH FUND	109,838	0	109,838
**D THE HARTFORD INTERNATIONAL OPPORTUNITIES FUND	1,168,591	0	1,168,591
**D HARTFORD INTERNATIONAL EQUITY FUND	29,877	0	29,877
**D THE HARTFORD GLOBAL ALL- ASSET FUND	38,263	0	38,263
**D ALLIANZGI GLOBAL SMALL-CAP FUND	145,266	0	145,266
**D TCW INTERNATIONAL SMALL CAP FUND	14,710	0	14,710
**D WILLIAM BLAIR COLLECTIVE INVESTMENT TRUST	320,539	0	320,539
**D WILLIAM BLAIR INTERNATIONAL GROWTH FUND	871,300	0	871,300
**D WILLIAM BLAIR INSTITUTIONAL INTERNATIONAL GROWTH FUND	667,695	0	667,695
**D LAZARD GLOBAL MANAGED VOLATILITY (CANADA) FUND	2,530	0	2,530
**D MAINSTAY EPOCH CAPITAL GROWTH FUND	64,534	0	64,534
**D MM SELECT EQUITY ASSET FUND	4,584	0	4,584
**D LAZARD WILMINGTON GLOBAL MANAGED VOLATILITY PORTFOLIO	27,779	0	27,779
**D ANCHOR SERIES TRUST STRATEGIC MULTI-ASSET PORTFOLIO	5,883	0	5,883
**D ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM	78,810	0	78,810
**D RUSSELL COMMON CONTRACTUAL FUND	16,027	0	16,027
**D KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM	138,639	0	138,639
**D KP INTERNATIONAL EQUITY FUND	20,205	0	20,205

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**D LAZARD GLOBAL INVESTMENT FUNDS PUBLIC LIMITED COMPANY	751,719	0	751,719
**D MARYLAND STATE RETIREMENT & PENSION SYSTEM	15,867	0	15,867
**D GTAA PANTHER FUND L,P	2,894	0	2,894
**D MERCER QIF CCF	2,080,743	0	2,080,743
**D STATE OF MONTANA BOARD OF INVESTMENTS	42,090	0	42,090
**D TEXAS MUNICIPAL RETIREMENT SYSTEM	272,348	0	272,348
**D STATE OF NEW JERSEY COMMON PENSION FUND D	161,132	0	161,132
**D NEW YORK STATE DEFERRED COMPENSATION PLAN	76,623	0	76,623
**D LAZARD GLOBAL BALANCED INCOME FUND	778	0	778
**D LAZARD GLOBAL LOW VOLATILITY FUND	3,151	0	3,151
**D CITY OF NEW YORK GROUP TRUST	180,406	0	180,406
**D CITY OF NEW YORK GROUP TRUST	438,768	0	438,768
**D PRINCIPAL EXCHANGE-TRADED FDS-PRINC INT MULTI-FACTOR INDEX ETF	1,239	0	1,239
**D WELLINGTON GLOBAL OPPORTUNITIES EX-JAPAN FUND	68,655	0	68,655
**D THRIVENT MODERATE ALLOCATION PORTFOLIO	12,777	0	12,777
**D THRIVENT MODERATELY AGGRESSIVE ALLOCATION PORTFOLIO	4,781	0	4,781
**D THRIVENT AGGRESSIVE ALLOCATION PORTFOLIO	1,415	0	1,415
**D THRIVENT MODERATE ALLOCATION FUND	2,306	0	2,306
**D THRIVENT MODERATELY AGGRESSIVE ALLOCATION FUND	2,077	0	2,077
**D THRIVENT AGGRESSIVE ALLOCATION FUND	1,282	0	1,282
**D THRIVENT GROWTH AND INCOME PLUS FUND	2,391	0	2,391
**D THRIVENT BALANCED INCOME PLUS FUND	6,696	0	6,696
**D THRIVENT GROWTH AND INCOME PLUS PORTFOLIO	2,616	0	2,616
**D THRIVENT BALANCED INCOME PLUS PORTFOLIO	7,564	0	7,564
**D THRIVENT LARGE CAP STOCK FUND	77,587	0	77,587
**D THRIVENT LARGE CAP STOCK PORTFOLIO	37,683	0	37,683
**D THRIVENT CORE INTERNATIONAL EQUITY FUND	105,132	0	105,132
**D THRIVENT DIVERSIFIED INCOME PLUS FUND	9,206	0	9,206
**D THRIVENT DIVERSIFIED INCOME PLUS PORTFOLIO	6,886	0	6,886
**D RUSSELL INVESTMENTS OVERSEAS EQUITY POOL	62,621	0	62,621
**D RUSSELL INVESTMENTS MULTI-FACTOR INTERNATIONAL EQUITY POOL	837	0	837
**D RUSSELL INSTITUTIONAL FUNDS,LLC-RUSSELL INTL EQUITY FUND	61,886	0	61,886
**D RUSSELL INVESTMENTS OVERSEAS EQUITY FUND	35,453	0	35,453
**D BANK OF KOREA	187,738	0	187,738
**D BIMCOR GLOBAL SMALL CAP POOLED FUND	43,678	0	43,678
**D CHANG HWA COMMERCIAL BANK, LTD,, IN ITS CAPACITY AS MASTER	288,800	0	288,800
**D STATE STREET IRELAND UNIT TRUST	2,399	0	2,399
**D SSGA SPDR ETFS EUROPE II PUBLIC LIMITED COMPANY	45,021	0	45,021
**D CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM	869,247	0	869,247
**D DELTASHARES S+P INTERNATIONAL MANAGED RISK ETF	6,109	0	6,109
**D CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM	517,835	0	517,835
**D TENNESSEE CONSOLIDATED RETIREMENT SYSTEM	190,600	0	190,600
**D TENNESSEE CONSOLIDATED RETIREMENT SYSTEM	348,095	0	348,095
**D PINEBRIDGE GLOBAL FUNDS	36,601	0	36,601
**D METZLER ASSET MANAGEMENT GMBH FOR MI-FONDS 415	97,000	0	97,000
**D ALLIANZ GLOBAL INVESTORS GMBH FOR ALLIANZGI-FONDS HPT	346,439	0	346,439

