



**LA BANCA
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FinecoBank S.p.A.
Interim Financial Report
as at September 30, 2014

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Share capital

€200,070,430.89 fully paid-up, divided into 606,274,033 shares with a par value of €0.33.

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 Company Register no. 01392970404 – R.E.A. (Economic and
Administrative Index) no. 1598155, VAT No. 12962340159

Board of Directors and Board of Statutory Auditors

BOARD OF DIRECTORS AND BOARD OF STATUTORY AUDITORS

Board of Directors

Chairman	Enrico Cotta Ramusino
Vice Chairman	Francesco Saita
Managing Director and General Manager	Alessandro Foti
Directors	Gianluigi Bertolli Girolamo Ielo Laura Stefania Penna Mariangela Grosoli Marina Natale Pietro Angelo Guindani

Board of Statutory Auditors

Chairman	Gian-Carlo Noris Gaccioli
Standing Auditors	Barbara Aloisi Marziano Viozzi
Alternate Auditors	Federica Bonato Marzio Duilio Rubagotti

Nominated Official in charge of drawing up Company Accounts

Lorena Pellicciari

External Auditors

Deloitte & Touche S.p.A.

On March 24, 2014 Mr. Alfredo Michele Malguzzi submitted his resignation from the position of Board Director.

On April 15, 2014 the Ordinary Shareholders' Meeting of FincoBank S.p.A. appointed the new corporate bodies of the Bank and the Board of Statutory Auditors.

On May 15, 2014 the Board of Directors assigned the duties of General Manager to the Managing Director of the Bank, with effect from July 1, 2014.

Interim Financial Report

INTRODUCTION TO THE INTERIM FINANCIAL REPORT

This Interim Financial Report as at September 30, 2014 has been prepared in accordance with art. 154-ter, paragraph 2, of Legislative Decree no. 58 of February 24, 1998; it includes:

- the **interim report on operations**, which includes the condensed accounts, and comments on the results for the period and on significant events;
- the **Bank Financial Statements**, presented with a comparison to those of 2013; specifically, the balance sheet figures have been compared with those as at December 31, 2013, while the income statement figures have been compared with the corresponding figures as at September 30, 2013;
- the **Declaration by the Nominated Official in charge of drawing up Company Accounts**.

This Interim Financial Report as at September 30, 2014 has been prepared in accordance with the recognition and measurement criteria set out in the international accounting standards IAS/IFRS issued by the International Accounting Standards Board (IASB) and approved by the European Commission.

With regard to the classification and valuation of the main items, please refer to Part A.2 of the Notes to the Consolidated Accounts as at December 31, 2013. Furthermore, there have been no changes in estimate criteria compared to those applied in the preparation of financial statements for the year ended December 31, 2013.

SUMMARY DATA**Condensed Accounts****Balance Sheet**

ASSETS	09.30.2014	12.31.2013	Changes	
			Amount	%
Cash and cash balances	9	5	4	80.0%
Financial assets held for trading	4,708	4,700	8	0.2%
Loans and receivables with banks	13,612,912	16,330,912	(2,718,000)	-16.6%
Loans and receivables with customers	700,208	641,250	58,958	9.2%
Financial investments	1,716,878	93,114	1,623,764	1743.8%
Hedging instruments	23,494	179,265	(155,771)	-86.9%
Property, plant and equipment	10,901	10,772	129	1.2%
Goodwill	89,602	89,602	-	-
Other intangible assets	8,100	8,014	86	1.1%
Tax assets	42,058	67,934	(25,876)	-38.1%
Other assets	227,200	256,629	(29,429)	-11.5%
Total assets	16,436,070	17,682,197	(1,246,127)	-7.0%

(Amounts in € thousand)

LIABILITIES AND SHAREHOLDERS' EQUITY	09.30.2014	12.31.2013	Changes	
			Amount	%
Deposits from banks	1,282,386	1,648,675	(366,289)	-22.2%
Deposits from customers	13,741,345	12,732,309	1,009,036	7.9%
Debt securities in issue	423,842	2,322,511	(1,898,669)	-81.8%
Financial liabilities held for trading	4,647	2,301	2,346	102.0%
Hedging instruments	45,195	178,574	(133,379)	-74.7%
Provisions for risks and charges	106,292	109,354	(3,062)	-2.8%
Tax liabilities	72,893	37,701	35,192	93.3%
Other liabilities	245,446	231,623	13,823	6.0%
Shareholders' equity	514,024	419,149	94,875	22.6%
- capital and reserves	396,179	329,719	66,460	20.2%
- revaluation reserves for available-for-sale financial assets and for actuarial gains (losses) from defined benefit plans	8,581	4,214	4,367	103.6%
- net profit (loss)	109,264	85,216	24,048	28.2%
Total liabilities and shareholders' equity	16,436,070	17,682,197	(1,246,127)	-7.0%

(Amounts in € thousand)

Balance Sheet - Quarterly data

ASSETS	09.30.2014	06.30.2014	03.31.2014	12.31.2013	09.30.2013
Cash and cash balances	9	14	7	5	7
Financial assets held for trading	4,708	10,407	8,405	4,700	5,600
Loans and receivables with banks	13,612,912	13,476,117	17,084,534	16,330,912	16,305,247
Loans and receivables with customers	700,208	696,142	669,141	641,250	550,292
Financial investments	1,716,878	1,715,320	93,934	93,114	92,406
Hedging instruments	23,494	35,637	130,687	179,265	160,226
Property, plant and equipment	10,901	11,391	10,718	10,772	9,615
Goodwill	89,602	89,602	89,602	89,602	89,602
Other intangible assets	8,100	7,915	8,055	8,014	7,683
Tax assets	42,058	42,891	48,420	67,934	43,089
Other assets	227,200	227,865	170,281	256,629	201,573
Total assets	16,436,070	16,313,301	18,313,784	17,682,197	17,465,340

(Amounts in € thousand)

LIABILITIES AND SHAREHOLDERS' EQUITY	09.30.2014	06.30.2014	03.31.2014	12.31.2013	09.30.2013
Deposits from banks	1,282,386	1,026,852	1,590,439	1,648,675	1,459,707
Deposits from customers	13,741,345	13,911,224	13,473,654	12,732,309	12,743,633
Debt securities in issue	423,842	421,965	2,322,527	2,322,511	2,324,047
Financial liabilities held for trading	4,647	4,867	7,902	2,301	4,998
Hedging instruments	45,195	48,960	130,411	178,574	159,649
Provisions for risks and charges	106,292	110,507	109,346	109,354	101,031
Tax liabilities	72,893	52,975	38,770	37,701	52,593
Other liabilities	245,446	264,249	184,969	231,623	206,909
Shareholders' equity	514,024	471,702	455,766	419,149	412,773
- capital and reserves	396,179	392,928	414,934	329,719	329,718
- revaluation reserves for available-for-sale financial assets and for actuarial gains (losses) from defined benefit plans	8,581	4,912	3,906	4,214	3,636
- net profit (loss)	109,264	73,862	36,926	85,216	79,419
Total liabilities and shareholders' equity	16,436,070	16,313,301	18,313,784	17,682,197	17,465,340

(Amounts in € thousand)

Income statement

	01.01.2014/ 09.30.2014	01.01.2013/ 09.30.2013	<u>Changes</u>	
			Amount	%
Net interest	172,372	137,159	35,213	25.7%
Net fee and commission income	142,860	121,378	21,482	17.7%
Net trading, hedging and fair value income	19,411	21,865	(2,454)	-11.2%
Net other expenses/income	(3,646)	(939)	(2,707)	288.3%
OPERATING INCOME	330,997	279,463	51,534	18.4%
Payroll costs	(49,868)	(46,864)	(3,004)	6.4%
Other administrative expenses	(156,662)	(132,671)	(23,991)	18.1%
Recovery of expenses	56,750	42,373	14,377	33.9%
Amortisation, depreciation and impairment losses on intangible and tangible assets	(6,175)	(5,427)	(748)	13.8%
Operating costs	(155,955)	(142,589)	(13,366)	9.4%
OPERATING PROFIT (LOSS)	175,042	136,874	38,168	27.9%
Net impairment losses on loans and provisions for guarantees and commitments	(1,976)	(1,955)	(21)	1.1%
NET OPERATING PROFIT (LOSS)	173,066	134,919	38,147	28.3%
Provisions for risks and charges	(3,628)	(4,475)	847	-18.9%
Net income from investments	(4)	(6)	2	-33.3%
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	169,434	130,438	38,996	29.9%
Income tax for the period	(60,170)	(51,019)	(9,151)	17.9%
PROFIT (LOSS) AFTER TAX FROM CONTINUING OPERATIONS	109,264	79,419	29,845	37.6%
NET PROFIT (LOSS) FOR THE PERIOD	109,264	79,419	29,845	37.6%

(Amounts in € thousand)

Income statement - Quarterly data

	2014		
	Q3	Q2	Q1
Net interest	56,432	57,607	58,333
Net fee and commission income	45,831	49,311	47,718
Net trading, hedging and fair value income	6,522	5,810	7,079
Net other expenses/income	(2,074)	(758)	(814)
OPERATING INCOME	106,711	111,970	112,316
Payroll costs	(18,033)	(16,065)	(15,770)
Other administrative expenses	(49,671)	(55,029)	(51,962)
Recovery of expenses	19,208	18,735	18,807
Amortisation, depreciation and impairment losses on intangible and tangible assets	(2,233)	(2,037)	(1,905)
Operating costs	(50,729)	(54,396)	(50,830)
OPERATING PROFIT (LOSS)	55,982	57,574	61,486
Net impairment losses on loans and provisions for guarantees and commitments	(685)	(826)	(465)
NET OPERATING PROFIT (LOSS)	55,297	56,748	61,021
Provisions for risks and charges	(677)	422	(3,373)
Net income from investments	(4)	-	-
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	54,616	57,170	57,648
Income tax for the period	(19,214)	(20,234)	(20,722)
NET PROFIT (LOSS) FROM CONTINUING OPERATIONS	35,402	36,936	36,926
NET PROFIT (LOSS) FOR THE PERIOD	35,402	36,936	36,926

(Amounts in € thousand)

	2013			
	Q4	Q3	Q2	Q1
Net interest	43,119	41,254	47,525	48,380
Net fee and commission income	45,358	39,573	40,636	41,169
Net trading, hedging and fair value income	6,416	6,057	6,841	8,967
Net other expenses/income	(4,025)	(585)	(914)	560
OPERATING INCOME	90,868	86,299	94,088	99,076
Payroll costs	(16,474)	(15,874)	(15,650)	(15,340)
Other administrative expenses	(41,965)	(40,064)	(44,408)	(48,199)
Recovery of expenses	14,624	14,319	13,985	14,069
Amortisation, depreciation and impairment losses on intangible and tangible assets	(2,654)	(1,936)	(1,779)	(1,712)
Operating costs	(46,469)	(43,555)	(47,852)	(51,182)
OPERATING PROFIT (LOSS)	44,399	42,744	46,236	47,894
Net impairment losses on loans and provisions for guarantees and commitments	(1,320)	(600)	(565)	(790)
NET OPERATING PROFIT (LOSS)	43,079	42,144	45,671	47,104
Provisions for risks and charges	(11,584)	(4,115)	2,346	(2,706)
Net income from investments	-	-	(6)	-
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	31,495	38,029	48,011	44,398
Income tax for the period	(25,698)	(14,872)	(18,773)	(17,374)
PROFIT (LOSS) AFTER TAX FROM CONTINUING OPERATIONS	5,797	23,157	29,238	27,024
NET PROFIT (LOSS) FOR THE PERIOD	5,797	23,157	29,238	27,024

(Amounts in € thousand)

Main balance sheet figures

	09.30.2014	12.31.2013	Changes Amount	%
Loan receivables with ordinary customers (1)	420,646	421,784	(1,138)	-0.3%
Total assets	16,436,070	17,682,197	(1,246,127)	-7.0%
Customer direct sales (2)	13,583,861	12,518,293	1,065,568	8.5%
Customer indirect sales (3)	34,596,954	31,088,364	3,508,590	11.3%
Total customer sales (direct and indirect)	48,180,815	43,606,657	4,574,158	10.5%
Shareholders' equity	514,024	419,149	94,875	22.6%

(Amounts in € thousand)

(1) Loan receivables with ordinary customers refer solely to loans granted to customers (current account overdrafts, credit cards and personal loans);

(2) Customer direct sales include overdrawn current accounts, Supersave repos and the Cash Park deposit account;

(3) Customer indirect sales consist of products placed online or through the sales networks of FinecoBank.

