

Starting from the first quarter of 2016, FinecoBank publishes a voluntary “Interim Financial Report – Press Release” for Q1 and Q3 each year, to ensure consistency with the information on previous quarters.

Results at September 30th, 2016 approved

- Net profit: **€162.4 million¹ (+9.1% y/y) which includes DGS contributions of €7.4 mln net**
- Operating income: **€420.7 million (+3.3% y/y)**
- Cost/Income ratio at **40.66%**
- CET1 ratio at **23.14%** (transitional)

- Total financial assets: **€57,562 million (+9.6% y/y)**
- Total financial assets Private: **€20.9 billion (+12.6% y/y)**

FIGURES AS AT OCTOBER 31st, 2016

- Total Net sales: **€3,938 million (-4% y/y, o/w €353 million during the month of October)**
- Guided Products Net sales: **€3,280 million, +20% y/y (o/w €416 million during the month of October)**. Guided Products at **55%** of AuM stock (**+12 p.p. y/y**)
- **1,107,300** total clients, **+7% y/y (o/w 91,300 new clients in 2016)**

Milan, November 8th, 2016

The Board of Directors of FinecoBank S.p.A. has approved the results at September 30th, 2016.

Alessandro Foti, CEO and General Manager of FinecoBank, stated:

“First nine months close with record results and with the best quarter of the year, excluding systemic charges. These figures still confirm a well-balanced and diversified business model, able to produce solid and sustainable results and at the same time to completely satisfy clients’ financial necessities. Also the month of October shows very positive results, confirming the increasing interest of our clients towards guided solutions and the efficiency of our cyborg advisory model, which leveraging on cutting-edge technology, provides the highest support to our professional when managing the relationship with the client”.

¹ The figure includes the annual ex-ante contribution to the Deposit Guarantee Schemes (DGS) equal to €11 million gross (€7.4 million net) and several non-recurring items of income booked in the second quarter 2016: sale of the equity investment in Visa Europe Limited (€15.3 million gross) for a profit after tax of €10.3 million; positive change in current taxes as a result of the closure of a number of tax disputes, equal to €6.5 million.

TOTAL FINANCIAL ASSETS AND NET SALES

Total Financial Assets at September 30, 2016 totalled €57.6 billion, up 4% compared to the end of 2015 due to net sales of €3.6 billion and despite the negative market effect of €-1.3 billion, totally related to asset under custody.

In confirmation of the continued improvement in the quality of sales, we note the growth of “Guided products & services” which continue to increase as a percentage on TFA, rising from 21% as of December 31st, 2015 to 26% as of September 30th, 2016 and as a percentage on Assets under Management, from 45% of TFA at December 31st, 2015 to 54% at September 30th, 2016.

Direct deposits increased to €17 billion, up 8.7% compared to €15.6 billion as of December 31st, 2015, thanks to the steady growth in new customers and in “transactional deposits”.

Assets under management also increased by 4.7% compared to the end of 2015, amounting to €27.5 billion as at 30 September 2016; there was a slight fall in assets under administration, which came to at €13.1 billion (-2.7% compared to the end of 2015).

In particular, TFA related to Private Banking clients, i.e. with assets above €500,000, totalled €20.9 billion, increased by 3.2% since the beginning of the year and by 12.3% y/y. More in detail, the stock of direct deposits rose to €3.4 billion (+6.9% compared to the end of 2015). Asset under management increased by 5.2% compared to the end of 2015 and amounted to €10.9 billion.

As at September 30, 2016, the network was made up of 2,626 personal financial advisors (2,622 at the end of 2015) operating countrywide through 353 Fineco Centers.

In the first nine months of 2016 around 81,900 new customers were acquired, bringing the total number of customers to 1,101,500, up 7% compared to September 2015.

INCOME STATEMENT RESULTS FOR Q3 2016 AND FIRST NINE MONTHS OF 2016

Operating income in the first nine months of 2016 stood at €420.7 million, up compared to €407.4 million in the same period of the previous year (+3.3% y/y). Operating income in Q3 2016 stood at €131.8 million, down compared to €148.8 million in Q2 2016 (-11.4% q/q), mainly due to the extraordinary profit of €15.3 million from the sale of the equity investment in Visa Europe Limited during Q2 and lower market volatility (also connected to seasonality) and consequently lower trading activity by customers. The operating profit was also down 5.7% on the €139.7 million in Q3 2015.

Net interest income for Q3 2016 amounted to €62.5 million (+2.2% q/q and -0.6% y/y). Net interest income for the first nine months of 2016 amounted to €186 million (+4.1% y/y). Despite the macro environment characterized by continuously falling interest rates, this result was possible thanks to the increased volumes and lower cost of term deposits, which more than offset the reduction in interest income linked to the fall in market rates. The average yield for the investment of all deposits (both sight and term) was 1.35% in the first nine months 2016, compared to 1.51% in the same period of 2015 (1.29% in Q3 2016 compared to 1.49% for the same period of 2015).