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**D CAPITAL GROUP GLOBAL EQUITY FUND (CANADA)	2,865,000	0	2,865,000
**D CAPITAL GROUP GLOBAL BALANCED FUND (CANADA)	230,000	0	230,000
**D SAINT-GOBAIN CORPORATION DEFINED BENEFIT MASTER TRUST	27,921	0	27,921
**D VANGUARD FTSE DEVELOPED EUROPE ALL CAP INDEX ETF	8,413	0	8,413
**D VANGUARD FTSE DEVELOPED ALL CAP EX NORTH AMERICA INDEX ETF	8,644	0	8,644
**D VANGUARD DEVEL ALL-CAP EX NORTH AMERICA EQT IND POOLED FUND	541	0	541
**D VANGUARD GLOBAL LIQUIDITY FACTOR ETF	1,061	0	1,061
**D VANGUARD GLOBAL MOMENTUM FACTOR ETF	1,558	0	1,558
**D VANGUARD INVESTMENTS II COMMON CONTRACTUAL FUND	32,024	0	32,024
**D VANGUARD INVESTMENTS COMMON CONTRACTUAL FUND	36,461	0	36,461
**D VANGUARD FTSE DEVELOPED EUROPE INDEX ETF	1,123	0	1,123
**D VALIC COMPANY II INTERNATIONAL OPPORTUNITIES FUND	125,203	0	125,203
**D THE WELLINGTON TR COM NATIONAL ASS MULT COLLECT INV F TRUST	343,065	0	343,065
**D THE WELLINGTON TR CO NAT ASS MULT C TR F TR, OPPORT EQ PTF	72,130	0	72,130
**D THE WELLINGTON TR CO NAT ASS MULT COM GLB OPPORT PTF	45,012	0	45,012
**D THE WELLINGTON TR CO NAT ASS MULT COLLECTIVE INV F TRUST II	222,999	0	222,999
**D WELLS FARGO BK DECL OF TR EST INV FUNDS FOR EMPLOYEE BEN TR	48,345	0	48,345
**D WELLS FARGO MASTER TRUST-WELLS FRGO FACTR ENHANCED INT PRTFLIO	32,119	0	32,119
**D WISDOMTREE ISSUER PUBLIC LIMITED COMPANY	4,015	0	4,015
**D WASHINGTON STATE INVESTMENT BOARD	165,288	0	165,288
**D WISDOMTREE DYNAMIC CURRENCY HEDGED EUROPE EQUITY FUND	1,905	0	1,905
**D WISDOMTREE DYNAMIC CURRENCY HEDGED INTRNL EQUITY FUND	21,885	0	21,885
**D WISDOMTREE INTERNATIONAL HIGH DIVIDEND FUND	18,621	0	18,621
**D WISDOMTREE INTERNATIONAL MIDCAP DIVIDEND FUND	61,943	0	61,943
**D WISDOMTREE EUROPE LOCAL RECOVERY FUND	10,772	0	10,772
**D WISDOMTREE EUROPE HEDGED SMALLCAP EQUITY FUND	201,403	0	201,403
**D NEW YORK STATE TEACHERS RETIREMENT SYSTEM	214,056	0	214,056
**D PRUDENTIAL BANK AND TRUST	97,233	0	97,233
**D PRUDENTIAL RETIREMENT INSURANCE & ANNUITY COMPANY	118,313	0	118,313
**D WELLINGTON MANAGEMENT FUNDS (IRELAND) PLC	2,363	0	2,363
**D SPDR EURO STOXX SMALL CAP ETF	49,165	0	49,165
**D SS FTSE DEV COMPREHENSIVE FACTOR IND NON-LENDING COMMON TRU FD	4,034	0	4,034
**D SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMENT PL	711,442	0	711,442
**D AXA WORLD FUNDS	13,211,990	0	13,211,990
**D ALLIANZ GLOBAL INVESTORS FUND	1,883,899	0	1,883,899
**D BLACKROCK STRATEGIC FUNDS	334,818	0	334,818
**D DB X-TRACKERS	487,536	0	487,536
**D DEUTSCHE INVEST I	2,175,336	0	2,175,336
**D MFS MERIDIAN FUNDS	1,306,568	0	1,306,568
**D KIEGER FUND I	23,718	0	23,718
**D UBS ETF	65,218	0	65,218
**D DEUTSCHE ASSET MNGM INV GMBH FOR DWS EUROPE DYNAMIC	135,000	0	135,000
**D DEUTSCHE ASSET MNGM INV GMBH FOR DWS TOP EUROPE	2,694,000	0	2,694,000
**D DEUTSCHE ASSET MNGM INV GMBH FOR DWS EUROPEAN OPPORTUNITIES	622,257	0	622,257
**D DEUTSCHE ASSET MNGM INV GMBH FOR OPPENHEIM DYNAMIC EUROPE BAL	43,715	0	43,715
**D DEUTSCHE AST MGMNT INVEST GMBH FR DEUTSCH AM QUANT EQ EUROLAND	79,811	0	79,811

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: Authorisation for the purchase and disposal of own shares

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D ISHARES MSCI EAFE SMALL CAP ETF	1,389,975	0	1,389,975
**D ISHARES MSCI EUROPE SMALL-CAP ETF	69,326	0	69,326
**D ISHARES CORE MSCI EAFE ETF	1,437,247	0	1,437,247
**D ISHARES CORE MSCI TOTAL INTERNATIONAL STOCK ETF	189,056	0	189,056
**D ISHARES CORE MSCI INTERNATIONAL DEVELOPED MARKETS ETF	56,088	0	56,088
**D ISHARES CORE MSCI EAFE IMI INDEX ETF	27,938	0	27,938
**D ISHARES MSCI EUROPE IMI INDEX ETF	10,292	0	10,292
**D ISHARES CORE MSCI EUROPE ETF	117,297	0	117,297
**D CONNECTICUT GENERAL LIFE INSURANCE COMPANY	827	0	827
**D INTERNATIONAL PAPER CO COMMINGLED INVESTMENT GROUP TRUST	21,880	0	21,880
**D IBM 401K PLUS PLAN	86,186	0	86,186
**D OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM	127,113	0	127,113
**D RUSSELL TRUST CO COMMINGLED EMPLOYEE BENEFIT FUNDS TRUST	385,612	0	385,612
**D GENERAL CONFERENCE CORPORATION OF SEVENTH DAY ADVENTISTS	100,000	0	100,000
**D STATE OF ALASKA RETIREMENT AND BENEFITS PLANS	15,676	0	15,676
**D COLLEGE RETIREMENT EQUITIES FUND	1,055,755	0	1,055,755
**D RUSSELL INVESTMENT COMPANY - RUSSELL INTERN DEVELOPED MKT F	321,779	0	321,779
**D DELUXE CORPORATION MASTER TRUST	18,704	0	18,704
**D MERCY HEALTH	13,589	0	13,589
**D RUSSELL INVESTMENT FUNDS NON-U,S, FUND	52,453	0	52,453
**D RUSSELL INVESTMENT COMPANY II PLC	75,335	0	75,335
**D RUSSELL INVESTMENT COMPANY PLC	37,056	0	37,056
**D MULTI-STYLE, MULTI-MANAGER FUNDS PLC	98,841	0	98,841
**D THE WELLINGTON TR CO NAT ASS MULT COM ALPHA STRATEGIES PTF	36,829	0	36,829
**D MERCY HEALTH RETIREMENT TRUST	3,997	0	3,997
**D TRUTH INITIATIVE FOUNDATION	7,497	0	7,497
**D MSCI EAFE SMALL CAP PROV INDEX SEC COMMON TR F	118,386	0	118,386
**D ISHARES PUBLIC LIMITED COMPANY	1,498,441	0	1,498,441
**D ISHARES II PUBLIC LIMITED COMPANY	328,291	0	328,291
**D ISHARES VII PLC	968,051	0	968,051
**D ISHARES III PUBLIC LIMITED COMPANY	17,751	0	17,751
**D ISHARES I INVESTK MIT TGV F ISHS ST, EUROPE600 BS UCITS ETF DE	349,181	0	349,181
**D BLACKROCK AM DE FOR ISHS EURO STOXX BANKS 30-15 UCITS ETF (DE)	1,898,902	0	1,898,902
**D BLACKROCK AM DE FOR ISHARES EURO STOXX UCITS ETF (DE)	148,261	0	148,261
**D BLACKROCK AM DE FOR ISHS STOXX EUROPE SMALL 200 UCITS ETF (DE)	375,271	0	375,271
**D BLACKROCK AM DE FOR ISHARES STOXX EUROPE 600 UCITS ETF (DE)	350,587	0	350,587
**D BLACKROCK AM SCH AG OBO BIFS WORLD EX SW SMALL CAP EQ INDEX F	49,170	0	49,170
**D PINEBRIDGE GLOBAL DYNAMIC ASSET ALLOCATION FUND LLC	14,277	0	14,277
**D MANAGED PENSION FUNDS LIMITED	33,669	0	33,669
**D THE TRUSTEES OF CONOCOPHILLIPS PENSION PLAN	6,888	0	6,888
**D FAMILY INVESTMENTS CHILD TRUST FUND	11,150	0	11,150
**D FAMILY INVESTMENTS GLOBAL ICVC FAMILY BALANCED INT FUND	9,961	0	9,961
**D HSBC AS TRUSTEE FOR SSGA EUROPE EX UK EQUITY TRACKER FUND	284,213	0	284,213
**D FP RUSSELL INVESTMENTS ICVC-FP RUSSELL INV INT GROWTH ASSTS FD	8,584	0	8,584
**D ARAB AUTHORITY FOR AGRICULTURAL INVESTMENT AND DEVELOPMENT	7,541	0	7,541
**D STICHTING PHILIPS PENSOENFONDS	56,707	0	56,707