KEY FIGURES**Operating Structure**

	09.30.2014	12.31.2013	09.30.2013
No. of Employees	990	965	954
No. of Human Resources	998	976	965
No. of Financial Advisors	2,528	2,438	2,425
No. of Operating financial outlets	326	311	302

Number of human resources: includes permanent employees, atypical employees, Directors and Group employees seconded to FinecoBank, net of FinecoBank employees seconded to the Group.

Number of operating financial outlets: financial outlets managed by the Bank and financial outlets managed by financial advisors (Fineco Center).

Profitability, productivity and efficiency ratios

	09.30.2014	12.31.2013	09.30.2013
Net interest/Operating income	52.08%	48.68%	49.08%
Income from brokerage and other income/Operating income	47.92%	51.32%	50.92%
Income from brokerage and other income/Operating costs	101.71%	100.53%	99.80%
Cost/income ratio	47.12%	51.05%	51.02%
Operating costs/TFA	0.45%	0.45%	0.46%
Cost of risk	63 bp	83 bp	70 bp
ROE	35.47%	23.58%	31.90%
EVA	93,032	68,142	67,004
RARORAC	55.52%	39.38%	53.24%
ROAC	65.21%	49.25%	63.11%
Total customer sales/Average employees	48,815	45,306	44,250
Total customer sales/(Average employees + average PFAs)	13,885	13,056	12,725

(Amounts in € thousand)

Key

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

Operating costs/TFA: ratio of operating costs to Total Financial Assets (direct and indirect sales). Operating costs as at September 30, 2014 and September 30, 2013 have been annualized; 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: ratio between net impairment losses on loans and the average loans and receivables with ordinary customers. Net impairment losses on loans as at September 30, 2014 and September 30, 2013 have been annualized; Average ordinary loans to customers were calculated as the average between the period-end balance and the balance as at the previous December 31.

ROE: the denominator used to calculate the index in question is the average shareholders' equity for the period (excluding dividends expected to be distributed and the revaluation reserves). The net profit for the period has been annualized.

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.

RARORAC (Risk adjusted Return on Risk adjusted Capital): which is the ratio between EVA and Allocated/Absorbed Capital and expresses, in percentage, the capacity to create value for unit of risk taken.

ROAC (Return on Allocated Capital): is the ratio of Net Operating Profit and Allocated Capital. The Allocated Capital is intended as the greater of internally calculated capital based on shared UniCredit Group models (Economic Capital) and regulatory capital. The regulatory capital used to calculate the indicators EVA, RARORAC and ROAC is calculated on a consolidated basis. To calculate the indicators as at September 30, 2014, the figure for internal capital is that at June 30, 2014, which is the latest available figure provided by the Parent Company.

Balance Sheet indicators

	09.30.2014	12.31.2013
Loan receivables with ordinary customers/Total assets	2.56%	2.39%
Loans and receivables with banks/Total assets	82.82%	92.36%
Financial assets/Total assets	10.47%	0.55%
Direct Sales/Total liabilities and shareholders' equity	82.65%	70.80%
Debt securities in issue/Total liabilities and shareholders' equity	2.58%	13.13%
Shareholders' equity (including profit)/Total liabilities and shareholders' equity	3.13%	2.37%
Loans and receivables with ordinary customers/Customer direct sales	3.10%	3.37%

<i>Credit quality</i>	<i>09.30.2014</i>	<i>12.31.2013</i>
Impaired loans/Loan receivables with ordinary customers	1.15%	1.12%
Non-performing loans/Loan receivables with ordinary customers	0.85%	0.78%
Coverage ⁽¹⁾ - Non-performing loans	81.15%	81.45%
Coverage ⁽¹⁾ - Doubtful loans	67.52%	67.41%
Coverage ⁽¹⁾ - Past-due impaired loans	47.44%	45.91%
Coverage ⁽¹⁾ - Total impaired loans	77.89%	77.66%

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

Solvency indicators

	09.30.2014	12.31.2013
Common Equity Tier 1 Capital Ratio (Tier 1 capital/Risk-weighted assets - TIER 1 capital ratio at December 31, 2013)	19.76%	12.25%
Total Own Funds Capital Ratio (Regulatory capital/Risk-weighted assets - Total capital ratio at December 31, 2013)	19.76%	12.25%

The "Common Equity Tier 1 Capital" ratio and the "Total Own Funds" ratio as at September 30, 2014 were calculated by applying the supervisory regulations in force according to the Basel III regulatory framework.

At December 31, 2013, the RWAs used to calculate the Tier 1 Capital ratio and the Total capital ratio were determined by applying the Basel II supervisory regulations, supplementing the total capital requirements of the Basel I "floor", which corresponds to the positive difference between 80% of the capital requirements calculated on the basis of regulations in force as at December 31, 2006, and the sum of capital requirements for credit, counterparty, market and operational risks, calculated using the Basel II provisions.

BUSINESS PERFORMANCE AND MAIN INITIATIVES IN THE PERIOD

FinecoBank is a direct bank operating as a one-stop solution provider in Italy, offering the retail customer segment a full range of banking and investment products and services through a multi-channel structure that includes its own network of financial advisors, its own website and a number of ad hoc mobile applications, with the support of the UniCredit Group contact center and branches.

The products and services offered by FinecoBank include: (i) banking services, including current account and deposit services, payment services, and issuing debit, credit and prepaid cards (banking); (ii) order execution services on customers' behalf, trading on own account, receipt and passing on of orders, with direct access to major global equity markets and the ability to trade in CFDs (on currencies, indices, shares, bonds and commodities), futures, options, bonds, ETFs and certificates (brokerage); and (iii) placement and distribution services of more than 5,000 products, including mutual funds and SICAV sub-funds managed by 65 leading Italian and international investment firms, insurance and pension products, as well as consulting services in the investment field (investing).

As at September 30, 2014, FinecoBank had 944,322 customers, 75 thousand of whom were acquired during the reporting period (+17% compared to the same period of the previous year) and Total Financial Assets (TFA) amounted to €48,181 million (+10.5% compared to December 31, 2013).

Main events during the period

In order to fully leverage FinecoBank's assets and support its growth, on April 15, 2014 the Shareholders' meeting, upon proposal of the Board of Directors, approved the proposal for admission to listing of FinecoBank ordinary shares on the Italian MTA stock exchange (Mercato Telematico Azionario).

The listing and consequent expansion of the shareholder base will enable the Bank to strengthen the visibility of its business model, thereby improving its standing in the market, thanks also to national and international institutional investors becoming shareholders of the bank.

After the FinecoBank listing project began, in the meeting of April 15, 2014, the Board of Directors approved the new 2014-2018 Multi-Annual Plan. The new Plan, which amends the plan approved by the Board of Directors on March 10, 2014, takes into account the effects of the new liquidity investment policy as from April 1, 2014, the costs for the new incentive system for employees and financial advisors and the costs related to the listing process.

On the same date - in line with best practice and the recommendations of the Corporate Governance Code of listed companies and in accordance with the remuneration policies in place - the Board of Directors of FinecoBank approved the adoption of a remuneration scheme aimed at incentivising, retaining and motivating senior managers, "key people" (intended as other Managers and Employees of the Company who, due to the importance and critical nature of their role as well as their skills and potential can affect the company's economic performance and sustainability) and Financial Advisors.

As for the new liquidity investment policy, on March 27, 2014, the Board of Directors approved the first allocations in view of the listing, which were carried out as of April 1, 2014. Specifically, UniCredit Securities with maturities ranging from 2 years and 10 months to 7 years and 6 months were purchased for an amount corresponding to "Core" liquidity (the most stable component, which amounts to €7.8 billion). These types of investment were determined by taking into account the overall structure of the Bank's financial statements and in a risk/reward optimization perspective. The

portion of liquid assets classified as "Non Core" was invested in Italian government bonds for a nominal amount of €1.5 billion. At the same time, derivative contracts were entered into at the same time in order to convert the fixed rate into a floating rate, in compliance with pre-defined limits on interest rate risk; residual Non Core liquidity continued to be invested in the current account held with the parent UniCredit.

On June 27, 2014, the Bank announced the outcome of the global offering - which set the price at €3.7 per share, equivalent to a market capitalization of the bank of €2,243 million. The global offering concerned 181,883,000 ordinary shares, representing 30% of the share capital of the Bank. Overall, taking into account both the public offering and the institutional placement, requests were received for 609,079,891 shares by 46,534 applicants, with a total demand equal to 2.9 times the offer.

Trading of the shares started on July 2, 2014.

On July 15, 2014, following the listing of the ordinary shares of the Bank, the Board of Directors of FinecoBank approved:

- the total number of newly issued FinecoBank shares freely assignable to the recipients of the stock granting plan "2014-2017 Multi Year Top Plan Management" (guidelines approved by the Board of Directors on April 15, 2014 and related regulation by the Board of Directors on May 15, 2014, with execution conditional on listing), and the allocation of the shares quota for the year 2014. Specifically, the total number of shares that can be assigned under the plan has been set at 2,523,400. The quota allocated for 2014 amounted to 630,850 shares. As defined by the Plan Rules, the allocation of the other quotas is expected in 2015, 2016 and 2017. The number of shares allocated to each quota may decrease according to the Bank's requirement to keep the ratio between the variable and fixed part of the remuneration in line with the rules applicable from time to time. In order to ensure a more appropriate balance between the short-, medium- and long-term variable components of remuneration, the Board of Directors may reduce the value of the variable remuneration granted under the Plan down to the limit of 100% of fixed remuneration. The shares allotted pursuant to the above rules, will actually be assigned, after a three-year vesting period (i.e. in 2017 for the quota allotted in 2014), upon satisfaction of pre-defined conditions;
- the list of employees identified as Key People under the "2014 Plan Key People" plan (stock granting plan, whose guidelines were approved by the Board of Directors on April 15, 2014 and the related regulation by the Board of Directors on May 15, 2014, with execution conditional on listing), and the shares to be allocated to the said people. The total number of newly issued shares allocated under the plan amounted to 796,390; they will be assigned, upon verification that pre-defined conditions have been satisfied, in three annual tranches, the first of which in 2015 and the third in 2017.

The dilution effect for shareholders arising from the free capital increases used in execution of the mentioned stock granting plans and the Group Incentive System is calculated as a maximum of 0.61% of the *fully diluted* capital.

On July 17, 2014, the coordinators of the FinecoBank ordinary shares global offering (the "Global Offering"), UBS Investment Bank and UniCredit Corporate & Investment Banking, exercised the greenshoe option granted by UniCredit for 27,283,000 shares, representing all the over-allotted shares. The purchase price of the shares issued under the greenshoe option was €3.7 per share - corresponding to the offer price set in the Global Offering - for a gross amount of €100,947,100. Payment of the shares under the greenshoe option was made on July 22, 2014.

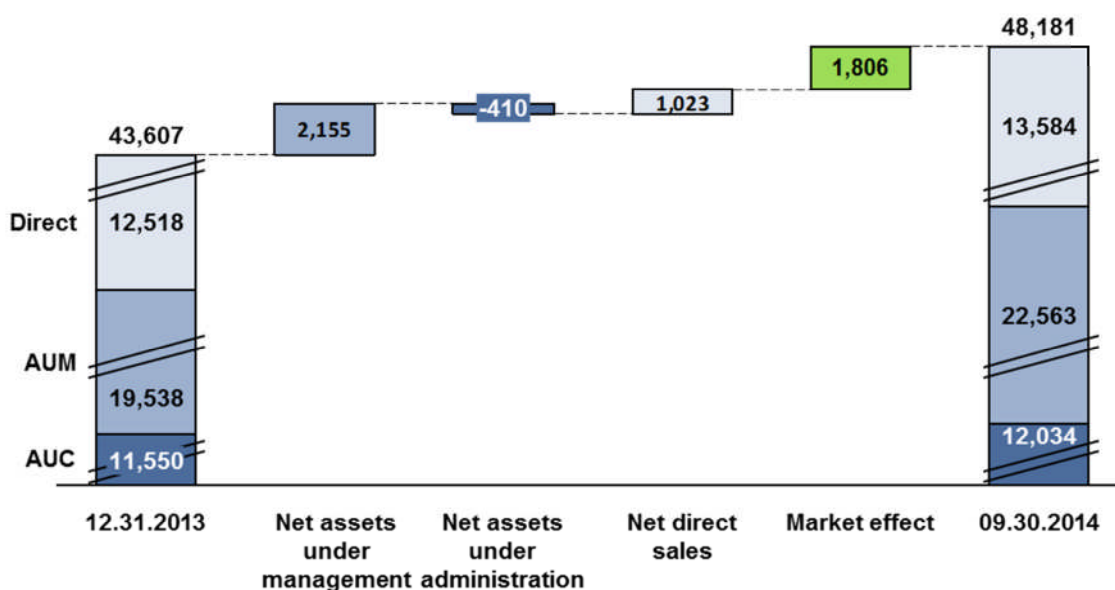
Including the shares subject to the greenshoe option, the Global Offering concerned a total of 209,166,000 FinecoBank ordinary shares, representing approximately 34.5% of the share capital, for a total corresponding value of approximately €774 million, before fees and expenses.