Net fee and commission income in Q3 2016 was €59.3 million, in line with the previous quarter (-0.6% q/q) and down by 4.4% y/y compared to the third quarter of 2015. Net fee and commission income for the first nine months of 2016 amounted to €177 million, a decrease compared to the same period of the previous year (-6.3% y/y), attributable mainly to:

- lower market volatility compared to 2015, which sustained the brokerage business;
- a reduction in fees for collection and payment services, mainly relating to credit and debit card transactions, due to the entry into force of EU Regulation 2015/751, which set a maximum ceiling on interbank commissions for transactions via debit and credit cards, effective from December 9, 2015.

Fees relative to asset management products and advisory services increased in Q3 2016 by 5% q/q (5.7% y/y), thanks in particular to the continual increase in “Guided products & services” as a proportion of AuM, which amounted to 54% compared to 51% in the previous quarter and 43% in the same period of last year. In the first nine months of the year the figure was unchanged compared to the same period of 2015.

Net trading, hedging and fair value income amounted to €10.8 million in Q3 2016 (-9.7% q/q net of the €15.3 million profit from the sale of the investment in Visa in Q2 and -18.3% y/y). The item includes the income generated by the internalisation of securities and CFDs, financial instruments used to hedge CFDs, changes of value of assets and liabilities in foreign currencies. Net trading, hedging and fair value income for the first nine months of 2016 amounted to €57.7 million (+39.8% y/y thanks to the income from the sale of the equity investment in Visa Europe Limited in Q2 (+2.6% y/y net of the non-recurring item)).

Operating costs in the first nine months 2016 were €171.1 million, down compared to €173.6 million in the same period of last year (-1.4% y/y). The cost/income ratio amounted to 40.66% for the first nine months 2016 and to 42% net of non-recurring items lower compared to 43% of the first nine months 2015.

Payroll costs in Q3 2016 amounted to €19.3 million (+1.8% q/q, +1.9% y/y). In the first nine months of 2016, payroll costs amounted to €57 million (+1.6% y/y).

Other administrative expenses net of **Recovery of expenses**, came to €31.4 million in Q3 2016 (-12.9% q/q, -4.5% y/y), down on the previous quarter due to lower expenses for financial advisors and lower advertising, marketing and communications expenses. Other administrative expenses net of Recovery of expenses came to €106.8 million in the first nine months of 2016 (-3.8% y/y) confirming the continuous increase in efficiency of the bank.

Operating profit was €78.4 million in Q3 2016 (-14.1% q/q, -8.4% y/y) and €249.7 million in the first nine months of 2016 (+6.8% y/y).

Net write-downs of loans and provisions for guarantees and commitments in Q3 2016 stood at €0.72 million (-47.1% q/q, -49.9% y/y) and are equal to 3.5 million in the first nine months of 2016 (-14.7% y/y). The cost of risk² at September 30, 2016 was 50 bp (70 bp at September 30, 2015).

Provisions for risks and charges in Q3 2016 were €11.3 million bringing the first nine months 2016 to €13.9 million, up compared to €1.1 million in Q2 2016 and €5.2 million in the first nine months 2015 due to the contribution to the Deposit Guarantee Schemes (DGS) of €11 million.

Net profit (loss) before tax from continuing operations was €66.4 million in Q3 2016 (-25.3% q/q, -19.9% y/y) and stood at €232.3 million in the first nine months of 2016 (+3.5% y/y).

² The cost of risk is the ratio of net write-downs of loans and provisions for guarantees and commitments to loans to customers (average at period end and balance at previous period end). For the purpose of purposes of like-for-like comparison, the indicators for the previous periods have also been recalculated for comparative purposes.

Profit (loss) for the period was €44.6 million in Q3 2016 (-33% q/q, -19.1% y/y). Profit (loss) for the period related to the ordinary business activity amounted to €52.0 million, the best quarter of the year (excluding DGS and non-recurring items of Q2). Profit (loss) for the period was €162.4 million in the first nine months of 2016 (+9.1% y/y and +2.8% y/y excluding DGS and non-recurring items of Q2).

SHAREHOLDERS' EQUITY AND CAPITAL RATIOS

Shareholders' equity stood at €656 million, up €23 million compared to December 31, 2015.

The Bank retained its capital strength with a transitional CET1 ratio that rose to 23.14% (21.39% at the end of 2015). The total transitional capital ratio was 23.15% (21.55% at the end of 2015).