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Shareholders:

846 People:

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DE* proxy to the natural person above mentioned with the badge number

Shareholders on own behalf:

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Shareholders by proxy:

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**D proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations)

RL* legal representation to the natural person above mentioned with the badge number

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: Authorisation for the purchase and disposal of own shares

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D MULTI-MANAGER ICVC - MULTI-MANGER INTERNATIONAL EQUITY FUND	91,914	0	91,914
**D VANGUARD INV FDS ICVC-VANG FTSE DEV WOR LD EX - UK EQT IND FD	57,793	0	57,793
**D VANGUARD INV F ICVC-VANGUARD FTSE DEV EUROPE EX-UK EQ INDEX F	119,820	0	119,820
**D VANGUARD INV FUNDS ICVC-VANGUARD FTSE GLOB ALL CAP IND FUND	423	0	423
**D RUSSELL INVESTMENTS GLOBAL OPPORTUNITIES FUND	96,617	0	96,617
**D PINEBRIDGE GLOBAL DYNAMIC ASSET ALLOCATION FUND	30,175	0	30,175
**D SUNSUPER SUPERANNUATION FUND	13,451	0	13,451
**D CANADA PENSION PLAN INVESTMENT BOARD	1,086,400	0	1,086,400
**D THE TRUSTEES OF BP PENSION FUND	340,650	0	340,650
**D OMERS ADMINISTRATION CORPORATION FUND	380,331	0	380,331
**D CITADEL MULTI-STRATEGY EQUITIES FUND (ICAV)	14,644	0	14,644
**D AON SAVINGS PLAN TRUST	55,102	0	55,102
**D THE BOEING COMPANY EMPLOYEES SAVINGS PLANS MASTER TRUST	60,988	0	60,988
**D FORD MOTOR COMPANY DEFINED BENEFIT MASTER TRUST	13,955	0	13,955
**D HEWITT ASSOCIATES LLC 401K PLAN TRUST	19,737	0	19,737
**D BAPTIST FOUNDATION OF TEXAS DBA HIGHGROUND ADVISORS	26,952	0	26,952
**D MORGAN STANLEY DEFINED CONTRIBUTION MASTER TRUST	58,764	0	58,764
**D STATE OF UTAH, SCHOOL AND INSTITUTIONAL TRUST FUNDS	7,141	0	7,141
**D HRW TESTAMENTARY TRUST NO 3	40,800	0	40,800
**D HRW TESTAMENTARY TRUST NO, 8	39,100	0	39,100
**D HRW TESTAMENTARY TRUST NO, 12	40,500	0	40,500
**D EMPLOYEES RETIREMENT FUND OF THE CITY OF DALLAS	24,205	0	24,205
**D THE CURATORS OF THE UNIVERSITY OF MISSOURI	31,235	0	31,235
**D DFI LP EQUITY (PASSIVE)	1,693	0	1,693
**D NTGI-QM COMMON DAILY ALL COUNWD EX-US INV MKT INDEX F NONLEND	9,989	0	9,989
**D THE PUBLIC INSTITUTION FOR SOCIAL SECURITY	64,137	0	64,137
**D INTERNATIONAL MONETARY FUND STAFF RETIREMENT PLAN	442,591	0	442,591
**D NATIONAL COUNCIL FOR SOCIAL SECURITY FUND, P,R,C	34,430	0	34,430
**D MICROSOFT GLOBAL FINANCE	5,832	0	5,832
**D BLUE SKY GROUP	180,800	0	180,800
**D NEW ZEALAND SUPERANNUATION FUND	34,150	0	34,150
**D MERCER DS TRUST	143,860	0	143,860
**D BATTELLE MEMORIAL INSTITUTE	13,240	0	13,240
**D DUPONT AND RELATED COMP DEFINED CONTRIBUTION PLAN MASTER TR	61,137	0	61,137
**D PYRAMIS GROUP TRUST FOR EMPLOYEE BENEFIT PLANS	170,023	0	170,023
**D THE HEALTH FOUNDATION	25,840	0	25,840
**D NORTHERN TRUST GLOBAL INVESTMENTS COLLECTIVE FUNDS TRUST	334,975	0	334,975
**D NATIONAL RAILROAD RETIREMENT INVESTMENT TRUST	291,058	0	291,058
**D SUTTER HEALTH MASTER RETIREMENT TRUST	580,535	0	580,535
**D ADVOCATE HEALTH CARE NETWORK	28,762	0	28,762
**D CITY OF MILWAUKEE EMPLOYEES RETIREMENT SYSTEM	80,839	0	80,839
**D PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF COLORADO	468,968	0	468,968
**D FIREMEN`S ANNUITY & BENEFIT FUND OF CHICAGO	16,201	0	16,201
**D EMPLOYEES` RETIREMENT FUND OF THE CITY OF FORT WORTH	90,225	0	90,225
**D GENERAL PENSION AND SOCIAL SECURITY AUTHORITY	82,221	0	82,221
**D ILLINOIS MUNICIPAL RETIREMENT FUND	218,947	0	218,947

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: Authorisation for the purchase and disposal of own shares