Performance of balance sheet aggregates

Total customer sales (direct and indirect) as at September 30, 2014 came to €48,181 million, an increase of 10.5% compared to the end of 2013, thanks to net sales of €2,768 million and a positive effect driven by market performance of €1,806 million.

Indirect customer sales (Assets under Management-AUM plus Assets under Custody-AUC) amounted to €34,597 million, compared to €31,088 million as at December 31, 2013, up by 11.3%, confirming a constant growth trend and ongoing improvement in sales quality. In this respect, the growth in "guided products & services¹" should be pointed out, which continued to increase as a percentage of TFA, rising from 12.7% as at December 31, 2013, equal to €5,546 million, to 15.0% as at September 30, 2014, equal to €7,237 million.

Direct sales also showed consistent growth, driven by the increasing number of new customers, thus confirming their appreciation for the quality of the services. Direct sales mainly consist of 'transactional' deposits that support all customers' transactions, confirming the high and increasing degree of customer loyalty, which in turn contributes to improving the quality and stability of direct sales.



AUC = Assets under custody

AUM = Assets under management

TFA = Total Financial Assets (direct and indirect sales)

¹Respectively products and/or services developed by investing in UCITs selected from among those distributed by the Bank for each asset class taking into account customers' different risk profiles and offered to customers under the guided open architecture model.

The table below shows the figures for the balance of direct deposits, assets under management and assets under custody of Fineco customers, including both those linked to a financial advisor and online customers.

Total Financial Assets

	09.30.2014	%	12.31.2013	%	Change	% Change
Current accounts and demand deposits	11.834.473	24,6%	10.666.629	24,5%	1.167.844	10,9%
Time deposits and reverse repos	1.749.388	3,6%	1.851.664	4,2%	(102.276)	-5,5%
BALANCE DIRECT DEPOSITS	13.583.861	28,2%	12.518.293	28,7%	1.065.568	8,5%
Segregated accounts	14.947	0,0%	41.901	0,1%	(26.954)	-64,3%
UCITS and other investment funds	20.414.197	42,4%	17.691.343	40,6%	2.722.854	15,4%
Insurance products	2.134.164	4,4%	1.805.235	4,1%	328.929	18,2%
BALANCE ASSETS UNDER MANAGEMENT	22.563.308	46,8%	19.538.479	44,8%	3.024.829	15,5%
Government securities, bonds and stocks	12.033.646	25,0%	11.549.885	26,5%	483.761	4,2%
BALANCE ASSETS UNDER CUSTODY	12.033.646	25,0%	11.549.885	26,5%	483.761	4,2%
BALANCE DIRECT AND INDIRECT SALES	48.180.815	100,0%	43.606.657	100,0%	4.574.158	10,5%
of which Guided products & services	7.237.464	15,0%	5.546.246	12,7%	1.691.218	30,5%

(Amounts in € thousand)

The table below shows the figures for the balance of direct deposits, assets under management and assets under custody of only the personal financial advisors network.

Total Financial Assets - Financial Advisors Network - Source Assoreti

	09.30.2014	%	12.31.2013	%	Change	% Change
Current accounts and demand deposits	8.336.693	20,7%	7.390.277	20,4%	946.416	12,8%
Time deposits and reverse repos	1.249.195	3,1%	1.319.221	3,6%	(70.026)	-5,3%
BALANCE DIRECT DEPOSITS	9.585.888	23,8%	8.709.498	24,1%	876.390	10,1%
Segregated accounts	14.947	0,0%	41.901	0,1%	(26.954)	-64,3%
UCITS and other investment funds	20.014.981	49,6%	17.344.996	47,9%	2.669.985	15,4%
Insurance products	2.037.366	5,1%	1.703.434	4,7%	333.932	19,6%
BALANCE ASSETS UNDER MANAGEMENT	22.067.294	54,7%	19.090.331	52,7%	2.976.963	15,6%
Government securities, bonds and stocks	8.680.479	21,5%	8.392.123	23,2%	288.356	3,4%
BALANCE ASSETS UNDER CUSTODY	8.680.479	21,5%	8.392.123	23,2%	288.356	3,4%
BALANCE DIRECT AND INDIRECT SALES	40.333.661	100,0%	36.191.952	100,0%	4.141.709	11,4%

(Amounts in € thousand)

Performance of income statement aggregates

Profit before tax amounted to €169.4 million (+29.9% compared to the same period of 2013).

Profit before tax increased sharply due to the improvement in net interest margin (up €35.2 million) attributable to both the increase in volumes and the revision of liquidity investment policies. Net fee and commission income posted €21.5

million increase, thanks to both asset management commissions and the improvement in trading commissions as a result of the increase in the number of executed orders.

This confirms the success of a strategy that for years has targeted diversification and the introduction of new products and services. Thanks to this positioning, customers have maintained and strengthened their relationship with FinecoBank, precisely because, by using the platform or through the advice of financial advisors, they could find all the necessary products and services to carry out their banking transactions and their investment and trading strategies.

FINECO SHARES

Share information

The FinecoBank ordinary shares started trading on the Italian MTA stock exchange (Mercato Telematico Azionario) on July 2, 2014. The global offering resulted in the price being set at €3.7 per share, equivalent to a market capitalization of the bank of €2,243 million. As at September 30, 2014, the closing price was €4.24.

COMMERCIAL ACTIVITIES AND DEVELOPMENT OF NEW PRODUCTS AND SERVICES

The main commercial activities, products and services provided in the first nine months of 2014 - which involved all the Bank's departments and units, within their respective areas, and consisted of feasibility studies, subsequent implementation and sale/placement - are summarized below:

- extension of the "Member Get Member" campaign;
- introduction of CFDs on shares, new derivative instruments to invest in the American and British markets directly in euro in intraday mode, with no need for a specific authorization, with zero trading commissions and free information;
- release of the new Logos platform, which provides 100 additional tools including shares, indices, currencies, commodities and bonds of the major world markets, new graphics, new functions (users can now search tools, customize views and check P&L in a single screen) and faster order entry through the simultaneous opening of multiple chips;
- release of the "MoneyMap" app for smartphone on the App Store and Google Play. The "MoneyMap" app provides additional functions compared to the desktop version, including the ability to assign a reminder to each expense, categorize cash expenses and withdrawals as soon as they are made, add a tag or a description for each transaction, add a location for a charge directly from the user's smartphone, take a picture of the product or the receipt and match it to a payment that has just made. In addition there are new online features such as the ability to assign keywords (tags) to account transactions, view transactions by item and access account transactions directly from the Brand Map;
- release of a new version of the public area of the Fineco website, with a new design and a more vertical layout, updated with the most recent web technologies and design;
- introduction of the new Advice Unit solution. This is a unit-linked life insurance by Skandia Vita S.p.A., exclusively distributed by Fineco, which allows for maximum customization of investments while ensuring the financial efficiency provided by the "Advice" advisory service;

- introduction of the "Logos" current account for trading on Logos CFDs. The Logos account does not provide the services typically associated with current accounts: debit and credit cards, cheques, direct debits of utility bills, loans and credit lines. On the other hand, it can be used to transfer money in and out of the account as well as to receive, transmit and execute orders (including trading for own account) on the market, limited to Logos CFDs. The Logos account is available online via a desktop platform and a mobile app for tablets and Apple and Android smartphones;
- Enlargement of Fineco's offer with the introduction of the investment firm Natixis;
- introduction of the STARS financial advisory service. Fineco STARS is the new exclusive service dedicated to the Fineco network: a financial advisory agreement through which the advisors can offer their customers highly diversified portfolios, freely constructed by choosing from over 250 STARS Strategies (around 800 ISINs) and more than 20 Building Blocks and model portfolios. The main feature of the Fineco STARS service is the Funds Selection;
- release of the CFD Trading App for iPhone and Android that allows you to trade CFDs on indices, CFDs on bonds, CFDs on US shares and, CFDs on UK shares.

MAIN BALANCE SHEET AGGREGATES

ASSETS	09.30.2014	12.31.2013	Changes	
			Amount	%
Cash and cash balances	9	5	4	80.0%
Financial assets held for trading	4,708	4,700	8	0.2%
Loans and receivables with banks	13,612,912	16,330,912	(2,718,000)	-16.6%
Loans and receivables with customers	700,208	641,250	58,958	9.2%
Financial investments	1,716,878	93,114	1,623,764	1743.8%
Hedging instruments	23,494	179,265	(155,771)	-86.9%
Property, plant and equipment	10,901	10,772	129	1.2%
Goodwill	89,602	89,602	-	-
Other intangible assets	8,100	8,014	86	1.1%
Tax assets	42,058	67,934	(25,876)	-38.1%
Other assets	227,200	256,629	(29,429)	-11.5%
Total assets	16,436,070	17,682,197	(1,246,127)	-7.0%

(Amounts in € thousand)

LIABILITIES AND SHAREHOLDERS' EQUITY	09.30.2014	12.31.2013	Changes	
			Amount	%
Deposits from banks	1,282,386	1,648,675	(366,289)	-22.2%
Deposits from customers	13,741,345	12,732,309	1,009,036	7.9%
Debt securities in issue	423,842	2,322,511	(1,898,669)	-81.8%
Financial liabilities held for trading	4,647	2,301	2,346	102.0%
Hedging instruments	45,195	178,574	(133,379)	-74.7%
Provisions for risks and charges	106,292	109,354	(3,062)	-2.8%
Tax liabilities	72,893	37,701	35,192	93.3%
Other liabilities	245,446	231,623	13,823	6.0%
Shareholders' equity	514,024	419,149	94,875	22.6%
- capital and reserves	396,179	329,719	66,460	20.2%
- revaluation reserves for available-for-sale financial assets and for actuarial gains (losses) from defined benefit plans	8,581	4,214	4,367	103.6%
- net profit (loss)	109,264	85,216	24,048	28.2%
Total liabilities and shareholders' equity	16,436,070	17,682,197	(1,246,127)	-7.0%

(Amounts in € thousand)

Financial assets held for trading

Financial assets held for trading consist of:

- bonds, shares and derivatives classified as HFT (held for trading), amounting to €69 thousand, held in the Bank's portfolio as a result of trading activity, 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 €3.6 million, which correspond to negative valuations booked under item 40 "Financial liabilities held for trading";
- the positive valuation of CFDs on indices and forex for €1 million;

CFDs on indices and currencies are "Over the counter" derivative contracts that require the payment of a differential 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 on the indices underlying the CFDs on indices, or through Forex transactions with institutional counterparties to hedge CFD transactions in open currencies with customers' currency; consequently, the positive valuation booked under "Financial assets held for trading" more or less balanced the negative valuations booked under "Financial liabilities held for trading".

Loans and receivables with banks

	09.30.2014	12.31.2013	Changes	
			Amount	%
Current accounts and demand deposits	1,548,947	9,433,356	(7,884,409)	-83.6%
Time deposits	2,938,933	3,563,334	(624,401)	-17.5%
Other loans:				
1 Reverse repos	18,995	5,584	13,411	240.2%
2 Other	26,513	6,022	20,491	340.3%
Debt securities	9,079,524	3,322,616	5,756,908	173.3%
Total	13,612,912	16,330,912	(2,718,000)	-16.6%

(Amounts in € thousand)

Loans and receivables with banks for current accounts and demand deposits mainly consist of accounts held with UniCredit, with a book value of €1,538 million and to a lesser extent, of current accounts held with non-Group Banks for transactions in securities.

The time deposits recognized under assets consist of the deposit held with UniCredit for compulsory reserves, with a book value of €133 million, in addition to time deposits held with UniCredit with a book value of €2,806 million, opened in order to invest the funds collected through repos and CashPark transactions with retail customers and repos with credit institutions, with the same maturities.

In the item Other Loans, the item "Other" relates to the amount of the initial margins and collateral deposits placed with credit institutions from derivative transactions as well as from current receivables associated with the provision of financial services.

The debt securities held in the portfolio and included in the category "*Loans and receivables*" mainly consist of debt securities issued by UniCredit for an amount of €9,080 million.

