



THE NEW BANK

INTERIM FINANCIAL REPORT
AS AT MARCH 31, 2015



SEMPLICE E TRASPARENTE

LA BANCA CHE SEMPLIFICA LA BANCA

[Banca del Gruppo  UniCredit]

FinecoBank S.p.A.
Interim Financial Report
as at March 31, 2015

Contents

Board of Directors and Board of Statutory Auditors	2
---	----------

Interim Financial Report	4
---------------------------------	----------

Introduction to the Interim Financial Report	5
--	---

Summary data	7
--------------	---

Key figures	11
-------------	----

Fineco shares	13
---------------	----

Business performance and main initiatives during the year	13
---	----

Main balance sheet aggregates	19
-------------------------------	----

Capital resources and prudential requirements	31
---	----

Income Statement Figures	32
--------------------------	----

Related-Party Transactions	40
----------------------------	----

Subsequent Events and Outlook	43
-------------------------------	----

Balance Sheet and Income Statement	44
---	-----------

Balance Sheet	45
---------------	----

Income Statement	46
------------------	----

Reconciliation of condensed accounts to mandatory reporting schedule	47
---	-----------

Declaration of the Nominated Official in charge of drawing up Company Accounts	50
---	-----------

Registered office

20131 Milan - Piazza Durante, 11

"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

External Auditors

Deloitte & Touche S.p.A.

Nominated Official in charge of drawing up Company Accounts

Lorena Pelliciarì

Interim Financial Report

INTRODUCTION TO THE INTERIM FINANCIAL REPORT

This Interim Financial Report as at March 31, 2015 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's Financial Statements**, presented with a comparison to those of 2014; specifically, the balance sheet figures have been compared with those as at December 31, 2014, while the income statement figures have been compared with the corresponding figures as at March 31, 2014;
- the **Declaration of the Nominated Official in charge of drawing up Company Accounts**.

This Interim Financial Report as at March 31, 2015 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 Financial Statements as at December 31, 2014. In this respect, it should be noted that, there have been no changes in estimate criteria compared to those applied in the preparation of financial statements for the year ended December 31, 2014, but Bank of Italy has revised the criteria to be applied as of January 1, 2015 for classifying impaired financial assets (see 7th update of Circular no. 272 of July 30, 2008 - "Matrix of accounts" issued by the Bank of Italy on January 20, 2015), in order to align them to the new definitions of Non-Performing Exposures and Forbearance introduced by the European Banking Authority in the "Final Draft Implementing Technical Standards on Supervisory reporting on forbearance and non-performing exposures" (EBA/ITS /2013/03/rev1 24/7/2014). The main novelties are the elimination of the "Problem Loan" and "Restructured Loans" categories, and the introduction of the new "Unlikely to pay" category and of the "Forbearance" concept, which cuts through all receivables categories, both performing and impaired.

Consequently, for the purposes of like-for-like comparison, the corresponding figures relating to the previous year have been restated.

It should also be noted that, starting from January 1, 2015 the condensed accounts used in the interim report on operations were modified; specifically, "Adjustments of leasehold improvements" were attributed to the item "Other administrative expenses" (whilst previously they were attributed to the item "Net other expenses/income"), and "Impairment losses on other assets" pertaining to "ex-post" contributions to the Interbank Fund for the Protection of Deposits were attributed to the item "Provision for risks and charges" (previously, they had been attributed to the item "Net adjustments to loans and provisions for guarantees and commitments"). For greater detail, see the "Reconciliation of condensed accounts to mandatory reporting schedule" Annexed to this document.

Finally, please note that European Directive no. 49/2014 relating to the deposit guarantee systems, which is due to be transposed into national law in 2015, introduces significant changes to the previously existing national guarantee funds. As a matter of fact, the new directive – within a framework of substantial legal, organizational and operational continuity – requires the adoption of an "ex ante" contribution mechanism, aimed at establishing a target amount of

funds by 2024. The previous guarantee schemes that have operated so far according to an "ex post" system (i.e., involving the payment of contributions to fund individual actions taken in relation to depositors of a bank in difficulty) will therefore be required to adopt an ex-ante funding scheme. These include the National Interbank Deposit Guarantee Fund of which the Bank is a member. In addition, European Directive no. 59/2014 on recovery and resolution of credit institutions, has introduced a requirement for credit institutions to make payments in order to establish the European Single Resolution Fund, with the aim of establishing a target amount of funds by 2024. In the first quarter of 2015 no costs were recorded with respect to the relevant Directives, since they are yet to be transposed into national law.

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

ASSETS	Amounts as at		Changes	
	03.31.2015	12.31.2014	absolute	%
Cash and cash equivalents	10	5	5	100.0%
Financial assets held for trading	5,609	3,054	2,555	83.7%
Loans and receivables with banks	14,070,077	13,892,197	177,880	1.3%
Loans and receivables with customers	796,879	695,594	101,285	14.6%
Financial investments flow	2,264,284	1,695,555	568,729	33.5%
Hedging instruments	24,508	24,274	234	1.0%
Property, plant and equipment	11,161	10,892	269	2.5%
Goodwill	89,602	89,602	-	-
Other intangible assets	7,989	8,142	(153)	-1.9%
Tax assets	13,414	18,550	(5,136)	-27.7%
Other assets	215,368	326,756	(111,388)	-34.1%
Total assets	17,498,901	16,764,621	734,280	4.4%

(Amounts in € thousand)

LIABILITIES AND SHAREHOLDERS' EQUITY	Amounts as at		Changes	
	03.31.2015	12.31.2014	absolute	%
Deposits from banks	1,466,357	1,428,568	37,789	2.6%
Deposits from customers	14,603,456	13,914,712	688,744	4.9%
Debt securities in issue	427,884	424,710	3,174	0.7%
Financial liabilities held for trading	4,557	3,135	1,422	45.4%
Hedging instruments	46,933	46,220	713	1.5%
Provisions for risks and charges	114,680	118,031	(3,351)	-2.8%
Tax liabilities	55,688	33,358	22,330	66.9%
Other liabilities	169,052	243,633	(74,581)	-30.6%
Shareholders' Equity	610,294	552,254	58,040	10.5%
- capital and reserves	554,027	400,085	153,942	38.5%
- revaluation reserves (available-for-sale financial assets - actuarial gains (losses) for defined benefits plans)	8,485	2,262	6,223	275.1%
- net profit (loss)	47,782	149,907	(102,125)	-68.1%
Total liabilities and Shareholders' equity	17,498,901	16,764,621	734,280	4.4%

(Amounts in € thousand)

Balance Sheet - Quarterly data

ASSETS	<i>Amounts as at</i>				
	<i>03.31.2015</i>	<i>12.31.2014</i>	<i>09.30.2014</i>	<i>06.30.2014</i>	<i>03.31.2014</i>
Cash and cash equivalents	10	5	9	14	7
Financial assets held for trading	5,609	3,054	4,708	10,407	8,405
Loans and receivables with banks	14,070,077	13,892,197	13,612,912	13,476,117	17,084,534
Loans and receivables with customers	796,879	695,594	700,208	696,142	669,141
Financial investments flow	2,264,284	1,695,555	1,716,878	1,715,320	93,934
Hedging instruments	24,508	24,274	23,494	35,637	130,687
Property, plant and equipment	11,161	10,892	10,901	11,391	10,718
Goodwill	89,602	89,602	89,602	89,602	89,602
Other intangible assets	7,989	8,142	8,100	7,915	8,055
Tax assets	13,414	18,550	17,164	20,072	26,992
Other assets	215,368	326,756	227,200	227,865	170,281
Total assets	17,498,901	16,764,621	16,411,176	16,290,482	18,292,356

(Amounts in € thousand)

LIABILITIES AND SHAREHOLDERS' EQUITY	<i>Amounts as at</i>				
	<i>03.31.2015</i>	<i>12.31.2014</i>	<i>09.30.2014</i>	<i>06.30.2014</i>	<i>03.31.2014</i>
Deposits from banks	1,466,357	1,428,568	1,282,386	1,026,852	1,590,439
Deposits from customers	14,603,456	13,914,712	13,741,345	13,911,224	13,473,654
Debt securities in issue	427,884	424,710	423,842	421,965	2,322,527
Financial liabilities held for trading	4,557	3,135	4,647	4,867	7,902
Hedging instruments	46,933	46,220	45,195	48,960	130,411
Provisions for risks and charges	114,680	118,031	104,876	106,574	105,412
Tax liabilities	55,688	33,358	47,999	30,156	17,342
Other liabilities	169,052	243,633	246,862	268,182	188,903
Shareholders' Equity	610,294	552,254	514,024	471,702	455,766
- capital and reserves	554,027	400,085	396,179	392,928	414,934
- revaluation reserves (available-for-sale financial assets - actuarial gains (losses) for defined benefits plans)	8,485	2,262	8,581	4,912	3,906
- net profit (loss)	47,782	149,907	109,264	73,862	36,926
Total liabilities and Shareholders' equity	17,498,901	16,764,621	16,411,176	16,290,482	18,292,356

(Amounts in € thousand)

Income Statement

	1Q		Changes	
	2015	2014	absolute	%
Net interest	57,586	58,333	(747)	-1.3%
Net fee and commission income	61,681	47,718	13,963	29.3%
Net trading, hedging and fair value income	17,059	7,079	9,980	141.0%
Net other expenses/income	358	(41)	399	n.c.
OPERATING INCOME	136,684	113,089	23,595	20.9%
Payroll costs	(18,385)	(15,770)	(2,615)	16.6%
Other administrative expenses	(60,401)	(52,735)	(7,666)	14.5%
Recovery of expenses	21,012	18,807	2,205	11.7%
Amortisation, depreciation and impairment losses on intangible and tangible assets	(2,027)	(1,905)	(122)	6.4%
Operating costs	(59,801)	(51,603)	(8,198)	15.9%
OPERATING PROFIT (LOSS)	76,883	61,486	15,397	25.0%
Net impairment losses on loans and provisions for guarantees and commitments	(1,583)	(465)	(1,118)	240.4%
NET OPERATING PROFIT (LOSS)	75,300	61,021	14,279	23.4%
Provisions for risks and charges	(3,115)	(3,373)	258	-7.6%
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	72,185	57,648	14,537	25.2%
Income tax for the period	(24,403)	(20,722)	(3,681)	17.8%
PROFIT (LOSS) AFTER TAX FROM CONTINUING OPERATIONS	47,782	36,926	10,856	29.4%
PROFIT (LOSS) FOR THE PERIOD	47,782	36,926	10,856	29.4%

(Amounts in € thousand)