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D LOS ANGELES CITY EMPLOYEES RETIREMENT SYSTEM	41,051	0	41,051
**D CITY OF LOS ANGELES FIRE AND POLICE PENSION PLAN	65,307	0	65,307
**D LOCKHEED MARTIN CORPORATION MASTER RETIREMENT TRUST	138,897	0	138,897
**D MIDWEST OPERATING ENGINEERS PENSION TRUST FUND	600,000	0	600,000
**D UNITED MINE WORKERS OF AMERICA 1974 PENSION TRUST	68,907	0	68,907
**D POLICEMEN`S ANNUITY AND BENEFIT FUND OF CHICAGO	39,567	0	39,567
**D SALT RIVER PIMA-MARICOPA INDIAN COMMUNITY	21,155	0	21,155
**D UTAH STATE RETIREMENT SYSTEMS	69,008	0	69,008
**D FORD MOTOR COMPANY OF CANADA, LIMITED PENSION TRUST	1,181	0	1,181
**D NATIONAL WESTMINSTER BANK PLC PLC AS TR OF BARING EUR SEL TR	3,198,899	0	3,198,899
**D WHEELS COMMON INVESTMENT FUND	14,359	0	14,359
**D THE TRUSTEES OF ZURICH FINANCIAL SERVICES UK PENSION SCHEME	475,624	0	475,624
**D STICHTING PENSIOENFONDS APF	2,873	0	2,873
**D THE TRUSTEES OF CHEVRON UK PENSION PLAN	2,761	0	2,761
**D COLONIAL FIRST STATE INVESTMENT FUND 50	13,187	0	13,187
**D MUNICIPAL EMPLOYEES` ANNUITY AND BENEFIT FUND OF CHICAGO	9,452	0	9,452
**D LEGAL & GENERAL GLOBAL EQUITY INDEX FUND	1,487	0	1,487
**D NAT WEST BK AS TRUSTEE OF LEGAL & GENERAL EUROPEAN INDEX TR	230,275	0	230,275
**D NAT WEST BK PLC AS TRUSTEE OF THE LEGAL & GENERAL INT IND TR	26,634	0	26,634
**D BARING INVESTMENT FUNDS PLC	203,004	0	203,004
**D AMG FUNDS PLC	26,720	0	26,720
**D SSGA GROSS ROLL UP UNIT TRUST	13,909	0	13,909
**D LEGAL & GENERAL ICAV	2,648	0	2,648
**D LEGAL & GENERAL AUTHORISED CONTRACTUAL SCHEME	5,796	0	5,796
**D BLACKROCK AUTHORISED CONTRACTUAL SCHEME I	299,258	0	299,258
**D STATE TEACHERS RETIREMENT SYSTEM OF OHIO	173,208	0	173,208
**D ILLINOIS STATE BOARD OF INVESTMENT	78,822	0	78,822
**D VERDIPAPIRFONDET KLP AKSJEGLOBAL SMALL CAP INDEKS I	32,044	0	32,044
**D UNIVEST	276,604	0	276,604
6970 CLERICI CAMILLA	0	0	0
**D NORDEA 1 SICAV	1,411,219	0	1,411,219
**D MOMENTUM INVESTMENT FUNDS SICAV-SIF	125,735	0	125,735
**D JPMORGAN FUNDS	860,480	0	860,480
**D JPMORGAN INVESTMENT FUNDS	991,793	0	991,793
**D FRANKLIN TEMPLETON INVESTMENT FUNDS	2,792,340	0	2,792,340
**D T, ROWE PRICE FUNDS SICAV	192,210	0	192,210
**D CAPITAL INTERNATIONAL FUND	116,670	0	116,670
**D SCHRODER INTERNATIONAL SELECTION FUND	293,093	0	293,093
**D THE LUCERNE CAPITAL MASTER FUND LP C/O WALKERS CORPORATE LTD	28,406	0	28,406
**D NMM3 EUEQ MFS ACCOUNT	8,004	0	8,004
**D WELLINGTON MANAGEMENT PORTFOLIOS	222,312	0	222,312
**D FIDELITY FUNDS SICAV	795,854	0	795,854
**D ING DIRECT	33,717	0	33,717
**D NATIXIS INTERNT FUNDS LUX I	179,358	0	179,358
**D HUNTINGTON NATIONAL BANK TAXABLE ACC	8,290	0	8,290
**D WELLINGTON TRUST COMP COMM TRUST INT OPP	111,602	0	111,602

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: Authorisation for the purchase and disposal of own shares

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D RAINIER INT SMALL CAP EQUITY COLLECTIVE	183,350	0	183,350
**D FIDELITY SALEM STR T FID TOTAL INT IND F	20,446	0	20,446
**D WTC-CTF INTERNATIONAL HORIZONS	23,208	0	23,208
**D DEVELOPED INTERNATION EQUITY SELECT ETF	1,976	0	1,976
**D BBH B FOR TMTBJ RE: MUTB400037270	6,775	0	6,775
**D JAPAN TRUSTEE SERVICES BANK LTD	206,631	0	206,631
**D DEUTSCHE EUROPEAN EQUITY FUND	108,050	0	108,050
**D GLOBAL X SCIENTIFIC BETA EUROPE ETF	1,130	0	1,130
**D PINEBRIDGE DYNAMIC ASSET ALLOCATION FUND	6,235	0	6,235
**D HSBC GROUP HONG KONG LOCAL STAFF RETIREMENT BENEFIT SCHEME	3,732	0	3,732
**D ANIMA SGR SPA	2,666,601	0	2,666,601
**D ANIMA SGR SPA ANIMA CRESCITA ITALIA	699,858	0	699,858
**D DEKA MASTER HAEK I	67,605	0	67,605
**D ALLIANZGI FONDS APNIESA	8,497	0	8,497
**D ALLIANZGI FONDS BAT LS	82,500	0	82,500
**D ALLIANZGI FONDS AFE	57,604	0	57,604
**D ALLIANZGI FONDS PTV2	47,620	0	47,620
**D ALLIANZGI FONDS PF1	8,813	0	8,813
**D ALLIANZGI FONDS PF2	45,698	0	45,698
**D ALLIANZ GI FONDS QUONIAM SMC	112,661	0	112,661
**D AXA ASSICURAZIONI SPA	11,000	0	11,000
**D PARVEST	4,707,241	0	4,707,241
**D JANUS HENDERSON HORIZON FUND	947,335	0	947,335
**D JANUS HENDERSON FUND	197,410	0	197,410
**D BNP PARIBAS L1	349,829	0	349,829
**D BNP PARIBAS A FUND	72,069	0	72,069
**D BNP PARIBAS B PENSION GROWTH	167,945	0	167,945
**D BNP PARIBAS B PENSION STABILITY	81,283	0	81,283
**D METROPOLITAN RENTASTRO	313,328	0	313,328
**D BNP PARIBAS B PENSION BALANCED	1,088,502	0	1,088,502
**D JANUS HEND INSTIT EUROP INDEX OPP FUND	42,487	0	42,487
**D JANUS HENDERS EUROPEAN SMALLER COMP FD	430,018	0	430,018
**D RESPONSIBLE INVESTMENT LEADERS INT SHARE	37,745	0	37,745
**D SENTOSA DEVELOPMENT CORPORATION	10,402	0	10,402
**D BNP PARIBAS MIDCAP EUROPE	1,397,460	0	1,397,460
**D TOTAL GESTION FLEX PATRI	46,511	0	46,511
**D FCP BNPP ACTIONS ENTREPRENEURS	752,692	0	752,692
**D BNP PARIBAS ACTIONS PME	696,084	0	696,084
**D FCP SCANDIUM	97,262	0	97,262
**D FCP CARDIF BNPP IP SMID CAP EURO	1,127,139	0	1,127,139
**D FCP LBPAM ACTIONS EUROPE LARGE CAP	47,785	0	47,785
**D FCP CNP ASSUR SMID CAP EUROPE	212,396	0	212,396
**D BNP PARIBAS SMALL CAP EUROLAND	4,097,208	0	4,097,208
**D FCP BNP PARIBAS ACTIONS EUROLAND	46,482	0	46,482
**D COMPT EUROPE	95,000	0	95,000
**D AXIVA ACTION 1	25,749	0	25,749

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Shareholders:

846 People:

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DE* proxy to the natural person above mentioned with the badge number

Shareholders on own behalf:

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Shareholders by proxy:

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**D proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations)

RL* legal representation to the natural person above mentioned with the badge number