As regards the increase in securities held in the portfolio compared to December 31, 2013, it should be noted that, as part of the listing process, the Board of Directors' meeting on March 27, 2014 approved the main guidelines for the liquidity investment policy, in force from April 1, 2014. More specifically, for the stable "Core" liquidity, the Bank purchased UniCredit bonds with maturities ranging from 2 years and 10 months to 7 years and 6 months, for a total nominal amount of €7,650 million and USD 250 million and with interest rates calculated considering, for each maturity, the annual average, in the year preceding the issue date, of the secondary market spreads applied to UniCredit medium to long-term senior bonds issued on the institutional market. These types of investment were determined by taking into account the overall structure of the Bank's balance sheet and with a view to optimizing its liquidity risk profile, in line with the amount of sight deposits considered as "Core" (which therefore can be invested in the medium/long term) and with the objective of diversifying these investments in terms of maturities. The bonds issued by UniCredit and reserved for FinecoBank are freely transferable to third parties throughout the term of the bond.

At the same time, debt securities included in the category "*Loans and receivables*", issued by UniCredit and held by Fineco at December 31, 2013, with a nominal value of €1,850 million and USD 70 million were sold to UniCredit, as, following the purchase of the bonds mentioned above, maintaining these securities in the portfolio was no longer considered appropriate.

Loans and receivables with customers

	09.30.2014	12.31.2013	Changes	
			Amount	%
Current accounts	114,542	101,195	13,347	13.2%
Reverse repos	167,490	120,860	46,630	38.6%
Mortgages	58	76	(18)	-23.7%
Credit cards and personal loans	304,572	319,087	(14,515)	-4.5%
Other loans	113,545	100,031	13,514	13.5%
Debt securities	1	1	-	0.0%
Total	700,208	641,250	58,958	9.2%

(Amounts in € thousand)

Loans and receivables with customers, amounting to €700 million, can essentially be broken down as follows:

- €421 million in loans to ordinary customers;
- €167 million in reverse repos;
- €39 million in collateral deposits, initial and variation margins with clearing houses for derivative transactions;
- €73 million relating to current receivables associated with the provision of financial services.

Reverse repos are represented by "*Multiday leverage*" transactions, 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, initial and variation margins with clearing houses for derivative transactions, mostly on behalf of third parties, as well as current receivables associated with the provision of financial services.

Loans and receivables with customers (Management reclassification)	09.30.2014	12.31.2013	Changes	
			Amount	%
Current accounts	111,627	98,455	13,172	13.4%
Use of credit cards	203,371	219,010	(15,639)	-7.1%
Personal loans	99,430	98,241	1,189	1.2%
Other loans	1,451	1,402	49	3.5%
Performing loans	415,879	417,108	(1,229)	-0.3%
Current accounts	2,915	2,740	175	6.4%
Mortgages	58	76	(18)	-23.7%
Use of credit cards	106	130	(24)	-18.5%
Personal loans	1,665	1,706	(41)	-2.4%
Other loans	23	24	(1)	-4.2%
Impaired loans	4,767	4,676	91	1.9%
Loan receivables with ordinary customers	420,646	421,784	(1,138)	-0.3%
Reverse repos	167,427	120,804	46,623	38.6%
Reverse repos - impaired	63	56	7	12.5%
Collateral deposits and initial and variation margins	39,382	32,007	7,375	23.0%
Current receivables associated with the provision of financial services	72,689	66,598	6,091	9.1%
Debt securities	1	1	-	0.0%
Current receivables and other receivables	279,562	219,466	60,096	27.4%
Loans and receivables with customers	700,208	641,250	58,958	9.2%

(Amounts in € thousand)

The portfolio of loan receivables with ordinary customers mainly consists of receivables for personal loans, current accounts and credit card use; overall, loan receivables with ordinary customers decreased by 0.3%, due to a lesser use of credit cards with full payment of the balance at term partly offset by a greater use of current account credit lines.

Impaired assets

Category	Gross amount		Impairment provision		Net amount		Coverage ratio	
	09.30.2014	12.31.2013	09.30.2014	12.31.2013	09.30.2014	12.31.2013	09.30.2014	12.31.2013
Non-performing loans	18,916	17,664	(15,351)	(14,387)	3,565	3,277	81.15%	81.45%
Doubtful loans	1,361	2,065	(919)	(1,392)	442	673	67.52%	67.41%
Past-due loans	1,564	1,444	(742)	(663)	822	781	47.44%	45.91%
Total	21,841	21,173	(17,012)	(16,442)	4,829	4,731	77.89%	77.66%

(Amounts in € thousand)

The amount of impaired loans net of impairment losses was €4.8 million, €3.6 million of which in non-performing loans, €0.4 million in doubtful loans and €0.8 million in past-due loans. Impaired loans mostly relate to current account overdrafts, credit card use and personal loans.

Impaired customer loans represent 1.15% of loan receivables with ordinary customers, compared to 1.12% as at December 31, 2013 as a result of the reduction in loans for use of credit cards with full payment of the balance at term.

Financial investments

	09.30.2014	12.31.2013	Changes	
			Amount	%
Financial assets designated at fair value through profit or loss	-	3,199	(3,199)	-100.0%
Available-for-sale financial assets	1,716,878	89,915	1,626,963	1809.4%
Total	1,716,878	93,114	1,623,764	1743.8%

(Amounts in € thousand)

Debt securities classified as *Financial assets designated at fair value through profit or loss* in the portfolio as at December 31, 2013 were sold during 2014.

Available-for-sale financial assets comprise debt securities issued by governments, including in particular Italian government bonds with a book value of €1,706.5 million, French government bonds with a book value of €10.4 million, and investments in companies in which the Bank does not exercise control or significant influence, including 20 shares of UniCredit Business Integrated Solutions S.c.p.A. totalling €172, and 1 share of the Consortium in charge of the management of the "Patti Chiari" trademark totalling €5,000.

As regards the increase in debt securities compared to December 31, 2013, in the first half of 2014, as part of the guidelines for the new liquidity investment policy that entered into force on April 1, 2014, the portion of liquid assets classified as "Non Core" was invested in Italian government bonds for a nominal amount of €1,500 million while derivative contracts were entered into at the same time in order to convert the fixed rate into a floating rate in compliance with pre-defined limits on interest rate risk.

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 €91.9 million.

Hedging instruments

	09.30.2014	12.31.2013	Changes	
			Amount	%
Asset hedging derivatives - positive valuations	3,288	47,784	(44,496)	-93.1%
Liability hedging derivatives - positive valuations	7,343	75,359	(68,016)	-90.3%
Adjustment to the value of assets under portfolio hedge	12,863	56,122	(43,259)	-77.1%
Total assets	23,494	179,265	(155,771)	-86.9%
of which:				
Positive valuations	11,143	125,197	(114,054)	-91.1%
Related accrued assets and liabilities	(512)	(2,054)	1,542	-75.1%
Adjustments to the value of hedged assets	12,863	56,122	(43,259)	-77.1%
Total assets	23,494	179,265	(155,771)	-86.9%
Asset hedging derivatives - negative valuations	36,249	93,987	(57,738)	-61.4%
Liability hedging derivatives - negative valuations	152	47,814	(47,662)	-99.7%
Adjustment to the value of assets under portfolio hedge	8,794	36,773	(27,979)	-76.1%
Total liabilities	45,195	178,574	(133,379)	-74.7%
of which:				
Negative valuations	30,773	144,546	(113,773)	-78.7%
Related accrued assets and liabilities	5,628	(2,745)	8,373	n.d.
Adjustments to the value of hedged liabilities	8,794	36,773	(27,979)	-76.1%
Total liabilities	45,195	178,574	(133,379)	-74.7%

(Amounts in € thousand)

Summary of hedging derivative valuations 09.30.2014

	Assets	Liabilities	Difference
Valuation of asset and liability hedging derivatives	11,143	30,773	(19,630)
Change in fair value of hedged assets/liabilities	12,863	8,794	4,069
Revaluation reserve before related taxation	-	(15,561)	15,561
Total	24,006	24,006	-

(Amounts in € thousand)

Hedged assets consist of receivables for personal loans due from retail customers, bonds issued by UniCredit belonging to the "Loans and Receivables category" and securities issued by the Italian Central Government and classified as "Available-for-sale financial assets".

Hedged liabilities refer to bonds issued by FinecoBank, entirely subscribed by the Parent Company and recognized as debt securities in issue.

Accruals relating to asset and liability hedging derivatives amount respectively to -€0.5 million and €5.6 million, and are included in the net interest margin.

Positive and negative valuations of hedging derivatives relate solely to derivative contracts that the Bank has entered into to provide a hedge against interest rate risk inherent in the above-mentioned assets and liabilities, whose total valuation (hedged assets/liabilities and hedging derivatives) has an income statement effect of zero.

Property, plant and equipment

As in previous financial years, investments in electronic machines were made to guarantee the ongoing update of the hardware used by all FinecoBank departments, and in particular by the IT department.

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

Property, plant and equipment	Balance 01.01.2014	Investments as at 09.30.2014	Other Changes- Sales	Depreciation and write-downs as at 09.30.2014	Balance 09.30.2014
Properties	2,734	-	-	(84)	2,650
Electronic machines	5,846	2,114	-	(1,787)	6,173
Office Furniture and Fittings	834	413	11	(375)	883
Plant and machinery	1,358	202	-	(365)	1,195
TOTAL	10,772	2,729	11	(2,611)	10,901

(Amounts in € thousand)

Goodwill

As at September 30, 2014 there were no indicators of impairment of the goodwill recognised in the financial statements. For all other information regarding impairment testing, carried out annually, see the Annual Report as at December 31, 2013.

As at September 30, 2014, the goodwill recorded in the financial statements was made up as follows:

	09.30.2014	12.31.2013
Goodwill relating to Fineco On Line Sim S.p.A.	16,087	16,087
Goodwill relating to the trading and banking division of Banca della Rete	2,034	2,034
Goodwill relating to PFA division formerly FinecoGroup S.p.A.	3,463	3,463
Goodwill relating to PFA division formerly UniCredit Xelion Banca S.p.A.	68,018	68,018
Total	89,602	89,602

(Amounts in € thousand)

Goodwill relating to Fineco On Line Sim S.p.A.

On April 3, 2001 the merger of Fineco On Line Sim S.p.A., the business division of Fineco Sim S.p.A., into FinecoBank was completed.

This merger was carried out on the basis of a share swap ratio of 3.7 shares of the acquiring company for each share of the acquired company, with a consequent increase in the share capital of FinecoBank. The difference between the increase in capital of the acquiring company and the amount of shareholders' equity of the acquired company gave rise to a share swap loss recorded under goodwill.

The balance, amounting to €16 million, is equal to the balance at January 1, 2004, the date of transition to IAS, plus the unamortised amount of the substitute tax, paid for recognition of the loss for tax purposes.

Goodwill relating to the Trading and Banking division of Banca della Rete

On September 1, 2003, FinecoBank acquired the "On-line Banking" and "On-line Trading" business divisions of Banca della Rete, as part of the business plan to rationalize the reorganization of Banca della Rete, in accordance with the directives of the then Parent Company Capitalia S.p.A..

The amount of €2 million recorded in the balance sheet is the same as the amount as at January 1, 2004, the date of transition to IAS.

Goodwill relating to PFA division formerly FinecoGroup S.p.A.

On October 1, 2005, FinecoBank acquired the Personal Financial Advisors business division from FinecoGroup S.p.A., which was created from the progressive merger of three different group networks: FinecoBank S.p.A., former Bipop Carire S.p.A. and Banca Manager S.p.A..

The transaction was carried out for a consideration mutually agreed by the parties and subject to a 'fairness opinion', leading to the recognition of €3.5 million of goodwill.

Goodwill relating to PFA division formerly UniCredit Xelion Banca S.p.A.

As a result of the merger of UniCredit Xelion Banca S.p.A. into FinecoBank on July 7, 2008, FinecoBank S.p.A. recorded goodwill of €68 million under intangible assets, arising from previous extraordinary transactions carried out by UniCredit Xelion Banca S.p.A., more specifically:

- Year 2000: acquisition of the PFA division, formerly Fida SIM, by UniCreditSIM, later merged into Xelion Sim S.p.A., which then became UniCredit Xelion Banca S.p.A.. The balance, amounting to €1 million, is equal to the balance at January 1, 2004, the date of transition to IAS;
- Year 2001: merger of UniCreditSIM into Xelion Sim S.p.A., which then became UniCredit Xelion Banca S.p.A.. The balance, amounting to €13.8 million, is equal to the balance at January 1, 2004, the date of transition to IAS;
- Year 2003: spin-off of the personal financial advisors division, formerly Credit, Rolo and CRT by UniCredit Banca to UniCredit Xelion Banca S.p.A.. The balance, amounting to €19.1 million, is equal to the balance at January 1, 2004, the date of transition to IAS;
- Year 2004: acquisition of the PFA division from Ing Italia. This transaction resulted in the recognition of goodwill of €34.1 million.