Income statement - Quarterly data

	2015	2014			
	1Q	4Q	3Q	2Q	1Q
Net interest	57,586	55,875	56,432	57,607	58,333
Net fee and commission income	61,681	52,884	45,831	49,311	47,718
Net trading, hedging and fair value income	17,059	10,331	6,522	5,810	7,079
Net other expenses/income	358	(1,289)	(1,302)	42	(41)
OPERATING INCOME	136,684	117,801	107,483	112,770	113,089
Payroll costs	(18,385)	(19,283)	(18,033)	(16,065)	(15,770)
Other administrative expenses	(60,401)	(52,311)	(50,443)	(55,829)	(52,735)
Recovery of expenses	21,012	20,420	19,208	18,735	18,807
Amortisation, depreciation and impairment losses on intangible and tangible assets	(2,027)	(2,634)	(2,233)	(2,037)	(1,905)
Operating costs	(59,801)	(53,808)	(51,501)	(55,196)	(51,603)
OPERATING PROFIT (LOSS)	76,883	63,993	55,982	57,574	61,486
Net impairment losses on loans and provisions for guarantees and commitments	(1,583)	(1,204)	(685)	(826)	(465)
NET OPERATING PROFIT (LOSS)	75,300	62,789	55,297	56,748	61,021
Provisions for risks and charges	(3,115)	(2,493)	(677)	422	(3,373)
Net income from investment	-	-	(4)	-	-
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	72,185	60,296	54,616	57,170	57,648
Income tax for the period	(24,403)	(19,653)	(19,214)	(20,234)	(20,722)
NET PROFIT (LOSS) AFTER TAX FROM CONTINUING OPERATIONS	47,782	40,643	35,402	36,936	36,926
PROFIT (LOSS) FOR THE PERIOD	47,782	40,643	35,402	36,936	36,926

(Amounts in € thousand)

Main balance sheet figures

	Amounts as at		Changes	
	03.31.2015	12.31.2014	absolute	%
Loans receivable with ordinary customers (1)	469,872	478,752	(8,880)	-1.9%
Total assets	17,498,901	16,764,621	734,280	4.4%
Customer direct sales (2)	14,371,268	13,753,719	617,549	4.5%
Customer indirect sales (3)	39,339,376	35,587,446	3,751,930	10.5%
Total customer sales (direct and indirect)	53,710,644	49,341,165	4,369,479	8.9%
Shareholders' equity	610,294	552,254	58,040	10.5%

(Amounts in € thousand)

(1) Loans receivable with ordinary customers refer solely to loans granted to customers (current account overdrafts, credit cards, personal loans and unsecured 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**

	<i>Data as at</i>		
	<i>03.31.2015</i>	<i>12.31.2014</i>	<i>03.31.2014</i>
No. Employees	1,030	1,008	967
No. Human Resources	1,037	1,022	976
No. Financial Advisors	2,571	2,533	2,479
No. Operating financial outlets	328	325	315

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

	<i>Data as at</i>		
	<i>03.31.2015</i>	<i>12.31.2014</i>	<i>03.31.2014</i>
Net interest/Operating income	42.13%	50.59%	51.58%
Income from brokerage and other income/Operating income	57.87%	49.41%	48.42%
Income from brokerage and other income/Operating costs	132.27%	105.09%	106.11%
Cost/income ratio	43.75%	47.02%	45.63%
Operating costs/TFA	0.46%	0.46%	0.46%
Cost of risk	62 bp	71 bp	46 bp
ROE	43.91%	36.49%	36.92%
Return on assets	1.09%	0.89%	0.81%
EVA	41,526	128,379	32,708
RARORAC	57.16%	57.77%	75.14%
ROAC	65.77%	67.46%	84.83%
Total sales to customers/Average employees	52,172	49,391	46,728
Total customer sales /(Employees + Average PFAs)	14,997	14,160	13,279

(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). 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. Operating costs as at 31 March 2015 and 31 March 2014 were annualised.

Cost of risk: the ratio of net adjustments to loans and provisions for guarantees and commitments to the average of loan receivables from ordinary Customers. Average ordinary loans to customers were calculated as the average between the period-end balance and the balance as at the previous December 31. Net adjustments to loans and provisions for guarantees and commitments as at 31 March 2015 and 31 March 2014 were annualised. Net adjustments to loans and provisions for guarantees and commitments as at 31 March 2015 are net of adjustments made to exposures to customers who made a loss on leveraged Forex positions due to the extraordinary drop in the value of Euro versus the Swiss Franc recorded on January 15, 2015, equal to €0.8 million.

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).

Return on assets: ratio of net profit to total assets. The net profit as at 31 March 2015 and 31 March 2014 was annualised.

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.

For the calculation of EVA, RARORAC and ROAC indicators as at 31 March 2015, internal capital is that as at December 31, the latest available provided by the Parent Company.

Balance Sheet indicators

	<i>Data as at</i>	
	<i>03.31.2015</i>	<i>12.31.2014</i>
Loans receivable with ordinary customers/Total assets	2.69%	2.86%
Loans and receivables with banks/Total assets	80.41%	82.87%
Financial assets/Total assets	12.97%	10.13%
Direct sales/Total liabilities and Shareholders' equity	82.13%	82.04%
Debt securities in issue/Total liabilities and Shareholders' equity	2.45%	2.53%
Shareholders' equity (including profit)/Total liabilities and Shareholders' equity	3.49%	3.29%
Loans and receivables with ordinary customers/Customer direct sales	3.27%	3.48%
<i>Credit quality</i>		
	<i>03.31.2015</i>	<i>12.31.2014</i>
Impaired loans/Loans receivable with ordinary customers	0.92%	0.89%
Non-performing loans/Loans receivable with ordinary customers	0.70%	0.66%
Coverage ⁽¹⁾ - Non-performing loans	84.04%	84.08%
Coverage ⁽¹⁾ - Doubtful loans	67.22%	67.20%
Coverage ⁽¹⁾ - Past-due impaired loans	43.21%	49.14%
Coverage ⁽¹⁾ - Total impaired loans	81.03%	81.07%

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

Own funds and capital ratios

	<i>Data as at</i>	
	<i>03.31.2015</i>	<i>12.31.2014</i>
Total own funds	355,984	353,133
Total risk-weighted assets (€ thousand)	1,836,439	1,850,331
Ratio - Common Equity Tier 1 Capital	19.38%	19.08%
Ratio - Tier 1 Capital	19.38%	19.08%
Ratio - Total Own Funds	19.38%	19.08%

Own funds and capital ratios were determined applying the current Supervisory Regulations, in line with Basel III standards.

FINECO SHARES**Share information**

The Fineco share recorded a solid performance in the first quarter of 2015, also underpinned by positive market sentiment in Italy. At the end of 2014 the share price was €4,668, reaching €6,425 at the end of the 2015 quarter, the best result ever recorded in the reference period. Overall, the share price grew by 37.6% since the end of 2014.

The performance is even more impressive if you consider the development of the share price compared to the listing price: since 2 July 2014, the date on which FinecoBank's ordinary shares started to be traded on the Italian Stock Exchange (MTA), the share has experienced a decidedly positive trend, posting a 73.6% price increase.

The outcome of the global offering had set the listing price at €3.7 per share, equivalent to a market capitalization of the bank of €2,243 million. As at March 31, 2015 the bank's market capitalisation amounted to €3,897 million.

	1Q2015	Year 2014
Official price of ordinary shares (€)		
- maximum	6.425	4.750
- minimum	4.438	3.808
- average	5.356	4.168
- period-end	6.425	4.668
Number of shares (millions)		
- in circulation at period end	606.5	606.3

BUSINESS PERFORMANCE AND MAIN INITIATIVES IN THE PERIOD

FinecoBank is the direct, multi-channel bank of the UniCredit Group, with 988,000 customers at the end of March 2015, 31,000 of whom acquired since the beginning of the year, up 5% compared to the same period in the previous year.

Since the beginning of 2015, FinecoBank recorded total net deposits of €1,612 million, up 53% compared to the same period in 2014, of which €1,198 million for deposits under management, up 92% versus the previous year. Total net deposits from the PFA network, too, recorded a 53% increase, and came in at €1,447 million.

Total direct and indirect sales, amounting to €53,711 million at the end of March 2015, increased by 8.9% compared to the end of December 2014.

The first three months of 2015 ended with the best sales ever recorded, a fact that confirms both FinecoBank's ability to grow organically and savers' increasing appetite for the careful and sophisticated management of their savings. This is a trend that FinecoBank is capitalising on, and intends to continue to do so also in future months, particularly by providing the qualified advisory services that families require.

The Bank's offering is split into the following three areas: (i) banking: including current account and deposit services, payment services, and issuing debit, credit and prepaid cards; (ii) brokerage: providing order execution services on behalf of customers, 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; and (iii) investing: including

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.

Main events during the period

On February 9, 2015, the Board of Directors launched the plans approved by the Shareholders' Meeting on June 5, 2014.

In particular:

- it launched the "2014 Key People Plan" for employees of the Bank, following the verification of the achievement of the performance targets set in the Plan. To that effect, the Board of Directors confirmed its approval for a free increase in FinecoBank share capital of €79,761.00 corresponding to 241,700 ordinary shares. The dilution effect resulting from the above free capital increase to service the stock granting plans is calculated as a maximum of 0.04% of the fully diluted capital;
- it launched the 2014 stock granting plan ("2014 PFA Plan") for PFAs and Bank Network Managers, resolving to start the treasury shares purchase programme. Purchases only began after receipt of the authorisation from the Supervisory Authority, in accordance with articles 77-78 of EU Regulation 575/2013 of 26 June 2013 (CRR);
- considering the positive outcome of the verification of the entry conditions and the favourable opinion of the Remuneration and Appointments Committee, it approved:
 - the allocation of 494,493 FinecoBank free ordinary shares to the "2014-2017 Multi-Year Plan Top Management" – a reduction on the number decided on April 15, 2014 in order to ensure compliance with the ratio between the fixed and variable components of remuneration in line with current regulations;
 - the allocation of 269,728 FinecoBank free ordinary shares for the "Group Executive Incentive System 2014".

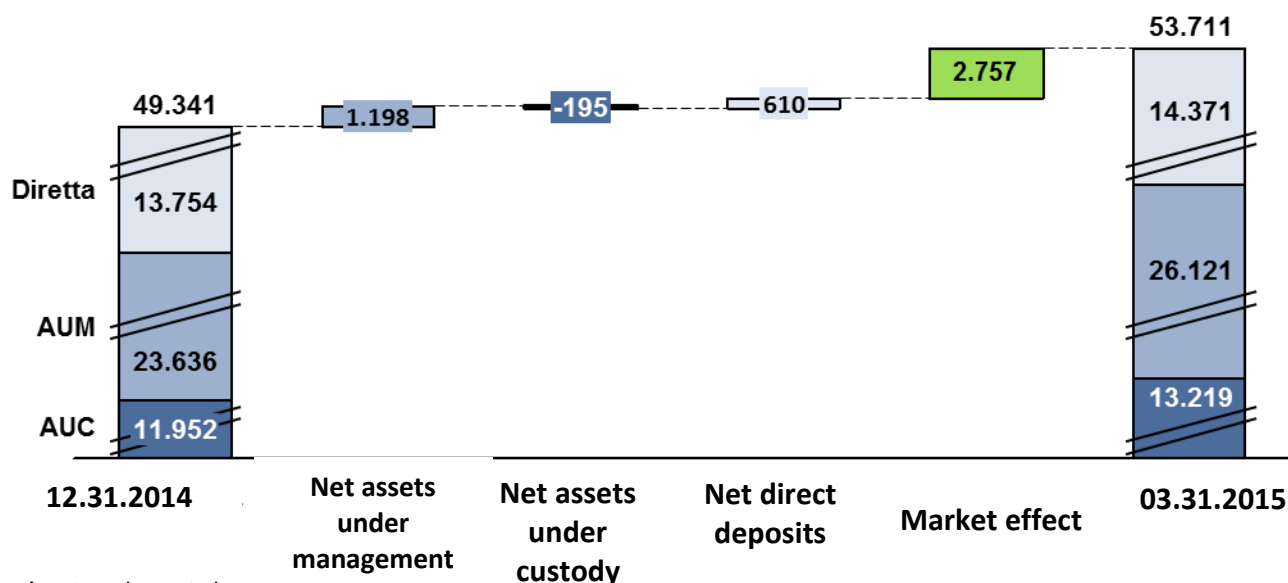
Performance of direct and indirect sales

Total customer sales (direct and indirect) for the first quarter of 2015 continued to grow, reaching €53,711 million as at 31 March 2015, an increase of 8.9% compared to the end of 2014, thanks to net sales of €1,612 million and a positive effect driven by market performance.