Ordinary Shareholders' Meeting of April 11, 2018

RESULTS OF VOTING

Subject: Authorisation for the purchase and disposal of own shares

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D ACTIONS SELECTIONNEES	5,480	0	5,480
**D AXA VALEURS EURO	1,400,000	0	1,400,000
**D FCPE TOTAL ACTIONS EUROPEENNES	750,000	0	750,000
**D FCP BNP PARIBAS MIDCAP FRANCE	1,087,878	0	1,087,878
**D FCP AVIVA INVESTORS SMALL & MID CAPS EUR	222,914	0	222,914
**D AXA OPTIMAL INCOME	2,068,464	0	2,068,464
**D SAKKARAH 7	8,716	0	8,716
**D STICHT BEDRIJ MEDIA PNO	213,800	0	213,800
**D AFER ACTION PME	778,661	0	778,661
**D SAINT MARTIN 4	877,000	0	877,000
**D IPA CORPORATE ACTIONS AND INCOME	48,331	0	48,331
**D FONDS RESERVE RETRAITES	1,126,854	0	1,126,854
**D RAVGDT DIVERSIFIE II LBPAM	41,870	0	41,870
**D CPR AM	113,850	0	113,850
**D ROBECO CAPITAL GROWTH FUNDS	450,000	0	450,000
**D CORONATION GLOBAL OPPORTUNITIES FUND	423,707	0	423,707
**D SHELL TRUST (BERMUDA) LIMITED AS TRUSTEE	7,183	0	7,183
**D SHELL TRUST (BERMUDA) LTD AS TRUSTEE OF THE SHELL OVERSEAS C,P, FUND	34,987	0	34,987
**D DEKA INVESTMENT GMBH RE ARIDEKA	900,000	0	900,000
**D DEKA INVEST, RE DEKA-DIVIDENDENDISCOUNT	3,900	0	3,900
**D DEKA INVEST DIVIDENDENSTRATEGIE	838,900	0	838,900
**D DEKA BASISSTRATEGIE FLEXIBEL	18,500	0	18,500
**D DEKA INVESTMENT GMBH RE DEKA-DIVIDEND VA	68,000	0	68,000
**D DEKA INVESTMENT GMBH RE DEKA-MULTIASSET INCOME	100,000	0	100,000
**D THE MASTER TRUST BANK OF JAPAN LTD AS TRUSTEE FOR MTBJ400045842	1,720,886	0	1,720,886
**D TEACHERS` RETIREMENT SYSTEM OF THE CITY OF NEW YORK	47,864	0	47,864
**D UBS GLOBAL ASSET MANAGEMENT LIFE LTD	151,024	0	151,024
**D MERIFIN CAPITAL B,V,	39,575	0	39,575
**D WESTPAC WHOLESALE UNHEDGED INTERNATIONAL	43,815	0	43,815
**D ENTERGY CORP,RETIREMENT PLANS MASTER TR,	150,830	0	150,830
**D JEFFREY LLC	58,552	0	58,552
**D CHINA LIFE INSURANCE COMPANY LIMITED	36,007	0	36,007
**D FONDO CONSOLIDADO DE RESERVAS PREVISIONA	65,942	0	65,942
**D JPMORGAN CHASE BANK	2,000	0	2,000
**D UBS (US) GROUP TRUST	7,469	0	7,469
**D BT WHOLESALE MULTI MANAG INTL SHARE FUND	24,626	0	24,626
**D WSSP INTERNATIONAL EQUITIES TRUST	68,156	0	68,156
**D EUROPACIFIC GROWTH FUND	5,235,000	0	5,235,000
**D T, ROWE PRICE INTERNATIONAL SMALL CAP	497,948	0	497,948
**D THE BOEING COMPANY EMPLOYEE RETIREMENT PLANS MASTER TRUST	83,856	0	83,856
**D BLACKROCK FISSION INDEXED INTL EQUITY FD	12,748	0	12,748
**D ISHARES ALLCOUNTRY EQUITY INDEX FUND	1,214	0	1,214
**D INTERNATIONAL GROWTH AND INCOME FUND	6,475,000	0	6,475,000
**D ALTRIA CLIENT SERVICES MASTER RETIREM,T,	81,690	0	81,690
**D SUPER FUNDS MANAG CORP SOUTH AUSTRALIA	60,952	0	60,952
**D STICHTING PENSIOENFONDS VOOR DE WONINGCO	58,078	0	58,078

Ordinary Shareholders' Meeting of April 11, 2018

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Subject: Authorisation for the purchase and disposal of own shares

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D UBS ASSET MANAGEMENT LIFE LTD	283	0	283
**D MINISTRY OF STRATEGY AND FINANCE	40,968	0	40,968
**D T, ROWE PRICE INTERNATIONAL DISCOVERY FU	4,575,580	0	4,575,580
**D NVIT MULTI MANAGER INTERNATIONAL GROWTH	59,600	0	59,600
**D FLEXSHARES MORNINGSTAR DEVELOPED MARKETS	4,895	0	4,895
**D MFS INTERNATIONAL NEW DISCOVERY FUND	2,267,886	0	2,267,886
**D T ROWE PRICE INTERNATIONAL EQUITY INDEX	14,257	0	14,257
**D T ROWE PRICE GLOBAL ALLOCATION FUND INC	8,817	0	8,817
**D GOLDMAN SACHS TRUST-G,S,INTL,TAX MANAGED	32,601	0	32,601
**D PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OHIO	122,288	0	122,288
**D JPMORGAN LIFE LIMITED	81,039	0	81,039
**D JPM EUROPE DYNAMIC (EX UK) FUND	593,932	0	593,932
**D SANLAM LIFE AND PENSIONS UK LIMITED	49,930	0	49,930
**D AVIVA LIFE & PENSIONS UK LIMITED	135,750	0	135,750
**D STICHTING SHELL PENSIOENFONDS	117,749	0	117,749
**D SHELL PENSIONS TRUST LIMITED AS TRUSTEE OF SHELL CONTRIBUTORY PENSION FUND	75,058	0	75,058
**D STICHTING PENSIOENFONDS MEDISCH SPECIALI	283,660	0	283,660
**D STATE OF CALIFORNIA MASTER TRUST	158,670	0	158,670
**D NATIONAL PROVIDENT FUND AS TRUSTEE OF TH	16,166	0	16,166
**D DEKA INVEST RE DEKA-ZMV-FONDS	20,000	0	20,000
**D DEKA INVESTMENT GMBH RE PRODEKA	65,200	0	65,200
**D DEKA A-DOR-FONDS	6,503	0	6,503
**D DEKA INVESTMENT GMBH RE LANDSBERG-FONDS	5,900	0	5,900
**D DEKA INVESTMENT GMBH RE DEKA VALUE PLUS	10,813	0	10,813
**D ALLIANZGI-FONDS DSPT	11,872	0	11,872
**D BUMA-UNIVERSAL-FONDS-II	602,592	0	602,592
**D BUMA-UNIVERSAL-FONDS I	13,990	0	13,990
**D MI-FONDS 392	462,000	0	462,000
**D JPMORGAN EUROPEAN INVESTMENT TRUST PLC	98,990	0	98,990
**D KAPITALFORENINGEN ISTITUTIONEL INVESTOR EUROPAELSKE AKTIER	1,011,641	0	1,011,641
**D NEW MEXICO STATE INVESTMENT COUNCIL	80,036	0	80,036
**D DEKA INTERNATIONAL S,A, RE DEKA-EUROSTOC	546,850	0	546,850
**D STICHTING PENSIOENFONDS VOOR HUISARTSEN	36,912	0	36,912
**D BUREAU OF LABOR FUNDS - LABOR RETIREMENT FUND	6,015	0	6,015
**D BUREAU OF LABOR FUNDS-LABOR INSURANCE FUND	217,051	0	217,051
**D BUREAU OF LABOR FUNDS- LABOR PENSION FUND	19,873	0	19,873
**D NORDEA PRO EUROPEAN FUND	377,784	0	377,784
**D NORDEA EUROPE FUND	1,612,784	0	1,612,784
**D INVESTERINGSFORENINGEN NORDEA INV AKTIER	586,767	0	586,767
**D ARTEMIS EUROPEAN OPPORTUNITIES FUND	844,653	0	844,653
**D BLACKROCK MULTI-ASSET INC,PORTF,OF BLACK	754,307	0	754,307
**D BLACKROCK INSTITUTIONAL TRUST COMPANY N,A, INVESTMENT FUNDS FOR EMPLOYEE BENEFIT TRUSTS	354,859	0	354,859
**D JP MORGAN CHASE RETIREMENT PLAN	119,470	0	119,470
**D PENSION TRUST FUND FOR OPERATING ENGINEE	400,000	0	400,000
**D LONDON LIFE INSURANCE COMPANY	69,200	0	69,200
**D CANADA POST CORPORATION REGISTERED PENSI	106,197	0	106,197