The leverage ratio was 8.23% (10.52% at the end of 2015) and was calculated in accordance with EU Delegated Regulation 2015/62 of October 10, 2014. As required by Circular No. 285 of the Bank of Italy, Part Two, Chapter 12, Section III Exercise of national discretion, exposures to the UniCredit Group companies based in Italy and weighted at 0% pursuant to Article 113, par. 6 of the CRR have not been included in the calculation of total exposure, in accordance with Article 429 (7) of the CRR amended by the Delegated Regulation (EU) 2015/62.

SIGNIFICANT EVENTS IN Q3 2016 AND SUBSEQUENT EVENTS

No significant events were recorded during Q3 2016 or after period end.

CONDENSED BALANCE SHEET

| ASSETS | Amounts as at | | Changes | |
|--------------------------------------|-------------------|-------------------|------------------|-------------|
| | 31-Dec-15 | 30-Sep-16 | absolute | % |
| Cash and cash balances | 6 | 8 | 2 | 33.3% |
| Financial assets held for trading | 3,983 | 5,547 | 1,564 | 39.3% |
| Loans and receivables with banks | 14,648,904 | 14,441,864 | (207,040) | -1.4% |
| Loans and receivables with customers | 922,774 | 971,888 | 49,114 | 5.3% |
| Financial investments flow | 2,245,982 | 3,586,682 | 1,340,700 | 59.7% |
| Hedging instruments | 10,573 | 7,559 | (3,014) | -28.5% |
| Property, plant and equipment | 12,419 | 14,366 | 1,947 | 15.7% |
| Goodwill | 89,602 | 89,602 | - | - |
| Other intangible assets | 8,212 | 7,557 | (655) | -8.0% |
| Tax assets | 15,424 | 5,578 | (9,846) | -63.8% |
| Other assets | 370,070 | 321,867 | (48,203) | -13.0% |
| Total assets | 18,327,949 | 19,452,518 | 1,124,569 | 6.1% |

(Amounts in € thousand)

| LIABILITIES AND SHAREHOLDERS' EQUITY | Amounts as at | | Changes | |
|---|-------------------|-------------------|------------------|-------------|
| | 31-Dec-15 | 30-Sep-16 | absolute | % |
| Deposits from banks | 1,423,459 | 1,139,241 | (284,218) | -20.0% |
| Deposits from customers | 15,822,459 | 17,249,625 | 1,427,166 | 9.0% |
| Financial liabilities held for trading | 4,100 | 4,822 | 722 | 17.6% |
| Hedging instruments | 31,319 | 15,304 | (16,015) | -51.1% |
| Provisions for risks and charges | 120,534 | 117,360 | (3,174) | -2.6% |
| Tax liabilities | 37,445 | 47,409 | 9,964 | 26.6% |
| Other liabilities | 255,835 | 222,813 | (33,022) | -12.9% |
| Shareholders' Equity | 632,798 | 655,944 | 23,146 | 3.7% |
| - capital and reserves | 430,119 | 474,255 | 44,136 | 10.3% |
| - revaluation reserves (available-for-sale financial assets - actuarial gains (losses) for defined benefits plans) | 11,626 | 19,316 | 7,690 | 66.1% |
| - net profit (loss) | 191,053 | 162,373 | (28,680) | -15.0% |
| Total liabilities and Shareholders' equity | 18,327,949 | 19,452,518 | 1,124,569 | 6.1% |

(Amounts in € thousand)

CONDENSED BALANCE SHEET – QUARTERLY FIGURES

| ASSETS | 30-Sep-15 | 31-Dec-15 | 31-Mar-16 | 30-Jun-16 | 30-Sep-16 |
|--------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Cash and cash balances | 7 | 6 | 7 | 11 | 8 |
| Financial assets held for trading | 8,613 | 3,983 | 6,996 | 6,879 | 5,547 |
| Loans and receivables with banks | 13,966,287 | 14,648,904 | 15,404,458 | 15,299,291 | 14,441,864 |
| Loans and receivables with customers | 884,508 | 922,774 | 827,395 | 880,232 | 971,888 |
| Financial investments flow | 2,232,479 | 2,245,982 | 2,622,251 | 2,926,175 | 3,586,682 |
| Hedging instruments | 6,541 | 10,573 | 6,682 | 9,018 | 7,559 |
| Property, plant and equipment | 11,043 | 12,419 | 13,471 | 13,896 | 14,366 |
| Goodwill | 89,602 | 89,602 | 89,602 | 89,602 | 89,602 |
| Other intangible assets | 7,862 | 8,212 | 7,691 | 7,608 | 7,557 |
| Tax assets | 11,569 | 15,424 | 11,775 | 5,880 | 5,578 |
| Other assets | 232,297 | 370,070 | 274,182 | 322,264 | 321,867 |
| Total assets | 17,450,808 | 18,327,949 | 19,264,510 | 19,560,856 | 19,452,518 |