It should be noted that all the goodwill (totalling €90 million) relates to acquisitions of businesses or companies carrying out 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 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 recognized 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 FinecoBank, which envisages a high level of integration between personal financial advisors and the trading and banking platform, the allocation of costs/revenues to the business units 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.

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 optimizations, enhancements to architecture for application security, and the developments needed to meet the new regulatory requirements.

Intangible assets	Balance 01.01.2014	Investments as at 09.30.2014	Other changes- sales	Depreciation and write-downs as at 09.30.2014	Balance 09.30.2014
Software	6,853	3,388	-	(3,300)	6,941
Other intangible assets	1,161	262	-	(264)	1,159
TOTAL	8,014	3,650	-	(3,564)	8,100

(Amounts in € thousand)

Tax Assets and Other Assets

	09.30.2014	12.31.2013	Changes	
			Amount	%
Tax assets				
Current assets	2,290	25,264	(22,974)	-90.9%
Deferred tax assets	36,269	39,197	(2,928)	-7.5%
Deferred tax assets pursuant to Law 214/2011	3,499	3,473	26	0.7%
Total	42,058	67,934	(25,876)	-38.1%
Other assets				
Items in processing	14,417	9,488	4,929	51.9%
Definitive items not recognised under other items	50,820	62,491	(11,671)	-18.7%
Current receivables not related to the provision of financial services	2,173	1,707	466	27.3%
Tax items other than those included in the item "Tax assets"	135,322	160,908	(25,586)	-15.9%
Prepayments	14,945	10,940	4,005	36.6%
Improvement and incremental expenses incurred on leasehold assets	9,400	10,962	(1,562)	-14.2%
Other items	123	133	(10)	-7.5%
Total	227,200	256,629	(29,429)	-11.5%

(Amounts in € thousand)

The decrease in "Tax assets" of €25.9 million is mainly due to the use of previously paid IRES income tax and IRAP corporate tax advances.

With regard to the "Other assets", "Tax items other than those included in the item tax assets" decreased as a result of the release of tax advances paid, in our capacity as withholding agents, for the substitute tax on other income.

Deposits from banks

	09.30.2014	12.31.2013	Changes	
			Amount	%
Deposits from central banks	-	-	-	-
Deposits from banks				
Current accounts and demand deposits	81,153	29,139	52,014	178.5%
Loans				
Repos	1,200,746	1,619,295	(418,549)	-25.8%
Other liabilities	487	241	246	102.1%
Total	1,282,386	1,648,675	(366,289)	-22.2%

(Amounts in € thousand)

The item current accounts and demand deposits mainly consists of reciprocal current accounts and loans with UniCredit group companies, with a book value of €74.6 million, as well as reciprocal current accounts and loans with banks outside the Group.

Repos include €1,062.6 million of transactions performed with UniCredit and €23.4 million of transactions with UniCredit AG Monaco.

Deposits from customers

Deposits from customers, mainly consisting of current accounts, the Cash Park deposit account and Supersave repos, totalled €13,741 million, an increase of 7.9% compared to December 31, 2013.

	09.30.2014	12.31.2013	Changes	
			Amount	%
Current accounts and demand deposits	11,834,869	10,666,363	1,168,506	11.0%
Time deposits	1,529,565	1,699,635	(170,070)	-10.0%
Loans				
Repos	306,296	304,380	1,916	0.6%
Other liabilities	70,615	61,931	8,684	14.0%
Deposits from customers	13,741,345	12,732,309	1,009,036	7.9%

(Amounts in € thousand)

Debt securities in issue

	09.30.2014	12.31.2013	Changes	
			Amount	%
Bonds	423,842	2,322,511	(1,898,669)	-81.8%

(Amounts in € thousand)

During 2014 the Bank has reimbursed securities in issue for a nominal amount of €1,500 million (repurchased in previous years). It has also partially repurchased bonds issued for a total nominal amount of €1,850 million and USD 70 million.

These bonds had been issued at par in 2011 and had been fully underwritten by UniCredit, while the Bank had underwritten bonds issued by UniCredit, following the need for both the Bank and UniCredit to hold bonds in the portfolio useful for their activity. As described above, by underwriting other bonds issued by UniCredit as part of the liquidity investment policy defined as of April 1, 2014 and following the gradual reduction in repo transactions with customers that had led the Bank and UniCredit to reciprocally underwrite and issue such bonds, both parties were able to sell part of the securities held in the portfolio and to repurchase the securities in issue.

Financial liabilities held for trading

Financial liabilities held for trading consist of:

- technical overdrafts classified as HFT (held for trading), held in the Bank's portfolio as a result of trading activity, for an amount of €56 thousand;
- 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") for €3.4 million, which correspond to positive valuations booked under item 20 "Financial assets held for trading";
- the negative valuation of CFDs on indices and Forex for €1.2 million.

CFDs on indices and currencies are "Over the counter" derivative contracts that require the payment of a differential generated by the difference between the opening and closing price of the financial instrument. In operational terms, the Bank covers the imbalance of customer positions by underwriting futures on the indices underlying the CFDs on indices, or through Forex transactions with institutional counterparties to hedge CFD transactions in open currencies with customers' currency; consequently, the negative valuations booked under "Financial liabilities held for trading" more or less balanced the positive valuations booked under "Financial assets held for trading".

Provisions for risks and charges

Provisions for risks and charges include allowances for a total of €106.3 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.

	09.30.2014	12.31.2013	<i>Changes</i>	
			<i>Amount</i>	<i>%</i>
Legal disputes	49,322	55,578	(6,256)	-11.3%
- Pending proceedings	36,651	40,573	(3,922)	-9.7%
- Claims	12,671	15,005	(2,334)	-15.6%
Staff expenses	3,207	-	3,207	-
Other	53,763	53,776	(13)	0.0%
- Supplementary customer indemnity provision	36,772	32,178	4,594	14.3%
- Contractual payments and payments under non-competition agreements	2,005	1,916	89	4.6%
- Tax disputes	7,299	7,439	(140)	-1.9%
- Other provisions	7,687	12,243	(4,556)	-37.2%
Total provisions for risks and charges - other provisions	106,292	109,354	(3,062)	-2.8%

(Amounts in € thousand)

Tax liabilities and Other liabilities

	09.30.2014	12.31.2013	<u>Changes</u>	
			<u>Amount</u>	<u>%</u>
Tax liabilities				
Current liabilities	47,999	16,842	31,157	185.0%
Deferred tax liabilities	24,894	20,859	4,035	19.3%
Total	72,893	37,701	35,192	93.3%
Other liabilities				
Items in processing	42,363	47,398	(5,035)	-10.6%
Definitive items not recognised under other items	53,414	34,396	19,018	55.3%
Payables to employees and other personnel	13,608	15,229	(1,621)	-10.6%
Payables to Directors and Statutory auditors	357	244	113	46.3%
Current payables not related to the provision of financial services	33,289	27,400	5,889	21.5%
Tax items other than those included in the item "Tax liabilities "	85,151	83,854	1,297	1.5%
Social security contributions to be paid	4,024	4,853	(829)	-17.1%
Adjustments for illiquid portfolio items	7,988	13,847	(5,859)	-42.3%
Other items	613	641	(28)	-4.4%
Employee severance pay provision	4,639	3,761	878	23.3%
Total	245,446	231,623	13,823	6.0%

(Amounts in € thousand)

The increase in "Tax liabilities" of €35.2 million was due to:

- higher income taxes for the year resulting from an increase in taxable income and lower advances paid to the tax authorities;
- higher deferred tax liabilities calculated on the deductible portion of goodwill.

With regard to the "Other liabilities", there was a decrease in "Items in processing" relating to outgoing bank transfers, a decrease in "Adjustments for illiquid portfolio items" and an increase in "Definitive items not recognized under other items", relating to the settlement of securities and coupons.

Shareholders' equity

As at September 30, 2014, the Bank's share capital came to €200 million, and was divided into 606,274,033 shares with a par value of €0.33 each. Reserves comprise the legal reserve amounting to €33.1 million, the extraordinary reserve amounting to €157.7 million, retained earnings amounting to €0.2 million, and the IFRS2 reserve linked to incentive plans for employees and financial advisors amounting to €3.2 million.

The Bank does not hold, and did not hold during the period ended September 30, 2014, any treasury shares in the portfolio.

Following the Shareholders' Meeting resolution of April 15, 2014, the profit for the year 2013 of €85.2 million was allocated as follows:

- €4.3 million to the legal reserve;
- €58.9 million to the extraordinary reserve;
- €20 million, equal to €0.033 per share, to the shareholder;
- €2 million to charitable donations.

Shareholders' equity

Item/Amount	09.30.2014	12.31.2013	Changes	
			Amount	%
Share capital	200,070	200,070	-	-
Share premium reserve	1,934	1,934	-	-
Reserves				-
- Legal reserve	33,061	28,800	4,261	14.8%
- Extraordinary reserve	157,692	98,744	58,948	59.7%
- Other reserves	3,422	171	3,251	1901.2%
Revaluation reserves	8,581	4,214	4,367	103.6%
Net Profit (Loss) for the year	109,264	85,216	24,048	28.2%
Total	514,024	419,149	94,875	22.6%

(Amounts in € thousand)

OWN FUNDS AND PRUDENTIAL REQUIREMENTS

	09.30.2014	12.31.2013
Common Equity Tier 1 - CET1	342.205	316.008
Additional Tier 1 – AT1	-	-
TIER 2 – T2	-	-
Total Own Funds	342.205	316.008

Common Equity Tier 1 Capital Ratio (Tier 1 capital/Risk-weighted assets - TIER 1 capital ratio at December 31, 2013)	19,76%	12,25%
Total Own Funds Capital Ratio (Regulatory capital/Risk-weighted assets - Total capital ratio at December 31, 2013)	19,76%	12,25%

(Amounts in € thousand)

Total own funds as at September 30, 2014 amounted to €342 million.

Solely for purposes of calculating own funds, the Common Equity Tier 1 capital ratio includes the retained earnings for the first half of the year, amounting to €21.9 million, which, in the absence of a formal dividend policy, was estimated with reference to the average pay out of the last three years, as established in (EU) Commission Delegated Regulation no. 241/2014, supplementing regulation EU 575/2013 of the European Parliament.

The "Common Equity Tier 1 Capital" ratio and the "Total Own Funds" ratio as at September 30, 2014 were calculated by applying the supervisory regulations in force according to the Basel III regulatory framework.

At December 31, 2013, the Common Equity Tier 1 and Total Own Funds used in the calculation were re-determined by applying the rules in force as at January 1, 2014, while the RWAs used to calculate the Tier 1 Capital ratio and the Total capital ratio were determined by applying the Basel II supervisory regulations, supplementing the total capital requirements of the Basel I "floor", which corresponds to the positive difference between 80% of the capital requirements calculated on the basis of regulations in force as at December 31, 2006, and the sum of capital requirements for credit, counterparty, market and operational risks, calculated using the Basel II provisions.

INCOME STATEMENT FIGURES**Condensed Income Statement**

	01.01.2014/ 09.30.2014	01.01.2013/ 09.30.2013	<i>Changes</i>	
			<i>Amount</i>	<i>%</i>
Net interest	172,372	137,159	35,213	25.7%
Net fee and commission income	142,860	121,378	21,482	17.7%
Net trading, hedging and fair value income	19,411	21,865	(2,454)	-11.2%
Net other expenses/income	(3,646)	(939)	(2,707)	288.3%
OPERATING INCOME	330,997	279,463	51,534	18.4%
Payroll costs	(49,868)	(46,864)	(3,004)	6.4%
Other administrative expenses	(156,662)	(132,671)	(23,991)	18.1%
Recovery of expenses	56,750	42,373	14,377	33.9%
Amortisation, depreciation and impairment losses on intangible and tangible assets	(6,175)	(5,427)	(748)	13.8%
Operating costs	(155,955)	(142,589)	(13,366)	9.4%
OPERATING PROFIT (LOSS)	175,042	136,874	38,168	27.9%
Net impairment losses on loans and provisions for guarantees and commitments	(1,976)	(1,955)	(21)	1.1%
NET OPERATING PROFIT (LOSS)	173,066	134,919	38,147	28.3%
Provisions for risks and charges	(3,628)	(4,475)	847	-18.9%
Net income from investments	(4)	(6)	2	-33.3%
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	169,434	130,438	38,996	29.9%
Income tax for the period	(60,170)	(51,019)	(9,151)	17.9%
PROFIT (LOSS) AFTER TAX FROM CONTINUING OPERATIONS	109,264	79,419	29,845	37.6%
NET PROFIT (LOSS) FOR THE PERIOD	109,264	79,419	29,845	37.6%

(Amounts in € thousand)

Net interest margin

The net interest margin as at September 30, 2014 came to €172 million, an increase of 25.7% on the same period of 2013.