Customer indirect sales (Assets under Management-AUMs plus Assets under Custody-AUCs) showed an increase of 10.5%, totalling €39,339 million, a figure that confirms the constant growth trend and the continuous improvement in the quality of inflows. In this respect, the growth in "guided products & services"¹ should be pointed out, which continued to increase as a percentage of TFA, rising from 17.3% as at December 31, 2014 to 19.1% as at March 31, 2015. There was also noteworthy growth in Managed Assets, from 36.10% at December 31, 2014 to 39.24% at March 31, 2015.

Direct sales also showed a growth of 4.5%, 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.

¹Respectively FinecoBank products and/or services developed by investing in UCITs selected from among those distributed for each asset class taking into account customers' different risk profiles and offered to FinecoBank customers under the guided open architecture model. At the date of this interim report, the guided products category includes the "Core Series" umbrella fund of funds and the "Core Unit" and "Advice Unit" unit-linked policies, while the "Fineco Advice" and "Fineco Stars" advanced advisory service (investment) falls into the guided service category.



AUC = Assets under custody

AUM = Assets under management

TFA = Total Financial Assets (direct and indirect sales)

The table below shows the figures for the balance of direct sales, assets under management and assets under administration

of Fineco customers, including both those linked to a financial advisor and online customers.

Direct and indirect sales balance

	Amounts as at		Amounts as at		Changes	
	03.31.2015	Comp %	12.31.2014	Comp %	absolute	%
Current accounts and demand deposits	13,194,509	24.6%	12,247,082	24.8%	947,427	7.7%
Time deposits and reverse repos	1,176,759	2.2%	1,506,637	3.1%	(329,878)	-21.9%
DIRECT SALES BALANCE	14,371,268	26.8%	13,753,719	27.9%	617,549	4.5%
Segregated accounts	14,717	0.0%	14,782	0.0%	(65)	-0.4%
Investment funds and other funds	23,312,634	43.4%	21,176,945	42.9%	2,135,689	10.1%
Insurance products	2,793,352	5.2%	2,444,167	5.0%	349,185	14.3%
BALANCE ASSETS UNDER MANAGEMENT	26,120,703	48.6%	23,635,894	47.9%	2,484,809	10.5%
Government securities, bonds and stocks	13,218,673	24.6%	11,951,552	24.2%	1,267,121	10.6%
BALANCE ASSETS UNDER ADMINISTRATION	13,218,673	24.6%	11,951,552	24.2%	1,267,121	10.6%
BALANCE DIRECT AND INDIRECT SALES	53,710,644	100.0%	49,341,165	100.0%	4,369,479	8.9%
of which Guided products & services (Amounts in € thousand)	10,250,128	19.1%	8,532,245	17.3%	1,717,883	20.1%

The table below shows the figures for the balance of direct sales, assets under management and assets under administration of only the Personal Financial Advisors network.

Direct and indirect sales balance – Personal Financial Advisers Network – Assoreti figures

	Amounts as at		Amounts as at		Changes	
	03.31.2015	Comp %	12.31.2014	Comp %	absolute	%
Current accounts and demand deposits	9,349,472	20.7%	8,605,117	20.7%	744,355	8.7%
Time deposits and reverse repos	828,147	1.8%	1,064,704	2.6%	(236,557)	-22.2%
BALANCE DIRECT SALES	10,177,619	22.5%	9,669,821	23.3%	507,798	5.3%
Segregated accounts	14,717	0.0%	14,782	0.0%	(65)	-0.4%
Investment funds and other funds	22,833,511	50.5%	20,772,136	50.1%	2,061,375	9.9%
Insurance products	2,688,625	5.9%	2,346,758	5.7%	341,867	14.6%
BALANCE ASSETS UNDER MANAGEMENT	25,536,853	56.4%	23,133,676	55.8%	2,403,177	10.4%
Government securities, bonds and stocks	9,531,367	21.1%	8,669,714	20.9%	861,653	9.9%
BALANCE ASSETS UNDER ADMINISTRATION	9,531,367	21.1%	8,669,714	20.9%	861,653	9.9%
BALANCE DIRECT AND INDIRECT SALES	45,245,839	100.0%	41,473,211	100.0%	3,772,628	9.1%

(Amounts in € thousand)

The table below shows the figures for the balance of net direct sales, assets under management and assets under administration for Q1 2015 and Q1 2014 of Fineco customers, including both those linked to a financial advisor and online-only customers.

Net sales

	1Q2015	Comp %	1Q2014	Comp %	Changes	
					absolute	%
Current accounts and demand deposits	947,427	58.8%	633,064	60.1%	314,363	49.7%
Time deposits and reverse repos	(337,675)	-20.9%	86,680	8.2%	(424,355)	n.c.
DIRECT SALES	609,752	37.8%	719,744	68.4%	(109,992)	-15.3%
Segregated accounts	(353)	0.0%	(27,143)	-2.6%	26,790	-98.7%
Investment funds and other funds	995,227	61.7%	618,398	58.7%	376,829	60.9%
Insurance products	202,874	12.6%	33,802	3.2%	169,072	500.2%
ASSETS UNDER MANAGEMENT	1,197,748	74.3%	625,057	59.4%	572,691	91.6%
Government securities, bonds and stocks	(195,432)	-12.1%	(291,825)	-27.7%	96,393	-33.0%
ASSETS UNDER ADMINISTRATION	(195,432)	-12.1%	(291,825)	-27.7%	96,393	-33.0%
TOTAL NET SALES - PERSONAL FINANCIAL ADVISORS NETWORK	1,612,068	100.0%	1,052,976	100.0%	559,092	53.1%

(Amounts in € thousand)

The table below shows the figures for the balance of net direct sales, assets under management and assets under administration for Q1 2015 and Q1 2014 for the PFA network.

Total net sales - Personal Financial Advisors Network

	1Q2015	Comp %	1Q2014	Comp %	Changes	
					absolute	%
Current accounts and demand deposits	744,355	51.4%	513,721	54.2%	230,634	44.9%
Time deposits and reverse repos	(250,433)	-17.3%	55,390	5.8%	(305,823)	n.c.
DIRECT SALES	493,922	34.1%	569,111	60.1%	(75,189)	-13.2%
Segregated accounts	(353)	0.0%	(27,143)	-2.9%	26,790	-98.7%
Investment funds and other funds	946,567	65.4%	602,743	63.6%	343,824	57.0%
Insurance products	203,509	14.1%	43,354	4.6%	160,155	369.4%
ASSETS UNDER MANAGEMENT	1,149,723	79.5%	618,954	65.3%	530,769	85.8%
Government securities, bonds and stocks	(196,680)	-13.6%	(240,823)	-25.4%	44,143	-18.3%
ASSETS UNDER ADMINISTRATION	(196,680)	-13.6%	(240,823)	-25.4%	44,143	-18.3%
TOTAL NET SALES - PERSONAL FINANCIAL ADVISORS NETWORK	1,446,965	100.0%	947,242	100.0%	499,723	52.8%

(Amounts in € thousand)

The following table shows the number of orders on financial instruments recorded in Q1 2015 compared to the same period in the previous year.

	1Q2015	1Q2014	Changes	
			absolute	%
Orders - Equity Italia (including internalized orders)	2,459,023	2,072,967	386,056	18.6%
Orders - Equity USA (including internalized orders)	318,325	354,717	(36,392)	-10.3%
Orders - Equity other markets (including internalized orders)	127,766	121,783	5,983	4.9%
Total equity orders	2,905,114	2,549,467	355,647	13.9%
Orders - Bonds	205,013	199,579	5,434	2.7%
Orders - Derivatives	869,823	760,942	108,881	14.3%
Orders - Forex	458,298	315,246	143,052	45.4%
Orders - CFDs	351,888	278,213	73,675	26.5%
Orders - Funds	749,916	525,153	224,763	42.8%
Orders - Repo	7,075	9,286	(2,211)	-23.8%
TOTAL ORDERS	5,547,127	4,637,886	909,241	19.6%

The table shows a general increase in orders executed in Q1 2015 compared to the previous year, except for a decline in USA equity market and Repo orders.

The following table shows the volume of trades carried out as direct counterparty in orders placed by customers, resulting from the internalization of orders received on shares, CFDs and Logos products, recorded in Q1 2015 compared to the same period in 2014.

	1Q2015	1Q2014	<u>Changes</u>	
			<i>absolute</i>	<i>%</i>
Equity (internationalization)	17,445,852	10,056,085	7,389,767	73.5%
Forex	35,281,708	20,449,024	14,832,684	72.5%
CFD and Logos	11,790,331	3,635,335	8,154,996	224.3%
Total "internalized" volumes	64,517,891	34,140,444	30,377,447	89.0%

(Amounts in € thousand)

Performance of income statement aggregates

Profit before tax amounted to €72.2 million, up 25.2% compared to the same period in the previous year.

Income shows an improvement of net fees and commissions, thanks to fees and commissions generated by assets under management and the trading and order collection activity for financial instruments, and by the Net trading, hedging and fair value income due to the greater profit generated by the internalization activity.

Net fees and commissions and Income from trading ,hedges and fair value largely offset the increase in Payroll costs, due an increase in the number of employees, and that of costs resulting from share-based agreements involving own equity instruments, as well as the increase in Other administrative expenses and recovery of expenses, mainly linked to the cost of the new PFA incentive plans and higher PFA expenses as a result of increased hiring that had already started in previous financial years.

COMMERCIAL ACTIVITIES AND DEVELOPMENT OF NEW PRODUCTS AND SERVICES

During the first quarter of 2015, the "Member Get Member" campaign was extended and the CORE SERIES offer was expanded with two new funds: CORE Global Opportunity and CORE Alternative. CORE Global Opportunity is the bond solution suitable for customers wishing greater diversification, for a dynamic investment that can react flexibly to market changes; CORE Alternative is an investment solution that is uncoupled from market performance, for customers wishing to exploit all return opportunities whilst maintaining careful control over risks.