(Amounts in € thousand)

| LIABILITIES AND SHAREHOLDERS' EQUITY | 30-Sep-15 | 31-Dec-15 | 31-Mar-16 | 30-Jun-16 | 30-Sep-16 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| Deposits from banks | 1,396,068 | 1,423,459 | 1,503,755 | 1,361,666 | 1,139,241 |
| Deposits from customers | 15,043,178 | 15,822,459 | 16,693,126 | 17,133,049 | 17,249,625 |
| Financial liabilities held for trading | 6,254 | 4,100 | 4,218 | 6,300 | 4,822 |
| Hedging instruments | 26,810 | 31,319 | 20,441 | 17,657 | 15,304 |
| Provisions for risks and charges | 104,800 | 120,534 | 120,515 | 119,258 | 117,360 |
| Tax liabilities | 57,803 | 37,445 | 62,222 | 23,046 | 47,409 |
| Other liabilities | 233,407 | 255,835 | 167,984 | 296,926 | 222,813 |
| Shareholders' Equity | 582,488 | 632,798 | 692,249 | 602,954 | 655,944 |
| - capital and reserves | 427,673 | 430,119 | 624,119 | 471,789 | 474,255 |
| - revaluation reserves (available-for-sale financial assets - actuarial gains (losses) for defined benefits plans) | 5,983 | 11,626 | 16,908 | 13,383 | 19,316 |
| - net profit (loss) | 148,832 | 191,053 | 51,222 | 117,782 | 162,373 |
| Total liabilities and Shareholders' equity | 17,450,808 | 18,327,949 | 19,264,510 | 19,560,856 | 19,452,518 |

(Amounts in € thousand)

CONDENSED INCOME STATEMENT

| | First 9 months | | Changes | |
|--|------------------|------------------|---------------|--------------|
| | 2015 | 2016 | absolute | % |
| Net interest | 178,620 | 185,976 | 7,356 | 4.1% |
| Net fee and commission income | 189,019 | 177,095 | (11,924) | -6.3% |
| Net trading, hedging and fair value income | 41,280 | 57,711 | 16,431 | 39.8% |
| Net other expenses/income | (1,488) | (35) | 1,453 | -97.6% |
| OPERATING INCOME | 407,431 | 420,747 | 13,316 | 3.3% |
| Payroll costs | (56,166) | (57,065) | (899) | 1.6% |
| Other administrative expenses | (173,632) | (170,865) | 2,767 | -1.6% |
| Recovery of expenses | 62,619 | 64,084 | 1,465 | 2.3% |
| Value adjustments to property, plant and equipment and intangible | (6,401) | (7,219) | (818) | 12.8% |
| Operating costs | (173,580) | (171,065) | 2,515 | -1.4% |
| OPERATING PROFIT (LOSS) | 233,851 | 249,682 | 15,831 | 6.8% |
| Net impairment losses on loans and provisions for guarantees and commitments | (4,130) | (3,521) | 609 | -14.7% |
| NET OPERATING PROFIT (LOSS) | 229,721 | 246,161 | 16,440 | 7.2% |
| Provisions for risks and charges | (5,240) | (13,895) | (8,655) | 165.2% |
| Integration costs | - | (10) | (10) | n.c. |
| PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS | 224,481 | 232,256 | 7,775 | 3.5% |
| Income tax for the period | (75,649) | (69,883) | 5,766 | -7.6% |
| PROFIT (LOSS) AFTER TAX FROM CONTINUING OPERATION | 148,832 | 162,373 | 13,541 | 9.1% |
| NET PROFIT (LOSS) FOR THE PERIOD | 148,832 | 162,373 | 13,541 | 9.1% |

(Amounts in € thousand)

As of January 1, 2016, net fee and commission income includes the income component connected to the service provided/received for the provision of securities relative to securities lending transactions collateralised by cash, previously recorded in interest expense/income. For the purposes of like-for-like comparison, the corresponding figures relating to the previous year have been restated, equal to €4.4 million (of which €1.1 million in Q1 2015, €1.2 million in Q2 2015, €1 million in Q3 2015 and €1.1 million in Q4 2015).