It is important to note that during 2014, liquidity investment policies have been amended to a certain extent, and specifically:

- as of January 1, 2014, the Bank updated the parameters and models used to define the portion of sight deposits that may be considered "Core", which feature greater duration/stability, and the "Non Core" portion. Liquidity classified as "Core" with duration exceeding one year was entirely considered as a source of medium/long-term structural financing. The interest rate paid on "Core" deposits is increased by a spread calculated as the average of the spreads paid by UniCredit on the market on the total amount of medium/long-term senior bonds issued, irrespective of their maturity. In the past the spread was calculated as the weighted average of the spreads paid by UniCredit on the market on time deposits with maturity equal to the average estimated life associated with the various components of "Core" liquidity;
- as of April 1, 2014, "Core" liquidity has been invested in UniCredit bonds with maturities ranging from 2 years and 10 months to 7 years and 6 months, for a total nominal amount of €7,650 million and USD 250 million. These types of investment were determined by taking into account the overall structure of the Bank's balance sheet and with a view to optimize the risk/return profile of the investments and diversify their maturities. The portion of liquidity classified as "Non Core" was invested in liquid assets or assets readily convertible into cash, including Italian government bonds, for a nominal amount of €1,500 million (while derivative contracts were entered into at the same time in order to convert the fixed rate into a floating rate in compliance with pre-defined limits on interest rate risk).

This new portfolio structure contributed to an increased flow of interest income from the investment of deposits. The average lending rate from the investment of sight deposits went from 1.49% for the first nine months of 2013 to 1.96% for the first nine months of 2014, whereas the average lending rate from the investment of sight and term deposits went from 1.70% at September 2013 to 1.88% at September 2014.

<i>Interest income</i>	<i>09.30.2014</i>	<i>09.30.2013</i>	<i>Changes</i>	
			<i>Amount</i>	<i>%</i>
Financial assets held for trading	1	7	(6)	-85.7%
Available-for-sale financial assets	9,940	1,355	8,585	633.6%
Loans and receivables with banks	185,688	215,727	(30,039)	-13.9%
Loans and receivables with customers	21,771	19,276	2,495	12.9%
Financial assets designated at fair value through profit or loss	5	76	(71)	-93.4%
Hedging derivatives	507	-	507	-
Other assets	-	6	(6)	-100.0%
Total interest income	217,912	236,447	(18,535)	-7.8%

(Amounts in € thousand)

Interest expense	09.30.2014	09.30.2013	Changes	
			Amount	%
Deposits from banks	(4,251)	(7,928)	3,677	-46.4%
Deposits from customers	(41,288)	(64,074)	22,786	-35.6%
Debt securities in issue	-	(19,936)	19,936	-100.0%
Other liabilities	(1)	(1)	-	0.0%
Hedging derivatives	-	(7,349)	7,349	-100.0%
Total interest expense	(45,540)	(99,288)	53,748	-54.1%
Net interest	172,372	137,159	35,213	25.7%

(Amounts in € thousand)

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

Breakdown of interest income	09.30.2014	09.30.2013	Changes	
			Amount	%
Interest income on loans and receivables with banks	185,688	215,727	(30,039)	-13.9%
- current accounts	55,728	102,838	(47,110)	-45.8%
- reverse repos	545	582	(37)	-6.4%
- time deposits for compulsory reserve	203	556	(353)	-63.5%
- time deposits	28,683	78,335	(49,652)	-63.4%
- other loans	16	9	7	77.8%
- debt securities	100,513	33,407	67,106	200.9%
Interest income on loans and receivables with customers	21,771	19,276	2,495	12.9%
- current accounts	3,465	2,599	866	33.3%
- reverse repos	8,968	7,098	1,870	26.3%
- credit cards	2,689	2,523	166	6.6%
- personal loans	6,528	6,969	(441)	-6.3%
- other loans	121	87	34	39.1%

(Amounts in € thousand)

Interest income on loans and receivables with banks amounted to €185.7 million, down by €30 million compared to the same period of the previous year.

The decrease in interest income on current accounts, amounting to €47.1 million, was mainly due to the reduction in the volume of reciprocal current accounts, partially offset by the positive effect of the aforementioned revision of liquidity investment policies in the first quarter. In contrast there was an increase in interest income on debt securities amounting to €67.1 million, due to the investment of "Core" liquidity in UniCredit bonds.

Finally, interest income on time deposits decreased due to lower volumes and changes in market rates, which steadily declined; on the contrary, in 2013 interest was boosted by the positive effect of transactions launched in 2012 and concluded in the first few months of 2013.

Interest income on loans and receivables with customers amounted to €21.8 million, showing an increase of 12.9% thanks to higher interest on "Multiday leverage" securities lending transactions guaranteed by cash.

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

Breakdown of interest expense	09.30.2014	09.30.2013	Changes	
			Amount	%
Interest expense on deposits from banks	(4,251)	(7,928)	3,677	-46.4%
- current accounts	(213)	(57)	(156)	273.7%
- other loans	(18)	(17)	(1)	5.9%
- reverse repos	(4,020)	(7,854)	3,834	-48.8%
Interest expense on deposits from customers	(41,288)	(64,074)	22,786	-35.6%
- current accounts	(12,155)	(10,835)	(1,320)	12.2%
- demand deposits	(43)	(58)	15	-25.9%
- time deposits	(26,174)	(48,385)	22,211	-45.9%
- reverse repos	(2,916)	(4,796)	1,880	-39.2%

(Amounts in € thousand)

Interest expense on deposits from banks amounted to €4.3 million, down by €3.7 million compared to the same period of the previous year, attributable to lower interest accrued on repos due to the reduction in volumes and changes in market rates.

Interest expense on deposits from customers came to €41.3 million, down by €22.8 million compared to September 30, 2013, due to a reduction in volumes and in the interest rate paid on "Cash Park" time deposits.

Income from brokerage and other income

	09.30.2014	09.30.2013	Changes	
			Amount	%
Net interest	172,372	137,159	35,213	25.7%
Net fee and commission income	142,860	121,378	21,482	17.7%
Net trading, hedging and fair value income	19,411	21,865	(2,454)	-11.2%
Net other expenses/income	(3,646)	(939)	(2,707)	288.3%
Operating income	330,997	279,463	51,534	18.4%

(Amounts in € thousand)

Net fee and commission income

Management reclassification	09.30.2014	09.30.2013	Changes	
			Amount	%
Management, brokerage and consultancy services:				
1. securities trading and order collection	58,870	52,331	6,539	12.5%
2. currency trading	(138)	(306)	168	-54.9%
3. custody and administration of securities	(2,376)	(2,180)	(196)	9.0%
4. placement of securities, investment fund units and segregated accounts	91,027	79,026	12,001	15.2%
6. investment advisory services	74	(24)	98	n.c.
7. distribution of insurance products	10,610	8,975	1,635	18.2%
8. distribution of other products	(190)	(167)	(23)	13.8%
Collection and payment services	7,863	7,312	551	7.5%
Holding and management of current/deposit accounts	(4,827)	(5,224)	397	-7.6%
Other fee expense personal financial advisors	(19,829)	(18,522)	(1,307)	7.1%
Securities lending	(1,553)	(2,896)	1,343	-46.4%
Other Services	3,329	3,053	276	9.0%
Total	142,860	121,378	21,482	17.7%

(Amounts in € thousand)

Net fee and commission income amounted to €142.9 million, increasing by 17.7% compared to the same period of the previous year.

This increase was mainly attributable to the increase in net fee and commission income from trading and asset management, units in investment funds and segregated accounts, thanks to the increase in assets under management and securities trading and order collection commissions, as a result of the increase in the number of orders executed.

Net trading, hedging and fair value income is mainly determined from gains realized from the internalisation of securities and CFDs, including forex. The decrease of €2.5 million is attributable to lower profits from the internalisation of securities and forex CFDs, partially offset by higher profits from trading in CFDs on indices and exchange differences on assets and liabilities denominated in currency.

The Net other expenses/income shows a decline of €2.7 million, mainly due to the decrease on the previous year of insurance reimbursements recorded in other income, in addition to the effect of the increase in expenditures following complaints amicably settled during the year. In any event, the combination of these effects resulted in lower risk provisions.

This item also includes net loss of €4 thousand, from the gains and losses on disposals and repurchases related to the sale to UniCredit of securities issued by it and classified in the "Loans and Receivables" and the repurchase of securities issued by the Bank and subscribed by UniCredit.

As described above, by underwriting bonds issued by UniCredit as part of the new liquidity investment policy and following the gradual reduction in repo transactions with customers that had led the Bank and UniCredit to reciprocally underwrite and issue such bonds, both parties were able to sell part of the securities held in the portfolio and to repurchase the securities in issue, thereby realizing a loss on the disposal or the repurchase. For more details see the section "Loans and receivables with banks".

Operating costs

Breakdown of operating costs	09.30.2014	09.30.2013	Changes	
			Amount	%
Payroll costs	(49,868)	(46,864)	(3,004)	6.4%
Other administrative expenses	(156,662)	(132,671)	(23,991)	18.1%
Recovery of expenses	56,750	42,373	14,377	33.9%
Amortisation, depreciation and impairment losses on intangible and tangible assets	(6,175)	(5,427)	(748)	13.8%
Total operating costs	(155,955)	(142,589)	(13,366)	9.4%

(Amounts in € thousand)

Payroll costs	09.30.2014	09.30.2013	Changes	
			Amount	%
1) Employees	(48,634)	(45,291)	(3,343)	7.4%
- wages and salaries	(32,616)	(31,088)	(1,528)	4.9%
- social security contributions	(8,606)	(8,519)	(87)	1.0%
- severance pay	(603)	(589)	(14)	2.4%
- allocation to employee severance pay provision	(104)	(109)	5	-4.6%
- payments to external pension funds:				
a) defined contribution	(1,860)	(1,769)	(91)	5.1%
- costs related to share-based payments	(2,276)	(830)	(1,446)	174.2%
- other employee benefits	(2,569)	(2,387)	(182)	7.6%
2) Other staff	(82)	(74)	(8)	10.8%
3) Directors and statutory auditors	(722)	(644)	(78)	12.1%
4) Early retirement costs	-	-	-	n.c.
5) Recovery of expenses for employees seconded to other companies	127	51	76	149.0%
6) Recovery of expenses for employees seconded to the Company	(557)	(906)	349	-38.5%
Total	(49,868)	(46,864)	(3,004)	6.4%

(Amounts in € thousand)

Payroll costs as at September 30, 2014 went up by 6.4%, due to the increase in the number of human resources from 965 as at September 30, 2013 to 998 as at September 30, 2014 and to the increase in costs related to share-based payments, due to the new incentive plans whose guidelines were approved by the Board of Directors on April 15, 2014 and the related regulation by the Board of Directors on May 15, 2014, with execution conditional on listing.

Note that item "costs related to share-based payments", also includes the costs incurred by FinecoBank for share-based payments involving financial instruments issued by UniCredit S.p.A..

To correctly assess the development of administrative costs they must be analysed in conjunction with the recovery of expenses, and the contributions of "Indirect taxes and duties" and "Advertising expenses – marketing and communication" must be separated out from "Other administrative expenses".

The total of other administrative expenses and recovery of expenses amounted to €99.9 million, an increase of €9.6 million compared to the same period of the previous year. They included €5.3 million for costs related to the listing of FinecoBank and €1.7 million for costs deriving from the new incentive plans for financial advisors.