Ordinary Shareholders' Meeting of April 11, 2018

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Subject: Authorisation for the purchase and disposal of own shares

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D THE NOVA SCOTIA HEALTH EMPLOYEES PENS PL	83,637	0	83,637
**D THE BOMBARDIER TRUST (UK)	61,392	0	61,392
**D FTSE ALL WORLD INDEX FUND	20,987	0	20,987
**D FLF STRATEGIC GLOBAL EQUITY FUND	119,463	0	119,463
**D REASSURE LIMITED	123,245	0	123,245
**D FLF GLOBAL EQUITY FUND	60,413	0	60,413
**D CITADEL ADVISORS LLC	86,066	0	86,066
**D FRIENDS LIFE AND PENSIONS LIMITED	51,154	0	51,154
**D FRIENDS LIFE FUNDS LIMITED	59,324	0	59,324
**D HSBC EUROPEAN INDEX FUND	97,246	0	97,246
**D AXA FRAMLINGTON FINANCIAL FUND	101,283	0	101,283
**D FRIENDS LIFE AND PENSIONS LIMITED	3,317	0	3,317
**D TR EUROPEN GROWTH TRUST PLC	691,650	0	691,650
**D ARC I - FONDS SEGMENT 1 -AKTIEN EUROPA	26,458	0	26,458
**D SONDERVERMOGEN INKA OPRA FONDS	16,181	0	16,181
**D INTERNATIONALE KAPITALANLAGEGESELLSCHAFT MBH	48,500	0	48,500
**D VANGUARD EUROPEAN STOCK INDEX FUND	945,197	0	945,197
**D VANGUARD DEVELOPED MARKETS INDEX FUND	2,155,375	0	2,155,375
**D VANGUARD TOTAL WORLD STOCK INDEX FUND	113,470	0	113,470
**D VANGUARD FTSE ALL-WORLD EX US INDEX FUND	663,474	0	663,474
**D PIONEER FLEXIBLE OPPORTUNITIES FUND	480,295	0	480,295
**D VANGUARD FUNDS PLC	187,648	0	187,648
**D VANGUARD INVESTMENT SERIES PLC	39,953	0	39,953
**D VANGUARD INVESTMENT SERIES PLC	7,356	0	7,356
**D VANGUARD INVESTMENT SERIES PLC	93,449	0	93,449
**D KVV AKTIEN FONDS 1	1,844	0	1,844
**D FCP VILLIERS ACTIONS EDRA	720,800	0	720,800
**D FIDUCIARY TRUST COMPANY INTERNATIONAL AS	67,000	0	67,000
**D MANAGEMENT BOARD PUBLIC SERVICE PENSION	3,513	0	3,513
**D SCHRODER PENSION MANAGEMENT LTD	66,373	0	66,373
**D VANGUARD INTERNATIONAL SMALL COMPANIES INDEX FUND	32,076	0	32,076
**D ONEPATH GLOBAL SHARES - SMALL CAP UNHEDGED) INDEXPOOL	26,862	0	26,862
**D VANGUARD TOTAL INTERNATIONAL STOCK INDEX	5,243,100	0	5,243,100
**D VANGUARD INTERNATIONAL EXPLORER FUND	815,900	0	815,900
**D HSBC AVB	8,841	0	8,841
**D SUZUKA INKA	131,022	0	131,022
**D SCHRODER ADVANCED BETA GLOBAL EQUITY SMA	65,536	0	65,536
**D SCHRODER GLOBAL MULTI-FACTOR EQUITY FUND	132,300	0	132,300
**D LOMBARD ODIER FUNDS (SWITZERLAND) SA	25,266	0	25,266
**D REALDANIA	192,400	0	192,400
**D MERRILL LYNCH INTERNATIONAL	322,064	0	322,064
**D SCHUBEL FAM TR-MANNING AND NAPIER A DV	990	0	990
**D POND 2007 FAMILY TRUST MANNING SUB	1,320	0	1,320
**D HUNTER FAMILY FDN MANNING	1,865	0	1,865
**D MANNING AND NAPIER ADVISOR INC	110,730	0	110,730
**D IRON WORKERS LOCALS 40361 AND 417 ANNUITY FUND	18,440	0	18,440

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Subject: Authorisation for the purchase and disposal of own shares

IN FAVOUR

Surname	Tot. Votes	On own behalf	Proxy
**D BURTON X ROSENBERG INSUR TR MAN SUB	1,375	0	1,375
**D THE MALUTH FAMILY TRUST MANNING SUB	1,360	0	1,360
**D C E COMPALL REV TR 10-23-09 MAN D N	990	0	990
**D GRAHAM C BROCK MANNING INTL	770	0	770
**D MANNING AND NAPIER FUND INC PRO BLEND MODERATE TERM SERIES	28,940	0	28,940
**D THE BAKERY AND CONFECTIONERY UNION AND INDUSTRY INTERNATIONAL PENSION FUND	120,215	0	120,215
**D IRON WORKERS LOCALS 40 361 AND 41 7 PENSION FUND	13,505	0	13,505
**D ALMEIDA FAMILY LEGACY TR MANNING	855	0	855
**D THE HORWARD TRUST MANNING AND NAPIER	580	0	580
**D CJB CRUT II 11-27-06 MANNING	795	0	795
**D MANNING AND NAPIER FUND INC,OVE RS EAS SERIES	339,195	0	339,195
**D TANGLIN CLAYMORE LLC MANNING	1,590	0	1,590
**D CJB FAMILY TR 06-15-00 MANNING	1,825	0	1,825
**D IRON WORKERS LOCAL 11 PENSION FUND	14,780	0	14,780
**D QUIGG VENTURES LLC MANNING AND NAPIER	2,005	0	2,005
**D FLIGHT ATTENDANT MEDICAL RESEARCH INSTITUTE	6,850	0	6,850
**D JURGENSEN INVSTMNTS LLC MANNING SUB	835	0	835
**D MANNING AND NAPIER ADVISORS INC	265,770	0	265,770
**D MICHIGAN CATHOLIC CONFERENCE MASTER PENSION TRUST	41,760	0	41,760
**D OPUS FINANCIAL LLC-MANNING AND NAPIER	5,160	0	5,160
**D GRUSECKI NEXGEN LLC-MANNING AND NAPIER	1,605	0	1,605
**D R C DELL TRUST-MANNING AND NAPIER R A DV	810	0	810
**D FLEISCHHACKER 09 TR MANNING AND NAPIER	795	0	795
**D ANTHONY K, KESMAN TRUSTEE	945	0	945
**D BRIDGE BUILDER INTERNATIONAL EQUITY FUND	581,660	0	581,660
**D FLK (TE) LLC MANNING AND NAPIER	2,590	0	2,590
**D CHURCH OF THE HOLYCONFORTER-SUB	565	0	565
**D PNC BANK NA	17,025	0	17,025
**D GST EX MRTL TR C-U CONSTANCE-MA ND N	1,290	0	1,290
**D RELIABLE PARTNERS MANNING INTL	845	0	845
**D FIRST STATE TRUST COMPANY FOR MULTIPLE BENEFICIARIES	685	0	685
**D GOLDER FAMILY FOUNDATION-MANDN	1,115	0	1,115
**D ROOSEVELT UNIVERSITY	15,295	0	15,295
**D IRA FBO JAMES KING BNY MELLON	575	0	575
**D MELISSA S, WIDEN-MANNING ANDAP IER	890	0	890
**D J HANSEN REV TR 4-29-81 MANNING	2,495	0	2,495
**D ROBERT A ROSHOLT IRAR-OMANNING - SU B	890	0	890
**D JAMES J, BAKKE 1987 TRUST MANN ING 6001 N	3,190	0	3,190
**D LARRY D CONTOS REV TR MANNING SUB 755	870	0	870
**D JOHN M, MC DONOUGH IRAR-MAN AND NAP	865	0	865
**D DORIS K, CHRISTOPHER 1996 TR-MA ND	20,970	0	20,970
**D OLIVE MC CARTHY 2009 TRUST-MANNING	1,255	0	1,255
**D CATHERINE SLARK TR-MANNING ANDN API	1,840	0	1,840
**D GEOFFREY C FENNER MANNING INTL1	580	0	580
**D ELIZABETH E, RIORDAN 1997 TRMANNING	1,405	0	1,405
**D STANLEY H MEADOWS 90 TR-MANNING NAP	5,855	0	5,855