CONDENSED INCOME STATEMENT – QUARTERLY DATA

| | 2015 | 2016 | | % Change | |
|--|-----------------|-----------------|-----------------|---------------|---------------|
| | 3rd Quarter | 2nd Quarter | 3rd Quarter | Y/Y % | Q/Q % |
| Net interest | 62,876 | 61,200 | 62,527 | -0.6% | 2.2% |
| Net fee and commission income | 62,030 | 59,660 | 59,274 | -4.4% | -0.6% |
| Net trading, hedging and fair value income | 13,207 | 27,281 | 10,785 | -18.3% | -60.5% |
| Net other expenses/income | 1,601 | 669 | (793) | -149.5% | -218.5% |
| OPERATING INCOME | 139,714 | 148,810 | 131,793 | -5.7% | -11.4% |
| Payroll costs | (18,984) | (19,003) | (19,349) | 1.9% | 1.8% |
| Other administrative expenses | (53,097) | (57,169) | (53,141) | 0.1% | -7.0% |
| Recovery of expenses | 20,231 | 21,107 | 21,747 | 7.5% | 3.0% |
| Value adjustments to property, plant and equipment and intangible assets | (2,211) | (2,436) | (2,610) | 18.0% | 7.1% |
| Operating costs | (54,061) | (57,501) | (53,353) | -1.3% | -7.2% |
| OPERATING PROFIT (LOSS) | 85,653 | 91,309 | 78,440 | -8.4% | -14.1% |
| Net impairment losses on loans and provisions for guarantees and commitments | (1,436) | (1,361) | (720) | -49.9% | -47.1% |
| NET OPERATING PROFIT (LOSS) | 84,217 | 89,948 | 77,720 | -7.7% | -13.6% |
| Provisions for risks and charges | (1,311) | (1,114) | (11,342) | 765.1% | 918.1% |
| Integration costs | - | (4) | (3) | n.c. | -25.0% |
| PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS | 82,906 | 88,830 | 66,375 | -19.9% | -25.3% |
| Income tax for the period | (27,778) | (22,270) | (21,784) | -21.6% | -2.2% |
| PROFIT (LOSS) AFTER TAX FROM CONTINUING OPERATIONS | 55,128 | 66,560 | 44,591 | -19.1% | -33.0% |
| NET PROFIT (LOSS) FOR THE PERIOD | 55,128 | 66,560 | 44,591 | -19.1% | -33.0% |

(Amounts in € thousand)

CONDENSED INCOME STATEMENT – QUARTERLY DATA 2016

| | 2016 | | |
|--|-----------------|-----------------|-----------------|
| | 1st Quarter | 2nd Quarter | 3rd Quarter |
| Net interest | 62,249 | 61,200 | 62,527 |
| Net fee and commission income | 58,161 | 59,660 | 59,274 |
| Net trading, hedging and fair value income | 19,645 | 27,281 | 10,785 |
| Net other expenses/income | 89 | 669 | (793) |
| OPERATING INCOME | 140,144 | 148,810 | 131,793 |
| Payroll costs | (18,713) | (19,003) | (19,349) |
| Other administrative expenses | (60,555) | (57,169) | (53,141) |
| Recovery of expenses | 21,230 | 21,107 | 21,747 |
| Value adjustments to property, plant and equipment and intangible assets | (2,173) | (2,436) | (2,610) |
| Operating costs | (60,211) | (57,501) | (53,353) |
| OPERATING PROFIT (LOSS) | 79,933 | 91,309 | 78,440 |
| Net impairment losses on loans and provisions for guarantees and commitments | (1,440) | (1,361) | (720) |
| NET OPERATING PROFIT (LOSS) | 78,493 | 89,948 | 77,720 |
| Provisions for risks and charges | (1,439) | (1,114) | (11,342) |
| Integration costs | (3) | (4) | (3) |
| PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS | 77,051 | 88,830 | 66,375 |
| Income tax for the period | (25,829) | (22,270) | (21,784) |
| PROFIT (LOSS) AFTER TAX FROM CONTINUING OPERATIONS | 51,222 | 66,560 | 44,591 |
| NET PROFIT (LOSS) FOR THE PERIOD | 51,222 | 66,560 | 44,591 |

(Amounts in € thousand)

CONDENSED INCOME STATEMENT – QUARTERLY DATA 2015

| | 2015 | | | |
|--|-----------------|-----------------|-----------------|-----------------|
| | 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter |
| Net interest | 56,490 | 59,254 | 62,876 | 62,142 |
| Net fee and commission income | 62,777 | 64,212 | 62,030 | 63,591 |
| Net trading, hedging and fair value income | 17,059 | 11,014 | 13,207 | 12,587 |
| Net other expenses/income | 358 | (3,447) | 1,601 | (1,486) |
| OPERATING INCOME | 136,684 | 131,033 | 139,714 | 136,834 |
| Payroll costs | (18,385) | (18,797) | (18,984) | (18,883) |
| Other administrative expenses | (60,401) | (60,134) | (53,097) | (59,238) |
| Recovery of expenses | 21,012 | 21,376 | 20,231 | 21,728 |
| Value adjustments to property, plant and equipment and intangible assets | (2,027) | (2,163) | (2,211) | (2,550) |
| Operating costs | (59,801) | (59,718) | (54,061) | (58,943) |
| OPERATING PROFIT (LOSS) | 76,883 | 71,315 | 85,653 | 77,891 |
| Net impairment losses on loans and provisions for guarantees and commitments | (1,583) | (1,111) | (1,436) | (2,576) |
| NET OPERATING PROFIT (LOSS) | 75,300 | 70,204 | 84,217 | 75,315 |
| Provisions for risks and charges | (3,115) | (814) | (1,311) | (10,474) |
| Integration costs | - | - | - | (1,246) |
| Net income from investments | - | - | - | (1) |
| PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS | 72,185 | 69,390 | 82,906 | 63,594 |
| Income tax for the period | (24,403) | (23,468) | (27,778) | (21,373) |
| PROFIT (LOSS) AFTER TAX FROM CONTINUING OPERATIONS | 47,782 | 45,922 | 55,128 | 42,221 |
| NET PROFIT (LOSS) FOR THE PERIOD | 47,782 | 45,922 | 55,128 | 42,221 |