Other administrative expenses and recovery of expenses	09.30.2014	09.30.2013	Changes	
			Amount	%
1) INDIRECT TAXES AND DUTIES	(58,552)	(43,856)	(14,696)	33.5%
2) MISCELLANEOUS COSTS AND EXPENSES				
A) Advertising expenses - Marketing and communication	(15,218)	(17,186)	1,968	-11.5%
Mass media campaigns	(11,662)	(12,651)	989	-7.8%
Marketing and promotions	(3,476)	(4,466)	990	-22.2%
Sponsorships	(61)	(44)	(17)	38.6%
Conventions and internal communications	(19)	(25)	6	-24.0%
B) Expenses related to credit risk	(886)	(831)	(55)	6.6%
Credit recovery expenses	(554)	(517)	(37)	7.2%
Commercial information and company searches	(332)	(314)	(18)	5.7%
C) Expenses related to personnel	(15,346)	(9,100)	(6,246)	68.6%
Personnel training	(282)	(232)	(50)	21.6%
Car rental and other payroll costs	(36)	(33)	(3)	9.1%
Personal financial advisor expenses	(14,599)	(8,479)	(6,120)	72.2%
Travel expenses	(383)	(302)	(81)	26.8%
Premises rentals for personnel	(46)	(54)	8	-14.8%
D) ICT expenses	(20,782)	(21,709)	927	-4.3%
Lease of ICT equipment and software	(3,081)	(3,867)	786	-20.3%
Software expenses: lease and maintenance	(4,242)	(4,544)	302	-6.6%
ICT communication systems	(2,814)	(2,663)	(151)	5.7%
ICT services: external personnel/outsourced services	(5,089)	(5,163)	74	-1.4%
Financial information providers	(5,556)	(5,472)	(84)	1.5%
E) Consulting and professional services	(5,699)	(2,295)	(3,404)	148.3%
Consultancy for ordinary operations	(525)	(438)	(87)	19.9%
Consultancy for strategy, business development and organisational optimisation	(2,141)	(29)	(2,112)	7282.8%
Legal expenses	(1,184)	(3)	(1,181)	39366.7%
Legal disputes	(1,849)	(1,825)	(24)	1.3%
F) Real estate expenses	(15,846)	(16,187)	341	-2.1%
Real estate services	(514)	(514)	-	0.0%
Repair and maintenance of furniture, machinery, and equipment	(232)	(178)	(54)	30.3%
Maintenance of premises	(789)	(776)	(13)	1.7%
Premises rentals	(12,664)	(12,313)	(351)	2.9%
Cleaning of premises	(391)	(369)	(22)	6.0%
Utilities	(1,256)	(2,037)	781	-38.3%
G) Other functioning costs	(24,333)	(21,507)	(2,826)	13.1%
Surveillance and security services	(288)	(299)	11	-3.7%
Postage and transport of documents	(1,809)	(1,994)	185	-9.3%
Administrative and logistic services	(11,004)	(10,010)	(994)	9.9%
Insurance	(2,709)	(2,906)	197	-6.8%
Printing and stationery	(451)	(452)	1	-0.2%
Association dues and fees	(6,629)	(5,468)	(1,161)	21.2%
Other administrative expenses	(1,443)	(378)	(1,065)	281.7%
H) Recovery of costs	56,750	42,373	14,377	33.9%
Recovery of ancillary expenses	248	134	114	85.1%
Recovery of taxes	56,502	42,239	14,263	33.8%
Total	(99,912)	(90,298)	(9,614)	10.6%

(Amounts in € thousand)

Indirect taxes and duties net of Recovery of taxes increased by €0.4 million, mainly attributable to the amount of "Tobin Tax" paid on transactions executed by the Bank on its own behalf.

Advertising expenses – marketing and communication decreased by €2 million, due to lower investments in advertising planned and implemented in the period ended September 30, 2014 compared to the same period of 2013.

Other administrative expenses, net of Indirect taxes and duties, Recovery of taxes and Advertising expenses – marketing and communication, include €1.7 million for costs resulting from the new incentive plans, whose guidelines were approved by the Board of Directors on April 15, 2014 and the related regulation by the Board of Directors on May 15, 2014, with execution conditional on listing, and higher expenses for financial advisors, as a result of the intensification of recruitment, which began in 2012. The increased number of advisors also resulted in higher costs for trade association dues and fees mainly owing to the increase in charges for the ENASARCO association and the FIRR termination compensation fund.

These were in addition to "Legal expenses", "Consultancy for strategy, business development and organisational optimization" and "Association dues and fees" linked to the listing project, totalling €5.3 million.

Impairment losses on intangible assets relate mainly to the amortization of the costs incurred for computer software with a long-term useful life and did not show any significant change with respect to the previous year.

Impairment losses on tangible assets refer to the depreciation applied to electronic machines, plant and machinery, office furniture and fittings. These increased by €0.7 million on the previous year, mainly due to greater depreciation applied to electronic machines.

Profit (loss) before tax from continuing operations

	09.30.2014	09.30.2013	<i>Changes</i>	
			<i>Amount</i>	<i>%</i>
Operating profit (loss)	175,042	136,874	38,168	27.9%
Net impairment losses on loans and provisions for guarantees and commitments	(1,976)	(1,955)	(21)	1.1%
Net operating profit (loss)	173,066	134,919	38,147	28.3%
Provisions for risks and charges	(3,628)	(4,475)	847	-18.9%
Net income from investments	(4)	(6)	2	-33.3%
Profit before tax	169,434	130,438	38,996	29.9%

(Amounts in € thousand)

Net impairment losses on loans did not show any significant change compared to September 30, 2013.

Provisions for risks and charges decreased by €0.9 million, due to lower provisions compared to the same period of the previous year, partially offset by a revised accounting method for marketing campaigns, which in the first nine months of 2013 had resulted in reallocations through profit or loss for a total of €2.8 million. Starting from 2014, the net provisions for risks and charges in relation to marketing campaigns are booked in a specific item (item 20 Interest expense and similar charges), in order to provide a more accurate accounting recognition.

Profit (loss) before tax from continuing operations amounted to a profit of €169.4 million, increasing by 29.9% on September 30, 2013 due to the positive contribution from net interest margin, as a result of the revision of the liquidity investment policies mentioned above, and from net fee and commission income, owing to the increase in commission income deriving from assets under management and securities trading and order collection, which largely offset the increase in administrative costs related to the listing project.

Income tax for the period

Breakdown of taxes for the year	09.30.2014	09.30.2013	Changes	
			Amount	%
Current IRES income tax charges	(43,011)	(34,207)	(8,804)	25.7%
Current IRAP corporate tax charges	(11,402)	(10,222)	(1,180)	11.5%
Adjustment to current tax of prior years	(2,200)	(3,300)	1,100	-33.3%
Total current taxes	(56,613)	(47,729)	(8,884)	18.6%
Change in deferred tax assets	(2,223)	(1,936)	(287)	14.8%
Change in deferred tax liabilities	(1,000)	(1,020)	20	-2.0%
Total deferred tax liabilities	(3,223)	(2,956)	(267)	9.0%
Gain from substitute tax exemption	(334)	(334)	-	-
Income tax for the period	(60,170)	(51,019)	(9,151)	17.9%

(Amounts in € thousand)

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.

Current taxes were determined applying an IRES income tax rate of 27.5% and an IRAP corporate tax rate of 5.12%.

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 FinecoBank realigned the goodwill recognized following the merger of UniCredit Xelion Sim into UniCredit Xelion Banca S.p.A..

The redeemed goodwill may be amortized 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 amortization, corresponding to €4 million, was recognized in the accounts. A tenth of this amount will be recognized through profit or loss for each year of the tax deduction of tax-related amortization of goodwill.

For the three-year period 2013-2015, FinecoBank, in its capacity as consolidated company, is subject to "national tax consolidation", as established by Legislative Decree no. 344 of December 12, 2003, which is carried out by the Parent Company, UniCredit.

Net profit (loss) for the period

Net profit for the period came to €109.3 million, an increase of 37.6% on the previous year mainly due to the increase in net interest margin associated with the new liquidity investment policy, the increase in net fee and commission income resulting from the higher volume of assets under management.

RELATED-PARTY TRANSACTIONS

In order to ensure full compliance with current legislative and regulatory provisions on disclosure of related-party transactions, on December 13, 2010, FinecoBank approved the provisions for related-party transactions, in compliance with the provisions of the Consob Regulation, approved by Resolution no. 17221 of March 12, 2010 and subsequently amended by Resolution no. 17389 of June 23, 2010. On December 17, 2013 and January 27, 2014, respectively, the Board of Directors of the Bank approved the "Global Policy for the management of transactions with persons in conflict of interest" (Related Parties as defined by Consob, Associated Persons as defined by the Bank of Italy and Bank Officers pursuant to Article 136 of the Consolidated Law on Banking (TUB)) ("Global Policy") and the "Global Operational Instructions for the management of transactions with parties involving conflicts of interest", issued by the Parent Company UniCredit as part of its management and coordination of subsidiaries.

In order to establish principles and rules that the Bank should apply as protection against the risks arising from situations of potential conflict of interest due to specific persons having close relations with the Bank's decision-making centres, the Board of Directors of FinecoBank, in its meeting of May 15, 2014, having received prior positive recommendations from the Audit and Related Parties Committee and the Board of Statutory Auditors, approved the "Procedures for the management of transactions with persons in conflict of interest (the "Procedures"). The Procedures are intended to provide a systematic overview, covering all governance aspects and areas of application, as well as procedural and organizational aspects. They contain rules to be observed in the management of:

- Related-Party transactions pursuant to the Consob Regulation adopted by resolution 17221 of March 12, 2010, as amended;
- Transactions with Associated Persons pursuant to the regulations on "Risk assets and conflicts of interest with respect to 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".

The Procedures were drafted based on the fact that FinecoBank S.p.A. is a listed company, which means that the legislation applicable to Issuers listed on regulated markets is directly relevant, but also considering that the bank belongs to the UniCredit Banking Group and, accordingly, the parent company UniCredit exercises management and coordination in this regard.

With reference to paragraph 8 of Article 5 "Disclosure of related-party transactions" of the Consob Regulation on related-party transactions (adopted by Consob with resolution no. 17221 of March 12, 2010 and subsequently amended with resolutions no. 17389 of June 23, 2010), during 2014:

1. two non-standard transactions were carried out with related parties/associated persons, based on the approval of the Board of Directors on March 27, 2014, and specifically:
 - o a material transaction, concerning the change in the liquidity investment policy of FinecoBank with the Parent Company UniCredit S.p.A.;
 - and
 - o a minor transaction, concerning the appointment of MedioBanca S.p.A. as sponsor for the admission to the listing of the ordinary shares of the Bank.

The above transactions were approved by UniCredit's Related-Parties and Equity Investments Committee and by (i) all members of FinecoBank's Audit Committee, the above transaction with Mediobanca and (ii) only by Independent Directors of the Committee, the new liquidity investment policy. The latter transaction was also examined by the Board of Directors of the Parent Company, on a prudential basis, given that up until the listing – due to the effect of 100% control – intragroup transactions would have been excluded from the above decision-making procedures;

2. three transactions were carried out with related parties/associated persons, based on the approval of the Board of Directors on April 15, 2014 and the prior favourable opinion of the Audit and Related Parties Committee. Specifically:
 - o a minor, non-standard transaction was carried out at market conditions with UniCredit Bank AG concerning the appointment of the mentioned bank as Joint Global Coordinator and Joint Bookrunner in the placement of the Company's shares for the purpose of the Listing; the fees due to the Syndicate were paid by the selling Shareholder;
 - o a minor, non-standard transaction was carried out at market conditions with Mediobanca concerning the appointment of the mentioned bank as Joint Bookrunner in the placement of the Company's shares for the purpose of the Listing; the fees due to the Syndicate were paid by the selling Shareholder;
 - and
 - o a minor, non-standard transaction, was carried out with UniCredit at non-market conditions, as it was free of charge, concerning the signing of an agreement acknowledging the licence agreement for the "Fineco" trademark;
3. based on the approval of the Board of Directors on June 27, 2014, and the prior favourable opinion of the Audit and Related Parties Committee, an ordinary significant transaction was carried out at market conditions consisting in a "Framework Resolution - Repo transactions with institutional clients, term deposits from retail customers and related use of liquidity", which will be valid until October 31, 2014, supplemented by the quantitative limits set by the Board of Directors on July 15, 2014, following the approval of FinecoBank's Committee. The above transaction was approved by the Parent's Related-Parties and Equity Investments Committee with the issue of a non-binding opinion on the matter, in compliance with the current Procedures.
4. based on the approval of the Board of Directors on July 15, 2014, and the prior favourable opinion of the Audit and Related Parties Committee, in addition to the amendment to the Framework Resolution referred to in point 3), an ordinary significant transaction was carried out at market conditions with UniCredit S.p.A., represented by a medium to long-term investment in the structural liquidity raised in the period April 1, 2014/June 30, 2014, completed with the purchase of UniCredit bonds issued at market conditions; the Parent's Related-Parties and Equity Investments Committee, asked to issue a non-binding opinion on the matter, gave its approval;
5. based on the approval of the Board of Directors on September 23, 2014, and the prior favourable opinion of the Audit and Related Parties Committee, two ordinary significant transactions were carried out at market conditions with (i) UniCredit S.p.A., Dab Bank AG and Direktanlage.AT AG, consisting in a "Framework Resolution related to current accounts held with UniCredit Group companies", which will be valid until September 23, 2015, and with (ii) UniCredit S.p.A. related to a medium to long-term investment in the structural liquidity raised in the period July 1, 2014/September 30, 2014 completed with the purchase of UniCredit bonds issued at market conditions.