The commercial activities, products and services released involved all the Bank's departments and units, within their respective areas, and consisted of feasibility studies, subsequent implementation and sale/placement.

MAIN BALANCE SHEET AGGREGATES

ASSETS	<i>Amounts as at</i>		<i>Changes</i>	
	<i>03.31.2015</i>	<i>12.31.2014</i>	<i>absolute</i>	<i>%</i>
Cash and cash equivalents	10	5	5	100.0%
Financial assets held for trading	5,609	3,054	2,555	83.7%
Loans and receivables with banks	14,070,077	13,892,197	177,880	1.3%
Loans and receivables with customers	796,879	695,594	101,285	14.6%
Financial investments flow	2,264,284	1,695,555	568,729	33.5%
Hedging instruments	24,508	24,274	234	1.0%
Property, plant and equipment	11,161	10,892	269	2.5%
Goodwill	89,602	89,602	-	-
Other intangible assets	7,989	8,142	(153)	-1.9%
Tax assets	13,414	18,550	(5,136)	-27.7%
Other assets	215,368	326,756	(111,388)	-34.1%
Total assets	17,498,901	16,764,621	734,280	4.4%

(Amounts in € thousand)

LIABILITIES AND SHAREHOLDERS' EQUITY	<i>Amounts as at</i>		<i>Changes</i>	
	<i>03.31.2015</i>	<i>12.31.2014</i>	<i>absolute</i>	<i>%</i>
Deposits from banks	1,466,357	1,428,568	37,789	2.6%
Deposits from customers	14,603,456	13,914,712	688,744	4.9%
Debt securities in issue	427,884	424,710	3,174	0.7%
Financial liabilities held for trading	4,557	3,135	1,422	45.4%
Hedging instruments	46,933	46,220	713	1.5%
Provisions for risks and charges	114,680	118,031	(3,351)	-2.8%
Tax liabilities	55,688	33,358	22,330	66.9%
Other liabilities	169,052	243,633	(74,581)	-30.6%
Shareholders' Equity	610,294	552,254	58,040	10.5%
- capital and reserves	554,027	400,085	153,942	38.5%
- revaluation reserves (available-for-sale financial assets - actuarial gains (losses) for defined benefits plans)	8,485	2,262	6,223	275.1%
- net profit (loss)	47,782	149,907	(102,125)	-68.1%
Total liabilities and Shareholders' equity	17,498,901	16,764,621	734,280	4.4%

(Amounts in € thousand)

Financial assets held for trading

Financial assets held for trading consist of:

- bonds, shares and UCIT units classified in the HFT category (*held for trading*), for an amount equal to €1.3 million, which are in the Bank's portfolio as a result of trading activity or the initial placement of UCIT units (for an amount of €1 million) and destined to be traded on the market 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 €2.8 million, which correspond to negative valuations booked under item 40 "Financial liabilities held for trading";
- the positive valuation of CDs and futures on indices and interest rates and of CFDs on Forex for €1.6 million.

CFDs 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 underlyings, 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

	<i>Amounts as at</i>		<i>Changes</i>	
	<i>03.31.2015</i>	<i>12.31.2014</i>	<i>absolute</i>	<i>%</i>
Current accounts and demand deposits	1,497,327	1,476,280	21,047	1.4%
Time deposits	2,725,653	2,894,321	(168,668)	-5.8%
Other loans:				
1 Reverse repos	485	5,794	(5,309)	-91.6%
2 Others	28,708	27,472	1,236	4.5%
Debt securities	9,817,904	9,488,330	329,574	3.5%
Total	14,070,077	13,892,197	177,880	1.3%

(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 €1,484.1 million (€1,450.7 million as at December 31, 2014), and to a lesser extent, of current accounts held with other banks not belonging to UniCredit group for transactions in securities.

Time deposits consist of the deposit held with UniCredit for compulsory reserves, with a book value of €140.6 million (€131.9 million as at December 31, 2014), in addition to time deposits held with UniCredit with a book value of €2,585 million (€2,762.4 million as at December 31, 2014), opened to invest the liquidity collected through repos and CashPark transactions with retail customers and through repos with credit institutions, with the same maturities.

In the item Other Loans, the item Other relates to the amount of the initial and variation margins 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 €9,817.9 million (€9,488.3 million at December 31, 2014).

With reference to the increase of UniCredit shares in the portfolio compared with December 31, 2014, it should be noted that, in the first quarter of 2015, the bank carried out an investment transaction with the structural liquidity available as at end December 2014, for a total amount of approx. €300 million, through the purchase of a UniCredit variable-rate bond.

Loans and receivables with customers

	<i>Amounts as at</i>		<i>Changes</i>	
	<i>03.31.2015</i>	<i>12.31.2014</i>	<i>absolute</i>	<i>%</i>
Current accounts	154,859	130,765	24,094	18.4%
Reverse repos	192,493	118,014	74,479	63.1%
Mortgages	50	58	(8)	-13.8%
Credit cards and personal loans	313,514	346,465	(32,951)	-9.5%
Other loans	135,962	100,291	35,671	35.6%
Debt securities	1	1	-	0.0%
Total	796,879	695,594	101,285	14.6%

(Amounts in € thousand)

Loans and receivables with customers, amounting to €796.9 million, can essentially be broken down as follows:

- €469.9 million in loans to ordinary customers;
- €192.5 million in reverse repos;
- €59.2 million in collateral deposits, initial and variance margins with clearing houses for derivative transactions;
- €75.3 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)	Amounts as at		Changes	
	03.31.2015	12.31.2014	absolute	%
Current accounts	152,282	128,270	24,012	18.7%
Use of credit cards	201,564	243,115	(41,551)	-17.1%
Personal loans	110,302	101,697	8,605	8.5%
Other loans	1,424	1,438	(14)	-1.0%
Performing loans	465,572	474,520	(8,948)	-1.9%
Current accounts	2,577	2,495	82	3.3%
Mortgages	50	58	(8)	-13.8%
Use of credit cards	103	104	(1)	-1.0%
Personal loans	1,545	1,549	(4)	-0.3%
Other loans	25	26	(1)	-3.8%
Impaired loans	4,300	4,232	68	1.6%
Loan receivables with ordinary customers	469,872	478,752	(8,880)	-1.9%
Reverse repos	192,457	117,987	74,470	63.1%
Reverse repos - impaired	36	27	9	33.3%
Collateral deposits, initial and variance margins	59,218	23,122	36,096	156.1%
Current receivables not related with the provision of financial services	75,295	75,705	(410)	-0.5%
Debt securities	1	1	-	0.0%
Current receivables and other receivables	327,007	216,842	110,165	50.8%
Loans and receivables with customers	796,879	695,594	101,285	14.6%

(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, loans to ordinary customers decreased by 1.9%, due to a lesser use of credit cards with full payment of the balance at term, partially offset by the greater use of current account credit lines.

Impaired assets

Category	Gross amount		Impairment provision		Net amount		Coverage ratio	
	Amounts as at		Amounts as at		Amounts as at		Data as at	
	03.31.2015	12.31.2014	03.31.2015	12.31.2014	03.31.2015	12.31.2014	03.31.2015	12.31.2014
Non-performing loans	20,507	19,845	(17,234)	(16,686)	3,273	3,159	84.04%	84.08%
Doubtful loans	1,138	1,381	(765)	(928)	373	453	67.22%	67.20%
Loans overdue	1,215	1,272	(525)	(625)	690	647	43.21%	49.14%
Total	22,860	22,498	(18,524)	(18,239)	4,336	4,259	81.03%	81.07%

(Amounts in € thousand)

The amount of impaired loans net of impairment losses was €4.3 million, €3.2 million of which in non-performing loans, €0.4 million in doubtful loans and €0.7 million in past-due loans. Impaired loans mostly relate to current account overdrafts, credit card use and personal loans.

Impaired customer loans represented 0.92% of loans to ordinary customers, showing an increase over the 0.89% as at December 31, 2014, due to the reduction of receivables from the use of credit cards with full payment of the balance at term.

Financial investments flow

	<i>Amounts as at</i>		<i>Changes</i>	
	<i>03.31.2015</i>	<i>12.31.2014</i>	<i>absolute</i>	<i>%</i>
Available-for-sale financial assets	2,264,284	1,695,555	568,729	33.5%
Total	2,264,284	1,695,555	568,729	33.5%

(Amounts in € thousand)

Available-for-sale financial assets consist in debt securities issued by governments, in particular Italian government bonds, for a book value of €1,700.5 million (€1,685.1 million as at December 31, 2014), French government bonds, for a book value of €10.4 million (€10.4 million as at December 31, 2014), Spanish Government bonds, for a book value of €553.4 million (purchased in Q1 2015), and equity investments in companies in which the Bank does not exercise control or have a significant influence, for an amount equal to €5,000, including 20 shares in UniCredit Business Integrated Solutions S.c.p.A. for a total of €172.

A portion of debt securities classified in the *Available-for-sale financial assets* portfolio are entirely used as collateral for bankers' drafts or guarantees with third parties for a book value of €131.3 million.

Hedging instruments

	<i>Amounts as at</i>		<i>Changes</i>	
	<i>03.31.2015</i>	<i>12.31.2014</i>	<i>absolute</i>	<i>%</i>
Asset hedging derivatives - positive valuations	14,730	11,554	3,176	27.5%
Liability hedging derivatives - positive valuations	8,119	7,693	426	5.5%
Adjustment to the value of assets under portfolio hedge	1,659	5,027	(3,368)	-67.0%
Total assets	24,508	24,274	234	1.0%

of which:

Positive valuations	23,395	19,842	3,553	17.9%
Related accrued assets and liabilities	(546)	(595)	49	-8.2%
Adjustments to the value of hedged assets	1,659	5,027	(3,368)	-67.0%
Total assets	24,508	24,274	234	1.0%

Asset hedging derivatives - negative valuations	37,340	36,993	347	0.9%
Liability hedging derivatives - negative valuations	-	-	-	-
Adjustment to the value of liabilities under portfolio hedge	9,593	9,227	366	4.0%
Total liabilities	46,933	46,220	713	1.5%

of which:

Negative valuations	31,321	30,793	528	1.7%
Related accrued assets and liabilities	6,019	6,200	(181)	-2.9%
Adjustments to the value of hedged liabilities	9,593	9,227	366	4.0%
Total liabilities	46,933	46,220	713	1.5%

(Amounts in € thousand)

<i>Summary of hedging derivatives valuations as at March 31,2015</i>	<i>Assets</i>	<i>Liabilities</i>	<i>Imbalance</i>
Valuation of hedging derivatives for assets and liabilities	23,395	31,321	(7,926)
Adjustments to the value of hedged financial assets/liabilities	1,659	9,593	(7,934)
Valuation reserve gross of relevant taxation	-	(15,860)	15,860
Total	25,054	25,054	-

(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 €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 income statement effect, net of accrued interest included in the net interest margin, is 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 01.01.2015	Investments as at 03.31.2015	Other Changes- Sales	Amortisation, depreciation and impairment as at March 31, 2015	Balance 03.31.2015
Properties	2,621	-	-	(28)	2,593
Electronic machines	6,136	1,045	-	(619)	6,562
Furniture and fixtures	927	9	-	(53)	883
Plant and machinery	1,208	26	-	(111)	1,123
TOTAL	10,892	1,080	-	(811)	11,161

(Amounts in € thousand)

Goodwill

As at 31 March 2015, there were no impairment indicators for the goodwill recorded in the Financial Statements; for any further information on the impairment test performed on an annual basis, see the Financial Statements as at 31 December 2014.