(Amounts in € thousand)

As of January 1, 2016, net fee and commission income includes the income component connected to the service provided/received for the provision of securities relative to securities lending transactions collateralised by cash, previously recorded in interest expense/income. For the purposes of like-for-like comparison, the corresponding figures relating to the previous year have been restated, equal to €4.4 million (of which €1.1 million in Q1 2015, €1.2 million in Q2 2015, €1 million in Q3 2015 and €1.1 million in Q4 2015).

SOVEREIGN EXPOSURES

The table below shows the carrying value of sovereign exposures in debt securities as at September 30, 2016, classified in the portfolio “Available-for-sale financial assets”; it represents 18.39% of the Bank’s total assets.

The Bank also holds sovereign exposures in debt securities classified in the portfolio “Financial assets held for trading”, totalling €9 thousand.

| | <i>Book value as at 30-Sep-16</i> | <i>% of financial statement item</i> |
|--|---------------------------------------|--|
| Italy | 2,283,700 | |
| Available-for-sale financial assets | 2,283,700 | 63.67% |
| France | 10,306 | |
| Available-for-sale financial assets | 10,306 | 0.29% |
| Spain | 1,210,738 | |
| Available-for-sale financial assets | 1,210,738 | 33.76% |
| United States | 71,678 | |
| Available-for-sale financial assets | 71,678 | 2.00% |
| Total sovereign exposures – AFS | 3,576,422 | 18.39% |

(Amounts in € thousand)

OPERATING STRUCTURE

| | <i>Data as at</i> | | |
|---|-------------------|------------------|------------------|
| | <i>30-Sep-15</i> | <i>31-Dec-15</i> | <i>30-Sep-16</i> |
| No. of Employees | 1,051 | 1,059 | 1,066 |
| No. of Human Resources ⁽¹⁾ | 1,057 | 1,067 | 1,075 |
| No. of PFAs | 2,610 | 2,622 | 2,626 |
| No. of operating financial outlets ⁽²⁾ | 338 | 343 | 353 |

- (1) Number of human resources: includes permanent employees, atypical employees, Directors and Group employees seconded to FinecoBank, net of FinecoBank employees seconded to the Group.
- (2) Number of financial outlets: financial outlets managed by the Bank and financial outlets managed by personal financial advisors (Fineco Center).

BASIS OF PREPARATION

This Interim Financial Report as at September 30, 2016 - Press Release has been prepared on a voluntary basis to ensure consistency with previous quarterly reports³, as under Legislative Decree 25/2016 implementing Directive (EU) 2013/50, it is no longer obligatory to provide financial reporting more frequently than the half-year and annual reports. This Interim Financial Report as at September 30, 2016 – Press Release, as well as the press releases on significant events during the period, the market presentation on third quarter 2016 results and the Database are also available on FinecoBank’s website.

The line items of the condensed balance sheet and income statement were prepared based on the tables set out in the instructions in Bank of Italy Circular 262/2005, reclassified in accordance with the information provided under the paragraph “Reconciliation of condensed accounts to mandatory reporting schedule” of the Financial Statements as at June 30, 2016.

³ In this regard, it is noted that this decision does not mean the Bank will be required to continue publishing the same documents in future.

In order to provide further information about Group's performance, a number of alternative performance measures (APM) has been used (such as Cost/income ratio, Adjusted Cost/income ratio, Cost of Risk, Guided products and services / AUM, Guided Products / TFA), whose description is included under the chapter "Glossary Alternative Performance Measures" of this Interim Financial Report as at September 30, 2016 (in accordance with European Securities and Markets Authority Guidelines (ESMA/2015/1415) of October 5, 2015).

The information contained in this Interim Financial Report as at September 30, 2016 – Press Release is not prepared in accordance with the international accounting standard applicable to interim financial reports (IAS 34).

The Interim Financial Report as at September 30, 2016 – Press Release, which is presented in reclassified or condensed form, was prepared on the basis of current international accounting standards (IAS/IFRS), as set out in the "accounting policies" in the Notes to the Accounts – Part A – Accounting Policies of the Financial Statements as at June 30, 2016, except for the aspects noted below.