For both transactions the Parent's Related-Parties and Equity Investments Committee, asked to issue a non-binding opinion on the matter, gave its approval.

The transactions referred to in points 3), 4) and 5) have been subject to disclosure to CONSOB through simplified procedure, in accordance with CONSOB Regulation No. 17221/2010, and are subject, pursuant to Circular 286/2013 of the Bank of Italy, to quarterly supervision reporting on an individual basis as transactions with associated persons.

As at September 30, 2014, intragroup transactions and transactions with related parties in general, both Italian and foreign, were conducted within the ordinary course of business and related financial activities of the Bank and were carried out under conditions similar to those applied to transactions with unrelated third parties. Intragroup transactions were carried out based on assessments of a mutual economic advantage, and the determination of applicable terms and conditions took place in compliance with the criteria of substantial correctness. The same principle was also applied in relation to the provision of intra-group services, combined with the principle of regulating such services at minimal rate solely to recover related production costs.

At September 30, 2014 no atypical or unusual transaction was carried out.

Transactions with Group companies

The following table provides a summary of outstanding assets, liabilities, guarantees and commitments as at September 30, 2014 in relation to Group companies.

	<i>Assets</i>	<i>Liabilities</i>	<i>Guarantees and commitments</i>
Transactions with the Parent Company UniCredit S.p.A.	13,589,674	1,560,979	256,070
Transactions with companies controlled by UniCredit S.p.A.	37,691	61,295	-

(Amounts in € thousand)

SUBSEQUENT EVENTS AND OUTLOOK

SUBSEQUENT EVENTS

No significant events have occurred after the end of the reporting period.

OUTLOOK AND MAIN RISKS AND UNCERTAINTIES

The last part of 2014 will probably be characterized by ongoing uncertainty related to a difficult macroeconomic environment where there are very few signs of economic recovery.

Fineco will continue to pursue its strategy of consolidation and further strengthening of its competitive positioning in the Italian market of integrated banking, brokerage and investing services. Achieving this goal will require the network of financial advisors to be strengthened, leveraging innovation to expand the range of product and services offered, and developing the advisory area in order to meet the increasingly sophisticated needs of a broader customer base. All these activities will be supported by advertising investments aimed at consolidating customers' perception of the fundamental characteristics of FinecoBank's proposal: simplicity, transparency and innovation.

The above steps reflects a strategy that combines the main trends characterizing the competitive environment in which we operate: the increasing digitization of society and a growing demand for financial advisory services.

NUMBER OF TREASURY SHARES AND SHARES IN THE PARENT COMPANY

FinecoBank does not hold, and did not hold during the period ended September 30, 2014, treasury shares or shares of the Parent Bank, including through other companies or third parties.

Milan – November 7, 2014

THE BOARD OF DIRECTORS

The Chairman
Enrico Cotta Ramusio

The Managing Director and General Manager
Alessandro Foti

RECONCILIATION OF CONDENSED ACCOUNTS TO MANDATORY REPORTING SCHEDULE

ASSETS	09.30.2014	12.31.2013
Cash and cash balances = <i>item 10</i>	9	5
Financial assets held for trading = <i>item 20</i>	4,708	4,700
Loans and receivables with banks = <i>item 60</i>	13,612,912	16,330,912
Loans and receivables with customers = <i>item 70</i>	700,208	641,250
Financial investments	1,716,878	93,114
30. <i>Financial assets designated at fair value through profit or loss</i>	-	3,199
40. <i>Available-for-sale financial assets</i>	1,716,878	89,915
Hedging instruments	23,494	179,265
80. <i>Hedging derivatives</i>	10,631	123,143
90. <i>Changes in fair value of portfolio hedged financial liabilities</i>	12,863	56,122
Property, plant and equipment = <i>item 110</i>	10,901	10,772
Goodwill = <i>item 120. Intangible assets of which: goodwill</i>	89,602	89,602
Other intangible assets = <i>item 120 net of goodwill</i>	8,100	8,014
Tax assets = <i>item 130</i>	42,058	67,934
Other assets = <i>item 150</i>	227,200	256,629
Total assets	16,436,070	17,682,197

(Amounts in € thousand)

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Cash and cash balances = <i>item 10</i>	9	5
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Other assets = <i>item 150</i>	227,200	256,629
Total assets	16,436,070	17,682,197

(Amounts in € thousand)

INCOME STATEMENT	01.01.2014/ 30.09.2014	01.01.2013/ 30.09.2013
Net interest	172,372	137,159
30. Net interest margin	172,372	137,159
Dividends and other income from equity investments	-	-
70. Dividend income and similar revenue	4	3
less: dividends from held for trading equity instruments included in item 70	(4)	(3)
Net fee and commission income = item 60	142,860	121,378
60. Net fee and commission income	142,860	121,378
Net trading, hedging and fair value income	19,411	21,865
80. Gains (losses) on financial assets and liabilities held for trading	19,389	21,556
+ dividends from held for trading equity instruments (from item 70)	4	3
90. Fair value adjustments in hedge accounting	-	-
110. Gains (losses) on assets and liabilities at fair value through profit and loss	18	306
Net other expenses/income	(3,646)	(939)
190. Other net operating income	53,108	41,470
less: other operating income - of which: recovery of costs	(56,750)	(42,373)
100. Gains (losses) on disposal and repurchase of: a) loans and receivables	49,159	52,445
100. Gains (losses) on disposal and repurchase of: d) financial liabilities	(49,163)	(52,481)
OPERATING INCOME	330,997	279,463
Payroll costs	(49,868)	(46,864)
150. Administrative costs - a) payroll costs	(49,868)	(46,864)
Other administrative expenses	(156,662)	(132,671)
150. Administrative costs - b) other administrative expenses	(156,662)	(132,671)
Recovery of expenses	56,750	42,373
190. Other net operating income - of which: recovery of costs	56,750	42,373
Amortisation, depreciation and impairment losses on intangible and tangible assets	(6,175)	(5,427)
170. Impairments/write-backs on property, plant and equipment	(2,611)	(1,956)
180. Impairments/write-backs on intangible assets	(3,564)	(3,471)
Operating costs	(155,955)	(142,589)
OPERATING PROFIT (LOSS)	175,042	136,874
Net impairment losses on loans and provisions for guarantees and commitments	(1,976)	(1,955)
130. Impairment losses/write-backs on: a) loans and receivables	(2,015)	(1,955)
130. Impairment losses/write-backs on: d) other financial assets	39	-
NET OPERATING PROFIT (LOSS)	173,066	134,919
Provisions for risks and charges	(3,628)	(4,475)
160. Provisions for risks and charges	(3,628)	(4,475)
Net income from investments	(4)	(6)
240. Gains (losses) on disposal of investments	(4)	(6)
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	169,434	130,438
Income tax for the period	(60,170)	(51,019)
260. Tax expense (income) related to profit or loss from continuing operations	(60,170)	(51,019)
NET PROFIT (LOSS) FROM CONTINUING OPERATIONS	109,264	79,419

(Amounts in € thousand)

Bank Financial Statements

BALANCE SHEET

BALANCE SHEET - ASSETS	09.30.2014	12.31.2013
10. Cash and cash balances	9,325	4,634
20. Financial assets held for trading	4,707,568	4,700,335
30. Financial assets designated at fair value through profit or loss	-	3,199,399
40. Available-for-sale financial assets	1,716,878,328	89,914,773
60. Loans and receivables with banks	13,612,912,388	16,330,912,207
70. Loans and receivables with customers	700,208,411	641,249,951
80. Hedging derivatives	10,630,648	123,142,677
90. Changes in fair value of portfolio hedged financial assets (+/-)	12,863,205	56,122,418
110. Property, plant and equipment	10,900,504	10,771,844
120. Intangible assets	97,701,729	97,615,790
of which		
- goodwill	89,601,768	89,601,768
130. Tax assets	42,057,797	67,934,309
a) current tax assets	2,289,949	25,264,179
b) deferred tax assets	39,767,848	42,670,130
out of which for purposes of Law 214/2011	3,498,885	3,473,290
150. Other assets	227,199,708	256,629,063
Total assets	16,436,069,611	17,682,197,400

BALANCE SHEET - LIABILITIES AND SHAREHOLDERS' EQUITY	09.30.2014	12.31.2013
10. Deposits from banks	1,282,385,760	1,648,675,366
20. Deposits from customers	13,741,345,015	12,732,308,955
30. Debt securities in issue	423,841,691	2,322,511,058
40. Financial liabilities held for trading	4,646,754	2,301,409
60. Hedging derivatives	36,400,808	141,800,654
70. Changes in fair value of portfolio hedged financial liabilities (+/-)	8,794,485	36,773,395
80. Tax liabilities	72,893,201	37,700,727
a) current tax liabilities	47,998,863	16,841,629
b) deferred tax liabilities	24,894,338	20,859,098
100. Other liabilities	240,806,671	227,861,470
110. Provision for employee severance pay	4,639,167	3,760,989
120. Provisions for risks and charges	106,292,401	109,354,461
b) other provisions	106,292,401	109,354,461
130. Revaluation reserves	8,580,805	4,214,349
160. Reserves	194,174,183	127,714,418
170. Share premium reserve	1,934,113	1,934,113
180. Share capital	200,070,431	200,070,431
200. Net Profit (Loss) for the year	109,264,126	85,215,605
Total liabilities and shareholders' equity	16,436,069,611	17,682,197,400

INCOME STATEMENT

INCOME STATEMENT		01.01.2014/09.30.2014	01.01.2013/09.30.2013
10.	Interest income and similar revenues	217,911,777	236,446,831
20.	Interest expenses and similar charges	(45,540,094)	(99,287,778)
30.	Net interest margin	172,371,683	137,159,053
40.	Fee and commission revenues	300,935,873	266,107,956
50.	Fee and commission expenses	(158,075,770)	(144,729,467)
60.	Net fee and commission income	142,860,103	121,378,489
70.	Dividend income and similar revenue	4,158	2,814
80.	Gains (losses) on financial assets and liabilities held for trading	19,388,996	21,555,992
90.	Fair value adjustments in hedge accounting	-	-
100.	Gains (losses) from disposal or repurchase of:	(4,219)	(35,600)
	a) loans and receivables	49,159,044	52,445,491
	d) financial liabilities	(49,163,263)	(52,481,091)
110.	Gains (losses) on financial assets/liabilities designated at fair value through profit or loss	18,204	305,788
120.	Operating income	334,638,925	280,366,536
130.	Impairment losses/write-backs on:	(1,975,871)	(1,954,998)
	a) loans and receivables	(2,015,382)	(1,954,998)
	d) other financial assets	39,511	-
140.	Net profit (loss) from financial activities	332,663,054	278,411,538
150.	Administrative costs	(206,529,440)	(179,534,948)
	a) payroll costs	(49,867,676)	(46,863,901)
	b) other administrative expenses	(156,661,764)	(132,671,047)
160.	Net provisions for risks and charges	(3,628,314)	(4,475,183)
170.	Impairment/write-backs on property, plant and equipment	(2,610,420)	(1,956,159)
180.	Impairment/write-backs on intangible assets	(3,564,215)	(3,470,685)
190.	Other net operating income	53,108,064	41,469,593
200.	Operating costs	(163,224,325)	(147,967,382)
240.	Gains (losses) on disposal of investments	(4,152)	(6,306)
250.	Total profit (loss) before tax from continuing operations	169,434,577	130,437,850
260.	Tax expense (income) related to profit or loss from continuing operations	(60,170,451)	(51,019,319)
270.	Total profit (loss) after tax from continuing operations	109,264,126	79,418,531
290.	Net Profit (Loss) for the period	109,264,126	79,418,531

The undersigned, Lorena Pelliciari, as Nominated Official in charge of drawing up the Company Accounts of FinecoBank S.p.A.,

HEREBY DECLARES

in accordance with the provisions of paragraph 2 of Article 154-bis of the "Consolidated Finance Act", that the accounting information contained in this Interim Financial Report at September 30, 2014 corresponds to the document results, the books and the accounting records.

Milan – November 7, 2014

Nominated Official in charge of
drawing up Company Accounts

Lorena Pelliciari

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