As at March 31, 2015, the goodwill recorded in the financial statements was made up as follows:

	<i>Amounts as at</i>	
	<i>03.31.2015</i>	<i>12.31.2014</i>
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 the 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 unamortized 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 the 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 7 July 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 01.01.2015	Investments as at 03.31.2015	Other changes- sales	Amortisation, depreciation and impairment as at March 31, 2015	Balance 03.31.2015
Software	6,969	1,063	-	(1,111)	6,921
Other intangible assets	1,173	-	-	(105)	1,068
TOTAL	8,142	1,063	-	(1,216)	7,989

(Amounts in € thousand)

Tax Assets and Other Assets

	<i>Amounts as at</i>		<i>Changes</i>	
	<i>03.31.2015</i>	<i>12.31.2014</i>	<i>absolute</i>	<i>%</i>
Tax assets				
Current assets	2,067	2,179	(112)	-5.1%
Deferred tax assets	35,733	37,025	(1,292)	-3.5%
Deferred tax assets pursuant to Law 214/2011	3,576	3,839	(263)	-6.9%
Total before IAS 12 offsetting	41,376	43,043	(1,667)	-3.9%
Offsetting with deferred tax liabilities - IAS 12	(27,962)	(24,493)	(3,469)	14.2%
Total Tax assets	13,414	18,550	(5,136)	-27.7%
Other assets				
Items in processing	14,749	9,193	5,556	60.4%
Definitive items not recognised under other items	39,192	53,600	(14,408)	-26.9%
Current receivables not related to the provision of financial services	5,093	4,576	517	11.3%
Tax items other than those included in the item "Tax liabilities"	121,538	235,072	(113,534)	-48.3%
Deferred charges	26,254	15,109	11,145	73.8%
Improvement and incremental expenses incurred on leasehold	8,389	9,081	(692)	-7.6%
Other items	153	125	28	22.4%
Total other assets	215,368	326,756	(111,388)	-34.1%

(Amounts in € thousand)

The decrease in "Tax assets", equal to €5.1 million, was mainly due to:

- the reduction of "Deferred Tax Assets" by approx. €1.3 million, resulting mainly from the use of the Provision for risks and charges;
- the entry of "Deferred tax liabilities" amounting to approx. €3.5 million, following the revaluation of bond securities held in the Bank's portfolio.

It is also noted that Deferred tax assets are shown in the Balance Sheet net of the relevant Deferred tax liabilities, where the requirements set out in IAS 12 are met.

With respect to "Other assets", a decrease of "Tax items other than those recorded under the Tax Assets item" was recorded as a result of the use of advance tax paid as substitute tax for stamp duty, substitute tax on other income and withholding tax on interest.

Deposits from banks

	<i>Amounts as at</i>		<i>Changes</i>	
	<i>03.31.2015</i>	<i>12.31.2014</i>	<i>absolute</i>	<i>%</i>
Deposits from central banks	-	-	-	-
Deposits from banks				
Current accounts and demand deposits	97,764	89,607	8,157	9.1%
Loans				
Repos	1,367,570	1,337,843	29,727	2.2%
Other liabilities	1,023	1,118	(95)	-8.5%
Total	1,466,357	1,428,568	37,789	2.6%

(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 €14.2 million (€17.3 million as at December 31, 2014), as well as reciprocal current accounts and loans with banks outside the Group of €6.2 million. The item also includes margin

variations for trading in repos received by UniCredit, with a book value of €77.4 million (€64.6 million as at 31 December 2014).

Repos included €1,237.6 million in transactions effected with UniCredit (€1,256.6 million as at 31 December 2014) and €39.1 million of transactions effected with UniCredit AG Monaco (€27.1 million as at December 31, 2014).

Deposits from customers

Deposits from customers, mainly consisting of current accounts, the Cash Park deposit account and Supersave repos, totalled €14,603.5 million, an increase of 4.9% compared to December 31, 2014.

	<i>Amounts as at</i>		<i>Changes</i>	
	<i>03.31.2015</i>	<i>12.31.2014</i>	<i>absolute</i>	<i>%</i>
Current accounts and demand deposits	13,194,588	12,247,454	947,134	7.7%
Time deposits	1,028,380	1,315,731	(287,351)	-21.8%
Loans				
Repos	299,932	281,178	18,754	6.7%
Other liabilities	80,556	70,349	10,207	14.5%
Deposits from customers	14,603,456	13,914,712	688,744	4.9%

(Amounts in € thousand)

Debt securities in issue

	<i>Amounts as at</i>		<i>Changes</i>	
	<i>03.31.2015</i>	<i>12.31.2014</i>	<i>absolute</i>	<i>%</i>
Bonds issued	427,884	424,710	3,174	0.7%

(Amounts in € thousand)

The change in bonds issued is due exclusively to the exchange rate variation for dollar bonds.

Financial liabilities held for trading

Financial liabilities held for trading consist of:

- 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 €2.7 million, which correspond to positive valuations booked under item 20 "Financial assets held for trading";
- the negative valuation of CFDs and futures on indices and interest rates and CFDs on Forex for €1.9 million.

CFDs 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 underlyings, 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 €114,7 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.

	<i>Amounts as at</i>		<i>Changes</i>	
	<i>03.31.2015</i>	<i>12.31.2014</i>	<i>absolute</i>	<i>%</i>
Legal disputes	46,655	49,650	(2,995)	-6.0%
- Pending cases	35,923	36,205	(282)	-0.8%
- Claims	10,732	13,445	(2,713)	-20.2%
Payroll costs	8,750	7,805	945	12.1%
Other	59,275	60,576	(1,301)	-2.1%
- Supplementary customer indemnity provision	45,067	44,114	953	2.2%
- Provision for contractual payments and payments under n	2,279	2,269	10	0.4%
- Tax disputes	7,299	7,298	1	0.0%
- Other provisions	4,630	6,895	(2,265)	-32.8%
Total provisions for risks and charges	114,680	118,031	(3,351)	-2.8%

(Amounts in € thousand)

Tax liabilities and Other liabilities

	<i>Amounts as at</i>		<i>Changes</i>	
	<i>03.31.2015</i>	<i>12.31.2014</i>	<i>absolute</i>	<i>%</i>
Tax liabilities				
Current liabilities	55,688	33,358	22,330	66.9%
Deferred tax liabilities	27,962	24,493	3,469	14.2%
<i>Total before IAS 12 offsetting</i>	<i>83,650</i>	<i>57,851</i>	<i>25,799</i>	<i>44.6%</i>
Offsetting with Prepaid tax assets - IAS 12	(27,962)	(24,493)	(3,469)	14.2%
Total Tax liabilities	55,688	33,358	22,330	66.9%
Other liabilities				
Impairment of financial guarantees given	1,416	1,416	-	0.0%
Items in processing	49,945	42,366	7,579	17.9%
Definitive items not recognised under other items	25,656	33,913	(8,257)	-24.3%
Payables to employees and other personnel	8,036	6,549	1,487	22.7%
Payables to Directors and statutory auditors	148	212	(64)	-30.2%
Current payables not related to the provision of financial services	24,982	25,075	(93)	-0.4%
Tax items other than those included in the item "Tax liabilities"	37,887	107,717	(69,830)	-64.8%
Social security contributions payable	7,702	5,576	2,126	38.1%
Adjustments for illiquid portfolio items	7,340	15,197	(7,857)	-51.7%
Other items	882	786	96	12.2%
Employee severance pay provision	5,058	4,826	232	4.8%
Total Other Liabilities	169,052	243,633	(74,581)	-30.6%

(Amounts in € thousand)

The increase in "Tax liabilities", equal to €22.3 million, pertains to "Current liabilities" and is due, respectively, to the increase of €4.5 million of IRAP-related liabilities towards the tax authorities and of €17.8 million of IRES-related liabilities towards the Parent Company as a result of tax consolidation.

It is also noted that Deferred tax liabilities are shown in the Balance Sheet as offsetting Deferred tax assets.

With respect to "Other Liabilities", a €69.8 million decrease was recorded for "Tax items other than those included in the item Tax liabilities", as a result of lower payables to the tax authorities due to the payment, net of tax advances captured in Other Assets, of stamp duty, withholding taxes on interest and substitute tax on other income.

Shareholders' equity

As at March 31, 2015, the Bank's share capital came to €200 million, and was divided into 606,515,733 shares with a par value of €0.33 each. Reserves comprise Issue-premium reserve, amounting to €1.9 million, the legal reserve amounting to €33.1 million, the extraordinary reserve amounting to €142.8 million, the reserve for purchase of treasury shares amounting to €14.9 million and the reserve connected to the Equity Settled plans amounting to €11.2 million.

The Bank does not hold Treasury shares in its portfolio.

Shareholders' Equity as at March 31, 2015 included the profit for 2014, equal to €149.9 million, whose allocation has been resolved upon as follows by the Shareholders' Meeting of 23 April 2015:

- €7 million to the legal reserve;
- €21.6 million to the extraordinary reserve;
- €121.3 million, equal to €0.2 per share, to the shareholders.

Equity

<i>Items/amounts</i>	<i>Amounts as at</i>		<i>Changes</i>	
	<i>03.31.2015</i>	<i>12.31.2014</i>	<i>absolute</i>	<i>%</i>
Share capital	200,150	200,070	80	0.0%
Share premium reserve	1,934	1,934	-	-
Reserves				
- Legal reserve	33,061	33,061	-	-
- Extraordinary reserve	142,829	142,739	90	0.1%
- Other reserves	26,146	22,281	3,865	17.3%
Revaluation reserves	8,485	2,262	6,223	275.1%
Retained Profit (Loss)	149,907	-	149,907	-
Net Profit (Loss) for the year	47,782	149,907	(102,125)	-68.1%
Total	610,294	552,254	(91,867)	-16.6%

(Amounts in € thousand)

CAPITAL RESOURCES AND PRUDENTIAL REQUIREMENTS

	<i>Data as at</i>	
	<i>03.31.2015</i>	<i>12.31.2014</i>
Common Equity Tier 1 - CET1	355,984	353,133
Tier 1 Equity	355,984	353,133
Total Own Funds	355,984	353,133
Total risk-weighted assets	1,836,439	1,850,331
Ratio - Common Equity Tier 1 Capital	19.38%	19.08%
Ratio - Tier 1 Capital	19.38%	19.08%
Ratio - Total Own Funds	19.38%	19.08%

(Amounts in € thousand)

Own funds as at March 31, 2015 amounted to a €356 million.

Own funds and Capital ratios were determined applying the current Supervisory Regulations, in line with Basel III standards.