For the purposes of the Interim Financial Report as at September 30, 2016 – Press Release, FinecoBank has not re-measured the recoverable value of intangible and tangible assets, including goodwill and assets whose value depends on these estimates.

In those cases in which the accounts did not fully reflect the reporting of items on an accruals basis, such as certain administrative expenses, the accounting figure was supplemented by estimates based on the budget.

With reference to 2016 DGS, the impact was accounted in the item "Provision for Risks and Charges" and was the best estimate according with available information as at September 30, 2016. With reference to the cost related to Single Resolution Fund, the 2016 amount communicated by Single Resolution Board is equal to zero.

This Interim Financial Report as at September 30, 2016 – Press Release is not audited by the External Auditors.

GLOSSARY ALTERNATIVE PERFORMANCE MEASURES (APM)

Cost/Income Ratio: Operating Costs divided by Operating Income

Adjusted Cost/Income Ratio: Operating Costs divided by Operating Income, net of non- recurring items related to the sale of the equity investment in Visa Europe Limited (€15.3 million gross)

Cost of Risk: is the ratio of net write-downs of loans and provisions for guarantees and commitments to loans to customers (average at period end and balance at previous period end). For the purpose of purposes of like-for-like comparison, the indicators for the previous periods have also been recalculated for comparative purposes.

Guided Products & Services / AUM: is the ratio between Guided Products and services and Asset under Management

Guided Products & Services / TFA: is the ratio between Guided Products and services and Total Financial Asset (Asset Under Management + Asset Under Custody + Deposits)

CERTIFICATIONS AND OTHER COMMUNICATIONS

Related-Party Transactions

With reference to paragraph 8 of Art. 5 - “Public information on transactions with related parties” of Consob Regulation containing provisions relating to transactions with related parties (adopted by Consob with Resolution No. 17221 of March 12, 2010, as subsequently amended by Resolution No. 17389 of June 23, 2010), it should be noted that the following transactions were approved in the first nine months of 2016:

1. on February 8, 2016, the Board of Directors, upon the favourable opinion of the Audit and Related Parties Committee approved an ordinary Significant Transaction at market conditions, consisting of the renewal of the *"Framework Resolution related to the entering into of hedging derivative contracts with the Parent Company or companies in the UniCredit Group"* (which expired on April 20, 2016) to be valid until February 8, 2017, which enables the Bank to enter into hedging derivatives with the Parent Company or UniCredit Bank AG for commercial assets or liabilities that, for ALM purposes, require interest rate hedging for a maximum amount of €500 million with the Parent Company and €2,500 million with UniCredit Bank AG; 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. the Board of Directors' meeting of May 9, 2016, with the favourable opinion of the Audit and Related Parties Committee, approved an ordinary Significant Transaction at market conditions with UniCredit S.p.A., consisting of the renewal of the *"Framework Agreement - Reverse Repos and Term Deposits with the Parent Company"*, (expiring May 11, 2017) to be valid until May 9, 2016, concerning (i) Reverse Repos with the Parent Company for an amount of €7.2 billion, calculated as the sum of the individual transactions in absolute value (whether repos or reverse repos) and (ii) Term deposits with the Parent Company for an amount of €8.7 billion, calculated as the sum of the individual transactions in absolute value.
3. the Board of Directors' meeting of July 6, 2016, with the favourable opinion of the Audit and Related Parties Committee approved:
 - an ordinary Significant Transaction at market conditions with related parties UniCredit Bank AG and Mediobanca S.p.A., consisting of the renewal of the *"Framework Resolution - Securities Trading with Related-Party Institutional Counterparties"* (expiring June 18, 2016), regarding the trading of financial instruments with related-party institutional counterparties, by virtue of which FinecoBank may implement said transactions until July 5, 2017, whose maximum amount is allowed to be: (i) €1 billion with UniCredit Bank AG and (ii) €500 million with Mediobanca S.p.A.;
 - an ordinary Significant Transaction at market conditions with the related party UniCredit S.p.A., consisting of the renewal of the *"Framework Agreement for the transactions on current accounts held with UniCredit"* (expiring July 30, 2016) valid until July 6, 2017, which will enable the Bank to manage its liquidity in euro and in foreign currencies through specific current accounts already held with UniCredit S.p.A. within an amount of less than €1,000 million understood as a single transaction (single payment and single withdrawal);
4. the Board of Directors' meeting of September 20, 2016, by way of the favourable opinion of the Audit and Related Parties Committee, approved an ordinary Significant Transaction at market conditions with the related parties UniCredit Bank AG and Mediobanca S.p.A., consisting of the renewal of the *"Framework resolution for Stock Lending with institutional customers"*, (expiring September 21, 2016) effective up to September 19, 2017, regarding stock lending transactions with institutional counterparties, by virtue of which the Bank may carry out those transactions, up to a maximum amount of: (i) €500 million with UniCredit Bank AG and (ii) €200 million with Mediobanca S.p.A.;

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



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As at September 30, 2016, no other transactions were undertaken with related parties that could significantly affect the Bank's asset situation and results.