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Surname	Tot. Votes	On own behalf	Proxy
**D J MCCARTNEY12-30-97 MANNING-NAP IER	1,610	0	1,610
**D DEBRA K MAYER-MANNING ANDNAPIER - SU B	650	0	650
**D CAROL GOLDER REVTR MANNING AND NAP	950	0	950
**D R MORRIS ILLINOIS QTIP MARTR M AND N	735	0	735
**D LOMBARDI JTWROS MANNING AND NAPIER	1,370	0	1,370
**D JAMES E WICKS TRMANNING NAPIER	920	0	920
**D CHRISTOPHER ENOCK LVG TRMANNING	980	0	980
**D MARY KATHERINE LAUDERBACK	775	0	775
**D BARBARA S, BLUHM REV TR-MANNING INTL	1,135	0	1,135
**D JOSEPH L, BOZICH 2005TR-MANNING	885	0	885
**D THOMAS C GAPUTIS REV TR-MANNING	995	0	995
**D J G FENCIK TR-MANNING AND NAPIER	2,065	0	2,065
**D BRUCE BARRON REVOCABLE TRUST	1,635	0	1,635
**D L, S, BUONANNO-MANNING AND NAPIER	1,550	0	1,550
**D BUNRATTY HOLDINGS LLC-MANNING INTL	1,280	0	1,280
**D MANNING AND NAPIER FUND INC -PR O BLEND-MAXIMUM TERM SERIES	291,450	0	291,450
**D MORRIS 1992 GIFT TR FORELLEN-M AND N	2,495	0	2,495
**D FANCELLI FDN INC, (SPECIAL)-MANNING	2,165	0	2,165
**D MIAMI DADE COMMUNITY COLLEGE FOUNDATION 300 NE	6,110	0	6,110
**D REGIONAL TRANSPORTATIONDISCTRIC T	10,555	0	10,555
**D HAGEN FAMILY TR U-ADTD7-7-1989 MA AND N	1,500	0	1,500
**D MANNING AND NAPIER FUNDINC, -BLE ND ED ASSET MODERATE SEREIS	3,810	0	3,810
**D JEFFREY S, ARONIN REV TRUST	7,180	0	7,180
**D MELVYN FISHER IRREV TR US BANK TRUSTEE	995	0	995
**D MANNING AND NAPIER FUND INC INT	541,920	0	541,920
**D MANNING AND NAPIER FUND INC	46,880	0	46,880
**D KIRBY ROSPLOCK DECLOFTR MANNING	835	0	835
**D FEINBERG FAMILY LTD PART2-MANNING	615	0	615
**D EVERGREEN PARTNERS GENPRT-MAND	895	0	895
**D CJB CRUT 5-1-01-MANNING	1,855	0	1,855
**D GOLDER 2007 FAM TR-MANNING AND NAPIER	1,620	0	1,620
**D JESSICA S SUPERA MANNING INTL	590	0	590
**D THOMAS R SMITH REVRE-MANN AND NAPIER	700	0	700
**D JAY W CHRISTOPHER 1996TR-MANNING ING	14,670	0	14,670
**D R, AND L, BRADLEY JT REVTR-MANNING	1,110	0	1,110
**D LEONARD X ROSEMBERG 2007TR-MANNING	775	0	775
**D A,BERGDOLL REV TR-MANNING ANDN API ER	1,415	0	1,415
**D WILLIAM G JUEGENSEN REV TRMANNING	2,755	0	2,755
**D TERRENCE P, DIAMOND-MANNINGINTL 8706	655	0	655
**D L BUONANNO TR T SMITH SR-MANDN	2,375	0	2,375
**D WILLIAM FOOTE 95 TR-MANNING AND NAPIER	1,070	0	1,070
**D DEBORAH A, SCHMIDT REVTR-MANNING	960	0	960
**D CAIRD ARNOLD HARBECK REVTR-MANNING	985	0	985
**D ROBERT KLEINERT JR DECLTR- MANNING	690	0	690
**D JULES M, LASER MANNING AND NAPERIR	760	0	760
**D G MCLACHLAN DECLTR-MANNING-NAPIER	1,830	0	1,830

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Surname	Tot. Votes	On own behalf	Proxy
**D ELIZABETH DRUCKER-MANNING AND NAPIER	510	0	510
**D BGF EURO MKTS FD EURO EQUITY PF	10,669,505	0	10,669,505
**D GLOBAL DIVERSIFIED SUB TRUST	5,116	0	5,116
**D ELEVA UCITS FD EUROLAND SELECT	128,300	0	128,300
**D METZLER INT INV PUBLIC LTD	866,000	0	866,000
**D UBS EUR SMALL CAP EQUITY FD MY	84,125	0	84,125
**D THE NORTHWESTERN MUTUAL LIFE I	400,000	0	400,000
**D ARRCO LONG TERME B	212,530	0	212,530
**D ARRCO QUANT 1	129,208	0	129,208
**D CIPAV ALOIS	173,484	0	173,484
**D SOGECAP ACTIONS SMALL CAP	813,805	0	813,805
**D COLISEE IFC 1	530,000	0	530,000
**D SG ACTIONS EUROPE MID CAP	174,380	0	174,380
**D MUF-LYXOR EURO STOXX BANKS	825,693	0	825,693
**D ALLIANZ ACTIONS EURO PME-ETI	140,200	0	140,200
**D LYXOR EURO STOXX 300	31,765	0	31,765
**D LYXOR INDEX FD-LYXOR STOXX EUR	56,768	0	56,768
**D MUL-LYXOR ITALIA EQUITY PIR	25,973	0	25,973
**D AMUNDI FUNDS II-PIONEER FLEX O	91,490	0	91,490
**D AMUNDI SGR SPA AZIONARIO EUROPA	196,518	0	196,518
**D AMUNDI SF EURO EQ MARKET PLUS	7,244	0	7,244
**D AMUNDI FUNDS II-GLOB MULTI ASS	39,463	0	39,463
**D AMUNDI FUNDS II-EURO POTENTIAL	2,806,988	0	2,806,988
**D AMUNDI FUNDS II-EURO RESEARCH	294,285	0	294,285
**D AMUNDI FUNDS II-EUROP EQ OPTIM	82,021	0	82,021
**D PIONEER INV TOT RETURN	28,211	0	28,211
**D AMUNDI SOLUZ IT-PR CED 12 2019	38,160	0	38,160
**D AMUNDI SOL IT-PR CED 22 2020	47,716	0	47,716
**D AMUNDI SOL IT-PR CED 03 2020	45,423	0	45,423
**D AMUNDI SOL IT-PR CED 05 2020	80,229	0	80,229
**D AMUNDI SOL IT-PR CED 06 2020	54,059	0	54,059
**D AMUNDI SOL IT-PR CED 08 2020	63,584	0	63,584
**D AMUNDI SOL IT-PR CED 09 2020	52,520	0	52,520
**D AMUNDI SOL IT-PR CED 12 2020	22,990	0	22,990
**D AMUNDI SOL IT-PR CED 11 2020	39,870	0	39,870
**D AMUNDI SOL IT-PR CED 02 2021	20,160	0	20,160
**D AMUNDI SD-EQ PLAN 60	14,077	0	14,077
**D EURIZON CAPITAL SGR-GLOBAL MULTIASSET SELECTION 09/22	17,700	0	17,700
**D EURIZON CAPITAL SGR - EURIZON PROGETTO ITALIA 70	110,849	0	110,849
**D EURIZON CAPITAL SGR - EURIZON AZIONI ITALIA	282,955	0	282,955
**D EURIZON CAPITAL SGR - EURIZON PIR ITALIA AZIONI	11,498	0	11,498
**D EURIZON CAPITAL SGR - EURIZON PROGETTO ITALIA 40	124,092	0	124,092
**D EPSILON SGR - EPSILON FLESSIBILE AZIONI EURO APRILE 2021	1,240	0	1,240
**D EPSILON SGR - EPSILON FLESSIBILE AZIONI EURO FEBBRAIO 2021	3,013	0	3,013
**D EPSILON SGR - EPSILON FLESSIBILE AZIONI EURO GIUGNO 2021	882	0	882
**D EPSILON SGR - EPSILON FLESSIBILE AZIONI EURO NOVEMBRE 2020	10,351	0	10,351