INCOME STATEMENT FIGURES**Condensed Income Statement**

	1Q		Changes	
	2015	2014	absolute	%
Net interest	57,586	58,333	(747)	-1.3%
Net fee and commission income	61,681	47,718	13,963	29.3%
Net trading, hedging and fair value income	17,059	7,079	9,980	141.0%
Net other expenses/income	358	(41)	399	n.c.
OPERATING INCOME	136,684	113,089	23,595	20.9%
Payroll costs	(18,385)	(15,770)	(2,615)	16.6%
Other administrative expenses	(60,401)	(52,735)	(7,666)	14.5%
Recovery of expenses	21,012	18,807	2,205	11.7%
Amortisation, depreciation and impairment losses on intangible and tangible assets	(2,027)	(1,905)	(122)	6.4%
Operating costs	(59,801)	(51,603)	(8,198)	15.9%
OPERATING PROFIT (LOSS)	76,883	61,486	15,397	25.0%
Net impairment losses on loans and provisions for guarantees and commitments	(1,583)	(465)	(1,118)	240.4%
NET OPERATING PROFIT (LOSS)	75,300	61,021	14,279	23.4%
Provisions for risks and charges	(3,115)	(3,373)	258	-7.6%
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	72,185	57,648	14,537	25.2%
Income tax for the period	(24,403)	(20,722)	(3,681)	17.8%
PROFIT (LOSS) AFTER TAX FROM CONTINUING OPERATIONS	47,782	36,926	10,856	29.4%
NET PROFIT (LOSS) FOR THE PERIOD	47,782	36,926	10,856	29.4%

(Amounts in € thousand)

Net interest

The interest for the first quarter of 2015 amounted to €57.6 million, by and large in line with that for the first quarter of 2014, mainly due to the increase of sales volume and the reduction in the cost of sales that offset the fall in market interest rates.

<i>Interest income</i>	1Q		<i>Changes</i>	
	2015	2014	<i>absolute</i>	%
Financial Assets held for trading	-	1	(1)	-100.0%
Available-for-sale financial assets	4,869	426	4,443	1043.0%
Loans and receivables with banks	49,127	67,241	(18,114)	-26.9%
Loans and receivables with customers	7,395	7,031	364	5.2%
Financial instruments at fair value through profit or loss	-	3	(3)	-100.0%
Hedging derivatives	1,937	138	1,799	1303.6%
Total interest income	63,328	74,840	(11,512)	-15.4%

(Amounts in € thousand)

<i>Interest expense</i>	1Q		<i>Changes</i>	
	2015	2014	<i>absolute</i>	%
Deposits from banks	(194)	(1,671)	1,477	-88.4%
Deposits from customers	(5,548)	(14,836)	9,288	-62.6%
Total interest expense	(5,742)	(16,507)	10,765	-65.2%

Net interest	57,586	58,333	(747)	-1.3%
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(Amounts in € thousand)

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

<i>Breakdown of interest income</i>	1Q		<i>Changes</i>	
	2015	2014	<i>absolute</i>	%
Interest income on loans and receivables with banks	49,127	67,241	(18,114)	-26.9%
- current accounts	573	53,647	(53,074)	-98.9%
- reverse repos	190	158	32	20.3%
- time deposit for compulsory reserves	17	77	(60)	-77.9%
- time deposits	3,585	11,822	(8,237)	-69.7%
- other loans	10	2	8	400.0%
- debt securities	44,752	1,535	43,217	2815.4%
Interest income on loans and receivables with customers	7,395	7,031	364	5.2%
- current accounts	1,341	1,092	249	22.8%
- reverse repos	2,946	2,822	124	4.4%
- credit cards	903	884	19	2.1%
- personal loans	2,175	2,192	(17)	-0.8%
- other loans	30	41	(11)	-26.8%

(Amounts in € thousand)

Interest income on loans and receivables with banks amounted to €49.1 million, decreasing by €18.1 million compared to the same period of the previous year. The decrease in current account interest, equal to €53.1 million, and savings accounts, equal to €8.2 million, was mainly due to a fall in volumes and market interest rates; such fall was partly offset by the increase in the interest rate for debt securities, amounting to €43.2 million, as a result of the volume increase due to the investments effected starting from Q2 2014. It should be noted that, starting from April 1, 2014 the liquidity investment policy experienced some changes: specifically, "core" liquidity was invested in UniCredit shares, whilst the portion of liquidity classified as "non core" was invested in liquid assets or assets readily convertible into cash, such as Government Bonds.

Interest income on loans and receivables with customers amounted to €7.4 million, showing an increase of 5.2% thanks to higher interest on "Multiday leverage" securities lending transactions guaranteed by cash and on use of current account credit lines, due to the increase in volumes.

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

<i>Breakdown of interest expense</i>	1Q		<i>Changes</i>	
	2015	2014	<i>absolute</i>	%
Interest expense on deposits from banks	(194)	(1,671)	1,477	-88.4%
- current accounts	(16)	(30)	14	-46.7%
- demand deposits	(2)	-	(2)	n.c.
- other loans	(5)	(7)	2	-28.6%
- reverse repos	(171)	(1,634)	1,463	-89.5%
Interest expense on deposits from customers	(5,548)	(14,836)	9,288	-62.6%
- current accounts	(892)	(4,014)	3,122	-77.8%
- demand deposits	(12)	(14)	2	-14.3%
- time deposits	(4,051)	(9,906)	5,855	-59.1%
- reverse repos	(593)	(902)	309	-34.3%

(Amounts in € thousand)

Interest expense on deposits from banks amounted to €0.2 million, down by €1.5 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 in at €5.5 million, down €9.3 million over the same period for the previous year as a result of the reduction of the current account interest rate, coupled with the reduction of volumes and the interest rate for "Cash Park" time deposits. The cost of deposits went from 0.46% in Q1 2014 to 0.14% in Q1 2015.

The structure of the investments carried out by the Bank contributed to keep a high flow of interest income resulting from the investment of deposits, even against a backdrop of significant reduction of credit spreads and market interest rates. The average lending rate for the investment of all deposits (both at sight and at term) went from 2.01% in Q1 2014 to 1.56% in Q1 2015.

Income from brokerage and other income

	1Q		Changes	
	2015	2014	absolute	%
Net interest	57,586	58,333	(747)	-1.3%
Net fee and commission income	61,681	47,718	13,963	29.3%
Net trading, hedging and fair value income	17,059	7,079	9,980	141.0%
Net other expenses/income	358	(41)	399	n.c.
Operating income	136,684	113,089	23,595	20.9%

(Amounts in € thousand)

Net fees and commission income

Management reclassification	1Q		Changes	
	2015	2014	absolute	%
Management, brokerage and consulting services:				
1. trading and order collection activity for financial ins	25,423	22,731	2,692	11.8%
2. currency trading	(61)	(42)	(19)	45.2%
3. custody and administration of securities	(1,127)	(923)	(204)	22.1%
4. placement and management of securities, UCIT units and segregated accounts	37,493	28,144	9,349	33.2%
6. investment advisory services	(206)	25	(231)	-924.0%
7. distribution of insurance products	4,818	3,267	1,551	47.5%
8. distribution of other products	(69)	(65)	(4)	6.2%
Collection and payment services	2,503	2,453	50	2.0%
Holding and management of current accounts/deposit	(1,091)	(1,730)	639	-36.9%
Other commissions payable to PFAs	(6,567)	(6,520)	(47)	0.7%
Securities lending	(544)	(561)	17	-3.0%
Other services	1,109	939	170	18.1%
Total	61,681	47,718	13,963	29.3%

(Amounts in € thousand)

Net fee and commission income amounted to €61.7 million, increasing by 29.3% 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, as well as from securities trading and order collection commissions, underpinned by market volatility and Customers' appreciation of Fineco's platform.

Net trading, hedging and fair value income was mainly determined by the profits posted by the activity of internalization of securities and CFD contracts. The increase of €10 million is attributable to higher profits deriving from trading in securities, for €1.3 million, in CFDs, for €4.5 million and exchange differences on assets and liabilities denominated in currency, for €4 million.

The Net other expenses/income shows an increase that is mainly due on higher insurance reimbursements recorded by the Bank over the same period of the previous year.

Operating costs

<i>Breakdown of operating costs</i>	1Q		Changes	
	2015	2014	absolute	%
Payroll costs	(18,385)	(15,770)	(2,615)	16.6%
Other administrative expenses	(60,401)	(52,735)	(7,666)	14.5%
Recovery of expenses	21,012	18,807	2,205	11.7%
Amortisation, depreciation and impairment losses on intangible and tangible assets	(2,027)	(1,905)	(122)	6.4%
Total operating costs	(59,801)	(51,603)	(8,198)	15.9%

(Amounts in € thousand)

<i>Payroll costs</i>	1Q		Changes	
	2015	2014	absolute	%
1) Employees	(18,108)	(15,332)	(2,776)	18.1%
- wages and salaries	(11,791)	(10,662)	(1,129)	10.6%
- social security contributions	(3,273)	(2,886)	(387)	13.4%
- severance pay	(249)	(198)	(51)	25.8%
- allocation to employee severance pay provision	(23)	(33)	10	-30.3%
- payment to supplementary external pension funds:				
a) defined contribution	(742)	(615)	(127)	20.7%
- costs related to share-based payments	(1,122)	(190)	(932)	490.5%
- other employee benefits	(908)	(748)	(160)	21.4%
2) Other staff	(37)	(24)	(13)	54.2%
3) Directors and statutory auditors	(251)	(211)	(40)	19.0%
4) Early retirement costs	-	-	-	n.c.
5) Recovery of expenses for employees seconded to other companies	52	25	27	108.0%
6) Recovery of expenses for employees seconded to the Company	(41)	(228)	187	-82.0%
Total	(18,385)	(15,770)	(2,615)	16.6%

(Amounts in € thousand)

Payroll costs in the first quarter of 2015 show an increase of 16.6%, due to an increase in staff numbers, which rose from 976 as at March 31, 2014 to 1,037 as at March 31, 2015, as well as to the increase of costs resulting from share-based agreements involving own equity instruments due to new incentive plans with execution conditional upon listing.

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

Other administrative expenses and recovery of expenses came in at €39.4 million, up €5.5 million compared to the same period in the previous year, and include costs of €3 million resulting from PFA incentive plans.