Intercompany transactions and transactions with related parties in general, both Italian and foreign, were conducted within the ordinary course of business and related financial activities of the Bank, and were carried out under conditions similar to those applied to transactions with unrelated third parties.

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

The undersigned Lorena Pellicciari, as Nominated Official in charge of drawing up the 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 September 30, 2016 corresponds to results in the Company's accounts, books and records.

Milan, November 8th, 2016

drawing up

The Nominated Official in charge of

the Company's Accounts
Lorena Pellicciari

FIGURES AT OCTOBER 31, 2016

In October net sales were €353 million bringing the year-to-date figure to €3,938 million (-4% compared to the same period of last year).

The strong growth of "Guided products & services" continues: net sales year-to-date amounted at €3,281 million, +20% y/y (of which €416 million in October, +155% y/y. The penetration rate increased at 55% on total AuM compared to 43% in October 2015 and 45% in December 2015.

In October, Assets under Management totalled €325 million, Assets under Custody were €-221 million and direct deposits €250 million.

Since the beginning of the year net sales through the network of personal financial advisors totalled € 3,442 million, -8% compared to last year.

In terms of customers' acquisition, since the beginning of the year almost 91,300 new clients have been acquired (of which more than 9,000 in October), down 1% compared to 2015. Total number of customers was almost 1,107,300 as of October 31st 2016, up 7% compared to October 2015.

Total Financial Assets were at € 58,108 million (respectively +5% and +7% compared to December and October 2015).

Tables showing the figures for October 2016 are provided below.

figures in € million

| TOTAL NET SALES | October 2016 | Jan-October 2016 | Jan-October 2015 |
|-------------------------|-------------------------|-----------------------------|-----------------------------|
| Assets under management | 324.79 | 1,424.04 | 2,109.21 |
| Assets under custody | -221.45 | 876.24 | 549.80 |
| Direct deposits | 250.05 | 1,637.74 | 1,429.42 |
| TOTAL NET SALES | 353.39 | 3,938.02 | 4,088.43 |

figures in € million

| PFA NETWORK NET SALES | October 2016 | Jan-October 2016 | Jan-October 2015 |
|------------------------------------|-------------------------|-----------------------------|-----------------------------|
| Assets under management | 324.27 | 1,436.82 | 2,072.76 |
| Assets under custody | -166.07 | 689.50 | 372.23 |
| Direct deposits | 158.95 | 1,315.66 | 1,277.66 |
| TOTAL NET SALES PFA NETWORK | 317.15 | 3,441.98 | 3,722.65 |

figures in € million

| TOTAL FINANCIAL ASSETS | October 2016 | December 2015 | October 2015 |
|-------------------------------|-------------------------|--------------------------|-------------------------|
| Assets under management | 27,796.32 | 26,277.42 | 25,951.77 |
| Assets under custody | 13,072.04 | 13,418.60 | 13,359.36 |
| Direct deposits | 17,239.30 | 15,630.64 | 15,200.40 |
| TOTAL FINANCIAL ASSETS | 58,107.66 | 55,326.67 | 54,511.53 |

figures in € million

| PFA NETWORK TFA | October 2016 | December 2015 | October 2015 |
|-------------------------|-------------------------|--------------------------|-------------------------|
| Assets under management | 27,302.27 | 25,747.69 | 25,422.90 |
| Assets under custody | 9,742.31 | 9,866.17 | 9,787.95 |
| Direct deposits | 12,659.15 | 11,337.51 | 10,976.51 |
| PFA NETWORK TFA | 49,703.73 | 46,951.37 | 46,187.37 |

FinecoBank

FinecoBank is the direct, multi-channel bank of the UniCredit Group, with one of the largest advisory networks in Italy. It is the leading bank in Italy for equity trades in terms of volume of orders and number one online broker in Europe for number of orders executed. FinecoBank offers an integrated business model combining direct banking and financial advice, with a single free-of-charge account including a full range of banking, credit, trading and investment services, which are also available through applications for smartphone and tablet. With its fully integrated platform, FinecoBank is the benchmark for modern investors.



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Contact info:

Fineco - Media Relations

Tel.: +39 02 2887 2256

ufficiostampa@finecobank.com

Fineco - Investor Relations

Tel. +39 02 8862 3820

investors@finecobank.com

Barabino & Partners

Tel. +39 02 72023535

Emma Ascani

e.ascani@barabino.it

+39 335 390 334

Tommaso Filippi

t.filippi@barabino.it

+39 366 644 4093