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**D EPSILON SGR - EPSILON FLESSIBILE AZIONI EURO SETTEMBRE 2020	13,945	0	13,945
**D EPSILON SGR - EPSILON MULTIASSET 3 ANNI DICEMBRE 2019	13,355	0	13,355
**D EPSILON SGR - EPSILON MULTIASSET 3 ANNI LUGLIO 2020	3,959	0	3,959
**D EPSILON SGR - EPSILON MULTIASSET 3 ANNI MAGGIO 2020	8,055	0	8,055
**D EPSILON SGR - EPSILON MULTIASSET 3 ANNI MARZO 2020	6,326	0	6,326
**D PRIVILEGE	35,454	0	35,454
**D ASSURDIX	49,978	0	49,978
**D CPR EUROLAND	395,972	0	395,972
**D CPR SILVER AGE	4,427,663	0	4,427,663
**D FCP CPR EUROLAND PREMIUM	89,275	0	89,275
**D AMUNDI ETF FTSE ITALIA PIR UCITS ETF DR	29,428	0	29,428
**D FCP NATIXIS ACTIONS SMALL MID CAP EURO	348,000	0	348,000
**D NATIXIS ACTIONS EUROPE SECTEURS	100,573	0	100,573
**D FCP GROUPAMA AVENIR EURO	4,739,300	0	4,739,300
**D FCP GROUPAMA EURO STOCK	100,000	0	100,000
**D FCP GROUPAMA EUROPE STOCK	2,400	0	2,400
**D OPCVM SEEYOND EQUITY FACTOR INVESTING EURO	20,993	0	20,993
**D FCP BEST BUSINESS MODELS	1,310,000	0	1,310,000
**D MULTISMART ACTIONS EURO	704	0	704
**D CROISSANCE PME M	495,933	0	495,933
**D BNY MELLON EMPLOYEE BENEFIT COLLECTIVE INVESTMENT FUND PLAN	15,536	0	15,536
**D THE ROYAL INST FOR THE ADVANCEMENT OF LEARNING MCGILL UNIVERSITY	25,056	0	25,056
**D FRONTIERS INTERNATIONAL EQUITY POOL	7,291	0	7,291
**D THE GREAT-WEST LIFE ASSURANCE COMPANY	41,850	0	41,850
**D BMO GLOBAL BANKS HEDGED TO CADINDEX ETF 100	833	0	833
**D MCGILL UNIVERSITY PENSION FUND	12,957	0	12,957
**D THE GLENORE CANADIAN PENSION FUNDS TRUST-FOREIGN EQUITY FUND	20,379	0	20,379
**D ONTARIO PENSION BOARD ,	330,050	0	330,050
**D EPOCH GLOBAL EQUITY FUND	292,095	0	292,095
**D IMPERIAL INTERNATIONAL EQUITY POOL	350,727	0	350,727
**D IMPERIAL OVERSEAS EQUITY POOL	17,476	0	17,476
**D CIBC INTERNATIONAL SMALL COMPANIES FUND	26,021	0	26,021
**D ALLEGHENY COLLEGE	9,400	0	9,400
**D ERIE COUMMINTY FOUNDATION	10,600	0	10,600
**D CF DV ACWI EX-U,S, IMI FUND	1,477	0	1,477
**D TIMESQUARE FOCUS FUND LP	3,500	0	3,500
**D LOF EUROZONE SMALL AND MID CAPS98453 51	1,400,000	0	1,400,000
**D FCP EDMOND DE ROTHSCHILD EURO LEADERS	1,241,700	0	1,241,700
**D FCP EDMOND DE ROTHSCHILD EURO SRI	198,180	0	198,180
**D FCP EDMOND DE ROTHSCHILD EUROPEMIDCAPS	912,000	0	912,000
**D EDMOND DE ROTHSCHILD EUROPE MIDCAP	131,760	0	131,760
**D AA FORTIS ACTIONS PETIT CAP EUROPE	348,520	0	348,520
**D FCP RSI EURO P	71,651	0	71,651
**D FCP LCF PHARMA INTERNATIONAL	151,080	0	151,080
**D FCP GROUPAMA PHARMA DIVERSIFIE	69,000	0	69,000
**D UNIVERS CNP 1	122,145	0	122,145

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Subject: **Authorisation for the purchase and disposal of own shares****IN FAVOUR**

Surname	Tot. Votes	On own behalf	Proxy
**D FCP NATIXIS IONIS	45,498	0	45,498
**D CNP ASSUR SMALL CAP	379,980	0	379,980
**D EGEARGNE 2	69,584	0	69,584
**D I,2,C, ACTIONS	517,000	0	517,000
**D FCP CONTI GESTION	43,834	0	43,834
**D EDMOND DE ROTHSCHILD ASSET MANAGEM,	314,330	0	314,330
**D FCP ECUREULL RETRAITE EURO ACTIONS 4	320,000	0	320,000
**D FCP LBPAM ACTIONS FINANCE	27,349	0	27,349
**D FCP TUTELAIRE ACTIONS	18,800	0	18,800
**D SICAV LBPAM ACTIONS EURO	340,000	0	340,000
**D NATIXIS ASSET MANAGEMENT FUNDS	15,142	0	15,142
**D G FUND	1,102,223	0	1,102,223
**D AMUNDI FUNDS SICAV	2,610,085	0	2,610,085
**D EDMOND DE ROTHSCHILD (EUROPE)	3,016,936	0	3,016,936
7103 MONDO GIUSEPPE	100	100	0
7250 MARTIRIGGIANO ANTONIO	3,361	3,361	0
7290 ZACCARDI ANTONELLA	1	1	0
7350 PRANDINI GIULIANO	5,000	5,000	0
7435 ROSSI MARCO	63,975	63,975	0
7559 CAGLIA MARIA	0	0	0
DE* UNICREDIT S,P,A,	215,066,403	0	215,066,403

Total votes 494,495,009
Percentage of voters% 98.848913
Percentage of share capital % 81.303623