Other administrative expenses sand recovery of expenses	1Q		Changes	
	2015	2014	absolute	%
1) INDIRECT TAXES AND DUTIES	(22,223)	(19,247)	(2,976)	15.5%
2) MISCELLANEOUS COSTS AND EXPENSES				
A) Advertising expenses - Marketing and communication	(5,525)	(5,022)	(503)	10.0%
Mass media communications	(4,445)	(4,167)	(278)	6.7%
Marketing and promotions	(1,080)	(854)	(226)	26.5%
Conventions and internal communications	-	(1)	1	-100.0%
B) Expenses related to credit risk	(317)	(294)	(23)	7.8%
Loan recovery expenses	(200)	(186)	(14)	7.5%
Commercial information and company searches	(117)	(108)	(9)	8.3%
C) Expenses related to personnel	(8,336)	(4,333)	(4,003)	92.4%
Personnel training	(47)	(170)	123	-72.4%
Car rental and other payroll costs	(10)	(10)	-	0.0%
PFA expenses	(8,134)	(4,014)	(4,120)	102.6%
Travel expenses	(127)	(123)	(4)	3.3%
Premises rentals for personnel	(18)	(16)	(2)	12.5%
D) ICT expenses	(7,418)	(7,411)	(7)	0.1%
Lease of ICT equipment and software	(910)	(1,082)	172	-15.9%
Software expenses: lease and maintenance	(1,600)	(1,766)	166	-9.4%
ICT communication systems	(973)	(978)	5	-0.5%
ICT service: external personnel	(1,711)	(1,691)	(20)	1.2%
Financial information providers	(2,224)	(1,894)	(330)	17.4%
E) Consultancies and professional services	(832)	(1,347)	515	-38.2%
Consultancy on ordinary activities	(157)	(170)	13	-7.6%
Consultancy for strategy, business development and organizational optimization	(150)	(116)	(34)	29.3%
Legal expenses	-	(438)	438	-100.0%
Legal disputes	(525)	(623)	98	-15.7%
F) Real estate expenses	(5,092)	(5,269)	177	-3.4%
Real estate service area	(173)	(171)	(2)	1.2%
Repair and maintenance of furniture, machinery, and equipment	(69)	(46)	(23)	50.0%
Maintenance of premises	(277)	(251)	(26)	10.4%
Premises rentals	(3,930)	(4,277)	347	-8.1%
Cleaning of premises	(135)	(118)	(17)	14.4%
Utilities	(508)	(406)	(102)	25.1%
G) Other functioning costs	(9,860)	(9,039)	(821)	9.1%
Security and surveillance services	(84)	(88)	4	-4.5%
Postage and transport of documents	(600)	(627)	27	-4.3%
Administrative and logistical services	(3,916)	(3,625)	(291)	8.0%
Insurance	(911)	(900)	(11)	1.2%
Printing and stationery	(143)	(174)	31	-17.8%
Association dues and fees	(4,175)	(3,487)	(688)	19.7%
Other administrative expenses	(31)	(138)	107	-77.5%
Adjustments of leasehold improvements	(798)	(773)	(25)	3.2%
I) Recovery of costs	21,012	18,807	2,205	11.7%
Recovery of ancillary expenses	88	93	(5)	-5.4%
Recovery of taxes	20,924	18,714	2,210	11.8%
Total	(39,389)	(33,928)	(5,461)	16.1%

(Amounts in € thousand)

Indirect taxes and duties net of Recovery of taxes increased by €0.8 million, mainly attributable to the amount of "Tobin Tax" paid by the Bank.

Advertising expenses – marketing and communication increased by €0.5 million, due to greater investments in advertising in the period ended March 31, 2015 compared to 2014.

Administrative expenses net of Indirect taxes and duties, Recovery of taxes and Advertising expenses - marketing and communication include the €3 million costs for PFA incentive plans and higher expenses for PFAs of €1 million, as a result of the stepping up of the hiring activity already started in previous financial years. The increased number of advisors also resulted in higher costs for trade association dues and fees of €0.7 million, mainly owing to the increase in charges for the ENASARCO association and the FIRR termination compensation fund.

Impairment losses on intangible assets relate mainly to the amortisation 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, furniture and fittings and did not show any major changes compared to the previous financial year.

Profit (loss) before tax from continuing operations

	1Q		Changes	
	2015	2014	absolute	%
Operating profit (loss)	76,883	61,486	15,397	25.0%
Net impairment losses on loans and provisions for guarantees and commitments	(1,583)	(465)	(1,118)	240.4%
Net operating profit (loss)	75,300	61,021	14,279	23.4%
Provisions for risks and charges	(3,115)	(3,373)	258	-7.6%
Profit (loss) before tax from continuing operations	72,185	57,648	14,537	25.2%

(Amounts in € thousand)

The increase of Net impairment losses on loans and provisions for guarantees and commitments in Q1 2015 compared to Q1 2014, equal to €1.1 million, is due by €0.8 to adjustments on exposures to some customers who had opened leveraged positions on the Forex market, incurring in a loss greater than the guaranteed margin as a result of the extraordinary fall of the Euro versus the Swiss Franc recorded on January 15, 2015.

Provisions for risks and charges do not show significant variances compared to the same period in the previous financial year.

Profit (loss) before tax from continuing operations amounted to a profit of €72.2 million, increasing by 25.2% on the first quarter of 2014, due to the positive contribution from Net fee and commission income, owing to the increase in commission income deriving from assets under management and securities trading and order collection activity for financial instruments and Income from trading, hedges and fair value, owing to greater profits earned on the negotiation of securities and CFDs and exchange rate differences on foreign currency assets and liabilities.

Net fees and commissions and Income from trading, hedges and fair value largely offset the increase in Personnel costs, due an increase in the number of employees, and that of costs resulting from share-based agreements involving own equity instruments, as well as the increase in Other administrative expenses and recovery of expenses, mainly linked to the cost of the new PFA incentive plans and higher PFA expenses as a result of increased hiring that had already started in previous financial years.

Income tax for the period

<i>Detail of taxes for the financial year</i>	1Q		Changes	
	2015	2014	absolute	%
Charge for current IRES tax	(17,860)	(14,882)	(2,978)	20.0%
Charge for current IRAP tax	(4,481)	(4,185)	(296)	7.1%
Changes in current taxes from previous years	-	(500)	500	-100.0%
Total current tax	(22,341)	(19,567)	(2,774)	14.2%
Changes in prepaid taxes	(1,617)	(711)	(906)	n.c.
Changes in deferred taxes	(334)	(333)	(1)	0.3%
Total deferred taxes	(1,951)	(1,044)	(907)	86.9%
Redemption income depreciation and amortization	(111)	(111)	-	-
Income tax for the period	(24,403)	(20,722)	(3,681)	17.8%

(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 5.57%.

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.

Profit (loss) for the period

The net profit for the period amounted to €47.8 million, an increase of 29.4% over the previous year, thanks to an increase in Net fees and commissions and Income from trading, hedges and fair value, which largely offset the increase of Personnel expenses and Other administrative expenses mainly due to incentive plan-related costs.

RELATED-PARTY TRANSACTIONS

In order to always ensure compliance with applicable legal and regulatory provisions about corporate disclosure on transactions with related parties, during the Board of Directors' Meeting of May 15, 2014 and with the prior positive opinion of the Audit and Related Parties Committee and the Board of Statutory Auditors, FinecoBank approved the adoption of procedures aimed at regulating transactions with related parties and associated persons ("Procedures for managing transactions with subjects in conflict of interest").

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

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

Given that the Bank belongs to the UniCredit Group, the aforementioned Procedures are also based on the "UniCredit Global Policy for managing transactions with subjects in conflict of interest" and the relevant "Global Operational Instructions" issued by UniCredit S.p.A. to subsidiaries within the framework of its management and co-ordination activity.

Considering the above, during 2015:

1. with the approval of the Board of Directors of January 22, 2015 and following a favourable opinion of the Audit and Related Parties Committee, two significant ordinary transactions were carried out with the related party at market conditions, and, specifically:
 - (i) "Framework resolution – Investment of medium-long term liquidity with the Parent Company" with validity up to December 31, 2015, which entails the purchase of UniCredit bonds. Since this transaction was classified for UniCredit as a transaction of "Lesser relevance with a significant amount" under the Global Policy, a favourable, non-binding opinion on the matter was also issued by the Related Parties and Equity Investments Committee of the Parent Company and the Board of Directors of UniCredit on February 11, 2015;
 - (ii) medium-long term investment of structural liquidity collected in the period 1/10/2014 – 31/12/2014, perfected with the acquisition of UniCredit bonds issued at market conditions; it was approved by the Parent Company's Related Parties and Equity Investments Committee with the issue of a favourable, non-binding opinion on the matter.
2. with approval of the Board of Directors of March 10, 2015 a significant ordinary transaction at market conditions with UniCredit Bank A.G., consisting in the purchase of "BONOS" Spanish government bonds for a counter-value of €30 million. The transaction was brought to the attention of the Audit and Related Parties Committee of FinecoBank during the meeting held on March 9, 2015. On April 1, 2015, UniCredit's Related Parties and Equity Investments Committee expressed its favourable, non-binding opinion.

In the first quarter of 2015, moreover, no transactions that could significantly affect the Bank's asset situation and results way were initiated.

You are reminded that for the three-year period 2013-2015, FinecoBank opted for the "national tax consolidation" – introduced by Italian Legislative Decree no. 344 of December 12, 2003 – with the Consolidating Company UniCredit. In accordance with the National Tax Consolidation agreement, participation in the consolidation cannot result in tax advantages for the participating Consolidated Company with respect to the situation that would have arisen if the company had not participated. The consolidation results in the following tax advantages: (i) consolidation adjustment relating to deductible interest expense, considering that the amount of interest expense accrued by entities participating in the national consolidation is fully deductible on the basis of the relationship between the total interest expense (intercompany and outside the group) recognised in the financial statements by the individual subsidiary and the overall interest expense recognised in the financial statements by all the subsidiaries pursuant to Article 96.5 bis of the Income Tax Code, (ii) tax credits, and withholdings as advances and deductions, are recognised by the Controlling Company and the Controlled Company as a reduction in the IRES income tax amount due when then the latter has a tax loss, and (iii) any tax losses are paid by the Control Company at the IRES income tax rate applicable for the tax period in which the tax losses are realised.

Lastly, with regard to transactions of significant financial and economic relevance, during 2012, FinecoBank S.p.A. issued 5 bank guarantees in favour of the Italian Revenue Agency upon request by UniCredit, with indefinite duration (specifically of a duration until payment of the underlying sums), for a total amount of €256,065 thousand, plus interest accrued and accruing until request for payment from the Italian Revenue Agency. The bank guarantees were issued to secure the obligations assumed by UniCredit in relation to five VAT refund suspension orders issued by the Italian Revenue Agency and entail the assumption by FinecoBank S.p.A. of an irrevocable payment commitment on demand, within 30 days and without any exceptions. In 2013, following the settlement of an assessment notice issued by the Regional Department of Liguria, for €4,505 thousand, replaced by another assessment notice issued by the same Department up to the amount settled, a guarantee already issued by FinecoBank S.p.A. was replaced, with amounts unchanged; this transaction did not change the commitments undertaken according to the forms, procedures and risks already assessed during 2012, which did not change in 2014.

Transactions with Group companies

The Bank is subject to management and coordination of UniCredit S.p.A..

The following table provides a summary of outstanding assets, liabilities, guarantees and commitments as at March 31, 2015 in relation to Group companies.

	<i>Assets</i>	<i>Liabilities</i>	<i>Guarantees and commitments</i>
Transactions with Parent Company UniCredit S.p.A.	14,055,007	1,730,931	256,070
Transactions with companies controlled by UniCredit S.p.A.	43,617	67,150	-

(Amounts in € thousand)

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

SUBSEQUENT EVENTS AND OUTLOOK

SUBSEQUENT EVENTS

No significant events were recorded after period end.

NUMBER OF TREASURY SHARES OF THE PARENT COMPANY

FinecoBank does not hold treasury shares or shares of the Parent Company, even through other companies or third parties.

OUTLOOK

FinecoBank intends to pursue a strategy aimed at consolidating and further strengthening its competitive positioning on the Italian market of integrated *banking*, *brokerage* and *investing* services, by expanding its PFA network, widening - through innovation - its product and service offering and enhancing advisory activity, in order to meet the increasingly sophisticated needs of a wider 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 reflect a strategy that combines the main trends characterizing the competitive environment in which we operate: the growing demand for financial advisory services and the increasing digitization of society – structural trends that favour the growth of the Fineco's business.

The Board of Directors

Milan, May 11, 2015

FincoBank S.p.A.
Managing Director and General Manager
Alessandro Foti

FincoBank S.p.A.
Chairman
Enrico Cotta Ramusino



Balance Sheet and Income Statement

BALANCE SHEET

ASSET ITEMS	<i>Amounts as at</i>	
	03.31.2015	12.31.2014
10. Cash and cash equivalents	9,689	5,166
20. Financial Assets held for trading	5,609,424	3,053,707
40. Available-for-sale financial assets	2,264,284,046	1,695,554,562
60. Loans and receivables with banks	14,070,076,815	13,892,196,843
70. Loans and receivables with customers	796,878,893	695,594,232
80. Hedging derivatives	22,848,912	19,246,853
90. Adjustments to the value of hedged financial assets (+/-)	1,658,915	5,026,907
110. Property, plant and equipment	11,161,161	10,892,420
120. Intangible assets	97,591,357	97,743,596
of which		
- <i>goodwill</i>	89,601,768	89,601,768
130. Tax assets	13,413,848	18,550,495
a) <i>current</i>	2,067,143	2,178,546
b) <i>deferred</i>	11,346,705	16,371,949
<i>Pursuant to Law 214/2011</i>	3,575,620	3,838,902
150. Other assets	215,368,393	326,756,231
Total assets	17,498,901,453	16,764,621,012

LIABILITIES AND SHAREHOLDERS' EQUITY ITEMS	<i>Amounts as at</i>	
	03.31.2015	12.31.2014
10. Deposits from banks	1,466,356,524	1,428,568,269
20. Deposits from customers	14,603,456,089	13,914,711,969
30. Debt securities in issue	427,883,632	424,709,661
40. Financial liabilities held for trading	4,557,258	3,134,683
60. Hedging derivatives	37,340,084	36,992,811
70. Adjustments to the value of hedged financial liabilities (+/-)	9,592,500	9,227,504
80. Tax liabilities	55,687,686	33,358,091
a) <i>current</i>	55,687,686	33,358,091
100. Other liabilities	163,995,510	238,807,723
110. Provision for employee severance pay	5,058,109	4,825,798
120. Provisions for risks and charges:	114,679,695	118,030,959
b) <i>other provisions</i>	114,679,695	118,030,959
130. Revaluation reserves	8,484,950	2,261,820
160. Reserves	351,943,440	198,080,512
170. Share premium reserve	1,934,113	1,934,113
180. Share capital	200,150,192	200,070,431
200. Net Profit (Loss) for the year	47,781,671	149,906,668
Total liabilities and Shareholders' equity	17,498,901,453	16,764,621,012

INCOME STATEMENT

INCOME STATEMENT	1Q	
	2015	2014
10. Interest income and similar revenues	63,328,366	74,840,186
20. Interest expenses and similar charges	(5,741,877)	(16,507,402)
30. Net interest income	57,586,489	58,332,784
40. Fee and commission revenues	123,037,532	98,375,182
50. Fee and commission expense	(61,356,946)	(50,656,960)
60. Net fee and commission income	61,680,586	47,718,222
70. Dividend income and similar revenue	4	81
80. Gains (losses) on financial assets and liabilities held for trading	17,059,033	7,067,318
90. Fair value adjustments in hedge accounting	-	-
100. Gains (losses) on disposal or repurchase of <i>a) loans and receivables</i>	-	9,668 9,668
110. Gains (losses) on financial assets and liabilities designated at fair value through profit or loss	-	11,424
120. Operating income	136,326,112	113,139,497
130. Impairment losses/writebacks on: <i>a) loans and receivables</i>	(1,582,707) (1,582,707)	(464,638) (464,638)
140. Net profit from financial activities	134,743,405	112,674,859
150. Administrative expenses <i>a) payroll costs</i> <i>b) other administrative expenses</i>	(77,986,972) (18,384,724) (59,602,248)	(67,732,312) (15,769,952) (51,962,360)
160. Net provisions for risks and charges	(3,115,388)	(3,373,066)
170. Impairment/write-backs on property, plant and equipment	(810,877)	(749,047)
180. Impairment/write-backs on intangible assets	(1,216,124)	(1,155,768)
190. Other net operating income	20,570,443	17,983,070
200. Operating costs	(62,558,918)	(55,027,123)
240. Gains (losses) on disposal of investments	-	30
250. Total profit (loss) before tax from continuing operations	72,184,487	57,647,766
260. Tax expense (income) related to profit or loss from continuing operations	(24,402,816)	(20,722,108)
270. Total profit (loss) after tax from continuing operations	47,781,671	36,925,658
290. Net Profit (Loss) for the period	47,781,671	36,925,658

Annexes

RECONCILIATION OF CONDENSED ACCOUNTS TO MANDATORY REPORTING SCHEDULE

ASSETS	Amounts as at	
	03.31.2015	12.31.2014
Cash and cash equivalents = <i>item 10</i>	10	5
Financial assets held for trading = <i>item 20</i>	5,609	3,054
Payables to banks = <i>item 60</i>	14,070,077	13,892,197
Loans and receivables with customers = <i>item 70</i>	796,879	695,594
Financial investments flow	2,264,284	1,695,555
40. Available-for-sale financial assets	2,264,284	1,695,555
Hedging instruments	24,508	24,274
80. Hedging derivatives	22,849	19,247
90. Changes in fair value of portfolio hedged financial assets	1,659	5,027
Property, plant and equipment = <i>item 110</i>	11,161	10,892
Goodwill = <i>item 120. Intangible assets of which: goodwill</i>	89,602	89,602
Other intangible assets = <i>item 120 net of goodwill</i>	7,989	8,142
Tax assets = <i>item 130</i>	13,414	18,550
Other assets = <i>item 150</i>	215,368	326,756
Total assets	17,498,901	16,764,621

(Amounts in € thousand)

LIABILITIES AND SHAREHOLDERS' EQUITY	Amounts as at	
	03.31.2015	12.31.2014
Deposits from banks = <i>item 10</i>	1,466,357	1,428,568
Deposits from customers	14,603,456	13,914,712
20. Deposits from customers	14,603,456	13,914,712
Debt securities in issue	427,884	424,710
30. Debt securities in issue	427,884	424,710
Financial liabilities held for trading = <i>item 40</i>	4,557	3,135
Hedging instruments	46,933	46,220
60. Hedging derivatives	37,340	36,993
70. Changes in fair value of portfolio hedged financial liabilities	9,593	9,227
Provisions for risks and charges = <i>item 120</i>	114,680	118,031
Tax liabilities = <i>item 80</i>	55,688	33,358
Other liabilities	169,052	243,633
100. Other liabilities	163,994	238,807
110. Provision for employee severance pay	5,058	4,826
Shareholders' Equity	610,294	552,254
- capital and reserves	554,027	400,085
160. Reserves	351,943	198,081
170. Share premium reserve	1,934	1,934
180. Share capital	200,150	200,070
- revaluation reserves	8,485	2,262
130. Revaluation reserves of which: Available-for-sale financial assets	11,552	5,329
130. Revaluation reserves for actuarial net gains (losses) for defined benefit plans	(3,067)	(3,067)
- net profit = <i>item 200</i>	47,782	149,907
Total liabilities and Shareholders' equity	17,498,901	16,764,621

(Amounts in € thousand)

Reconciliation of condensed accounts to mandatory reporting schedule

INCOME STATEMENT	1Q	
	2015	2014
Net interest	57,586	58,333
30. Net interest income	57,586	58,333
Net fee and commission income = item 60	61,681	47,718
60. Net fee and commission income	61,681	47,718
Net trading, hedging and fair value income	17,059	7,079
80. Gains (losses) on financial assets and liabilities held for trading	17,059	7,067
90. Fair value adjustments in hedge accounting	-	-
110. Gains (losses) on financial assets and liabilities designated at fair value through profit and loss	-	12
Net other expenses/income	358	(41)
190. Other net operating income	20,571	17,984
less: other operating income - of which: recovery of expenses	(21,012)	(18,807)
less: adjustments of leasehold improvements	799	773
100. Gains (losses) on disposal or repurchase of: a) loans and receivables	-	9
OPERATING INCOME	136,684	113,089
Payroll costs	(18,385)	(15,770)
150. Administrative expenses - a) payroll costs	(18,385)	(15,770)
Other administrative expenses	(60,401)	(52,735)
150. Administrative expenses- b) other administrative expenses	(59,602)	(51,962)
+ adjustments of leasehold improvements	(799)	(773)
Recovery of expenses	21,012	18,807
190. Other operating expenses/income - of which: recovery of expenses	21,012	18,807
Amortization, depreciation and impairment losses on intangible and tangible assets	(2,027)	(1,905)
170. Impairment/write-backs on property, plant and equipment	(811)	(749)
180. Impairment/write-backs on intangible assets	(1,216)	(1,156)
Operating costs	(59,801)	(51,603)
OPERATING PROFIT (LOSS)	76,883	61,486
Net impairment losses on loans and provisions for guaranteed and commitments	(1,583)	(465)
+ Gains (losses) on disposal or repurchase of: a) impaired loans (from item 100 a))	-	-
130. Impairment losses/writebacks on: a) loans and receivables	(1,583)	(465)
130. Impairment losses/writebacks on: d) other financial assets	-	-
less: net value adjustments for the impairment of other financial assets - contribution to the Interbank Fund for the Protection of Deposits	-	-
NET OPERATING PROFIT (LOSS)	75,300	61,021
Provisions for risks and charges	(3,115)	(3,373)
160. Net provisions for risks and charges	(3,115)	(3,373)
+ net value adjustments for the impairment of other financial assets - contribution to the Interbank Fund for the Protection of Deposits	-	-
Net income from investment	-	-
240. Gains (losses) on disposal of investments	-	-
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	72,185	57,648
Income tax for the period	(24,403)	(20,722)
260. Tax expense (income) related to profit or loss from continuing operations	(24,403)	(20,722)
PROFIT (LOSS) AFTER TAX FROM CONTINUING OPERATIONS	47,782	36,926
PROFIT (LOSS) FOR THE PERIOD	47,782	36,926

(Amounts in € thousand)

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

DECLARES

in compliance with the provisions of the second paragraph of Article 154-bis of the "Consolidated Finance Act", that the accounting information contained in this Interim Financial Report as at March 31, 2015 corresponds to results in the Company's accounts, books and records.

Milan, May 11, 2015

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

A handwritten signature in black ink, appearing to read 'Lorena Pellicciari', with a stylized flourish at the end.



Member of  UniCredit